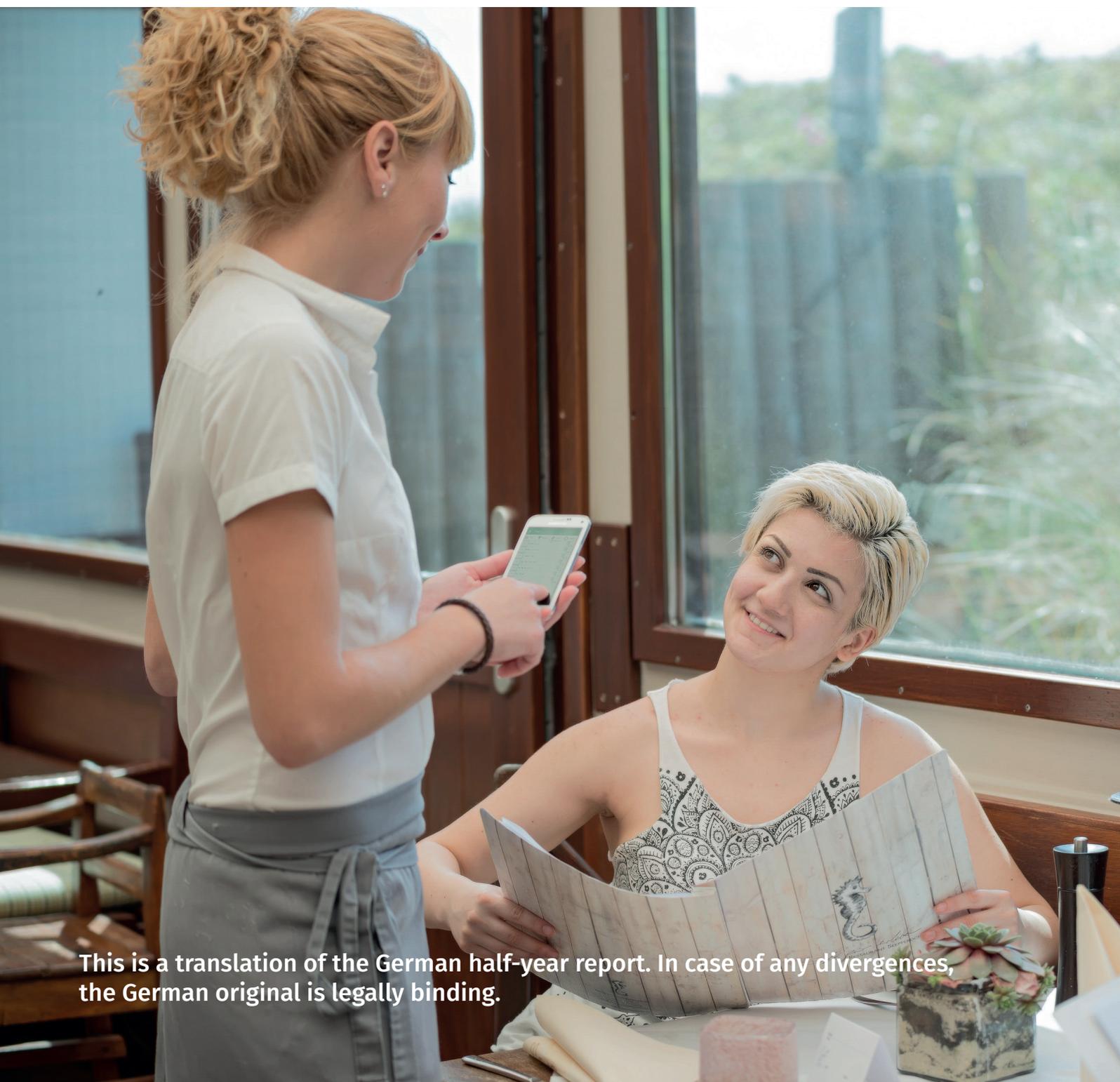


# Half-Year Report 2020



This is a translation of the German half-year report. In case of any divergences, the German original is legally binding.

# Half-Year Report as of 30 June 2020

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## Management report

### 1. Business performance

#### 1.1. Company situation

With more than 200,000 installed systems worldwide, Vectron Systems AG (Vectron) is one of Europe's leading intelligent POS system providers. The company's solutions comprise hardware, software and cloud services. They are primarily aimed at the gastronomy and bakery industry, but can also be used by retailers and service providers.

The products are sold through a network of approx. 300 specialist trade partners, mainly in Germany and other European countries. The end customer spectrum ranges from single cash register installations to branch networks comprising over 1,000 cash registers.

#### 1.2. Overall economic development

The COVID-19 pandemic and related countermeasures dominated the overall economic situation in the first half of 2020. According to the information provided by the Federal Statistical Office (Destatis), the gross domestic product (GDP) in the second quarter of 2020 decreased by 10.1 % compared with the GDP in the first quarter of 2020 when adjusted for price, season and calendar. This was the steepest drop since the German quarterly GDP was first calculated in 1970. It was much worse than the drop during the financial and economic crisis in 2009 (-4.7 % in the first quarter of the year). The price-adjusted GDP decreased by 11.7 % compared with the second quarter in the previous year. Both exports and imports of goods and services as well as private spending and investments collapsed significantly.

According to Destatis, in March 2020, sales in the main target industry, gastronomy, decreased by 44.6 % (adjusted for price, calendar and season) compared with the previous month and in April by a further 56.3 % compared with March, corresponding to a decrease of 75.8 % compared with April 2019. In May, the figures recovered by 44.9 % compared with April, which corresponds to a decrease of 64.0 % compared with May 2019. Newer figures were not yet available at the time this report was prepared.

The analyses of Vectron customer data, which are non-representative and not adjusted for price and calendar, resulted in even steeper drops. Sales in the gastronomy sector in the last week of March, for instance, dropped to below 10 % of the figures in January and February, and by approximately

55 % compared with the whole of March. Sales started to recover when the protective measures were eased in May 2020, but were still around 20 % down on the usual seasonal figure, even in the strongest sales week of the reporting period at the end of June.

Bakeries did not close, but had to discontinue their coffee shop business. According to Vectron's assessment, sales decreased by approximately 10 % in March and around 25 % in April compared with the beginning of the year and started to recover from May.

### **1.3. Sector development**

The POS system market is highly diverse. The diversity of the sector and varying company sizes among users are reflected on the provider side. As only few manufacturers are active globally in various markets, most competitors are small, often only regional providers.

One key change in recent years was the appearance of competing providers of solutions based on iOS and android devices. Despite high investments by the providers, these systems have not yet been able to gain a large market share and some consolidations have already taken place as a result. New pricing models are also starting to establish themselves (albeit relatively slowly), particularly ongoing instead of one-off payments.

The requirements placed on cash registers by the tax authorities have a considerable effect on the market. Until recently, the current legal position in Germany was determined by two letters of the Federal Ministry of Finance (BMF) dated 26 November 2010 ("Aufbewahrung digitaler Unterlagen bei Bargeschäften" – "Storing digital documents for cash transactions") and 14 November 2014 (GoBD = "Grundsätze zur ordnungsgemäßen Führung und Aufbewahrung von Büchern, Aufzeichnungen und Unterlagen in elektronischer Form sowie Datenzugriff" – "Principles for properly maintaining and storing books, records and documents in electronic form as well as data access"). These state that a POS system must keep detailed records of all booking data and also record other data in electronic form (obligation to keep individual records). This data must be archived for a minimum period of 10 years. The transitional period, during which it was still permitted to use systems that could not be retrofitted, expired at the end of 2016. However, numerous users did not comply with this period and changed over only after the due date or have still not done so.

The Law on the Protection Against Manipulation of Digital Background Recordings [Gesetz zum Schutz vor Manipulationen an digitalen Grundaufzeichnungen] came into force on 29 December 2016. This law prescribes that all cash registers must be fitted with a certified technical security device (TSE)

as from 1 January 2020. There is a transitional regulation for previously purchased systems that cannot be retrofitted which must comply with the requirements of the BFM letter dated 26 November 2010. These systems may still be used until the end of 2022.

The practical implementation of the law is regulated by the POS Security Ordinance (Kassensicherungsverordnung – KassenSichV), various technical guidelines issued by the Federal Office for Information Security (BSI) and the application ordinance on Section 146a of the German Tax Code (Abgabenordnung – AO). The last part of the specifications, the “Digital Interface of the Financial Administration for POS Systems” [Digitale Schnittstelle der Finanzverwaltung für Kassensysteme (DSFinV-K)] was only published on 12 August 2019. As the remaining period until the end of 2019 was not nearly enough for the technical implementation of a wide-spread installation, the German Federal Ministry of Finance (BMF) granted a period of grace until 30 September 2020. POS systems without technical security devices may still be used during this period. However, all POS systems sold as from 1 January 2020 must already be upgradable with a technical security device. Almost all of the federal states have extended this period one more time with certain constraints – see Section 4.

In order to meet the requirements, all electronic cash registers in Germany must either be upgraded or replaced.

The competition for data also impacts the POS industry. Digital services are already considerably changing the gastronomy market. Developments similar to those in the retail sector can be observed. The analysis and exploitation of POS transaction data will become a central task of POS systems and/or cloud service providers.

The long-term effects of the COVID-19 pandemic cannot yet be assessed.

## 1.4. Sales and order development

As the legal and technical specifications for the protection of cash registers against manipulation were fully disclosed in August 2019, the Federal Ministry of Finance (BMF) introduced a period of grace ending on 30 September 2020 during which all cash registers must be modified. In the last quarter of 2019, this resulted in increased demand, which continued in the first quarter of 2020 until the start of the COVID-19 pandemic.

Sales in the first quarter increased by around 27 % year-on-year to K€ 7,478. Despite the decreases caused by COVID-19 in the second quarter, total sales in the first half of the year were therefore K€ 12,597 (previous year: K€ 12,007), corresponding to a year-on-year increase of 5 %.

K€ 11,017 (previous year: K€ 9,096) of sales revenues, or 87.5 % (previous year: 75.8 %), pertained to Germany, K€ 1,544 (previous year: K€ 2,838), or 12.3 % (previous year: 23.6 %), to other EU countries and K€ 36 (previous year: K€ 73), or 0.3 % (previous year: 0.6 %) to third countries.

The share of customers using the internet services provided by the bon-Vito GmbH subsidiary increased considerably. Vectron also profited directly from this development. The number of contracts in the first half of 2020 increased from 5,576 to 6,279, which corresponds to an increase of approximately 12.6 %.

Vectron provides its end customers with a financing model for new POS systems. This sales promotion model is offered by Vectron specialist trade partners. The financing portfolio contributed around 18.7 % (previous year: around 17 %) to total sales in the first half of 2020.

Vectron's business model is geared towards extremely short delivery times and corresponding short production lead times, from which the Vectron specialist trade partners profit in particular. This business model does not result in significant order backlogs.

## **1.5. Production and procurement**

Vectron uses the same application software in most of its POS systems. This software can also be used in various industries. Different models and/or model changes and diverse target industries therefore cause comparatively little cost.

The production process consists primarily of the assembly of modules and pre-fabricated components as well as quality controls. Device types in high demand are produced for stockpiling. Stocks are dispatched as soon as an order is received, meaning that delivery periods are usually very short. Less frequently demanded products are made specifically to order. Sometimes they are also entirely produced by upstream suppliers.

To ensure continuous delivery capability and fast reaction times, defined minimum amounts are stocked for all important components and finished devices. New product lines or expected peak demand may thus result in temporarily increased stock levels. In the past financial years, stocks were deliberately increased several times to remain able to deliver goods at all times.

## 1.6. Investments

Investments in the reporting period amount to K€ 806 (previous year: K€ 62). The majority pertains to the capitalisation of the POS systems, which are provided to customers for use within the scope of the Duratec digital world model, in the balance sheet. The POS systems were capitalised at manufacturing cost and are depreciated over a term of 72 months. The other amount pertains to the modernisation and expansion of the IT infrastructure as well as operational and business equipment.

Around 33 % (previous year: 33 %) of employees worked on the development and further development of new and existing Vectron products. A considerable share of personnel costs therefore relates to development services. However, the company chose not to capitalise these costs.

## 1.7. Financing

Vectron successfully implemented the capital increase with 727,319 new no-par value bearer shares against cash deposits, which was resolved in February 2020. The gross income from issuing these shares amounted to roughly K€ 11,000.

At the end of the first half of the year, cash and cash equivalents amounted to K€ 16,211 (previous year: K€ 13,814), corresponding to a significant K€ 2,397 increase year-on-year. Vectron therefore has sufficient cash and cash equivalents, even in serious crisis situations. The financing strategy is geared towards long-term stability.

In the first half of the year, the cash flow from ongoing business activity amounted to K€ -4,909 (previous year: K€ -571). The cash flow from ongoing business activity therefore decreased by K€ 4,338 year-on-year. The balance is primarily comprised of the loss at the end of the first half of the year and the increase in receivables and inventories.

Investments in fixed assets in the reporting period resulted in cash flow from investment activity of K€ -806 (previous year: K€ -280). See Section 1.6 for the breakdown.

Significant obligations not contained in the balance sheet include a rental agreement for the property at the company head office as well as the re-financing of the sales promotion model. Further existing lease contracts (transport fleet, tools, trade fair construction etc.) are of only immaterial importance. To support bonVito GmbH in the start phase, guarantee commitments were entered into. The total sum of the other obligations by the balance sheet date is K€ 5,484 (previous year: K€ 5,745). All of the liabilities

have remaining terms of up to four years. We refer to the explanations in the notes.

## **1.8. Human resources**

As of the balance sheet date for the first half of the year, the workforce comprised 188 employees (previous year: 178 employees). This performance indicator contains three members of the executive board and 15 trainees.

Vectron applies a profit-based, variable, multi-level remuneration model for almost all employees to automatically adjust personnel costs to the economic situation and to motivate employees. If the profit situation is positive, employees participate appropriately in the company's success through their variable salary components. This model balances the employer's and the employees' interests in a way that is accepted by the workforce. In addition to this, a share option programme (contingent capital, see information in the notes) was introduced for managers.

## **1.9. Remuneration system for executive bodies**

All members of the company's executive board receive fixed and variable remuneration. The variable components of two of the members contain a performance-related component of one percent of operative profit (earnings before interest, taxes, depreciation and amortisation). The variable component of one of the members contains a capped target bonus. In addition, in 2018, 25,000 pre-emptive rights for the acquisition of 25,000 no-par value bearer shares of the company with a mathematical share in share capital of € 1.00 each (base value) were issued at the strike price during the exercise period. The annual general meeting on 17 May 2018 resolved to grant pre-emptive rights to members of the executive board. Furthermore, each member of the executive board is entitled to a company car.

The supervisory board receives fixed annual remuneration. No variable components are provided. Please refer to the notes.

## **2. Assets and financial situation**

Intangible assets primarily contain purchased development services for software components of the Vectron cloud platform and software licenses.

The wholly-owned subsidiary bonVito GmbH, founded in 2012, is recognised in financial assets. bonVito GmbH provides internet services in con-

nection with POS systems and has been generating net profit each year since 2018.

This item also includes the 100 % investment in Posmatic GmbH. Posmatic manufactures a POS software app which runs on Apple hardware, such as iPads, iPods and iPhones. End customers generally purchase their own hardware and pay a monthly user fee for the software. The usual start-up losses for this specific business model were incurred during the start-up phase. Based on a positive forecast, the shares are stated at amortised cost.

Inventories increased by 37.7 % year-on-year. Popular products are produced in advance and the proportion of finished products in the total volume increased as a result. Fundamentally, the ability to supply goods at any time is given a high priority, which means that temporary expansions of stock levels are deliberately accepted. Due to the business model with very short order lead times by the Vectron customers, delivery shortages could otherwise have an immediate negative effect on sales. There are no noteworthy risks as the stocks are materials for current models.

Receivables consist of numerous smaller individual receivables related to different customers. The average days sales outstanding varied between 43 and 119 days throughout the reporting period. The increase in days sales outstanding was due, amongst other factors, to the granting of longer payment targets, which state that specialist trade partners only have to pay upon installation. The actual payment default rate is very low. Potential risks are addressed through the formation of individual and general value adjustments.

As of the balance sheet date, the issued capital was comprised of 8,037,842 (previous year: 7,291,859) no-par value bearer shares with one vote each. The total equity capital amounts to K€ 23,248 (previous year: K€ 13,814).

The short-term liabilities and accruals of K€ 12,387 (previous year: K€ 12,903) can be paid from short-term tied capital in the amount of K€ 29,672.

The financing and liquidity situation of the company can be described as positive. The cash flow statement shows the changes in cash and cash equivalents. Please refer to Section 1.7 in this respect and regarding off-balance sheet commitments.

### 3. Profit situation

In the first half of 2020, sales increased by 5 % to K€ 12, 597. As a result of investments in the digital business in the amount of K€ 1,700 and the costs

for the capital increase of approximately K€ 410, the EBITDA loss increased slightly to K€ 1,300 (previous year: K€ -1,000).

Vectron's core business operations therefore remain profitable. Against the background that the majority of the target sector, gastronomy, had to close down for a long time during the COVID-19 pandemic and for this reason many Vectron specialist retailers were on short-time hours at the same time, the increase in sales is satisfactory. The fact that, despite these adverse circumstances, sales rose slightly compared to the same period of the previous year is due to the ongoing relatively normal business in the bakery industry and the increase in business resulting from the change in the statutory fiscal regulations.

In addition to the traditional sales business through specialist trade partners, Vectron also offers a sales promotion model (sale-and-lease-back with subsequent sublease of these POS systems by Vectron to end customers). Within the framework of this model, the sales revenues from sublease (K€ 1,262; previous year: K€ 1,366) during the term are offset against corresponding leasing expenses (K€ 991; previous year: K€ 1,046) in the material costs item. Additionally, direct sales costs (K€ 692; previous year: K€ 686) were incurred within the scope of this model, which are contained in material costs. After deducting the figures for these effects and for non-product-related sales generated by associate companies, adjusted sales amounted to K€ 10,328 (previous year: K€ 9,246), adjusted material costs to K€ 3,628 (previous year: K€ 3,174) and consequently the adjusted gross profit ratio to 64.9 % (previous year: 60.1 %) for the company as a "POS manufacturer with traditional sales business", compared with the unadjusted gross profit rate of 57.8 % (previous year: 59.1 %). The gross profit rate shown results from the material costs in proportion to sales (excluding stock changes).

Personnel expenses contain wages and salaries paid as well as annual leave entitlements and accrued overtime and special employee bonuses for the financial year. This resulted in a monthly average of K€ 738 compared with the previous year's figure of K€ 750. Converted to full-time equivalents, the average number of employees (excluding 16 trainees) was around 163 (previous year: 158). Due to the short-time hours from March to July, personnel costs decreased by K€ 114.

In the reporting period, amortisation on intangible assets was on par with the previous years.

Other operating expenses increased from an average of K€ 567 per month to K€ 759. The average monthly operating costs amounted to K€ 124 (previous year: K€ 150) and sales costs to K€ 464 (previous year: K€ 284).

Other operating income amounted to K€ 166, on par with the previous year, and primarily contained exchange rate gains, offset benefits in kind and income from the reversal of accruals and impairments.

The ordinary financial result in the amount of K€ -81 (previous year: K€ -91) primarily includes loan liabilities.

The percentage of foreign currency transactions in merchandise purchasing in the 2020 reporting period was approximately 68 % (previous year: approximately 35 %) of the material input. Other expenses by the company are not significantly influenced by exchange rate fluctuations. The same applies to distribution, as foreign currency regions mostly also use the euro for billing purposes. There are at present no recognisable trends toward inflation.

Half-year profit before income taxes amounts to K€ -1,595 (previous year: K€ -1,335) and half-year profits after taxes to K€ -1,597 (previous year: K€ -1,343).

## 4. Significant events after 30 June 2020

The transition period for the obligation to use a technical security device (TSE) should originally have ended on 30 September 2020. Industry associations demanded a further extension of the period to account for the expenses involved with the conversion and the effects of the COVID-19 pandemic. In a letter dated 30 June 2020 to various associations, including DFKA e.V., of which Vectron is a member, the Federal Ministry of Finance (BMF) confirmed the deadline to be 30 September 2020. On 10 July 2020, the federal states of Lower Saxony, Hesse, Bavaria, Northrhine-Westphalia and Hamburg confirmed in a press release that the deadline has been extended until 31 March 2021. All of the federal states, except Bremen, also agreed to this new deadline by the time this report was prepared. The terms and conditions are not all the same. However, in almost all federal states the updating of the existing or installation of a new POS system must have been bindingly ordered, unless evidence can be provided that a cloud TSE is to be used.

Due to the significant uncertainties created by the COVID-19 pandemic, Vectron withdrew the forecast for the current year in March 2020. Once the situation stabilised, Vectron reviewed its medium-term planning on 12 August 2020. Based on the new planning, the management now expects sales between K€ 25,000 and K€ 29,000 in financial year 2020. This results in an EBITDA between K€ -2,000 and K€ 250. Due to the uncertainties regarding the further actions in view of the pandemic, the management has to include such broad range in its planning. In financial year 2021, the legislation on

the introduction of manipulation-proof POS will come into effect in the whole country. This should significantly boost demand. Vectron plans sales of around K€ 50,000 with an EBITDA margin of around 20 % for the coming financial year 2021. The planning for financial year 2022 remains primarily impacted by the legal update/replacement of the POS systems, but the importance of the digital business models will also increase significantly. In 2022, sales are expected to amount to approximately K€ 65,000 with an EBITDA margin of around 25 %.

## **5. Risk reporting**

For monitoring purposes and to support decision-making, Vectron has introduced a risk management system and appointed a risk management officer who reports directly to the executive board. The risks and counter-measures are monitored and recorded on a regular basis. The risks are classified and appraised both qualitatively and quantitatively. Changes are documented so that historical developments are transparent. The results of each audit are reported to the executive board. If additional counter-measures are required, these are initiated directly by the executive board. A performance indicator is calculated from the probability of occurrence and potential damage. This forms the basis for inclusion in the risk report.

### **5.1. Business risks**

The long-standing pricing pressure in the industry may result in a narrowing of the margins for the sale of POS systems, which could not be compensated with other means. By offering POS systems with unique selling points, Vectron has so far largely disconnected itself from the general pricing competition within the sector. The development of the new business fields with their recurring revenues will lead to a great degree of independence in this respect.

Various technical developments have lowered market entry hurdles for new providers and lead to a continuous change of products and business models. Missing a new trend could damage Vectron's profitability in the long-term. The monitoring of competitors and other sectors in order to constantly check and adjust the company strategy is thus of great importance. Product developments are continually adjusted to current findings. All developments are now based on agile methods (Scrum) to ensure maximum reaction speeds.

Economic fluctuations impact users' willingness to invest in POS systems, meaning that an economic downturn (potentially only in individual sales

countries) can lead to significant sales decreases. The focus on high-quality and complex system solutions and the transition to business models with recurring instead of one-off revenues will provide the company with as much independence as possible from the economic cycles.

As from 1 January 2020, POS systems in Germany must be fitted with a certified technical security device in accordance with Section 146a of the German Tax Code (Abgabenordnung – AO) so as to prevent the manipulation of electronic records. Due to the delayed availability of the technical and tax requirements, the Federal Ministry of Finance (BMF) granted a period of grace until 30 September 2020, which was extended again until 31 March 2021 by the majority of the federal states. Further postponements of the date cannot be ruled out. In the markets of other countries with similar constraints, numerous users let similar periods of grace pass without responding and reacted with a significant delay. The users' conduct is primarily influenced by the intensity of the controls implemented by the financial authorities. Sales expected in 2020 and 2021 generated from upgrades and the replacement of devices could therefore be delayed. Vectron aims to respond to this situation with the rapid implementation as well as close coordination of product development, marketing, sales and logistics.

## 5.2. Process and value creation risks

The company's growth and adjustment processes, particularly for the development of the new business fields and the expansion in other countries may lead to the complexity of internal processes increasing too quickly, thus leading to loss of efficiency and lack of quality. During corresponding changes, particular importance is thus placed on suitable project management and involvement of employees.

The process development and invoicing of digital services is complex and prone to errors. Problems can have considerable negative effects on sales, revenues and customer satisfaction. This is primarily counteracted with the launch of suitable IT solutions.

Within the scope of the obligation to use a suitable technical security device, demand for suitable POS systems is to be expected to increase sharply and suddenly. The production capacities of Vectron and/or its suppliers may be insufficient, required components may be unavailable in sufficient quantities or it may be impossible to guarantee the service quality which the customers are used to. This risk is primarily counteracted by increasing stocks of materials and finished products and implementing organisational measures.

As a technology company, Vectron may become the target of industrial espionage. Due to the particular market characteristics and the specialist

knowledge required to use the technology, the actual risk is considered relatively small. Despite this, Vectron has taken extensive protective measures, e.g. safeguarding of the IT systems, internal access restrictions and confidentiality agreements.

### **5.3. Finance risks**

Sales variations may have a significant short-term effect on the available cash flow and thus endanger the overall financing of the company. Vectron therefore aims for a high equity ratio. Additionally, sufficient levels of liquidity are maintained so that the stability of the company is ensured at all times, even during longer periods of weak economic performance.

Dependencies on individual, major customers always pose a risk, such as in the case of payment default. However, this risk is currently low for Vectron (the largest Vectron customer accounted for 5.4 % of total sales in the first half of 2020), but may increase due to individual major orders.

As the company buys a significant share of the material in foreign currency (primarily US dollar), and/or prices are directly impacted by exchange rates, unfavourable exchange rate fluctuations may have a significantly negative impact on profits. Foreign currency items are secured with derivative financial instruments, if possible. Due to the sometimes high volatilities, these securities are, however, not always available at acceptable conditions. In addition, it is almost impossible to hedge against long-term exchange rate fluctuations.

Longer-term business interruption, e.g. as a result of a fire, could have considerable financial costs. This risk is covered by business interruption insurance, as far as possible. However, certain risks, such as force majeure, cannot be insured or would be too expensive to insure to be economically viable.

Tax audits always bear a potential revenue and/or liquidity risk. Up to now, financial years 2008 to 2015 have been audited without resulting in any material back payments.

### **5.4. Technical and IT risks**

The company is highly dependent on numerous IT systems and other technology. Breakdowns, malfunctions, data loss or hacker attacks could endanger the company's continued existence as a going concern. Vectron places great importance on state-of-the-art security measures and backup solutions as well as regular IT system updates.

## 5.5. Purchasing and cooperation risks

A price increase for purchased components can result in a narrowing of the margin. In order to prevent this issue, Vectron agrees fixed-price contracts that prevent direct price increases by suppliers. As the exchange rate trend is used for calculating the fixed price, there is nevertheless an indirect potential currency risk. However, it is impossible to fix prices in the long term.

Price savings for electronic assemblies, components and finished devices can generally only be achieved by purchasing larger quantities. However, larger purchasing volumes require more tied capital and bear the risk of impairments in the event of products being cancelled. The company therefore only concludes framework agreements for quantities whose sale is largely secured.

In the case of Vectron-specific or single-source components, the downtime of a pre-supplier can result in delivery delays. The largest single supplier contributed a share of around 15.5 % of the total acquisition volume in the first half of 2020. To avoid shortages, minimum amounts of all critical components are stocked so that a sufficient reaction time in the event of breakdowns is ensured. Replacement suppliers are on stand-by if technically and economically feasible.

## 5.6. Personnel risks

In view of the lack of qualified employees in recent years, problems with the acquisition of qualified employees may result in the company being unable to implement its planned product developments and sales activities and exploit corresponding business opportunities. Numerous individual measures are being implemented to position Vectron as an attractive employer.

The unavailability of key employees can lead to significant problems with operations. A risk in this respect is that it may be impossible to retain these key employees in the company. In order to promote employee retention, Vectron places great importance on a good working climate and the targeted promotion of cooperation amongst colleagues.

## 5.7. Product and product development risks

The product portfolio undergoes ongoing adjustments, changes and expansions. The resulting development and production complexity can lead to delays and product errors that can have a significant effect on the company's profit situation. There is also a risk of developing products that do not meet requirements in the market. Both planning and development are

therefore as iterative as possible to ensure that findings in the market flow into these activities as quickly as possible. Software tests are automated as much as possible. The risk is further limited through product liability insurance.

## **6. Forecast report**

### **6.1. Future sector development**

It can be expected that the structure in the previous core market, in other words POS systems for gastronomy businesses and bakery chains, will generally remain unchanged, i.e. the industry is dominated by many small and regional market participants. At the same time, user requirements will continue to increase, particularly regarding ease of use and powerful analysis functions. Competition is likely to remain as fierce as ever.

In Germany, the core sales region, the Law on the Protection Against Manipulation of Digital Background Recordings (Gesetz zum Schutz vor Manipulationen an digitalen Grundaufzeichnungen) and the new deadline as of 31 March 2021 (see Section 4) will have a significant effect on the market. For this reason, the executive board assumes that business will pick up again in the second half of the year.

Within the scope of the expected “fiscalisation boom” caused by the obligation to either update or replace all POS systems in Germany by 31 March 2021, the new digital offers should serve to significantly increase Vectron’s income and optimise this income by moving its sources away from one-off payments to long-term, recurring, monthly fee payments.

The required development costs will continue to grow. Vectron’s advantage due to its larger size compared with numerous competitors enables the company to invest significantly more than the industry average and therefore gives it the opportunity to develop its market share.

The competition for data and data management will also increasingly impact the POS industry. Digital services are already considerably changing today's gastronomy market. The trend is similar to that in the retail sector, but with a significant delay due to the fragmented structure of the industry.

The use of mobile consumer hardware, in particular tablet computers, as a basis for cash register systems is expected to increase further. The integration of POS systems in the internet with corresponding new prod-

ucts and business models will further contribute to a change within the sector. Customer retention systems as well as reporting services are becoming more usable and affordable for an increasing number of users in the form of cloud solutions. In future, the innovative capability of the providers will therefore even more so determine the competitive success. However, the changes will not take place as quickly as in the consumer segment.

The sales structures – in the market segment of Vectron this is sales through specialist trade partners – are forecast to remain largely stable in the long term.

The COVID-19 pandemic has left its mark and continues to impair daily operations. The development of demand and the extent of recovery is hard to estimate at present. However, these facts will be crucial to the question if and how many providers will disappear from the market.

## **6.2. Future product development**

The main focus remains on the continuous further development of the various software and service products.

The further development of the Vectron Cloud online platform is a focal point. Customer retention, ordering, reservation and e-payment services are technically integrated on this platform, both with the company's own products and cooperations. These services are marketed in various combinations under different product names.

New POS system software is also being developed at present. In a first step, it will complement existing products in order to use it in all Vectron POS systems in the long term.

The hardware for the stationary and mobile POS systems is replaced and complemented with other products in a targeted manner to position the company in other niche markets. The new Vectron POS 7 hardware generation will be available as from autumn 2020, for instance.

## **6.3. Future business development**

The measures for combating the COVID-19 pandemic had, and are having, a massive effect on Vectron's target markets (see Section 1.2).

As the situation has stabilised, new planning was prepared and the key data published (see Section 4). As the economic situation of the gastronomy and

bakery sector significantly impacts willingness to invest, further significant uncertainties remain in this respect, particularly if further tough COVID-19 countermeasures are to be implemented.

By focussing on digital services, the company plans to reduce its dependence on general economic developments.

- bonVito has become firmly established in the market in its current form as a customer loyalty solution for individual enterprises and continues to grow steadily. The existing customer base is very stable and the termination rates are low.
- Vectron markets various supplementary products for POS systems under the “myVectron” product name and based on the new Vectron cloud platform. The main products include reporting apps, data backups in the cloud and interfaces to DATEV cloud solutions.
- With its “Duratec digital world” product package, Vectron provides customers with a complete package comprising the most popular digital services with integration in a POS system. The aim is to provide customers a complete solution that meets all of their digital requirements in one place. The advantages are that additional operating steps and additional hardware, such as tablet computers, are no longer required thanks to the direct integration of the services in the POS as well as much lower package prices.

The Law on the Protection Against Manipulation of Digital Background Recordings [Gesetz zum Schutz vor Manipulationen an digitalen Grundaufzeichnungen] will have a significant positive effect on future business developments. Experiences from similar laws in countries such as Austria give rise to expect a considerable rise in demand for a period of two to three years. After this date, the intensity of controls by the financial administration in the form of so-called cash register audits will also be a deciding factor for the speed with which the changeover will be implemented.

Münster, 28 August 2020

Vectron Systems AG  
The executive board



Thomas Stümmler  
CEO



Jens Reckendorf  
CTO



Silvia Ostermann  
COO

**VECTRON**



## Interim balance sheet as of 30 June 2020

Assets	30/06/2020			31/12/2019
	€	€	€	€
<b>A Fixed assets</b>				
<b>I Intangible assets</b>				
1. Purchased concessions, commercial property rights and similar rights and values as well as licenses to such rights and values	109,469.69			129,030
2. Prepayments made	0.00	109,469.69		0
<b>II Tangible assets</b>				
1. Technical facilities and machines	99,563.05			140,559
2. Other facilities, operational and business equipment	907,966.25			267,145
3. Prepayments made and work in progress	48,430.00	1,055,959.30		48,430
<b>III Financial assets</b>				
Shares in associated companies		2,085,464.15	3,250,893.14	2,054,214
<b>B Current assets</b>				
<b>I Stocks</b>				
1. Raw, auxiliary and operating materials	4,624,856.54			2,598,211
2. Finished products and merchandise	2,199,072.19	6,823,928.73		2,360,043
<b>II Receivables and other assets</b>				
1. Trade receivables	4,980,996.01			5,010,095
- of which with a remaining term of more than one year: € 0				
2. Receivables from associated companies	372,934.26			218,848
- of which trade receivables: € 64,924.79				
- of which with a remaining term of more than one year: € 0				
3. Other assets	1,283,095.18	6,637,025.45		336,732
- of which with a remaining term of more than one year: € 0				
<b>III Cash-in-hand, bank balances and cheques</b>		16,211,153.98	29,672,108.16	11,316,282
<b>C Accrued and deferred items</b>			542,437.98	68,236
<b>D Deferred tax assets</b>			2,169,510.52	2,169,511
			35,634,949.80	26,717,335

Liabilities	30/06/2020		31/12/2019
	€	€	€
<b>A Equity capital</b>			
<b>I Subscribed capital</b>	8,037,842.00		7,291,859
- conditional capital: € 398,672			
<b>II Capital reserve</b>	20,033,477.40		9,748,744
<b>III Retained earnings</b>			
Statutory reserve	40,000.00		40,000
<b>IV Balance sheet profit</b>	-4,863,675.04	23,247,644.36	-3,266,786
- of which loss/profit carried forward: € -3,266,786 (previous year: € -1,874,588)			
<b>B Accruals</b>			
1. Tax accruals	0.00		0
2. Other accruals	1,194,584.15	1,194,584.15	1,205,172
<b>C Liabilities</b>			
1. Participation rights capital II	0.00		0
- of which with a remaining term up to one year: € 0			
- of which with a remaining term of more than one year: € 0			
- of which with a remaining term of more than five years: € 0			
2. Liabilities to banks	10,000,000.00		10,420,990
- of which with a remaining term up to one year: € 10,000,000.00			
- of which with a remaining term of more than one year: € 0			
- of which with a remaining term of more than five years: € 0			
3. Trade payables	832,610.45		926,244
- of which with a remaining term up to one year: € 832,610.45			
- of which with a remaining term of more than one year: € 0			
- of which with a remaining term of more than five years: € 0			
4. Other liabilities	360,110.84		351,112
- of which from taxes: € 280,264.37 (previous year: € 368,878)			
- of which for social security: € 0 (previous year: € 1,060.00)			
- of which with a remaining term up to one year: € 360,110.84			
- of which with a remaining term of more than one year: € 0			
- of which with a remaining term of more than five years: € 0			
		11,192,721.29	
		35,634,949.80	26,717,335

## Interim profit and loss account as of 30 June 2020

	01/01–30/06/2020			01/01–30/06/2019		
	€	€	€	€	€	€
1 Sales revenues		12,597,142.39			12,006,532	
2 Increase or decrease in finished goods and work in progress		205,059.43			-388,911	
3 Other operating revenues, of which from currency exchange: € 26,277.83		166,373.84	12,968,575.66		163,064	11,780,686
4 Material costs						
a) Cost of raw materials, consumables and supplies, and of merchandise	-3,616,240.80			-3,165,210		
b) Costs for services obtained	-1,694,671.88	-5,310,912.68		-1,740,752	-4,905,962	
5 Personnel costs						
a) Wages and salaries	-3,712,020.69			-3,774,767		
b) Social security, post-employment and other employee benefit costs, of which for old age pensions: € 33,849 (previous year: € 35,398)	-713,644.90	-4,425,665.59		-725,080	-4,499,847	
6 Depreciation of tangible and intangible fixed assets		-194,466.14			-219,303	
7 Other operating expenses, of which from currency exchange: € 28,774		-4,551,803.28	-14,482,847.69		-3,399,577	-13,024,689
8 Other interest and similar income, of which from the discounting of accruals: € 0 of which from associated companies: € 0		2,786.48			18,348	
9 Interest and similar expenses, of which from the compounding of accruals: € 0 of which to associated companies: € 0		-83,581.57			-109,718	
10 Income tax expenditure, of which deferred taxes: revenue € 0 (previous year: expenditure € 6,600)		0.00	-80,795.09		-7,669	-99,039
<b>11 Earnings after taxes</b>			<b>-1,595,067.12</b>			<b>-1,343,042</b>
12 Other taxes			-1,822.09			325
<b>13 Interim profit / loss</b>			<b>-1,596,889.21</b>			<b>-1,342,718</b>
14 Loss / profit carried forward from previous year			-3,266,786.00			-1,874,588
<b>15 Half-year balance sheet loss</b>			<b>-4,863,675.21</b>			<b>-3,217,306</b>

## Cash flow statement 1 January – 30 June 2020

	01/01–30/06/2020	01/01–30/06/2019
	€	€
<b>Ordinary income for the period before income tax</b>	<b>-1,596,889</b>	<b>-1,335,048</b>
+ Depreciation on fixed assets	194,466	219,303
+/- Increase / decrease of other accruals, where these are not allocated to the investment or financing activities	-10,587	-45,332
+/- Other non-operative expenditures/revenues	0	24,726
+/- Loss / profit from the sale of fixed assets	0	0
+/- Decrease / increase in stocks, receivables from deliveries and services as well as other assets not allocated to investment or financing activities	-2,937,026	221,848
+/- Increase / decrease in liabilities from deliveries and services as well as other liabilities not allocated to investment or financing activities	-558,837	350,918
+/- Cash inflow / outflow from extraordinary items	0	0
-/+ Income taxes paid / received	0	-7,670
<b>= Cash flow from ongoing business activities</b>	<b>-4,908,874</b>	<b>-571,254</b>
+ Cash inflows from the disposal of tangible fixed assets	0	0
- Cash outflows for investments in tangible and intangible fixed assets	-774,731	-61,604
- Cash outflows for investments in financial assets	-31,250	-218,750
<b>= Cash flow from investment activities</b>	<b>-805,981</b>	<b>-280,354</b>
+ Cash inflows from equity injections	11,030,717	5,025,112
+ Cash inflows from borrowing	0	0
- Cash outflows from the redemption of loans	-420,990	-421,060
- Cash outflows for the repayment of advances	0	-1,500,000
- Cash outflows to company owners (dividends)	0	0
<b>= Cash flow from financing activities</b>	<b>10,609,727</b>	<b>3,104,052</b>
<b>= Change in cash and cash equivalents affecting payment</b>	<b>4,894,872</b>	<b>2,252,444</b>
+ Cash and cash equivalents at the start of the period	11,316,282	11,561,664
<b>= Cash and cash equivalents at the end of the period</b>	<b>16,211,154</b>	<b>13,814,108</b>

# Notes to the interim financial statements as of 30/06/2020

## 1. Information on the company

The purpose of Vectron Systems AG is to develop, distribute and sell integrated solutions for POS systems and related systems, including software and cloud-based data analysis, data management, goods management, CRM and service modules, interfaces for third parties, related services of any kind, and the production of the required hardware, particularly POS systems and accessories.

The location Münster is both the production centre and head office from which the domestic and international sales regions are supplied.

Company:	Vectron Systems AG
Head office:	Willy-Brandt-Weg 41, 48155 Münster, Germany
Register court:	Münster District Court
Commercial register no.:	B 10502
Authorised representative	
Executive board:	Thomas Stümmler (CEO), Silvia Ostermann (COO), Jens Reckendorf (CTO)

## 2. Information on the interim financial statement and the accounting and assessment methods

These interim financial statements as of 30 June 2020 were prepared in euro (€) on the basis of the regulations under German commercial law and the supplementary specific requirements stipulated by law and the articles of association.

The structure of the balance sheet and the profit and loss account complies with commercial law regulations and supplementary, legal form-specific legal regulations. The profit and loss account is structured pursuant to Section 275 Paragraph 2 of the German Commercial Code (Handelsgesetzbuch – HGB) in accordance with the total cost format. The option right under Section 265 Paragraph 5 HGB was exercised. Pursuant to Section 267 Paragraph 2 HGB, the company is a medium-sized corporation.

On 1 March 2017, the company started trading its shares in the “Scale” segment for SMEs (previously in the Entry Standard) of Deutsche Börse AG, a

sub-section of the OTC market. The company is therefore a company with focus on the capital market within the meaning of Section 264d HGB and therefore a non-PIE company.

Intangible and tangible fixed assets are stated at cost. Self-produced intangible fixed assets have not been activated. Assets that are subject to wear and tear are written down on the basis of scheduled linear depreciation. The lower fair value was applied if this was below the amortised acquisition or production costs on the balance sheet date and the impairment was expected to be permanent. Financial assets are stated at cost. The planned depreciations are generally determined on the basis of the following operating lives across the group.

Category	Years
IT programs / other rights	3 -10
POS software / construction plans	5 -6
Tangible fixed assets	3 -13

Stocks are stated at average acquisition or production costs. The finished products are appraised at production costs, i.e. manufacturing and general material costs as well as the manufacturing-related value reduction of the fixed assets were considered. The lower fair value was applied if this was below the acquisition or production costs on the balance sheet date. Interest for borrowed capital was not included.

Trade receivables, receivables from associated companies, other assets as well as liquid resources are shown at par. Default risks and value risks applicable to trade receivables have been suitably considered, both through individual and global valuation adjustments.

Assets and liabilities in foreign currency were stated at the average spot exchange rate as of the balance sheet date. All foreign currency items have terms of less than one year.

Deferred taxes are stated for temporary differences between the valuations of assets and liabilities under commercial and tax law.

This also includes deferred taxes on tax losses carried forward which are expected to be utilised within five years.

Accruals are stated at the fulfilment amount required in accordance with a prudent commercial judgement. Future price and cost increases are accounted for. Any existing accruals with a term of more than one year are discounted.

Liabilities are stated at their fulfilment amounts.

### **3. Information on assets**

Intangible assets primarily contain purchased software licenses as well as development services.

Vectron Systems AG owns all of the shares in the subsidiary bonVito GmbH Münster founded in 2012. The company closed financial year 2018 with net profit for the year of K€ 69. Interim net profit for the year of K€ 518 is expected for 2019. Due to the positive development of the subsidiary, which has taken place since 2018, the investment book value is stated at amortised costs.

Since 1 January 2019, Vectron owns all of the shares in Posmatic GmbH. Posmatic GmbH provides POS software which runs on Apple hardware, such as iPads, iPods and iPhones. The company closed financial year 2018 with net loss for the year of K€ 31. Interim net loss for the year of K€ 90 is expected for 2019. Due to the positive development of the subsidiary, which is to be expected following planned start-up losses, the investment book value is stated at amortised costs.

The company acquired an 80 % investment in Vectron America Inc. at the end of 2017. The final annual financial statements 2019 of Vectron America Inc. close with a net loss for the year of KCAD 18, which consists of planned start-up costs. Due to the positive development of the subsidiary, which is to be expected following planned start-up losses, the investment book value is stated at amortised costs.

The company did not receive any unrealised investment income from the above-stated shares which would have to be barred from distribution in accordance with Article 272 V HGB [German Commercial Code] during the financial year.

There is no obligation to prepare consolidated financial statements pursuant to Section 293 HGB.

The stocks mainly consist of raw materials, consumables and supplies for the production of the POS models and finished products and merchandise. Trade goods only play a minor role as a logistics partner is managing both inventories and dispatch. Due to the demand for large delivery capacities, the change of some product lines from make-to-order production to make-to-stock production, which was initially implemented in 2014, was continued in the reporting year.

Cash in hand and bank balances amounted to K€ 16,211 as of the balance sheet date (previous year: K€ 13,814). The amount includes a loan of K€ 10,000 granted by DZ BANK AG which is used for financing projects within the scope of a growth-oriented transformation strategy. The loan is due for repayment by the end of the reporting year.

Due to temporary differences between the valuations of assets and liabilities under commercial law and tax law and due to tax losses carried forward, there will be a tax relief in future years. Deferred tax assets were recorded at the amount of this tax relief on the basis of differences regarding the useful life of some fixed assets as well as provisions for impending losses and tax losses carried forward. The valuation was based on a tax rate of 31.9 %. We refer to the explanations in Section 4.

Due to the capitalisation of deferred tax assets, profits can only be distributed if the accruals freely available after the distribution plus retained profits and less losses carried forward amount to at least € 2,170 (previous year: K€ 1,653).

## 4. Information on liabilities

The shares stated in subscribed capital are no-par value bearer shares with one vote each and a book value of € 1.

The gross income of around K€ 10,983 generated from the capital increase in February 2020 plus the existing comfortable level of cash and cash equivalents provide Vectron with sufficient liquid resources, even for severe crisis situations. The usual options in crisis situations were also implemented. Short-time hours have already been used as an instrument for adjusting to the drop in capacity utilisation and for saving costs.

In February 2020, the reporting company fully placed the above-mentioned capital increase in the amount of around 10 % of share capital. The company's share capital was increased by up to € 727,319.00 by issuing up to 727,319 new no-par value bearer shares ("new shares") whilst partially drawing down the existing authorised capital 2019 and excluding the shareholders' pre-emptive rights. The interest in subscribing to the company's new shares by far exceeded the amount available, meaning that the order book was closed after just a few hours. All new shares were therefore allocated at a placement price of € 15.10 each during an accelerated bookbuilding process. The reporting company generated gross income from the issuance of the new shares in the amount of K€ 10,983.

The company's share capital now amounts to € 8,037,842.00 and is divided

Equity capital development (euro)	Subscribed capital***	Capital reserve	Retained earnings** Statutory reserve	Participation rights capital I	Balance sheet profit*	Total
Equity capital as of 01/01/2019	6,611,996	5,355,294	40,000	0	-1,874,589	10,132,701
Dividend payout						
Capital increase against deposits	661,199	4,363,913		0		5,025,112
Capital increase from contingent capital	18,664	29,536				48,200
Net loss for the year					-1,392,197	-1,392,197
<b>Equity capital as of 31/12/2019</b>	<b>7,291,859</b>	<b>9,748,743</b>	<b>40,000</b>	<b>0</b>	<b>-3,266,786</b>	<b>13,813,816</b>
Dividend payout						
Capital increase against deposits	727,319	10,255,198		0		10,982,517
Capital increase from contingent capital	18,664	29,536				48,200
Net loss for the year					-1,596,889	-1,596,889
<b>Equity capital as of 30/06/2020</b>	<b>8,037,842</b>	<b>20,033,477</b>	<b>40,000</b>	<b>0</b>	<b>-4,863,675</b>	<b>23,247,644</b>

\*The balance sheet loss of €-4,863,675 (previous year: € -3,266,786) contains loss / profit carried forward of € -3,266,786 (previous year: € -1,874,589).

\*\* No retained earnings due to a lack of write-ups of fixed and current assets.

\*\*\* Shares subscribed from authorised capital in financial year 2020: 727,319; shares subscribed from contingent capital in financial year 2020: 18,664

into 8,037,842 no-par value bearer shares. It went up year-on-year due to various capital increases.

The other accruals that are comprehensively classified as short-term are primarily distributed amongst the following areas:

Designation	Euro
Annual leave / overtime	101,100
Outstanding purchase invoices	510,179
Variable remuneration components	0
Other accruals	583,305
<b>Total</b>	<b>1,194,584</b>

Liabilities to banks resulted from a purpose-bound loan of K€ 10,000 taken out in June 2018 for financing projects within the scope of a growth-oriented transformation strategy. The loan has a term up to 30 December 2020. In 2019, the loan was secured with cessions by security in the form of chattel mortgages on goods inventories and the assignment of securities for receivables.

The usual retentions of title from the acquisition of assets exist for trade payables.

## 5. Information on the interim profit and loss account

A large proportion of sales is generated by internally developed and produced Vectron POS systems. In addition to the sale of hardware, the internally developed software (network communication, expansion licences) and online services are also sold. Vectron's complete portfolio is rounded off by peripheral appliances (printers, scanners, cash register drawers etc.) and services.

In addition to the classic specialist trade partner sales business, the company also offers a sales promotion model ("sale-and-lease-back with subsequent sublease of these POS systems by Vectron to end customers"). Within the framework of this model, the sales revenues from sublease (K€ 1,262; previous year: K€ 1,366) during the term are offset against corresponding leasing expenses (K€ 991; previous year: K€ 1,046) in the material costs item. Additionally, direct sales costs (K€ 692; previous year: K€ 686) were incurred within the scope of this model, which are contained in material costs.

After deducting the figures for these effects and for non-product-related sales generated by associate companies, adjusted sales amounted to K€ 10,328 (previous year: K€ 9,246), adjusted material costs to K€ 3,628 (previous year: K€ 3,174) and consequently the adjusted gross profit ratio to 64.9 % (previous year: 60.1 %) for the company as a "POS manufacturer with

Segment (euro), each as of year-half (30/06)	Period	Germany	EU	Third country	Total
POS systems	2020	4,275,130	665,277	22,896	4,963,303
	2019	5,474,470	1,771,848	41,021	7,287,339
Software	2020	1,435,807	283,144	9,574	1,728,525
	2019	758,828	286,680	13,172	1,085,680
Goods for resale / service	2020	5,306,122	595,673	3,518	5,905,313
	2019	2,835,401	779,686	18,426	3,633,513
Total	2020	11,017,059	1,544,094	35,989	12,597,142
	2019	9,095,699	2,838,214	72,619	12,006,532
Percentage distribution	2020	87.5 %	12.3 %	0.3 %	100.0 %
	2019	75.8 %	23.6 %	0.6 %	100.0 %

traditional sales business”, compared with the unadjusted gross profit rate of 57.8 % (previous year: 59.1 %). The gross profit rate shown results from the material costs in proportion to sales (excluding stock changes).

Other operating income primarily contains exchange rate gains, offset benefits in kind, income from the reversal of accruals and impairments as well as other income.

Depreciation and amortisation does not contain any impairments.

The profit and loss account does not include any income taxes. Compared with the previous year, income taxes in the amount of K€ 8 were reported, of which K€ 6.6 for deferred taxes.

The balance sheet was compiled under consideration of the partial use of the annual result. The executive board did not exercise the option of endowment of statutory reserves. Furthermore, no proposal / resolution for appropriation had been made as yet.

## 6. Other information

Other financial obligations in the form of liquidity-protecting leasing and rental obligations amount to a nominal K€ 5,484 (previous year: K€ 5,745).

Contingent liabilities in the form of guarantees for the benefit of the associated company, bonVito GmbH, pursuant to Section 251 HGB amount to K€ 665 (previous year: K€ 963). Due to the positive development of the subsidiary these are not expected to be utilised.

During the reporting period, an average of 166 employees (consisting of 156 full-time employees and 10 part-time employees) worked at Vectron Systems AG. These figures were determined in accordance with the methods stated in Section 267 V HGB.

Other financial obligations (euro)	of which with a remaining term of			
	Total	up to 1 year	1 to 5 years	over 5 years
Leasing obligations*	4,738,590	3,134,396	1,604,194	0
Rental obligations**	745,263	745,263	0	0
<b>Total</b>	<b>5,483,853</b>	<b>3,879,659</b>	<b>1,604,194</b>	<b>0</b>

\* The sale-and-lease-back transactions concluded within the framework of the sales promotion model have terms of 36 or 48 months with a remaining volume for the following financial years of K€ 4,458 (previous year: K€ 3,937) which are offset by slightly increased subleasing contracts.

\*\* Rental obligations relate to the period until May 2021.

The members of the executive board can be contacted at the company's administrative address. Mr Thomas Stümmler, CEO, is responsible for Strategy, Products/Brands, Public and Investor Relations and Marketing and Sales. Mr Jens Reckendorf, CTO, is responsible for Technology and Development IT and Support and Services. Ms Silvia Ostermann, COO, is responsible for HR, Finances, Legal, Purchasing, Production and Workflows and Processes.

The supervisory board consists of the following four members:

- Mr Christian Ehlers (chairman), lawyer
- Mr Maurice Oosenbrugh (deputy chairman), business manager, managing partner of EUCON GmbH
- Mr Heinz-Jürgen Buss, Dipl.-Kaufmann [business administration graduate], managing director Winkelmann Group GmbH & Co. KG
- Mr Thorsten Behrens, Dipl.-Kaufmann [business administration graduate], managing director STEPHENS Inc.

The supervisory board remuneration for the chairman is K€ 30. The other supervisory board members receive a remuneration of K€ 20 each.

As announced on 12 August 2020, Mr Heinz-Jürgen Buss, member of the supervisory board, informed the executive board of Vectron Systems AG that he wishes to retire from his office at the end of 2020, after more than 10 years on the board, for personal reasons. Mr Buss wishes to give the company sufficient time to find a suitable successor until the end of the year.

Münster, 28 August 2020

Vectron Systems AG  
The executive board



Thomas Stümmler  
CEO



Jens Reckendorf  
CTO



Silvia Ostermann  
COO

# VECTRON

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