

Half-Yearly Financial Report 2020



EVERYONE'S GATEWAY TO EXTENDED REALITIES

NeXR Technologies SE
HALF-YEARLY FINANCIAL REPORT 2020

AT A GLANCE IN NUMBERS

In EUR thousands	1st half of 2020	1st half of 2019	Delta %
Total operating performance	188	530	-65%
EBITDA	-4,455	-4,662	+4%
Earnings after tax	-6,694	-6,475	-3%
Earnings per share (in EUR)	-2.87	-2.89	-3%
Employees	50	82	-24%

COMPANY PROFILE

NeXR is focussed on developing next-generation technologies and apps in which **Augmented Reality (AR)**, **Mixed Reality (MR)** and **Virtual Reality (VR)** are combined to realise the next form of Extended Reality (XR).

NeXR Technologies SE, based in Berlin (XETRA: 99SC), is a virtual reality (VR) first-mover with unique hardware and software expertise. The business units of *3D Instagraph*, *OnPoint Studios* and *VRiday* work on future-oriented services and products and are linked within a unique value chain. *3D Instagraph* develops and sells its own scanner systems, which can be used to create photo-realistic 3D avatars in a matter of seconds. *OnPoint Studio* provides all services having to do with motion capture and animation in one of

the largest MoCap studios in Germany and can animate the avatars directly and individually from a 3D scanner. The logical final addition to the value chain is offered by the brand and VR agency *VRiday*, which integrates the avatars into VR experiences and, as an agency, offers consultation, implementation and publishing of VR experiences for companies.

NeXR Technologies SE is listed on the General Standard of the Frankfurt Stock Exchange.

BUSINESS UNITS

The business units of **3D Instagram**, **OnPoint Studios** and **VRIDAY** work on future-oriented services and products and are linked within a unique value chain.

NEXR Technologies combines the expertise of its three business units in order to provide unique digital products and services to the B2B sector.

3D Instagram

develops and distributes variously constructed 3D scanner systems; photorealistic 3D avatars can be created in seconds.



3D Instagram
Scannersysteme

OnPoint Studios

provides all services having to do with motion capture and animation in one of the largest MoCap studios in Germany and can animate the avatars directly and individually from a 3D scanner.



OnPoint Studios
Motion Capture Studio

VRiday

integrates the avatars in VR experiences and, as an agency, offers consultation, implementation and publication of VR experiences for companies.



VRiday
Virtual Reality Agentur

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FOREWORD BY THE MANAGING DIRECTOR

Handwritten text in blue ink: "Liebe Aktionärinnen,
Liebe Aktionäre,"

The first half of 2020 was mainly characterised by the effects of the coronavirus pandemic. The massive restrictions affecting public life and extensive limitations on contact had a noticeable impact on sales activities. Trade fairs and direct customer contacts are essential for a company like NeXR Technologies, whose sales success depends on emotions and the experiential value of its products. Consequently, the coronavirus pandemic set back our business development by several months. Nevertheless, there are a number of positive aspects that are allowing us to look forward to the future with optimism despite these challenging circumstances.

We presented our brand new INSTAGRAPH Fusion III body scanner at the International Consumer Electronics Show (CES) in Las Vegas in January of 2020. We are seeing numerous possible applications for increasing digitalisation, for example in the fashion, gaming or fitness industries. As mentioned above, the lockdown that followed shortly afterwards set us back in terms of sales. You cannot explain a body scanner via video chat: you have to show and demonstrate it – things that are not possible when people are working from home. Nevertheless, the positive feedback we have received for our new 3D INSTAGRAPH Fusion III Scanner is making us look forward to the period of normalisation that will follow the coronavirus. Partner discussions in the target segment of Fashion and Fitness have intensified significantly after the end of the lockdown in Germany, and the further development of hardware and software is also undergoing extensive progress.

Moreover, we as a company have fully succeeded in adapting to the new working conditions in terms of the health of our employees. They were able to continue working from home at short notice without any issues – including due to our corporate character as a solution provider for virtualisation. Where necessary, we have of course also contributed to expanding the private workplace. Our employees stood by us and we stood by our employees. I would like to thank the team for that.

In keeping with our team's innovative spirit, we have made a virtue out of the COVID 19 pandemic emergency. Within just five months, our latest product, "NeXR Seminar",

was created from the idea to the prototype and, by the end of September, to the product. Working from home is one thing, but conducting meetings and seminars is challenging. NeXR Seminar offers a unique experience for seminar participants within Virtual Reality (VR). With NeXR Seminar, we have a powerful product in our portfolio that will reshape the future of learning, meetings, seminars or conferences. We call it "Immersive Learning" and with this we are entering the sector of Ed-Tech companies. With NeXR Seminar, we are thus becoming part of the solution for the digital learning and working world of tomorrow. In addition to offering companies the perfect symbiosis of the advantages stemming from face-to-face seminars and webinars, our NeXR Seminar also contributes to the issue of sustainability by supporting companies in their efforts to reduce their carbon footprint through saving on travel and working time. However, NeXR Seminar does not just broaden our range of products and services: it is the next evolutionary step in our company's development and, for the first time and within our unique value chain, combines the business sectors of 3D scanner systems, motion capture, and VR-experiences into a trend-setting product that represents a complete, user-friendly service.

Despite the fact that the volume was not fully placed, we also consider the capital increase undertaken in August to be a success, because, in addition to the subscription of 1,000,000 shares by our main shareholder Hevella Capital GmbH & Co. KGaA, approximately a further 790,000 shares were subscribed to by free float shareholders, generating gross issuing proceeds for us of around EUR 3.8 million. We will be using these funds for further product development in the areas of virtual reality and 3D scanner systems and for their market launch. We can also draw on existing, currently unused financing commitments in the amount of approximately EUR 7 million, meaning we should be financially secure for the coming fiscal year.

The existing uncertainties due to the coronavirus pandemic and the restrictions that still apply make it difficult to reliably forecast the second half of 2020. The cancellation of trade fairs and the ongoing reduction in the number of direct customer appointments is continuing to adversely affect sales activities. We do not expect target customers to recover their willingness to invest until the fourth quarter of 2020 at the earliest. We thus expect sales revenues of around EUR 0.3 million and a net loss of around EUR -13.5 million in the 2020 fiscal year.

I would like to thank you, dear shareholders, for the interest you have shown and for your continued support. I am very proud of my team and of what they have been able to achieve in these difficult times. We are building on that and looking forward with excitement to the remainder of the fiscal year.

Berlin, September 2020

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Markus Peuler

Managing Director

NeXR Technologies SE

Interim Management Report

COMPANY PRINCIPLES

SIGNIFICANT CHANGES TO THE COMPANY STRUCTURE

In the first half of 2020, NeXR continuously adapted its business model and organisational structure to the changing requirements of the virtual reality world. The impacts of the coronavirus pandemic have considerably delayed the reorientation and market presence of the three new business units of *3D Instagraph*, *OnPoint Studios* and *VRIDAY*. However, in the second half of the year the company is seeing a slight upturn in business and increased demand for virtual solutions for companies and private customers due to contact restrictions in the wake of the coronavirus pandemic.

BUSINESS MODEL

Under the umbrella of NeXR Technologies SE, the business units of *3D Instagraph*, *OnPoint Studios* and *VRIDAY* are now operating under their own name and logo. The *VRIDAY* brand combines VR projects and services, *3D Instagraph* develops and distributes the scanner systems it has developed, and *OnPoint Studios* offers all services involving motion capture and animation in one of the largest MoCap studios in Germany.

A number of other possible applications are currently being examined for the crypto currency *Staramba.Token* ("STT"), issued in 2018. The income generated from the sale of tokens and subscription rights to tokens has been invested in the company's further development.

RESEARCH AND DEVELOPMENT

In the period under review, NeXR concentrated its R&D resources on preparing and following up on trade fair appearances and on further development of *3D scanner systems in the 3D Instagraph* division.

EMPLOYEES

NeXR employed an average of 50 people in the reporting period (1st half of 2019: 82 employees).

MANAGEMENT SYSTEM

Corporate Bodies

NeXR has a one-tier management structure. NeXR's corporate bodies consist of the general assembly, the board of directors and the managing director.

The board of directors is made up of the following five members as of 30 June 2020: Rolf Elgeti (Chairman), Achim Betz (Deputy Chairman, Chairman of the Audit Committee), Axel von Starck, Christian Daudert, and Prof. Dr. Klemens Skibicki

The managing director in the reporting period was Mr Markus Peuler.

NeXR has had an audit committee since 19 February 2019.

Christian Daudert was recalled as managing director as at 12 September 2019.

Markus Peuler has been managing director since 16 September 2019.

Management System

Management controls the company on the basis of key figures, such as sales, EBITDA and liquidity. Non-financial indicators are also used to manage the company by monitoring activities in social media channels and website visits.

ECONOMIC REPORT

MACROECONOMIC AND SECTOR-SPECIFIC DEVELOPMENT

Macroeconomic Development

Global economic activity fell by almost 10 percent in the first half of 2020 as a result of the coronavirus pandemic. In the first six months, economic output in Germany also slumped by an historic 12%.

Sector-specific Development

The digital games industry has benefited from the effects of the coronavirus pandemic, with the overall market for online games and mobile game apps in Germany growing by more than 20% in the first half-year compared to the previous year, according to information from the "Game" industry association. Nevertheless, according to IDC (International Data Corporation), the worldwide market for AR/VR headsets has slumped by around 40% in the first half of 2020 alone due to disrupted supply chains and exit restrictions. However, sales of approximately 6.3 million units are still expected for 2020 overall, which is an increase of around 11% compared to the previous year.

ESSENTIAL EVENTS FOR DEVELOPMENT OF BUSINESS

In August of 2020, the company completed the capital increase resolved in July 2019. Within the scope of the subscription offer and the subsequent private placement, a total of 1,789,374 new no-par value bearer shares of the company were acquired by shareholders and investors at a price of EUR 2.10 per new share. The company's share capital was increased to EUR 4,122,129 against cash contributions.

The company generated gross proceeds of approximately EUR 3.758 million and intends to use the net proceeds to further develop its products in the areas of virtual reality and 3D scanner systems and to then launch them on the market. The company can also draw on existing financing commitments of approximately EUR 7 million that have yet to be used.

COMPARISON OF ACTUAL WITH FORECASTED BUSINESS PERFORMANCE

In the management report for the 2019 fiscal year, the company expected sales revenues of around EUR 0.5 million and an anticipated net loss of approximately EUR -13 million for the 2020 fiscal year.

Thus, NeXR slightly diverged from the pro-rata forecast for the first half of 2020, with revenues of around EUR 0.2 million and a net loss of approximately EUR -6.6 million.

EARNINGS, FINANCIAL AND ASSETS SITUATION

Earnings Situation

Total operating performance (sales revenues, changes in inventories and own work capitalised) fell by around 64% to EUR 188 thousand in the period under review (1st half of 2019: EUR 530 thousand) due to the absence of service contracts in the *3D Instagram* and *VRIDAY divisions*.

Other operating income included special items from reversals of impairment losses on receivables in the amount of EUR 594 thousand. This is the main reason for the increase in this item compared to the same period last year.

The **cost of raw materials, supplies and operating materials** increased to EUR 180 thousand (1st half of 2019: EUR 0 thousand) due to the cost of materials for construction of the scanner prototype.

The **cost of purchased services** fell particularly sharply by 51% to EUR 246 thousand (1st half of 2019: EUR 503 thousand) due to a further reduction in external programming orders and an increase in internal processing.

Compared with the previous year, **personnel expenses** fell by 27% to EUR 1,998 thousand (1st half of 2019: EUR 2,740 thousand) as a result of cost-cutting and personnel measures.

Scheduled depreciation fell by approximately 24% to EUR 1,276 thousand (1st half of 2019: EUR 1,668 thousand). There was an amortisation of intangible assets in the same period of the previous year, which was not repeated in the reporting period.

Current assets were written down by EUR 149 thousand (1st half of 2019: EUR 0 thousand) due to the loss of receivables.

Other operating expenses increased by 35% over the same period of the previous year and amounted to EUR 2,856 thousand (1st half of 2019: EUR 2,112 thousand). In particular, advertising and travel expenses increased by EUR 491 thousand to EUR 663 thousand (1st half of 2019: EUR 172 thousand) due to higher recruiting costs, trade fair costs (CES Las Vegas, USA) and costs for issuing stock options to FC Bayern Munich (TBD). Legal and consulting fees increased by 49% to EUR 1,178 thousand (1st half of 2019: EUR 790 thousand) due to the costs associated with the capital increase. On the other hand, accounting costs fell by around 44% to EUR 70 thousand (1st half of 2019: EUR 125 thousand) due to increased service provision within the company, while costs for licences and concessions fell by around 62% to EUR 91 thousand (1st half of 2019: EUR 239 thousand) due to expired and terminated contracts.

Interest and similar expenses rose significantly to EUR 1,152 thousand (1st half of 2019: EUR 481 thousand) due to increased borrowing to finance business activities.

The **operating loss before interest, taxes, depreciation and amortisation (EBITDA)** was EUR -4,455 thousand (1st year of 2019: EUR -4,662 thousand) and the **result after taxes** (net loss) was EUR -6,694 thousand (1st half of 2019: EUR -6,475 thousand).

Financial Situation

Principles and objectives of financial management

In order to cover the necessary liquidity requirements, the company is dependent on ongoing financing from its own and external funds. In the reporting period, the company covered its financing requirements mainly by taking out loans from shareholders.

Investments

In the reporting period, the company invested EUR 29 thousand in factory equipment, fixtures, software and IT (1st half of 2019: EUR 135 thousand).

Liquidity

As of 30 June 2020, the company had cash and cash equivalents of EUR 1,607 thousand (31 December 2019: EUR 343 thousand). Liquidity beyond the reporting period will mainly be covered by equity measures and by taking out loans from shareholders.

Asset Situation

Balance sheet totals increased to EUR 36,371 thousand as at 30 June 2020 (31 December 2019: EUR 31,194 thousand) due to loans taken out to finance operating losses.

The company's **fixed assets** fell to EUR 7,199 thousand (31 December 2019: EUR 8,489 thousand) as of the balance sheet date, primarily due to scheduled amortisation of goodwill.

The company's **current assets** remained virtually unchanged at EUR 2,099 thousand (31 December 2019: EUR 2,225 thousand). A VAT receivable from the same period of the previous year was paid out in the first half of 2020.

The **net loss not covered by equity** increased to EUR 27,018 thousand as at 30 June 2020 (31 December 2019: EUR 20,324 thousand) due to the operating loss situation.

The **provisions** increased to EUR 1,423 thousand (31 December 2019: EUR 1,113 thousand) due to the issuance of stock options and the consideration of severance costs.

Liabilities rose to EUR 33,064 thousand (31 December 2019: EUR 27,859 thousand), primarily due to the significant expansion of shareholder financing, and consisted primarily of liabilities to shareholders of EUR 22,155 thousand (31 December 2019: EUR 16,446 thousand), convertible bonds of EUR 3,500 thousand (31 December 2019: EUR 3,500 thousand) and advance payments received from the issue of tokens of EUR 6,427 thousand (31 December 2019: EUR 6,475 thousand). The trade payables decreased slightly to EUR 754 thousand (31 December 2019: EUR 771 thousand).

GENERAL STATEMENT ON THE ECONOMIC SITUATION

The board of directors and the managing director are convinced of the future economic success of the three divisions *3D Instagram*, *VRIDAY* and *OnPoint* and see considerable market opportunities for the future. Against this background, the continuation of business operations has been made possible by financing commitments from the main shareholder.

FORECAST, OPPORTUNITIES, AND RISKS REPORT

The company is essentially adhering to the assessments made in the forecast, opportunities and risks report (business risks, operational risks, financial risks, legal and regulatory risks, liquidity risks, information and IT risks, going concern risks and overall risk position) last published in the annual financial statements for the year ended at 31 December 2019.

RISK MANAGEMENT OBJECTIVES AND METHODS/INTERNAL CONTROL SYSTEM

The risk management system and the internal control system were still being set up and expanded in the reporting period.

OPPORTUNITIES AND RISK REPORT

With regard to **liquidity risks**, it should also be emphasised that the company is not yet generating sufficient freely available liquidity and is therefore still dependent on financing from equity and borrowed capital. The company is endeavouring to provide sufficient financial resources, whether through capital increase measures or short- and long-term loans, convertible loans, convertible bonds, or by outsourcing of business segments. The continued

existence of the company as a going concern will be endangered if it is not possible to implement further equity-enhancing measures in the medium term.

With regard to risks to the company's continued existence as a going concern, it should also be emphasised that as at 30 June 2020, the company had a deficit of around EUR 27 million not covered by equity and had cash and cash equivalents of EUR 1.6 million. Despite the capital increase carried out in August 2020 and the measures introduced to hedge against liquidity risks, the balance sheet situation may have a negative impact on the company's reputation, which could lead to a loss of specialist staff, a reduction in creditworthiness, impairment of customer relationships, a reduction in payment terms, and the calling in of loans. In addition, due to the shortfall, the company's management is required to monitor its over-indebted state on a continuous basis and conduct very short-term liquidity planning, leaving management capacity constrained. And last but not least, the company's continued existence is also based on achieving the operating development of customers and marketable products outlined in the corporate planning, as described under operating risks. This combination of risks can lead to a considerable threat to the company's continued existence.

With regard to the **impact of the coronavirus pandemic**, it should also be stressed that the business outlook

(overall economic development and industry development) has been significantly affected. The company felt the effects of the coronavirus pandemic to an extraordinary extent in the reporting period. The cancellation of trade fairs and the postponement of customer appointments made sales activities considerably more difficult while slowing down business development and the continuation of development projects.

Summary of the overall risk situation

Due to the over-indebtedness and liquidity situation at the reporting date, the company has taken various measures to ensure its solvency for the coming year.

The company generated gross issue proceeds of around EUR 3.758 million from the capital increase in August 2020 and can also draw on existing, currently unused financing commitments of approximately EUR 7 million.

Taking into account the opportunities and risks referred to and described above, management continues to assume that the company will successfully continue as a going concern at the reporting date.

FORECAST REPORT

Forecast

In the company's view, the outbreak of the global coronavirus pandemic had a significant negative impact on the business outlook (overall economic development and industry development) for 2020 at the reporting date.

The effects of the corona pandemic described above will continue in the current second half of the year. The acquisition of new customers, and thus the basic development of business, has been made considerably more difficult by the effects of the coronavirus pandemic. The company currently anticipates that business development will be delayed by six to nine months and that the willingness of target customers to invest will not begin to slowly recover until the fourth quarter of 2020.

However, due to the capital increase and the financing commitment of the main shareholder, the liquidity of the company is secured for the coming year.

In the 2020 fiscal year, the company expects sales revenues of only around EUR 0.3 million and a net loss of approximately EUR -13.5 million.

Interim Statement

Profit and Loss Statement

In EUR	1st half of 2020	1st half of 2019
1. Sales	188,461	529,756
2. Total operating performance	188,461	529,756
3. Other operating income	629,092	161,927
of which income from currency conversion EUR 2,029 (EUR 11,878)		
4. Cost of materials	-425,657	-502,579
a) Expenditure on raw materials and supplies and on purchased goods	-179,694	-178
b) Cost for procured services	-245,963	-502,402
5. Personnel expenses	-1,998,113	-2,739,511
a) Wages and salaries	-1,761,268	-2,377,240
b) Social contributions and expenses for retirement and support	-236,845	-362,271
6. Depreciation	-1,424,794	-1,668,457
a) of intangible assets and property, plant and equipment	-1,276,227	-1,668,457
b) of current assets as long as they exceed the usual depreciation for a stock corporation	-148,568	0
7. Other operating expenses	-2,855,542	-2,111,861
– of which expenses from currency conversion EUR 7,556 (EUR 8,753)		
8. Other interest and similar income	6,648	0
9. Interest and similar expenses	-1,151,665	-480,796
10. Tax on income and earnings	337,251	337,251
– Income from the addition (-) and reversal of deferred taxes EUR 337,251 (EUR 337,251)		
13. Earnings after tax	-6,694,319	-6,474,271
14. Other taxes	-124	-474
15. Annual deficit	-6,694,443	-6,474,745

Balance sheet

ASSETS in EUR thousand	30 June 2020	31 Dec 2019
A. Fixed assets		
I. Intangible assets		
1. Concessions, industrial property rights and similar rights and assets acquired for consideration and licences in such rights and assets	40,417	60,866
2. Goodwill	6,896,288	8,045,669
II. Tangible assets		
1. Other plant, operating and office equipment	262,178	382,879
III. Financial assets		
1. Shareholdings	2	2
B. Current assets		
I. Inventories		
1. Work in progress, services in progress	21,214	21,214
II. Receivables and other assets		
1. Accounts receivable from supplies and services	110,574	104,528
2. Other assets	359,820	1,756,686
– of which with a remaining term of more than one year EUR 128,634 (EUR 9,232)		
III. Cash on hand, Bundesbank balances, bank balances and cheques	1,607,475	342,555
C. Accruals and deferrals	55,115	155,681
D. Deficit not covered by equity	27,018,233	20,323,790
Balance sheet total	36,371,316	31,193,869

LIABILITIES in EUR	30 June 2020	31 Dec 2019
A. Equity		
I. Subscribed capital	2,332,755	2,332,755
II. Capital reserves	11,515,645	11,515,645
III. Loss carried forward	-34,172,190	-20,882,668
IV. Annual deficit	-6,694,443	-13,289,522
Deficit not covered	27,018,233	20,323,790
Book equity	0	0
B. Provisions		
1. Tax reserves	4,584	4,548
2. Other provisions	1,422,689	1,113,055
C. Liabilities		
1. Bonds	3,500,000	3,500,000
– of which convertible EUR 3,500,000 (EUR 3,500,000)		
– of which to shareholders EUR 3,500,000 (EUR 3,500,000)		
– of which with a remaining term of more than one year EUR 3,500,000 (EUR 3,500,000)		
2. Amounts owed to credit institutions	9	44
– of which with a remaining term of up to one year EUR 9 (EUR 44)		
3. Advance payments received on orders	6,426,694	6,475,123
– of which with a remaining term of more than one year EUR 6,426,694 (EUR 6,475,123)		
4. Liabilities from trade payables	753,764	771,291
– of which with a remaining term of up to one year EUR 753,764 (EUR 771,291)		
5. Other liabilities	22,383,727	17,112,673
– of which to shareholders EUR 22,154,905 (EUR 16,445,908)		
– of which from taxes EUR 62,826 (EUR 57,427)		
– of which with respect to social security EUR 510 (EUR 340)		
– of which with a remaining term of up to one year EUR 228,822 (EUR 666,765)		
– of which with a remaining term of more than one year EUR 22,154,905 (EUR 16,445,908)		
D. Deferred tax liabilities	1,879,881	2,217,135
Balance sheet total	36,371,316	31,193,869

Condensed Notes

Condensed Notes as at 30 June 2020

A. GENERAL INFORMATION

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

The company is a large corporation as defined by the provisions of § 267 (3) (2) German Commercial Code (HGB), in conjunction with § 264d HGB. The annual financial statements were prepared in accordance with the accounting provisions of §§ 242 et seq. and §§ 264 d et seq. HGB and the supplementary provisions of the German Stock Corporation Act (AktG) and Article 61 EU Regulation 2157/2001.

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

The company's fully paid-up share capital as at 30 June 2020 is divided into 2,332,755 no-par value bearer shares and amounted to EUR 2,332,755 at the balance sheet date.

A capital increase took place in August 2020. The company's share capital was increased by EUR 1,789,374.00 from EUR 2,332,755.00 to EUR 4,122,129.00 by issuing 1,789,374 new shares against cash contributions. The capital increase was entered in the commercial register at 13 August 2020.

B. NOTES ON THE ACCOUNTING AND VALUATION METHODS

The accounting and valuation methods applied in the previous year were retained.

These interim financial statements do not contain all the information and disclosures required for annual financial statements. The interim financial statements should therefore be read in conjunction with the annual financial statements for 2019.

Despite the strained liquidity situation, the accounting and valuation have been performed under the assumption of a going concern (§252 (1) (2) HGB). Due to the strained liquidity situation, the company has taken various measures to ensure its solvency beyond 2020. If, contrary to the expectations of the managing director, the updated corporate planning is not achieved and the initiated and planned measures to secure liquidity and strengthen the equity situation cannot be successfully implemented, the continued existence of the company will be at risk.

1. FIXED ASSETS

The development of **fixed assets** and the acquisition costs of the individual items are shown in the statement of changes in fixed assets.

The **intangible assets** acquired against payment have a book value of EUR 6,937 thousand (previous year: EUR 8,107 thousand). The main component is the goodwill that comes from the merger at fair value from 2016.

In the reporting period, the goodwill was amortised to EUR 6,896 thousand. The remaining useful life is 3 years. Deferred tax liabilities were reduced to EUR 1,880 thousand with the opposite effect on income.

In EUR	Intangible usage rights	Goodwill	Intangible asset items	Property, plant and equipment	Financial assets	Fixed assets
Acquisition/manufacturing costs						
As at 01/01/2020	2,186,484	86,556,147	88,742,632	928,890	19,662	89,691,184
Additions				29,488		29,488
Disposals				96,279		96,279
Transfers						
As at 30/06/2020	2,186,484	86,556,147	88,742,632	862,100	19,662	89,624,393
Accumulated depreciation						
As at 01/01/2020	2,125,618	78,510,477	80,636,096	546,011	19,659	81,201,768
Depreciation fiscal year	20,448	1,149,381	1,169,830	106,396		1,276,226
Disposals				52,486		52,486
Transfers						
As at 30/06/2020	2,146,067	79,659,859	81,805,926	599,922	19,659	82,425,508
Write-ups in financial year						
Book value						
30/06/2020	40,417	6,896,287	6,936,704	262,177	2	7,198,884
Book value						
31/12/2019	60,865	8,045,669	8,106,534	382,879	2	8,489,415

2 CURRENT ASSETS

Inventories include the STARAMBA.Token (SST) held by the company as at the balance sheet date. They continue to be valued at acquisition or production cost.

Other assets amounting to EUR 360 thousand (previous year: EUR 1,757 thousand) primarily include VAT receivables for the current year and receivables from security deposits.

3 EQUITY

The equity has been used up as at 30 June 2020. The deficit not covered by equity amounts to EUR 27,018 thousand (previous year: EUR 20,324 thousand).

At the extraordinary general assembly on 26 July 2019, a resolution was passed to increase the share capital by up to EUR 20,000 thousand against cash contributions

with the granting of an indirect subscription right. The **capital increase** was implemented in August of 2020 – see also the comments under "2.Events after the balance sheet date". The company's share capital was increased by EUR 1,789,374.00 from EUR 2,332,755.00 to EUR 4,122,129.00 by issuing 1,789,374 new shares against cash contributions. The capital increase was entered in the commercial register at 13 August 2020.

The company started a **virtual stock option programme** in the 2019 fiscal year (VSOP 2019). The stock option conditions of 13 December 2019 apply. The stock option programme is based on the authorisation of the Board of Directors by the general assembly on 27 July 2017. The following number of virtual stock option rights were issued by 30 June 2020:

Members of the management	34,991
Employees	17,496
External partners	350,000

The obligations from the stock option programme at 30 June 2020 are recognised under provisions.

4. BORROWED CAPITAL

The **provisions** of EUR 1,427 thousand (previous year: EUR 1,118 thousand) mainly relate to provisions for outstanding invoices, personnel provisions and provisions for a virtual stock option programme.

The **convertible bonds** remain unchanged at EUR 3,500 thousand. The associated interest amount is shown under other liabilities and amounts to a cumulative EUR 525 thousand.

The **advance payments received** in the amount of EUR 6,427 thousand (previous year: EUR 6,475 thousand) include incoming payments from token sales, insofar as these have not yet been redeemed against the provision of services by NeXR Technologies SE (formerly Staramba SE).

The **other liabilities** in the amount of EUR 22,384 thousand mainly contain loan and interest liabilities to shareholders in the amount of EUR 22,155 thousand with a term of 1 to 5 years.

The **deferred tax liabilities** result from the difference between the goodwill recognised in the commercial balance sheet at fair value and in the tax balance sheet at book value from the merger of NeXR Technologies SE (formerly Staramba SE) and Staramba GmbH in 2016.

5. PROFIT AND LOSS STATEMENT

The **sales** of EUR 188 thousand (previous year: EUR 530 thousand) result from services in the area of 3D Instagram as well as electronic services in the area of VRIDAY.

The **other operating income** in the amount of EUR 629 thousand (previous year: EUR 162 thousand) essentially results from the reduction of individual value adjustments on receivables.

The **goodwill** resulting from the merger with Staramba GmbH in 2016 was subject to scheduled amortization of EUR 1,149 thousand.

C. INFORMATION ABOUT THE BOARD OF DIRECTORS AND MANAGING DIRECTOR

The company has chosen a single-tier management system pursuant to Article 38 lit b) SeVO.

Since 19 February 2019, the board of directors has consisted of the following persons:

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

NeXR Technologies SE has had an audit committee pursuant to § 324 (1) HGB. The members of the audit committee are Achim Betz (Chairman) and Axel von Starck.

The company is represented by its Managing Director:

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

Mr Rolf Elgeti was a member of the following boards and other supervisory bodies during the reporting period:

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

Mr Achim Betz was a member of the following supervisory boards and other supervisory bodies during the reporting period:

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

Mr Axel von Starck was a member of the following supervisory boards and other supervisory bodies during the reporting period:

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

D. Events after the closing date which must be reported pursuant to §285 no. 33 HGB (New Version)

NeXR Technologies SE (ISIN DE000A1K03W5 / WKN A1K03W) ("Company") has completed the capital increase approved by the extraordinary general assembly of the Company on 26 July 2019. As part of the subscription offer and the subsequent private placement, a total of 1,789,374 new no-par value bearer shares in the Company, each with a notional interest in the share capital of EUR 1.00 and with dividend rights from 1 January 2020, ("new shares") were acquired by shareholders and investors at a price of EUR 2.10 per new share. As part of the capital increase, Hevella Capital GmbH & Co. KGaA subscribed a total of 1,000,000 new shares. Accordingly, the share capital of the Company will be increased by EUR 1,789,374.00 from the current EUR 2,332,755.00 to EUR 4,122,129.00 by issuing 1,789,374 new shares against cash contributions ("capital increase").

The Company will receive gross issue proceeds of around EUR 3.758 million. The Company intends to use the net proceeds from the capital increase to further develop the products in the areas of virtual reality and 3D scanner systems and then to launch them on the market. The Company can also draw on continuing, currently unused financing commitments by the main shareholder in the amount of approximately EUR 7 million.

NeXR Technologies SE

The Managing Director

Markus Peuler

Responsibility Statement

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company, and the interim management report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal opportunities and risks associated with the expected development of the Company for the remaining months of the financial year.

NeXR Technologies SE

Berlin, 30 September 2020

The Managing Director



Markus Peuler

Notes to the Auditor's Review

Certificate issued after an audit review

To NeXR Technologies SE, Berlin

We have reviewed the interim financial statements – comprising the balance sheet, income statement and condensed notes – and the interim management report of NeXR Technologies SE, Berlin, for the period from January 1 to June 30, 2020, which are part of the half-yearly financial report pursuant to § 115 of the German Securities Trading Act (WpHG). The preparation of the interim financial statements pursuant to the German Commercial Code (HGB) and the interim management report pursuant to the provisions of the WpHG applicable to interim management reports is the responsibility of the Company's management. It is our task to issue a certificate for the interim financial statements and the interim management report on the basis of our review.

We conducted our review of the interim financial statements and the interim management report in accordance with German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). These stipulate that the audit review is to be planned and executed in such a way that we can make a critical assessment of the information audited with a certain level of certainty as to whether the annual financial statements comply, in all material respects, with the German Commercial Code (HGB) for interim reporting and that the interim management report complies, in all material respects, with the provisions of the German Securities Trading Act (WpHG) applicable to interim management reports. A review is limited primarily to inquiries of company personnel and analytical procedures and therefore does not provide the assurance attainable in a financial statement audit. Since we have not performed a financial statement audit, we cannot issue a confirmation certificate.

Based on our review, no matters have come to our attention that lead us to believe that the interim financial statements have not been prepared, in all material respects, in accordance with the HGB applicable to interim financial reporting or that the interim management report has not been prepared, in all material respects, in accordance with the provisions of the WpHG applicable to interim management reports.

We refer to Note B. in the condensed notes to the financial statements and to the disclosures in the opportunities and risks report of the interim management report, in which the legal representatives describe that the company is in a strained liquidity situation. As stated in Note B. to the condensed notes and in the opportunities and risks report in the interim management report, these events and circumstances indicate the existence of a material uncertainty with regard to the achievement of

corporate planning and necessary capital measures, which could cast significant doubt on the company's ability to continue as a going concern and constitute a going concern risk as defined in § 322 (2) (3) of the HGB.

Frankfurt am Main,

30 September 2020

RSM GmbH
Accounting Firm
Tax Consulting Company

D. Hanxleden
Auditor

A. Kramer
Auditor

Further Information

NOTICE OF LIABILITY

The interim financial statements and the interim management report of NeXR prepared by the Managing Director take into account all circumstances occurring after the end of the 2020 fiscal year and up to the date of preparation.

The interim management report contains statements relating to the future. Actual results may differ significantly from the stated expectations regarding the anticipated development.

CONTACT

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ABOUT

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Text & Editing:

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Design

CROSS ALLIANCE communication
GmbH

FINANCIAL CALENDAR 2020

30 September 2020	Publication of half-yearly financial report 2020
18 June 2020	Annual General Assembly
30 Apr 2020	Publication of the 2019 annual report
24 to 26 February 2020	Photo Booth Expo, Las Vegas
07 to 10 January 2020	Consumer Electronics Show CES, Las Vegas

SHARE INFORMATION

Share capital*	EUR 4,122,129.00
Number of shares*	4,122,129
WKN	A1K03W
ISIN	DE000A1K03W5
Stock exchanges	XETRA, Frankfurt, Berlin
Designated sponsor	Oddo Seydler Bank AG

*After implementation of the capital increase on 07/08/2020