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**Pyramid Computer GmbH**

Freiburg in Breisgau

**Annual financial statements for the financial year from January 1st, 2020 to December 31st, 2020****Management report for the 2020 financial year****outline**

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**I. Company Fundamentals****1. Business Model**

Pyramid is a leading developer and manufacturer of IT solutions. The company's hardware solutions include interactive kiosks, network and security servers, as well as PCs and imaging solutions and are reflected in the two main product lines Polytouch® and Akhet®.

The company's headquarters are in Freiburg.

**2. Corporate Development**

In addition to the existence of long-term customer relationships, the company is strongly geared to the solution and OEM business for the desired growth, combined with the further expansion of the product series Polytouch® and Akhet®. In order to continue to meet the complex and diverse solution requirements with back-end and front-end solutions, the company is constantly expanding its capacities in the area of hardware and system development and supplementing them with external partners and specialists. Another focus is the continuous development, but also the maintenance of strategic partnerships and alliances in the IT industry. A joint venture was founded in the USA in 2020 for expansion in North America.

**II. Economic report****1. General economic and industry-related conditions Market for Polytouch®**

The market for interactive kiosk solutions is characterized by a high degree of heterogeneity and a strong fragmentation of the players, without a clear leader. In particular, the very different sectors and areas of application make it difficult to provide a uniform description of the market.

The global market has been estimated at US\$ 25 billion in 2020 via studies and is expected to reach US\$ 36 billion in 2026. The forecasts of various research institutes are for annual growth rates between 6% and 16%, with strong differences between sectors, application areas and regions. Nevertheless, significant growth in the self-service market can be expected in the short and medium term, which in turn creates great opportunities for Pyramid to gain essential market share.

**market for Akhet®**

Pyramid is active in two core markets, the (a) market for industrial PCs (IPC) and (b) the market for servers, both of which are examined and outlined in a differentiated manner. The following descriptions of the market environment, developments, volumes and the competitive situation bundle various external data.

**IPC market**

According to a study by Industry ARC, the global market for IPCs will have a total volume of US\$ 4.5 billion in 2020. It is expected that the global market will grow at an average annual rate of ~5% (CAGR20-25) in will be US\$ 5.8 billion in 2025. In general, it can be said that the IPC market is very fragmented worldwide with a large number of companies.

**server market**

According to a Grand View Research study, the world market for servers will have a volume of US\$ 58 billion in 2019 and is expected to reach US\$ 83 billion per year with an average annual growth rate of -5.4% (CAGR19-25). reach 2025. In contrast to the IPC market, noticeable consolidation has already taken place in the server market. The size of the market and high cross-industry product and service demand create an attractive basis for continued dynamic market growth.

## 2. Business Development and Situation

The management of Pyramid assesses the development of the 2020 financial year as stable despite the pandemic (Covid-19). The earnings situation is in the range of expectations.

The year 2020 was another successful financial year in terms of EBITDA of €5,082 thousand compared to the 2019 EBITDA of €5,675 thousand.

### a) Results of operations

| 2020             | fiscal year |       | Previous year |    | change |        |
|------------------|-------------|-------|---------------|----|--------|--------|
|                  | k€          | k€    | k€            | k€ |        | %      |
| annual result    | 3,074       | 3,542 | -468          |    |        | -13.2% |
| income taxes     | 1,611       | 1,782 | -171          |    |        | -9.6%  |
| interest expense | 130         | 129   | 1             |    |        | 0.8%   |
| interest income  | 0           | 0     | 0             |    |        | 0.0%   |
| depreciation     | 267         | 222   | 45            |    |        | 20.2%  |
| EBITDA           | 5,082       | 5,675 | -593          |    |        | -10.4% |

In the 2020 financial year, sales increased by €57,723 thousand (previous year: €54,774 thousand). Compared to 2019, this corresponds to growth of 5.4%.

The return on sales (EBIT/sales) fell slightly by 1.6 percentage points to 8.4% in the reporting year.

Taking inventory changes and other operating income into account, the total output is €58,008 thousand compared to €54,228 thousand in 2019 and is therefore 7.0% higher. Gross profit (sales revenue plus other operating income and changes in inventories less cost of materials) rose by 0.8% from €17,023 thousand to €17,154 thousand. The cost of materials ratio rose from 67.9% to 70.8%.

Personnel costs, including social security contributions and expenses, increased by 5.6% compared to 2020 to €7,787 thousand (previous year: €7,377 thousand), which is due to the increased headcount and salary adjustments. The personnel expenses ratio is unchanged at the previous year's level at 13.5%.

Other operating expenses increased from €3,966 thousand in the previous year to €4,280 thousand in the current financial year. This is due to the volatile currency markets, which led to countermeasures by the central banks due to the pandemic (Covid-19) and resulted in an increase in the volume in relation to expenses from exchange rate differences from €134k to €447k.

In contrast, travel expenses fell by 46.3% in the year under review due to the pandemic (Covid-19).

The number of employees increased by 4 employees in the 2020 financial year to an average of 133 employees. With 10 trainees in commercial and technical professions, the number of traineeships remained the same as in the previous year (12).

### b) financial position

The financial situation continues to be assessed as solid. The simple cash flow (net income plus depreciation) in the financial year was €3,341 thousand (previous year: €3,764 thousand). The necessary investments can be financed and payments to investors can be serviced with the cash inflow from operating activities and from the credit lines.

Pyramid operates factoring as part of liquidity management and security.

### c) financial position

| 2020                             | 2020   |        | 2019   |    | change |        |
|----------------------------------|--------|--------|--------|----|--------|--------|
|                                  | k€     | k€     | k€     | k€ |        | %      |
| assets                           |        |        |        |    |        |        |
| Capital assets                   | 1,591  | 1,015  | 575    |    |        | 56.7%  |
| supplies                         | 10,928 | 13,593 | -2,664 |    |        | -19.6% |
| Current Assets                   | 1,625  | 6,922  | -5,297 |    |        | -76.5% |
| Cash and cash equivalents        | 7,130  | 1,237  | 5,893  |    |        | 476.5% |
| liabilities                      |        |        |        |    |        |        |
| Equity capital                   | 10,731 | 8,658  | 2,074  |    |        | 24.0%  |
| Long-term liabilities > 5 years) | 424    | 510    | -87    |    |        | -17.0% |
| Medium/short-term liabilities    | 10,119 | 13,599 | -3,480 |    |        | -25.6% |
| total assets                     | 21,274 | 22,767 | -1,492 |    |        | -6.6%  |

Equity rose from €8,658 thousand in the previous year to €10,731 thousand in the current financial year, which corresponds to an increase of 24.0%.

Current liabilities fell by €3,480 thousand to €10,119 thousand. The reduction is essentially due to the reduction in the high order backlog at the end of the last financial year.

For this reason, short-term assets were also reduced compared to the previous year by €5,297 thousand to €1,625 thousand and inventories by €2,664 thousand to €10,928 thousand.

As a result, cash and cash equivalents increased by €5,893 thousand to €7,130 thousand. Long-term liabilities (greater than 5 years) have decreased by € 87k compared to the previous year.

The balance sheet total also fell due to the high order backlog at the end of the last financial year by 6.6% to €21,274 thousand (previous year: €22,767 thousand).

Fixed assets increased by T€ 575 compared to the previous year to T€ 1,591.

## 3. Financial and non-financial performance indicators

In terms of financial performance indicators, our focus is on:

1. equity,
2. EBITDA and
3. Liquidity.

The management uses the key figures equity ratio, EBITDA and cash flow for internal corporate management.

The equity ratio increased to 50.4% (previous year 38.0%), which can be attributed to the positive annual surplus in the financial year.

The EBITDA figure fell to €5,082 thousand (previous year: €5,675 thousand) in line with expectations and is set annually as a benchmark. The decline in EBITDA is mainly due to the fact that other operating income fell by €1,089 thousand, personnel costs increased by €410 thousand compared to the previous year and other operating

expenses by €314 thousand. This contrasted with an improvement in the gross result.

Liquidity obligations are designed by the company in such a way that they can be met at any time. The company has sufficient liquid funds as of the balance sheet date on December 31, 2020 in the amount of € 7,130 thousand. In addition to the existing liquid funds, the company has unused lines of credit at various banks.

In the case of non-financial performance indicators, the focus is on customer and employee concerns.

The performance of Pyramid Computer GmbH is not only expressed in the financial key figures, but also and above all in the proximity to our customers and in the qualification and motivation of the employees. Pyramid therefore invests in the training and further education of employees as well as in health protection.

In order to be able to offer employees a suitable environment, Pyramid as an employer strives to offer employees attractive working conditions and prospects. This is done, among other things, by means of individual further training opportunities that cover technical, language and health-promoting aspects. As an employer, Pyramid not only offers technical and commercial apprenticeships but also the option of a dual university degree (bachelor's and master's). Corresponding accreditations took place in 2020 at partner universities.

The proximity and long-term relationship with customers is an important potential as a supplier. Creating and actively maintaining this closeness requires special skills and is an investment in the future.

The segmentation of the business areas into sectors and markets is a logical further development. This applies both in organizational terms through the development of efficient structures within these business areas, and in terms of personnel. The segmentation of the market into these fields allows the development of special competences for the respective business field.

In addition to the succession plan at shareholder level described below, the previous budget process was put to the test and consistently further developed, which takes the changed framework conditions into account. In addition to the previously purely operational planning at the profit and loss account level with a time horizon of one fiscal year, integrated planning with a derived balance sheet and cash flow account and a time horizon of five years has now been mapped.

### **Employees**

Committed and motivated employees make a significant contribution to the company's success. Pyramid employees bring their knowledge and commitment to the company. The Pyramid conducts regular employee interviews and surveys to determine employee satisfaction and to identify development opportunities. This is intended to increase employee loyalty to the company and keep knowledge within the company. To deepen and expand existing knowledge, employees have the opportunity to take part in training courses and seminars.

### **Training**

In 2020, Pyramid invested heavily in young people with a vocational training rate of 7.5%. In addition, there are two dual university students.

## **4. Overall statement**

Pyramid enjoys an excellent reputation among its customers and has many years of technological experience and know-how. Despite the pandemic (Covid-19) crisis, sales increased. The sales and earnings development is in line with expectations.

The equity ratio and liquidity increased again. The asset, financial and earnings situation is assessed as good.

Our financial management is designed to always settle liabilities within the payment period and to collect receivables within the payment terms. In the year under review, short-term payments were used to realize discount deductions for delivery obligations, insofar as these had been agreed.

Current liabilities and provisions are covered by liquid funds and current assets.

## **III. Branch Office Report**

In addition to its headquarters in Freiburg, the company still has a domestic branch in Wachenburg (district of Ichtershausen). The location serves as a production plant and logistics hub. Completed capacity expansions will be available in February / March 2021.

## **IV. Forecast Report**

The 2021 financial year started as planned thanks to a stable order situation. A profit situation is to be expected for 2021 as a whole. Slight increases in sales and EBIT are expected for the full year 2021 compared to the 2020 financial year, assuming that the supply chain and customer structures will continue to be stable in 2021. These statements do not take into account unpredictable setbacks in the overall economy and specifically in customer and supplier relationships that are related to the pandemic (Covid-19).

## **V. Opportunity and Risk Report**

### **risk management system**

The basis for effective and efficient risk management is a distinctive and uniformly understood risk culture in the company. Detailed monthly financial reporting was developed in 2020 in order to identify and analyze deviations in the asset, financial and earnings situation from the planned values. Risks and opportunities are inseparable from commercial activity. In order to be able to identify risks at an early stage and counteract them appropriately, risk management is therefore an integral part of the decision-making and business processes.

### **Succession plan at shareholder level**

On November 3rd, 2020, the listed mic AG signed a purchase agreement for the complete acquisition of Pyramid Computer GmbH for conversion into an operational high-tech company.

Consequently, the prerequisites for the targeted growth and expansion have been created with the published implementation steps and future access to the capital market.

### **Risks from operational activities**

#### **Dependence on major customers**

Pyramid achieved 47.8% of total sales in 2020 with the 5 largest individual customers, with the largest individual customer accounting for 17.5% (previous year: approx. 19.1%). The top 100 customers generated around €56 million or 96.2% of total sales.

#### **default risks**

Pyramid has a factoring partner to protect against default risks on the sales side. The factorer buys all receivables for which credit default insurance has been taken out via an insurance partner. In the case of incipient transactions that cannot be insured against in default of credit, an internal individual assessment is carried out, which often leads to other difficulties such as advance payment, guarantees and similar instruments. A relevant major customer without credit default insurance is continuously monitored individually using publicly accessible financial and market data as well as payment behavior (short-term payment terms).

#### **exchange rate risks**

Against the background of the sometimes ambitious margin situations of individual products and product segments, exchange rate fluctuations in the company have a disproportionately high impact on the margin situation. Due to the strong dependence of the company on the general development of the exchange rates, especially the US dollar and the British pound in relation to the euro, both on the purchase and on the sales side, the company tries to counteract the possibly negative ones by realizing the exchange rate promptly and, if necessary, by means of project-related forward exchange transactions to minimize the impact on the result.

#### **Risk of serial errors**

Since Pyramid is mainly active in the project business and endeavors to produce large series with well-known major customers, risks can arise from these deliveries in the event of a series defect, which lead to worldwide repairs or recall campaigns. These risks do not only exist due to errors made by Pyramid, but also due to serial errors caused by suppliers of supplied parts.

In the area of all electronic components, it can happen that errors occur that are difficult or impossible to detect, but could still lead to the loss of the customer or to high field costs.

#### Macroeconomic Risks

Macroeconomic risks exist on the one hand on the supply chain side and on the customer side on the other hand. The extent to which negative effects from the pandemic (Covid-19) are to be expected or can suddenly arise acutely cannot be estimated from today's perspective.

#### Political Risks

General risks are the current disruptions to world trade caused by various political administrations. The company tries to limit exchange rate changes by shear buying after orders have been placed, but this is no protection against a loss of sales, as in the UK, where the medium-term impact of Brexit is difficult to assess. The company counters production capacity risks with a very far-reaching outsourcing strategy that allows products to be manufactured on several continents.

#### opportunities

The IT market is characterized by extraordinary dynamism, global effects and price wars. To avoid price wars, Pyramid has focused on the industrial OEM market. Systems, assemblies or appliances are offered to industrial customers together with a high proportion of complex services. There is a risk of imitation by similarly structured competitors. At the same time, the high level of supplier loyalty due to the switching costs incurred by the customer also protects the existing customer relationship.

Pyramid continues to focus on the highly innovative POS market in the retail and order automation environment. It is expected that the demand for self-service devices, which are characterized by Pyramid's modern design and ergonomic operation, will continue to increase. In specific applications, the pandemic (Covid-19) can also be a driver of growth and demand. Pyramid sees itself well positioned in these markets, not least due to the successful establishment of global partnerships.

#### assessment

The scope and risk potential of the risks have hardly changed compared to December 31, 2019. From the point of view of the management, the future prospects for the development of the company are good with the further development of the product portfolio. According to the assessment of the management, a positive corporate development can also be expected in the coming financial years.

### Balance sheet as of December 31, 2020

#### ASSETS

|   | 12/31/2020    | 12/31/2019    |
|---|---------------|---------------|
|   | Euro          | Euro          |
| A. Fixed assets   |               |               |
| I. Intangible assets  |               |               |
| Purchased concessions, industrial property rights and similar rights and values as well as licenses to such rights and values | 77,048.59     | 46,657.68     |
| II. Tangible assets   |               |               |
| 1. technical installations and machines   | 12,469.52     | 7,797.84      |
| 2. Other facilities, fixtures and fittings  | 1,080,602.81  | 959,570.46    |
| 3. Payments on account and assets under construction  | 147,758.53    | 0.00          |
|   | 1,240,830.86  | 967,368.30    |
| III. financial investments  |               |               |
| 1. Shares in affiliated companies   | 0.00          | 0.83          |
| 2. Holdings   | 271,362.44    | 0.00          |
| 3. Cooperative Shares   | 1,300.00      | 1,300.00      |
|   | 272,662.44    | 1,300.83      |
| B. Current Assets   |               |               |
| I. Inventories  |               |               |
| 1. Raw, auxiliary and operating materials   | 7,931,415.12  | 8,875,637.09  |
| 2. Work in progress, work in progress   | 1,140,138.64  | 1,325,689.17  |
| 3. finished goods and goods   | 1,859,496.77  | 3,324,197.31  |
| 4. advance payments made  | 145,611.80    | 106,827.39    |
| 5. Advance payments received on orders  | 148,358.80-   | 39,782.00-    |
|   | 10,928,303.53 | 13,592,568.96 |
| II. Receivables and other assets  |               |               |
| 1. Trade accounts receivable  | 735,731.81    | 2,769,809.06  |
| 2. other assets   | 859,534.50    | 4,028,946.21  |
|   | 1,595,266.31  | 6,798,755.27  |
| III. Cash on hand, Bundesbank balances, bank balances and checks  | 7,130,175.75  | 1,236,830.29  |
| C. Prepaid expenses   | 29,911.99     | 123,324.39    |
|   | 21,274,199.47 | 22,766,805.72 |

#### LIABILITIES

|                  | 12/31/2020  | 12/31/2019  |
|------------------|-------------|-------------|
|                  | Euro        | Euro        |
| A. Equity        |             |             |
| I. Drawn capital | 783,750.00  | 783,750.00  |
| own shares       | 270,750.00- | 270,750.00- |
| called capital   | 513,000.00  | 513,000.00  |

|                                 | 12/31/2020    | 12/31/2019    |
|---------------------------------|---------------|---------------|
|                                 | Euro          | Euro          |
| II. Capital Reserve             | 20,400.71     | 20,400.71     |
| III. profit carried forward     | 7,124,176.54  | 4,582,160.00  |
| IV. Net Income                  | 3,073,906.14  | 3,542,016.54  |
|                                 | 10,731,483.39 | 8,657,577.25  |
| <b>B. Provisions</b>            |               |               |
| 1. Provisions for taxes         | 416,909.60    | 985,725.18    |
| 2. other provisions             | 3,689,921.24  | 4,090,115.04  |
|                                 | 4,106,830.84  | 5,075,840.22  |
| <b>C. Liabilities</b>           |               |               |
| 1. Liabilities to banks         | 1,147,089.18  | 1,407,180.90  |
| 2. Trade Accounts Payable       | 2,965,933.66  | 5,518,913.23  |
| 3. other liabilities            | 147,544.05    | 118,071.72    |
|                                 | 4,260,566.89  | 7,044,165.85  |
| <b>D. Accruals and Accruals</b> |               |               |
|                                 | 2,175,318.35  | 1,989,222.40  |
|                                 | 21,274,199.47 | 22,766,805.72 |

### Profit and Loss Account for the year ended January 1st to December 31st 2020

|   | fiscal year    | Previous year  |
|---|----------------|----------------|
|   | Euro           | Euro           |
| 1. Revenue  | 57,722,482.55  | 54,774,325.74  |
| 2. Decrease in inventories of finished goods and work in progress                       | 1,349,520.90-  | 3,265,153.46-  |
| 3. other own work capitalized   | 12,727.76      | 6,427.47       |
| 4. other operating income   | 1,622,689.07   | 2,712,264.15   |
| 5. Cost of Materials  |                |                |
| a) Expenses for raw materials, auxiliary materials and supplies and for purchased goods | 39,759,244.69- | 36,204,040.71- |
| b) Expenses for purchased services  | 1,095,642.92-  | 1,001,348.23-  |
|   | 40,854,887.61- | 37,205,388.94- |
| 6. Personnel expenses   |                |                |
| a) Wages and salaries   | 6,743,832.33-  | 6,413,702.91-  |
| b) social security contributions and expenses for pensions and for assistance           | 1,043,032.62-  | 963,386.50-    |
|   | 7,786,864.95-  | 7,377,089.41-  |
| -of which for pensions EUR -3,482.48 (EUR -5,194.96)                                    |                |                |
| 7. Depreciation   |                |                |
| on intangible assets and property, plant and equipment                                  | 267,365.93-    | 222,443.39-    |
| 8. other operating expenses   | 4,279,897.42-  | 3,966,417.72-  |
| 9. other interest and similar income  | 125.64         | 65.00          |
| 10. Interest and Similar Expenses   | 130,095.06-    | 129,164.39-    |
| 11. Income taxes  | 1,610,779.44-  | 1,781,562.37-  |
| 12. Earnings after taxes  | 3,078,613.71   | 3,545,862.68   |
| 13. other taxes   | 4,707.57-      | 3,846.14-      |
| 14. Net Income  | 3,073,906.14   | 3,542,016.54   |

### Appendix for the 2020 financial year

#### I. General information on the annual financial statements

Pyramid Computer GmbH is based in Freiburg. The address of the registered office is: Bötzingen Straße 60, 79111 Freiburg. The company is entered in the commercial register at the district court of Freiburg (HRB 3018).

As of the balance sheet date, the company has the size characteristics of a large corporation within the meaning of Sections 264, 267 (2) HGB.

The present annual financial statements have been prepared in accordance with the provisions of the German Commercial Code applicable to large corporations in the version of the Accounting Directive Implementation Act (BilRUG), retaining the classification and valuation principles used for the previous year's financial statements (sections 265 (1) sentence 2, 266 et seq. HGB ). The regulations of the GmbHG were observed.

The nature of expense method was used to present the income statement.

#### II. Accounting and valuation methods

In the reporting year, there were no deviations from the presentation, accounting and/measurement methods used in previous periods.

##### Capital assets

Licenses to rights and assets purchased from third parties are capitalized at acquisition cost and amortized on a straight-line basis over their expected useful life, pro rata in the year of acquisition. If the fair value of individual intangible fixed assets falls below their book value, additional unscheduled depreciation is carried out if the impairment is expected to be permanent.

Property, plant and equipment are valued at acquisition or production cost less scheduled depreciation. Depreciation on additions to property, plant and equipment is always prorated on a straight-line basis over their economic useful lives, which are based on useful lives for tax purposes, insofar as this corresponds to the actual depreciation. If the fair value of individual assets falls below their book value, additional unscheduled depreciation is carried out if the impairment is expected to be permanent.

Low-value assets with acquisition costs between EUR 250.00 and EUR 800.00 are written off immediately in the year of acquisition.

In the case of financial assets, the share rights are stated at acquisition cost.

Inventories are always stated at the lower of acquisition and production cost or current market value.

Inventories of raw materials, consumables and supplies are capitalized at average purchase prices or at the lower daily rates on the balance sheet date.

Work in progress and finished goods are valued at production cost, taking into account not only the direct material costs and production wages, but also overheads, which also include the depreciation of fixed assets.

The recognizable risks in inventories, which result from longer than average storage times, reduced marketability and lower replacement costs, are taken into account through appropriate devaluations.

Receivables and other assets are stated at their nominal value. Appropriate value adjustments have been made for all risky items.

#### Prepaid expenses and deferred charges

Payments made before the balance sheet date are recognized as prepaid expenses if they represent expenses for a specific period after this date.

#### Equity capital

The subscribed capital is accounted for at nominal value.

|                             | Subscribed capital | own shares | capital reserve | profit carried forward | net income | Total equity |
|-----------------------------|--------------------|------------|-----------------|------------------------|------------|--------------|
|                             | k€                 | k€         | k€              | k€                     | k€         | k€           |
| Status 01.01.20             | 784                | -271       | 20              | 4,582                  | 3,542      | 8,657        |
| Net income 2019             |                    |            |                 | 3,542                  | -3,542     |              |
| Acquisition of own shares   |                    |            |                 |                        |            |              |
| Profit distribution in 2020 |                    |            |                 | -1,000                 |            | -1,000       |
| Net profit 2020             |                    |            |                 |                        | 3,074      | 3,074        |
| As of December 31, 2020     | 784                | -271       | 20              | 7.124                  | 3,074      | 10,731       |

#### accruals

The tax and other provisions cover all recognizable risks, uncertain liabilities and imminent losses from pending transactions (Section 249 HGB) and are valued at the settlement amount that is necessary according to prudent business judgment (Section 253 (1) sentence 2 HGB).

#### liabilities

Liabilities are recognized at their settlement amount (Section 253 Paragraph 1 Clause 2 HGB).

#### foreign currency conversion

Transactions in foreign currencies are generally recorded at the historical exchange rate at the time of initial posting. On the balance sheet date, in accordance with Section 256a HGB, current foreign currency receivables and liabilities (remaining term of up to one year or less) are translated at the mean spot exchange rate.

#### III. Notes to the balance sheet

The development of fixed assets is shown in the fixed asset movement schedule as the following appendix to the notes.

As in the previous year, all receivables and other assets are due within one year.

The trade accounts receivable amounting to €736 thousand (previous year: €2,770 thousand) include accounts receivable from companies with participations in the amount of €371 thousand (previous year: €0 thousand).

Other assets include receivables from the shareholder of €416 thousand (previous year: €0 thousand), taxes amounting to €6 thousand (previous year: €199 thousand) and social security amounts of €3 thousand (previous year TE -1) included.

The other provisions relate to personnel and sales, in particular guarantee obligations.

The remaining terms of the liabilities are shown in detail in the following table of liabilities.

|                                     | total amount | Up to 1 year | Greater than 1 year | of which more than 5 years |
|-------------------------------------|--------------|--------------|---------------------|----------------------------|
|                                     | k€           | k€           | k€                  | k€                         |
| Liabilities to credit institutions  | 1,147        | 162          | 562                 | 424                        |
| liabilities from goods and services | 2,966        | 2,966        |                     |                            |
| Other liabilities                   | 148          | 148          |                     |                            |
| total                               | 4,261        | 3,275        | 562                 | 424                        |

The amount shown under trade payables is partially secured by the usual retention of title by suppliers.

Other liabilities include tax liabilities of €76 thousand (previous year: €74 thousand).

The deferred income item was formed for payments received for an extension of the guarantee period to 5 years. The item will be dissolved proportionately from the 3rd year.

#### IV. Notes to the Profit and Loss Account

Revenues of €57,722k are distributed by geographic market as follows:

| region            | Euro          |
|-------------------|---------------|
| Germany           | 33,365,385.04 |
| Europe            | 17,370,197.96 |
| rest of the world | 6,986,899.55  |
| Total             | 57,722,482.55 |

The following extraordinary income and expenses arose in the 2020 financial year:

In the financial year, other operating income includes income from the reversal of provisions and value adjustments in the amount of €854 thousand.

Other operating income includes income from currency translation of €509 thousand (previous year: €365 thousand) and other operating expenses include currency translation expenses of €477 thousand (previous year: €343 thousand).

#### V. Other information

##### Information on transactions not included in the balance sheet (§ 285 No. 3 HGB)

The company sells parts of its trade accounts receivable to a factoring bank. The purpose of the measure is to obtain funds that are required to finance the working capital.

#### Contingent liabilities (§ 251 HGB), other financial obligations (§ 285 No. 3a HGB)

As of the balance sheet date, there were no contingent liabilities that require reporting.

Financial obligations result from the rental agreements for buildings and warehouses as well as the leasing agreements. The remaining payment obligations on the balance sheet date totaled €2,147 thousand (previous year: €2,395 thousand), of which €764 thousand (previous year: €589 thousand) within one year.

#### employees on average over the year

An average of 133 (previous year: 129) employees were employed in the financial year. Of these, 49 (previous year 47) were commercial employees and 74 (previous year 70) white-collar workers and 10 (previous year 12) trainees (Section 285 No. 7 HGB).

#### Managing Director

- Friedrich Hansen, Freiburg i.Br., businessman (until March 31, 2020)
- Nikolaus Hensler, Freiburg i.Br., businessman (until December 31, 2020)
- Josef Schneider, Freiburg i.Br., businessman

The gross remuneration of the management in the current financial year totals €1,275 thousand.

#### holdings

On September 1st, 2020, Pyramid acquired a 10% stake in Tradekraft Kiosks LLC, 1081 Holland Drive, Boca Raton, FL 33487 (USA).

#### auditor's fee

The auditor paid a total fee of i. H. calculated from T€ 24.7. Of this, T€ 17.6 is attributable to auditing services and T€ 7.1 to tax consulting services.

#### VI. supplementary report

After the end of the fiscal year, until the preparation of the annual report, no events became known that are of significant importance for the business development and would lead to a changed assessment of the asset, financial and earnings situation.

#### Fribourg, January 31, 2021

### Pyramid Computer GmbH

Joseph Schneider

#### Schedule of assets as of December 31, 2020

|   | Acquisition costs/manufacturing costs |                     |                    | As of December<br>31, 2020<br>Euro |
|---|---------------------------------------|---------------------|--------------------|------------------------------------|
|   | Status<br>01.01.2020<br>Euro          | additions<br>Euro   | departures<br>Euro |                                    |
|   |                                       |                     |                    |                                    |
| Capital assets  |                                       |                     |                    |                                    |
| I. Intangible assets  |                                       |                     |                    |                                    |
| Purchased concessions, industrial property rights and similar rights and values as well as licenses to such rights and values | 201,649.05                            | 40,183.40           | 0.00               | 241,832.45                         |
| Total intangible assets   | 201,649.05                            | 40,183.40           | 0.00               | 241,832.45                         |
| II. Tangible assets   |                                       |                     |                    |                                    |
| 1. technical installations and machines   | 63,563.53                             | 6,854.52            | 0.00               | 70,418.05                          |
| 2. Other facilities, fixtures and fittings  | 2,785,951.79                          | 377,719.97          | 34,730.20          | 3,128,941.56                       |
| 3. Payments on account and assets under construction  | 0.00                                  | 147,758.53          | 0.00               | 147,758.53                         |
| Total property, plant and equipment   | 2,849,515.32                          | 532,333.02          | 34,730.20          | 3,347,118.14                       |
| III. financial investments  |                                       |                     |                    |                                    |
| 1. Shares in affiliated companies   | 0.83                                  | 0.00                | 0.83               | 0.00                               |
| 2. Holdings   | 0.00                                  | 271,362.44          | 0.00               | 271,362.44                         |
| 3. Cooperative Shares   | 1,300.00                              | 0.00                | 0.00               | 1,300.00                           |
| Total financial assets  | 1,300.83                              | 271,362.44          | 0.83               | 272,662.44                         |
| Total Fixed Assets  | 3,052,465.20                          | 843,878.86          | 34,731.03          | 3,861,613.03                       |
|   |                                       |                     | depreciation       |                                    |
|   | Status<br>01.01.2020<br>Euro          | fiscal year<br>Euro | departures<br>Euro | As of December<br>31, 2020<br>Euro |
| Capital assets  |                                       |                     |                    |                                    |
| I. Intangible assets  |                                       |                     |                    |                                    |
| Purchased concessions, industrial property rights and similar rights and values as well as licenses to such rights and values | 154,991.37                            | 9,792.49            | 0.00               | 164,783.86                         |
| Total intangible assets   | 154,991.37                            | 9,792.49            | 0.00               | 164,783.86                         |
| II. Tangible assets   |                                       |                     |                    |                                    |
| 1. technical installations and machines   | 55,765.69                             | 2,182.84            | 0.00               | 57,948.53                          |
| 2. Other facilities, fixtures and fittings  | 1,826,381.33                          | 255,390.60          | 33,433.18          | 2,048,338.75                       |
| 3. Payments on account and assets under construction  | 0.00                                  | 0.00                | 0.00               | 0.00                               |
| Total property, plant and equipment   | 1,882,147.02                          | 257,573.44          | 33,433.18          | 2,106,287.28                       |
| III. financial investments  |                                       |                     |                    |                                    |
| 1. Shares in affiliated companies   | 0.00                                  | 0.00                | 0.00               | 0.00                               |
| 2. Holdings   | 0.00                                  | 0.00                | 0.00               | 0.00                               |

|   | depreciation |             |                            | As of December<br>31, 2020 |
|---|--------------|-------------|----------------------------|----------------------------|
|   | Status       | fiscal year | departures                 |                            |
|   | 01.01.2020   |             |                            |                            |
|   | Euro         | Euro        | Euro                       | Euro                       |
| 3. Cooperative Shares   | 0.00         | 0.00        | 0.00                       | 0.00                       |
| Total financial assets  | 0.00         | 0.00        | 0.00                       | 0.00                       |
| Total Fixed Assets  | 2,037,138.39 | 267,365.93  | 33,433.18                  | 2,271,071.14               |
|   |              |             | book values                |                            |
|   |              |             | As of December 31,<br>2020 | As of 12/31/2019           |
|   |              |             | Euro                       | Euro                       |
| Capital assets  |              |             |                            |                            |
| I. Intangible assets  |              |             |                            |                            |
| Purchased concessions, industrial property rights and similar rights and values as well as licenses to such rights and values |              |             | 77,048.59                  | 46,657.68                  |
| Total intangible assets   |              |             | 77,048.59                  | 46,657.68                  |
| II. Tangible assets   |              |             |                            |                            |
| 1. technical installations and machines   |              |             | 12,469.52                  | 7,797.84                   |
| 2. Other facilities, fixtures and fittings  |              |             | 1,080,602.81               | 959,570.46                 |
| 3. Payments on account and assets under construction  |              |             | 147,758.53                 | 0.00                       |
| Total property, plant and equipment   |              |             | 1,240,830.86               | 967,368.30                 |
| III. financial investments  |              |             |                            |                            |
| 1. Shares in affiliated companies   |              |             | 0.00                       | 0.83                       |
| 2. Holdings   |              |             | 271,362.44                 | 0.00                       |
| 3. Cooperative Shares   |              |             | 1,300.00                   | 1,300.00                   |
| Total financial assets  |              |             | 272,662.44                 | 1,300.83                   |
| Total Fixed Assets  |              |             | 1,590,541.89               | 1,015,326.81               |

### Auditor's Report

To Pyramid Computer GmbH

#### audit opinions

We have the annual financial statements of Pyramid Computer GmbH - consisting of the balance sheet as of December 31, 2020 and the income statement for the financial year from January 1, 2020 to December 31, 2020 and the appendix, including the presentation of the accounting and valuation methods - checked. In addition, we have audited the management report of Pyramid Computer GmbH for the fiscal year from January 1, 2020 to December 31, 2020.

According to our assessment based on the knowledge gained during the audit

- The attached annual financial statements comply in all material respects with the German commercial law regulations applicable to corporations and, in compliance with the German principles of proper accounting, convey a true and fair view of the assets and financial position of the company as of December 31, 2020 and its earnings position for the financial year from January 1, 2020 to December 31, 2020 and
- the attached management report as a whole provides an accurate picture of the company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development.

In accordance with § 322 Para. 3 Sentence 1 HGB, we declare that our audit has not led to any objections to the regularity of the annual financial statements and the management report.

#### Basis for the test results

We conducted our audit of the annual financial statements and the management report in accordance with Section 317 of the German Commercial Code, taking into account the German generally accepted auditing principles established by the Institut der Wirtschaftsprüfer (IDW). Our responsibility under those requirements and standards is further described in the "Auditor's responsibility for the audit of the financial statements and management report" section of our auditor's report. We are independent of the company in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe

#### Responsibility of the legal representatives for the annual financial statements and the management report

The legal representatives are responsible for the preparation of the annual financial statements, which comply with the German commercial law provisions applicable to corporations in all material respects, and for the fact that the annual financial statements, in compliance with the German principles of proper accounting, give a true and fair view of the assets, financial - and results of operations of the company. Furthermore, the legal representatives are responsible for the internal controls which they have determined to be necessary in accordance with the German principles of proper accounting in order to enable the preparation of annual financial statements,

In preparing the annual financial statements, the legal representatives are responsible for assessing the company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

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

#### Auditor's responsibility for the audit of the annual financial statements and the management report

Our objective is to obtain reasonable assurance as to whether the annual financial statements as a whole are free from material - intentional or unintentional - misstatements and whether the management report as a whole provides a suitable view of the company's position and, in all material respects, with the annual financial statements and is consistent with the findings obtained in the audit, complies with German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report which contains our audit opinions on the annual financial statements and on the management report.

Adequate assurance is a high level of assurance, but is no guarantee that an audit conducted in accordance with Section 317 of the German Commercial Code, taking into account the German principles of proper auditing established by the Institut der Wirtschaftsprüfer (IDW) will always uncover a material misstatement. Misstatements may 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 made on the basis of these financial statements and management report.

The website of the Institute of Public Auditors in Germany (IDW) contains a more detailed description of the auditor's responsibility for the audit of the annual financial statements and the management report at [www.idw.de/idw/verlautbarungen/confirmation note/hgb-ja-non-pie](http://www.idw.de/idw/verlautbarungen/confirmation%20note/hgb-ja-non-pie). This description forms part of our auditor's report.

**Freiburg im Breisgau, February 3, 2021**

**bws Graf Kanitz GmbH  
Wirtschaftsprüfungsgesellschaft  
Steuerberatungsgesellschaft**

*Hartmut Dicke, auditor*

*Thorsten Dicke, auditor*

The annual financial statements were adopted on February 24, 2021.

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