# voxeljet AG

## INDEX TO FINANCIAL STATEMENTS

**Consolidated Financial Statements of voxeljet AG:**

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Supervisory Board
voxeljet AG:

We have audited the accompanying consolidated statements of financial position of voxeljet AG and subsidiaries (the "Company") as of December 31, 2014 and 2013, and the related consolidated statements of comprehensive income (loss), changes in equity, and cash flows for each of the years in the three-year period ended December 31, 2014. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of voxeljet AG and subsidiaries as of December 31, 2014 and 2013, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2014 in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

/s/ KPMG AG Wirtschaftsprüfungsgesellschaft

Munich, Germany
March 26, 2015

**voxeljet AG**

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

| | Notes | Year Ended December 31, 2014 | 2013 |
|---|---|---|---|
| | | (€ in thousands) | |
| **Current assets** | | **58,509** | **39,977** |
| Cash and cash equivalents | | 8,031 | 33,459 |
| Financial assets | 6, 14 | 41,142 | 744 |
| Trade receivables | 7 | 3,148 | 1,003 |
| Inventories | 8 | 5,247 | 3,641 |
| Income tax receivables | | 65 | 129 |
| Other assets | | 876 | 1,001 |
| **Non-current assets** | | **22,586** | **17,939** |
| Financial assets | 6, 14 | 247 | 1,561 |
| Intangible assets | 10 | 1,315 | 62 |
| Goodwill | 9 | 1,558 | — |
| Property, plant and equipment | 11 | 19,466 | 16,316 |
| **Total assets** | | **81,095** | **57,916** |

| | Notes | Year Ended December 31, 2014 | 2013 |
|---|---|---|---|
| | | (€ in thousands) | |
| **Current liabilities** | | **5,567** | **7,090** |
| Deferred income | | 469 | 622 |
| Trade payables | | 2,326 | 1,502 |
| Income tax payable | | — | 14 |
| Financial liabilities | 12, 14 | 1,241 | 1,922 |
| Other liabilities and provisions | 13 | 1,531 | 3,030 |
| **Non-current liabilities** | | **4,228** | **5,426** |
| Deferred income | | 826 | 1,337 |
| Deferred tax liabilities | 19 | 213 | — |
| Financial liabilites | 12, 14 | 2,263 | 3,863 |
| Other liabilities and provisions | 13 | 926 | 226 |
| **Equity** | | **71,300** | **45,400** |
| Subscribed capital | 27 | 3,720 | 3,120 |
| Capital reserves | 27 | 75,671 | 46,038 |
| Accumulated deficit | | (8,090) | (3,758) |
| Accumulated other comprehensive loss | | (1) | — |
| **Total equity and liabilities** | | **81,095** | **57,916** |

**voxeljet AG**

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**

| | Notes | Year Ended December 31, 2014 | 2013 | 2012 |
|---|---|---|---|---|
| | | (€ in thousands, except share and share data) | | |
| Revenues | 15 | 16,163 | 11,688 | 8,711 |
| Cost of sales | 16 | (9,838 ) | (7,045 ) | (4,957 ) |
| **Gross profit** | | **6,325** | **4,643** | **3,754** |
| Selling expenses | | (3,746 ) | (2,640 ) | (1,510 ) |
| Administrative expenses | | (4,026 ) | (1,676 ) | (758 ) |
| Research and development expenses | | (4,027 ) | (2,651 ) | (1,573 ) |
| Other operating expenses | 17 | (101 ) | (583 ) | (62 ) |
| Other operating income | 17 | 1,384 | 894 | 822 |
| **Operating profit (loss)** | | **(4,191 )** | **(2,013 )** | **673** |
| Finance expense | 18 | (472 ) | (380 ) | (363 ) |
| Finance income | 18 | 299 | 37 | 18 |
| Financial result | 18 | (173 ) | (343 ) | (345 ) |
| **Profit (loss) before income taxes** | | **(4,364 )** | **(2,356 )** | **328** |
| Income taxe benefit (expense) | 19 | 32 | (358 ) | (116 ) |
| **Profit (loss)** | | **(4,332 )** | **(2,714 )** | **212** |
| **Other comprehensive income (loss)** | | **(1 )** | **—** | **1** |
| **Total comprehensive income (loss)** | | **(4,333 )** | **(2,714 )** | **213** |
| Weighted average number of ordinary shares outstanding | | 3,555,616 | 2,252,000 | 2,000,000 |
| Earnings (loss) per share—basic/ diluted (EUR) | | (1.22 ) | (1.21 ) | 0.11 |

**voxeljet AG**

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

| | Subscribed capital | Capital reserves | Accumulated deficit | Accumulated other comprehensive income (loss) | Total equity |
|---|---|---|---|---|---|
| | | | (€ in thousands) | | |
| **Balance at January 1, 2012** | **1,000** | **1,262** | **(1,256 )** | **(1 )** | **1,005** |
| Profit (loss) for the period | — | — | 212 | — | **212** |
| Other comprehensive income (loss) | — | — | — | 1 | **1** |
| **Balance at December 31, 2012** | **1,000** | **1,262** | **(1,044 )** | **—** | **1,218** |
| **Balance at January 1, 2013** | **1,000** | **1,262** | **(1,044 )** | **—** | **1,218** |
| Profit (loss) for the period | — | — | (2,714 ) | — | **(2,714 )** |
| Reorganization | 1,000 | (950 ) | — | — | **50** |
| Initial public offering | 1,120 | 45,726 | — | — | **46,846** |
| **Balance at December 31, 2013** | **3,120** | **46,038** | **(3,758 )** | **—** | **45,400** |
| **Balance at January 1, 2014** | **3,120** | **46,038** | **(3,758 )** | **—** | **45,400** |
| **Profit (loss) for the period** | **—** | **—** | **(4,332 )** | **—** | **(4,332 )** |
| Follow-on public offering | 600 | 29,633 | — | — | **30,233** |
| Net changes in fair value of available for sale financial assets | — | — | — | (47 ) | **(47 )** |
| Foreign currency translation | — | — | — | 46 | **46** |
| **Balance at December 31, 2014** | **3,720** | **75,671** | **(8,090 )** | **(1 )** | **71,300** |

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**CONSOLIDATED STATEMENTS OF CASH FLOWS**

| | Year Ended December 31, | | |
|---|---|---|---|
| | **2014** | **2013** | **2012** |
| | (€ in thousands) | | |
| **Cash Flow from operating activities** | | | |
| **Loss for the period** | (4,332 ) | (2,714 ) | 212 |
| Depreciation and amortization | 2,143 | 1,493 | 1,343 |
| Noncash sale to customer in exchange for customer loans | (931 ) | (1,386 ) | (250 ) |
| Proceeds from customer loans | 191 | 92 | 39 |
| Changes in deferred income taxes | — | 358 | (45 ) |
| Loss on disposal of assets | 183 | — | — |
| Deferred income | (665 ) | (686 ) | (274 ) |
| **Change in working capital** | **(1,609 )** | **1,203** | **(589 )** |
| Trade and other receivables and current assets | (1,745 ) | (1,304 ) | 131 |
| Inventories | (1,305 ) | (836 ) | (851 ) |
| Trade payables | 823 | 942 | 42 |
| Other liabilities and provisions | 632 | 2,403 | 128 |
| Income tax payable/receivables | (14 ) | (2 ) | (39 ) |
| **Total** | **(5,020 )** | **(1,640 )** | **436** |
| **Cash Flow from investing activities** | | | |
| Payments to acquire property, plant and equipment and intangible assets | (2,684 ) | (11,176 ) | (702 ) |
| Payments to acquire financial assets | (43,395 ) | (273 ) | (276 ) |
| Business combination, net of cash and cash equivalents acquired | (965 ) | — | — |
| **Total** | **(47,044 )** | **(11,449 )** | **(978 )** |
| **Cash Flow from financing activities** | | | |
| Proceeds (repayment) from bank overdrafts and lines of credit | (308 ) | (707 ) | 1,250 |
| Proceeds from sale and leaseback | — | 1,900 | 776 |
| Repayment of finance lease obligations | (1,419 ) | (1,503 ) | (582 ) |
| Repayment of long-term debt | (2,725 ) | (339 ) | (1,099 ) |
| Reorganization | — | 50 | — |
| Proceeds from borrowings | 800 | — | — |
| Proceeds from issuance of shares | 30,233 | 46,846 | — |
| **Total** | **26,581** | **46,247** | **345** |
| **Net increase (decrease) in cash and cash equivalents** | (25,483 ) | 33,158 | (197 ) |
| **Cash and cash equivalents at beginning of period** | 33,459 | 301 | 498 |
| Changes to cash due to consolidation items | 2 | — | — |
| Changes to cash and equivalents due to foreign exchanges rates | 53 | — | — |
| **Cash and cash equivalents at end of period** | **8,031** | **33,459** | **301** |
| **Supplemental Cash Flow Information** | | | |
| Interest (received) paid net | (43 ) | 314 | 320 |
| Income taxes paid net | — | 129 | 171 |
| **Non-cash items:** | | | |
| Additions to property, plant and equipment through lease | — | 1,900 | 822 |

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**Basis of preparation**

**1. The reporting entity**

*voxeljet* AG (in the following referred to as '*voxeljet'*, 'Group', or the *'Company')* is a high-tech Company headquartered in Friedberg, Germany. The Company consists of voxeljet AG (formerly Voxeljet Technology GmbH), Voxeljet of America Inc. (*Voxeljet of America*), and voxeljet UK Ltd. (*voxeljet UK*). voxeljet AG owns 100% of the issued and outstanding shares of both Voxeljet of America Inc., and voxeljet UK. As a manufacturer of three-dimensional ("3D") printing systems, *voxeljet* has specialized in the development, production and distribution of industrial printing machines and the sale of customized printed products to industrial customers. The *Company* operates in two business divisions: Systems and Services. The *voxeljet* Systems business division creates innovative 3D printers. Today, *voxeljet* has a product range that reaches from smaller entry models to large-format machines, and therefore offers 3D printer systems for a wide range of application areas.

Through its Services business division, the *Company* also offers customized printed products such as sand molds and plastic models based on CAD data through its 'on-demand production' service center. Small-batch and prototype manufacturers utilize the *Company's* machines for the automatic, patternless manufacture of their casting molds and 3D models. The *Company's* customer base includes automotive manufacturers and suppliers as well as companies from the arts and design industries.

On October 23, 2013, the *Company* completed its initial public offering; American Depositary Shares representing ordinary shares of the *Company* have been traded on the New York Stock Exchange since (refer to Note 27).

**2. Preparation of financial statements**

The consolidated financial statements of the Group, were prepared in accordance with International Financial Reporting Standards (IFRS) as set forth by the International Accounting Standards Board (IASB) and interpretations of the IFRS Interpretations Committee (IFRIC). The designation IFRS also includes all valid IAS; the designation IFRIC also includes all valid interpretations of the Standing Interpretations Committee (SIC).

The financial statements were authorized for issue by the Management Board on March 26, 2015.

The statement of financial position was structured in accordance with IAS 1, separating current from non-current assets and liabilities. Assets and liabilities were classified as current if they are expected to be realized within twelve months of the period end. These financial statements were prepared on the basis of historical cost.

The financial statements were prepared in Euros, the *Company's* functional currency. As used in these financial statements 'kEUR' means thousands of Euros. Due to rounding, numbers presented throughout these notes may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

The financial statements were prepared on the assumption that the Group will continue as a going concern.

**3. Summary of significant accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all financial years presented.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**3. Summary of significant accounting policies (Continued)**

**Business Combinations**

Business combinations are accounted for using the acquisition method as at the acquisition date when control is transferred to the Group. Consideration paid is allocated to the assets acquired and liabilities assumed, an excess amount is recorded as goodwill.

**Consolidation**

Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Balances and transactions between consolidated subsidiaries, are eliminated in preparing consolidated financial statements.

**Recognition of income and expenses**

*Revenue*

Revenue from the sale of new or refurbished 3D printers is recognized upon the transfer of risks and rewards of ownership to the buyer, which is upon completion of the installation of the 3D printers at the customer site and evidenced through final acceptance by the customer. Revenue from the sale of custom-ordered printed products, consumables, or spare parts and other machine parts is recognized upon transfer of title, generally upon shipment. Revenue for all deliverables in sales arrangements is recognized to the extent that it is probable that the economic benefit arising from the ordinary activities of the business will flow to the *Company* and provided that the amount of revenue and the costs incurred or to be incurred in respect of the sale can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, which is fixed at the time of recognition of revenue. In instances where revenue recognition criteria are not met, amounts are recorded as deferred income in the accompanying statements of financial position.

The Group provides customers with a standard warranty agreement on all machines for up to one year. The warranty is not treated as a separate service because the warranty is an integral part of the sale of the machine. The provision associated with these warranty obligations was not significant in 2014 or 2013.

After the initial one year warranty period, the Group offers its customers optional maintenance contracts. Maintenance contracts are provided for a period of twelve months and automatically extended for another twelve months if not cancelled on time. Deferred maintenance service revenue is recognized on a straight-line basis as the costs of providing services incurred under the contracts generally do not vary significantly throughout the year.

Shipping and handling costs billed to customers for machine sales and sales of printed products and consumables are included in revenue in the statements of comprehensive income (loss). Costs incurred by the *Company* associated with shipping and handling are included in selling expenses in the statements of comprehensive income (loss).

The *Company's* terms of sale generally require payment within 30 to 60 days after shipment of a product, although the *Company* also recognizes that longer payment periods are customary in some countries where it transacts business. To reduce credit risk in connection with machine sales, the

**3. Summary of significant accounting policies (Continued)**

*Company* may, depending upon the circumstances, require significant deposits prior to shipment. In some circumstances, the *Company* may require payment in full for its products prior to shipment and may require international customers to furnish letters of credit. These deposits are reported as customer deposits included in other liabilities and provisions in the accompanying statements of financial position. Occasionally, the *Company* provides loans for all or a portion of the purchase price of a machine sold by the Systems segment. Services under maintenance contracts are billed to customers in advance on a monthly, quarterly, or annual basis, depending on the contract and are included in deferred income in the statement of financial position.

In the course of the *Company's* ordinary business activities refurbished 3D printers, which were operating in the Service segment on average for 1.5 to 2.5 years, are routinely sold to customers. These 3D printers were operated in the production of manufacturing products ordered by customers. Prior to their sale, these 3D printers are generally fully refurbished, which includes setting up a new printhead. Proceeds from the sale of such refurbished 3D printers are recognized as revenue.

Sales agents are used in connection with the sale of 3D printers. These sales agents receive a sales commission based on a percentage of the sale price for each sale initiated by them. Generally, the commission is paid, only after the customer has paid the final invoice.

*Research and development expenses*

The *Company* is continuously involved in the research and development of new methods and technologies relating to its products. All research and development costs are charged to expense as incurred.

**Government grants**

Government grants awarded for project funding are recorded in "Other operating income" if the research and development costs have been incurred and provided that the conditions for the funding have been met. Until then, amounts received under government grants have been recorded as deferred income in the statement of financial position.

The benefit of a government loan at a below-market rate of interest is treated as a government grant. The loan is recognized and measured in accordance with IAS 39. The benefit of the below-market rate of interest is measured as the difference between the initial carrying value of the loan determined in accordance with IAS 39 and the proceeds received. The value of the government grant is recorded as deferred income in the statement of financial position and recognized in the same period as the relevant research expenditures are incurred.

**Leases**

Finance leases consist primarily of borrowings associated with sale and leaseback transactions of 3D printers that were manufactured and used within the Services segment. Additionally, the *Company* has entered into finance lease agreements for 3D printers manufactured by others. Maturities of the financing leases extend to 2019. Leased assets are recognized at the lower of fair value or the present value of minimum lease payments and depreciated over the asset's estimated useful life. Assets under finance leases are included in "Property, plant and equipment" in the statement of financial position.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

**3. Summary of significant accounting policies (Continued)**

Gains on sale and leaseback transactions are recorded as deferred income in the statement of financial position and recognized as "Other operating income" over the respective lease term.

Operating leases consist of various lease agreements for the rental of manufacturing facilities, office and warehouse spaces, vehicles, and office and IT equipment, expiring in various years through 2017. Rent expense under operating leases is charged to profit or loss on a straight-line basis over the term of the lease.

In 2014, *voxeljet* leased three 3D printers (2013: four 3D printers and 2012: two 3D printers) to customers under operating leases. Rental income is recognized straight-line over the term of the lease as revenue.

**Long Term Cash Incentive Plan**

*voxeljet* has a Long-Term Cash Incentive Plan ("LTCIP") that provides for cash awards to non-executive employees. Compensation cost is determined based on the grant-date fair value of the awards and recognized, net of estimated forfeitures due to termination of employment, on a straight-line basis over the requisite service period of the award and depending on the evaluation of certain performance and market conditions. The requisite service period is generally the vesting period stated in the award. The liability awards are measured at fair value at each balance sheet date until settlement and are classified as "Other liabilities and provisions".

**Foreign currencies**

The financial statements were prepared in Euros, the *Company's* functional currency. Within the respective periods no changes in the functional currency occurred.

Monetary transactions denominated in foreign currencies are translated to Euros at the exchange rates prevailing on the transaction date.

The financial statements of foreign subsidiaries are translated using the concept of the functional currency in accordance with IAS 21. The assets and liabilities of foreign subsidiaries are translated at the spot rate at the end of the period, while their income statement items are translated at average exchange rates for the respective periods. All resulting exchange differences are recognized in other comprehensive income. Gains and losses on foreign currency transactions are shown in the statement of comprehensive income (loss).

The exchange rates that are most relevant for *voxeljet`s* consolidated financial statements are:

Foreign averages exchange rates to Euro

| | Average Rate | |
|---|---|---|
| **Year Ended December 31,** | **USD** | **GBP** |
| **2014** | 1.2329 | 0.8064 |
| **2013** | 1.3303 | 0.8493 |
| **2012** | 1.2909 | 0.8112 |

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

### 3. Summary of significant accounting policies (Continued)

Foreign year end exchange rates to Euro

| | Year End Rate | |
|---|---|---|
| Year Ended December 31, | USD | GBP |
| 2014 | 1.2101 | 0.7789 |
| 2013 | 1.3779 | 0.8363 |
| 2012 | 1.3186 | 0.8123 |

### Income Tax

Income tax expense (benefit) consists of current and deferred tax expense and benefit in accordance with IAS 12.

Current income tax expense (benefit) is based on taxable profit (loss) for the year. Taxable profit (loss) differs from profit (loss) as reported in the statements of comprehensive income (loss) because it excludes items of income or expense that are taxable or deductible in other years and further excludes items that are never taxable or deductible. Current income tax expense (benefit) is calculated using tax rates that have been enacted or substantively enacted by the end of the respective reporting period.

Deferred income tax expense (benefit) is recognized on temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and the corresponding tax base used in the computation of taxable profit (loss).

Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets, including for carry forward losses to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer more probable than not that sufficient taxable profits will be available to allow all or a part of the assets to be recovered.

Deferred tax expense (benefit) is calculated at the tax rates that are expected to apply in the periods when the liability is settled or the asset is realized, based on tax rates (and tax regulations) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the *Company* expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax expense (benefit) is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred taxation is also recorded to equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off tax assets against tax liabilities and when they relate to income taxes levied by the same taxation authority and the *Company* intends to settle its current tax assets and liabilities on a net basis.

Deferred taxes are calculated with a combined tax rate of 28%, consisting of corporate taxes of 15.83% and trade taxes of 12.17%.

**3. Summary of significant accounting policies (Continued)**

**Intangible Assets**

Intangible assets are entirely comprised of acquired intangible assets. These assets with finite useful lives—mainly software and licenses—are carried at cost less accumulated amortization. Amortization for intangible assets with finite useful lives is recognized on a straight-line basis over their useful lives.

The estimated useful economic lives of acquired intangible assets are presented in the following table:

**USEFUL LIFE OF INTANGIBLE ASSETS**

| | |
|---|---|
| Software | 3 years |
| Licences | 6 years |
| Customer list | 3 years |
| Digital library | 3 years |

An intangible asset is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the profit or loss in the period in which the item is derecognized.

The order backlog from the Propshop acquisition in 2014 was amortized through December 31, 2014 according to the revenue recognized from the backlog.

**Property, Plant and Equipment**

Property, plant and equipment is carried at acquisition or manufacturing (for internally manufactured equipment) cost and depreciated on a straight-line basis over the estimated useful lives of the related assets, taking into account estimated residual values. Realized gains and losses are recognized upon disposal or retirement of the related assets and are reflected in 'Other operating income' or 'Other operating expenses'. Subsequent expenditures are capitalized only if it is probable that *voxeljet* will receive additional economic benefits from the particular asset associated with these expenditures, and the costs can be determined reliably. Repair and maintenance expenditures are expensed as incurred.

The estimated useful economic lives of items of property, plant and equipment are as follows:

**USEFUL LIFE OF PROPERTY, PLANT AND EQUIPMENT**

| | |
|---|---|
| Leasehold improvements | 6 - 9 years |
| Buildings | 33 years |
| Plant and machinery | 7 - 8 years |
| Other facilities, machinery and factory equipment | 2 - 10 years |
| Office equipment | 3 - 12 years |

Useful lives, depreciation methods and residual values are reviewed at least annually and, in case they change significantly, depreciation charges for current and future periods are adjusted accordingly.

**3. Summary of significant accounting policies (Continued)**

**Inventories**

Inventories are measured at the lower of acquisition cost, as determined on the first-in, first-out (FIFO) method, or manufacturing cost and net realizable value. Manufacturing costs comprise all costs that are directly attributable to the manufacturing process, such as direct material and labor, and production related overheads (based on normal operating capacity and normal consumption of material, labor and other production costs), including depreciation charges. Net realizable value is the estimated selling price in the ordinary course of business less applicable variable selling expenses.

**Impairment of non-financial assets**

The *Company* assesses at the end of each reporting period whether there is an indication that a non-financial asset may be impaired. The asset is tested for impairment if there are indicators that the carrying amounts may not be recoverable. An impairment loss is recognized in the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is defined as the higher of an asset's fair value less cost to sell and its value in use.

If the fair value less cost to sell cannot be determined, or if it is lower than the carrying amount, the value in use is calculated. In calculating the value in use by discounting the future expected cash flows at a risk-adequate pre-tax interest rate, current and expected future cash flows are taken into account, together with technological, economic and general development trends, on the basis of approved and adjusted financial plans.

**Financial instruments**

*Non-derivative financial assets*

The *Company* initially recognizes financial assets on the trade date, which is the date that the *Company* becomes a party to the contractual provisions of the instrument. The *Company* classifies non-derivative financial assets into the 'loans and receivables' category.

*Loans and receivables*

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses.

*Cash and cash equivalents*

Cash and cash equivalents include cash, deposits and other short-term, highly liquid financial assets that have an original maturity of not more than three months and are exposed only insignificantly to the risk of changes in their fair value. Restricted cash is restricted as to withdrawal or use and consists of cash deposits pledged as collateral for bank borrowings.

**Other assets**

Other assets include mainly security deposits for leases, prepaid expenses and deferred charges as well as amounts relating to value-added-tax ("VAT").

**3. Summary of significant accounting policies (Continued)**

**Other liabilities and provisions**

Other liabilities and provisions consist mainly of customer deposits in relation to machine sales and provisions for personnel such as bonuses, royalties and vacation pay. In addition, other liabilities and provisions include amounts accrued under the LTCIP (refer to Note 13).

**Deferred income**

Deferred income consists of deferred gains from 3D printers sold and leased back under finance leases, prepaid customer fees for maintenance contracts and deferred grant income related to the below-market loan.

**Earnings (loss) per share**

Basic earnings per share amounts are calculated by dividing profit (loss) by the weighted average number of ordinary shares outstanding. There are no dilutive instruments issued and outstanding.

**4. Changes in reporting standards**

The IASB issued a number of new IFRS standards which were required to be adopted in annual periods beginning on January 1, 2014.

| Standard | Effective date | Descriptions |
|---|---|---|
| IFRS 10, 12, IAS 27 | 01/2014 | Amendment Investment Entities |
| IAS 32 | 01/2014 | Amendment Offsetting Financial Assets and Financial Liabilities |
| IAS 36 | 01/2014 | Impairment of Assets |
| IAS 39 | 01/2014 | Financial Instruments: Recognition and Measurement |
| IFRIC 21 | 01/2014 | Levies |
| IAS 19 | 07/2014 | Employee Benefits |

The *Company* has determined that the new standards, amendments or interpretations have no impact on the financial statements, as the concerned aspects are not relevant for the *Company*.

| Standard | Effective date | Descriptions |
|---|---|---|
| IFRS 10, IAS 28 | 01/2016 | Amendment Sale or Contribution of Assets between Investor and its Associate or Joint Venture |
| IFRS 10,12, IAS 28 | 01/2016 | Amendments Investment Entities |
| IFRS 14 | 01/2016 | Regulatory Deferral Accounts |
| IAS 1 | 01/2016 | Amendment Disclosure Initiative |
| IAS 16, IAS 38 | 01/2016 | Property, Plant and Equipment |
| IFRS 11 | 01/2016 | Amendment Accouting for Acquisitions of Interests in Joint Operations |
| IAS 27 | 01/2016 | Amendment Equity Method in Separate Financial Statements |
| IAS 38 | 01/2016 | Amendments Clarification of Acceptable Methods of Depreciation and Amortisation |
| IFRS 15 | 01/2017 | Revenue from Contracts with Customers |
| IFRS 9 | 01/2018 | Financial Instruments |

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**4. Changes in reporting standards (Continued)**

The *Company* has not yet determined what impact the new standards, amendments or interpretations will have on the financial statements, as the concerned aspects are not relevant for the *Company*.

**5. Critical accounting judgment and key sources of estimation and uncertainty**

In the process of applying the *Company*'s accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. These estimates and associated assumptions are based on the knowledge available as of the preparation date of the financial statements and historical experiences as well as other factors that are considered to be relevant. The estimates and underlying assumptions are reviewed on an ongoing basis.

Unforeseeable developments outside management's control may cause actual amounts to differ from the original estimates. In that case, the underlying assumptions and, if necessary, the carrying amounts of the pertinent assets and liabilities are adjusted accordingly. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

The assumptions and estimates refer primarily to the recognition of revenue, the determination of the useful lives of property, plant and equipment, the application of the criteria for recognizing finance leases, the realization of receivables and customer loans, measurement of inventory, the recognition and measurement of provisions, the recognition and measurement of share based payment liabilities.

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

**Revenue recognition**

Revenue on sales of machines is recognized when the significant risks and rewards of ownership are transferred to the customer, the amount of revenue and cost incurred or to be incurred can be measured reliably and it is probable that the economic benefits associated with the sale will flow to the *Company*. On occasion, we grant a loan for a portion or all of the purchase price of a machine to a customer. We recognize revenue on such sales when it is probable that we obtain the economic benefits from the transaction. In these situations, we analyze the credit risk associated with the customer based on all available information and the outstanding balance to determine. The amount of revenue comprises the fair value of the consideration received, including future payments under the loan agreement. We typically retain legal title to our machines until receipt of all consideration to protect the collectability of any outstanding balances due by a customer which does not preclude a conclusion that the significant risks and rewards have transferred.

**Useful lives**

The estimated useful lives and depreciation methods for and property, plant and equipment are based on experiential values. The estimation of the useful life of an asset is based on the experience of the *Company* with similar assets that are used in a similar way. Additional depreciation is recorded if

**5. Critical accounting judgment and key sources of estimation and uncertainty (Continued)**

the estimated useful lives and/or the residual values of property, plant and equipment are different from the previous estimation (refer to Note 10 'Intangible assets').

**Criteria for classifying leases as lessee**

A finance lease is an arrangement that transfers substantially all the risks and rewards incident to ownership of an asset to the lessee. Whether a lease is a finance lease or an operating lease depends on the substance of the transaction rather than the form of the contract. The criteria to classify a lease as a finance lease are as follows (one criterion is sufficient to meet the classification as finance lease):

1. the lease transfers ownership of the asset to the lessee by the end of the lease term;
2. the lessee has a bargain purchase option and it is reasonably certain at the date of inception that the option will be exercised;
3. the lease term is for the major part of the economic life of the asset even if title is not transferred;
4. at the inception of the lease the present value of the minimum lease payments amounts to substantially all of the fair value of the leased asset;
5. the leased assets are of such a specialized nature that only the lessee can use them without major modifications;
6. gains or losses from the fluctuation in the fair value of the residual accrue to the lessee;
7. the lessee has the ability to continue the lease for a secondary period at a rent that is substantially lower than market rent; and
8. if the lessee can cancel the lease, our associated losses are borne by the lessee.

All of our leaseback arrangements for 3D printers transfer ownership of the asset to the *Company* at the end of the lease term, therefore, these leases are accounted for as finance leases.

**Trade receivables**

The *Company* evaluates customer accounts with past-due outstanding balances or specific accounts for which it has information that the customer may be unable to meet its financial obligations. Based upon a review of these accounts and management's analysis and judgment, the *Company* estimates the future cash flows expected to be recovered from these receivables. The amount of the impairment on doubtful receivables is measured individually and recorded as a specific allowance against that customer's receivable balance to the amount expected to be recovered. The allowance is re-evaluated and adjusted periodically as additional information is received.

**Inventories**

Management reviews inventories on a product-by-product basis at the end of each reporting period to identify obsolete and slow-moving inventory items that are no longer suitable for use in production. Management estimates the net realizable value of finished goods, work-in progress and raw materials primarily based on current market conditions and based on its experience in manufacturing and selling products of similar nature. If net realizable value is lower than cost, an allowance is recorded.

**voxeljet AG**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**5. Critical accounting judgment and key sources of estimation and uncertainty (Continued)**

**Provisions and other liabilities**

Provisions are recognized and measured on the basis of the estimate and probability of future outflows of resources embodying benefits, as well as on the basis of experiential values and the circumstances known at the end of the reporting period. Assumptions also are made as to the probabilities whether and within what ranges the provisions may be used. The assessment of whether a present obligation exists is generally based on assessments of internal experts. Estimates can change on the basis of new information and the actual charges may affect the performance and financial position of the *Company*.

**Notes to the Statement of Financial Position**

**6. Financial assets**

Financial assets consist of investments in mutual funds, loans and restricted cash. The funds primarily comprise three bond funds. Unrealized gains or losses are presented in the other comprehensive income or (loss). Realized gains or losses are presented in the financial result.

| | Year Ended December 31, 2014 | 2013 | | | | |
|---|---|---|---|---|---|---|
| | carrying amount | | date of issue | nominal | interest rate | due date |
| | (€ in thousands) | | | | | |
| Loan 1 | 182 | 209 | May 2012 | 250 | 4.75% | January 2015 |
| Loan 2 | — | 626 | September 2013 | 678 | 4.00% | September 2014 |
| Loan 3 | — | 708 | December 2013 | 708 | 4.00% | September 2014 |
| Loan 4 | 255 | — | November 2014 | 255 | 4.00% | November 2015 |
| Loan 5 | 637 | — | December 2014 | 637 | 3.00% | March 2015 |
| **Total** | **1,074** | **1,543** | | **2,528** | | |

The loans 2 and 3 represent loans were originally granted to Propshop, our former customer, and were effectively settled as part of the business combination with Propshop. Loans 4 and 5 represent the unpaid portion of the sales price for 3D printers sold to two customers in 2014.

Sales of 3D printers in exchange for customer loans represent non-cash transactions for purposes of the cash flow statement.

voxeljet AG

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 6. Financial assets (Continued)

The following table details the composition of restricted cash at each reporting date:

**RESTRICTED CASH**

| | Year Ended December 31, | |
|---|---|---|
| | 2014 | 2013 |
| | (€ in thousands) | |
| Cash deposit | 247 | 617 |
| Safeguard retention LfA | — | 145 |
| **Total** | **247** | **762** |

The LfA loan was repaid in 2014 and the restricted cash used in the settlement. The cash deposit decrease mainly due to the termination of the lease regarding the real estate located in Friedberg, Germany.

### 7. Trade receivables

Credit terms provided to customers are determined individually and are dependent on already existing customer relationships and the customer's payment history. The aging of trade receivables was as follows at each reporting date:

**AGING STRUCTURE OF TRADE RECEIVABLES**

| | Year Ended December 31, | |
|---|---|---|
| | 2014 | 2013 |
| | (€ in thousands) | |
| Not due at the end of the reporting period | 2,370 | 652 |
| Amount past due for the following time ranges | | |
| Less than 3 months | 619 | 315 |
| Between 3 and 6 months | 150 | 18 |
| Between 6 and 9 months | 8 | 6 |
| Between 9 and 12 months | 1 | 2 |
| More than 12 months | — | 10 |
| **Total** | **3,148** | **1,003** |

**voxeljet AG**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**7. Trade receivables (Continued)**

The change in the allowance for doubtful accounts is as follows:

**Change in the allowance for doubtful accounts**

| | Year Ended December 31, | |
|---|---|---|
| | 2014 | 2013 |
| | (€ in thousands) | |
| Balance at beginning of period | 38 | 16 |
| Charges | 79 | 38 |
| Release to income | (23 ) | (16 ) |
| **Balance at end of period** | **94** | **38** |

**8. Inventories**

Inventories consist of the following for the years reported:

**INVENTORIES BY CATEGORY**

| | Year Ended December 31, | |
|---|---|---|
| | 2014 | 2013 |
| | (€ in thousands) | |
| Raw Materials | 473 | 271 |
| Work in progress | 3,735 | 2,800 |
| Finished goods | 1,039 | 570 |
| **Total** | **5,247** | **3,641** |

No impairments of inventories were recorded in 2014 and 2013; in 2012 an impairment of inventories amounting to kEUR 11 was recorded. Within the work in progress there is one unfinished VX4000 3D printer with a carrying amount of €0.7 million that serves as collateral for a bank loan of the Company.

**9. Business Combination Propshop**

On October 1, 2014 voxeljet AG acquired 100% of the Propshop (Model Makers) Limited ("Propshop", renamed voxeljet UK Ltd.). Propshop mainly renders 3D printing services for the film industry in the UK. The *Company* obtained control over Propshop by purchasing all of the outstanding shares for €1.0 million in cash. In addition, the *Company* entered into an earn out agreement with revenue and earnings targets for each of the years 2015, 2016 and 2017 with the former owner; any payments could be up to €1.5 million in the aggregate and would be recorded as compensation..

Within the business combination with Propshop, *voxeljet* performed a purchase price allocation. As of December 31, 2014, this purchase price allocation is preliminary with respect to estimate of the fair

**9. Business Combination Propshop (Continued)**

value of certain separately identified intangible assets. The acquired assets and liabilities comprise the following items based on the preliminary purchase price allocation:

| | October 1, 2014 Fair value (€ in thousands) |
|---|---|
| *Current assets* | 514 |
| Cash and cash equivalents | 2 |
| Trade receivables | 211 |
| Inventories | 301 |
| *Non-current assets* | 4,054 |
| Intangible assets | 1,252 |
| Property, plant and equipment | 2,802 |
| **Total assets** | **4,568** |
| *Current liabilities* | 3,466 |
| Financial liabilities | 1,542 |
| Trade liabilities | 1,126 |
| Accruals | 200 |
| Bank overdraft | 71 |
| Other liabilities | 527 |
| *Non-current liabilities* | 1,693 |
| Financial liabilities | 1,693 |
| **Total liabilities** | **5,159** |
| **Net assets (liabilities) acquired** | **(591 )** |
| **Purchase price** | **967** |
| **Goodwill** | **1,558** |

The intangible assets acquired in the business combination consist of order back log (kEUR 103), customer list (kEUR 655) and digital library (kEUR 494) as of October 1, 2014.

The order backlog was amortized until December 31, 2014. The customer relations and digital library are amortized over a period of three years.

The excess of the purchase price over the assets acquired and liabilities assumed is reported as goodwill of €1.6 million. The goodwill results from synergies which relate to the expanded competencies obtained by *voxeljet* in the UK market and the skills of the Propshop work force.

In the fourth quarter of 2014, Propshop's operations contributed revenues of €0.9 million and a net loss of €1.1 million. The *Company* incurred acquisition cost of €0.2 million, which were recorded as administrative expense.

## 10. Intangible assets

| | Year Ended December 31, 2014 | 2013 |
|---|---|---|
| | (€ in thousands) | |
| Software | 74 | 62 |
| Customer list | 601 | — |
| Digital library | 453 | — |
| Prepayments made on intangible assets | 187 | — |
| | 1,315 | 62 |

The intangible assets increased mainly due to Propshop acquisition. The prepayments made on intangible assets refer to software licenses in connection with our new ERP system.

## 11. Property, plant and equipment

| | Year Ended December 31, 2014 | 2013 |
|---|---|---|
| | (€ in thousands) | |
| Land, buildings and leasehold improvements | 11,212 | 7,566 |
| Plant and machinery (includes assets under finance lease) | 6,486 | 5,158 |
| Other facilities, factory and office equipment | 1,240 | 650 |
| Assets under construction and prepayments made | 528 | 2,942 |
| **Total** | **19,466** | **16,316** |
| Thereof pledged assets of Property, Plant and Equipment | **—** | **846** |
| **Leased assets included in Property, Plant and Equipment:** | **2,282** | **3,717** |
| Printing machines | 2,246 | 3,664 |
| Other factory equipment | 36 | 53 |

The assets were pledged as a security for certain bank borrowings, credit lines and other transactions and facilities.

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## 11. Property, plant and equipment (Continued)

The following table presents the composition of, and annual movement in, intangible assets and property, plant and equipment for the financial years 2014 and 2013, respectively:

### 2014

| | Acquisition and manufacturing cost | | | | | | Depreciation and amortisation | | | | | | Carrying amount |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 01/01/2014 | Additions | Business combination | Disposals | Transfer | 12/31/2014 | 01/01/2014 | Current year | Business combination | Disposals | Transfer | 12/31/2014 | 12/31/2014 |
| | (€ in thousands) | | | | | | | | | | | | |
| **Intangible assets** | | | | | | | | | | | | | |
| Software | 155 | 28 | 0 | 0 | 0 | 183 | 93 | 16 | 0 | 0 | 0 | 109 | 74 |
| Licences | 36 | 0 | 0 | 0 | 0 | 36 | 36 | 0 | 0 | 0 | 0 | 36 | 0 |
| Order backlog | 0 | 0 | 103 | 0 | 0 | 103 | 0 | 103 | 0 | 0 | 0 | 103 | 0 |
| Customer list | 0 | 0 | 655 | 0 | 0 | 655 | 0 | 55 | 0 | 0 | 0 | 55 | 601 |
| Digital library | 0 | 0 | 494 | 0 | 0 | 494 | 0 | 41 | 0 | 0 | 0 | 41 | 453 |
| Prepayments made on intangible assets | 0 | 187 | 0 | 0 | 0 | 187 | 0 | 0 | 0 | 0 | 0 | 0 | 187 |
| Goodwill | 0 | 1,558 | 0 | 0 | 0 | 1,558 | 0 | 0 | 0 | 0 | 0 | 0 | 1,558 |
| **Total** | **191** | **1,773** | **1,253** | **0** | **0** | **3,217** | **129** | **215** | **0** | **0** | **0** | **344** | **2,873** |
| **Property, plant and equipment** | | | | | | | | | | | | | |
| Land, buildings and leasehold improvements | 7,580 | 881 | 0 | 0 | 3,024 | 11,485 | 14 | 259 | 0 | 0 | 0 | 273 | 11,212 |
| Plant and machinery | 5,452 | 392 | 3,179 | 540 | 2,350 | 10,833 | 4,011 | 907 | 656 | 303 | 1,359 | 6,630 | 4,204 |
| Other facilities, factory and office equipment | 1,673 | 768 | 402 | 798 | 69 | 2,114 | 1,023 | 246 | 122 | 517 | 0 | 875 | 1,240 |
| Assets under construction and prepayments made | 2,942 | 752 | 0 | 0 | (3,166) | 528 | 0 | 0 | 0 | 0 | 0 | 0 | 528 |
| **Subtotal** | **17,647** | **2,793** | **3,581** | **1,338** | **2,277** | **24,960** | **5,048** | **1,412** | **779** | **820** | **1,359** | **7,778** | **17,184** |
| **Leased products** | **5,567** | **0** | **0** | **0** | **(2,277)** | **3,290** | **1,850** | **516** | **0** | **0** | **(1,359)** | **1,007** | **2,282** |
| **Total** | **23,214** | **2,793** | **3,581** | **1,338** | **0** | **28,250** | **6,898** | **1,928** | **779** | **820** | **0** | **8,785** | **19,466** |

**voxeljet AG**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**11. Property, plant and equipment (Continued)**

**2013**

| | Acquisition and manufacturing cost | | | | | Depreciation and amortisation | | | | | Carrying amount |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | 01/01/2013 | Additions | Disposals | Transfer | 12/31/2013 | 01/01/2013 | Current year | Disposals | Transfer | 12/31/2013 | 12/31/2013 |
| | (€ in thousands) | | | | | | | | | | |
| **Intangible assets** | | | | | | | | | | | |
| Software | 135 | 20 | 0 | 0 | 155 | 83 | 10 | 0 | 0 | 93 | 62 |
| Licences | 36 | 0 | 0 | 0 | 36 | 36 | 0 | 0 | 0 | 36 | 0 |
| **Total** | **171** | **20** | **0** | **0** | **191** | **119** | **10** | **0** | **0** | **129** | **62** |
| **Property, plant and equipment** | | | | | | | | | | | |
| Land, buildings and leasehold improvements | 27 | 7,553 | 0 | 0 | 7,580 | 10 | 4 | 0 | 0 | 14 | 7,566 |
| Plant and machinery | 3,474 | 516 | 460 | 1,922 | 5,452 | 2,140 | 292 | 82 | 1,661 | 4,011 | 1,441 |
| Other facilities, factory and office equipment | 1,530 | 145 | 2 | 0 | 1,673 | 826 | 197 | 0 | 0 | 1,023 | 650 |
| Assets under construction and prepayments made | 0 | 2,942 | 0 | 0 | 2,942 | 0 | 0 | 0 | 0 | 0 | 2,942 |
| **Subtotal** | **5,031** | **11,156** | **462** | **1,922** | **17,647** | **2,976** | **493** | **82** | **1,661** | **5,048** | **12,599** |
| **Leased products** | **6,030** | **1,900** | **441** | **(1,922)** | **5,567** | **2,786** | **990** | **265** | **(1,661)** | **1,850** | **3,717** |
| **Total** | **11,061** | **13,056** | **903** | **0** | **23,214** | **5,762** | **1,483** | **347** | **0** | **6,898** | **16,316** |

**11. Property, plant and equipment (Continued)**

In December 2013, *voxeljet* purchased land, two production halls, and one building under construction in Friedberg, Germany for a total purchase price of €10.0 million. One of the production halls was previously leased by *voxeljet* from the seller; the lease was terminated as of December 31, 2013. The construction of the administrative building was completed by the end of March 2014. The relocation into the new building occurred in April 2014. In 2013, the *Company* was committed to purchase additional land for €0.6 million. Regarding this obligation, an amount of €0.2 million was paid in the second quarter of 2014.

No impairments of non-financial assets were recorded within the respective years.

In total, the *Company* has entered into sale and leaseback transactions for 17 self-produced 3D printers, which were sold to banks and leased back with the intention to be used in the Services segment for the purpose of producing custom-ordered printed products and to sell them to customers as used printers. As of December 31, 2014, the *Company* has seven active leasing contracts compared to ten in 2013. In 2014, three contracts were terminated, the 3D printers were repurchased from the lessor and transferred from leased products to plant and machinery in the table above.

In 2014, there were no sale and leaseback transactions. In 2013 and 2012, the *Company* entered into sale and leaseback transactions for four and two self-produced 3D printers with sales proceeds of kEUR 1,900 and kEUR 776, respectively. In connection with these transactions the *Company* sold 3D printers with manufacturing costs of kEUR 851 and kEUR 266 in 2013 and 2012, respectively. The gain from the sale of kEUR 1,049 and kEUR 510 was deferred and is amortized over the respective lease term. Three of the 3D printers are used in the Services segment and one was leased to a customer under an operating lease.

Leases of 3D printers are non-cash transactions for purposes of the cash flow statement.

In connection with the sale of refurbished 3D printers to customers, the *Company* early terminated three finance lease in 2014 and one in 2013 and repurchased the 3D printer from the lessor. One other refurbished printer that had been carried as property, plant and equipment was sold to a customer in 2014.

In 2013 and 2014, no additional finance leases for property, plant and equipment were agreed.

**12. Financial liabilities**

Financial liabilities consist of the following: bank overdrafts and lines of credit, long-term debt, finance lease obligations and derivatives.

**12. Financial liabilities (Continued)**

*Bank overdrafts and lines of credit*

The *Company* has lines of credit with several banks to fund working capital requirements. The following table provides relevant details:

**Bank overdrafts and lines of credit**

| | Interest rate | Nominal Value | Termination | Year Ended December 31, 2014 Carrying amount |
|---|---|---|---|---|
| | (€ in thousands, except interest rate and termination) | | | |
| 1 | 3.51% | 750 | 12/31/2015 | — |
| 2 | 6.50% | 250 | — | — |
| 3 | 5.75% | 50 | — | — |
| 4 | 6.50% | 150 | — | — |
| 5 | 3.25% | 495 | 03/30/2015 | 448 |
| | | **1,695** | **Total** | **448** |

At December 31, 2014 the *Company* had €1.3 million unused credit lines with committed amounts of €1.7 million.

*Long-term debt*

In September 2009, *voxeljet* entered into a fixed rate loan agreement with LfA Foerderbank Bayern to receive funding for research into high-speed 3D printing technology. This loan was granted at favorable terms, including an interest-free period through June 2011 and a stated interest rate of 2.8% for the remaining term, which was deemed to be below market at the inception of the loan (based on the *Company's* credit spread of 3.05% and the 3-month EURIBOR rate). The loan was repaid in 2014.

In July 2010, the *Company* entered into a €0.7 million loan agreement due June 30, 2016. This loan was repaid in 2014.

In December 2010, the *Company* entered into a €0.6 million loan agreement due September 30, 2017. Interest is payable at a fixed rate of 5.38%. Payments of kEUR 20 are due quarterly. At December 31, 2014 and 2013, the loan had a balance of €0.2 million and €0.3 million, respectively.

In June 2014, the *Company* entered into a €0.8 million loan agreement due April 30. 2020. Interest is payable at a fixed rate of 3.27%. Payments of kEUR 12 are due monthly. At December 31, 2014, the loan had a balance of €0.7 million.

*Finance lease obligations*

*voxeljet* finances part of its production machinery and associated equipment by means of sale and leaseback transactions, expiring in various years through 2019. Please refer to Note 23 'Leases' below for detailed information.

**voxeljet AG**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**12. Financial liabilities (Continued)**

The following table shows the maturity profile of *voxeljet's* financial liabilities based on contractual undiscounted payments:

**MATURITIES OF FINANCIAL LIABILITIES**

**12/31/2014**

| | Carrying amount | | | Gross cash outflow | Remaining term | | |
|---|---|---|---|---|---|---|---|
| | Current | Non-current | Total | | < 1 year | 1 - 5 years | > 5 years |
| | (€ in thousands) | | | | | | |
| Bank overdrafts and lines of credit | 448 | 0 | 448 | 448 | 448 | 0 | 0 |
| Long-term debt | 203 | 752 | 955 | 1,042 | 236 | 733 | 73 |
| Finance lease obligations | 590 | 1,511 | 2,101 | 2,276 | 673 | 1,603 | 0 |
| **Total financial liabilities** | **1,241** | **2,263** | **3,504** | **3,766** | **1,357** | **2,336** | **73** |

**12/31/2013**

| | Carrying amount | | | Gross cash outflow | Remaining term | | |
|---|---|---|---|---|---|---|---|
| | Current | Non-current | Total | | < 1 year | 1 - 5 years | > 5 years |
| | (€ in thousands) | | | | | | |
| Bank overdrafts and lines of credit | 583 | 175 | 758 | 758 | 583 | 175 | — |
| Long-term debt | 374 | 1,133 | 1,507 | 1,730 | 430 | 1,208 | 92 |
| Finance lease obligations | 965 | 2,555 | 3,520 | 3,801 | 1,110 | 2,627 | 64 |
| **Total financial liabilities** | **1,922** | **3,863** | **5,785** | **6,289** | **2,123** | **4,010** | **156** |

**13. Other liabilities and provisions**

Other liabilities and provisions include accruals for tax, warranties and personnel expenses. Accruals for tax comprise VAT payables and other taxes. Accruals for personnel expense relate to social security, performance-related bonuses, LTCIP, outstanding vacation entitlements, and compensation to employees for inventions.

*voxeljet* has a Long-Term Cash Incentive Plan ("LTCIP") that provides for cash awards to non-executive employees. Under the plan, which was announced on October 2, 2013, the *Company* may grant individual award units of EUR 5,000 each up to a total maximum amount of 10% of the net proceeds received by the *Company* upon closing of the initial public offering of shares. An initial grant of 684 award units was made to participants on October 2, 2013. The vesting of the awards occurs during three separate performance periods, with 20% of the awards vesting in the first performance period ended December 31, 2013, 40% of the awards vesting in the second performance period ending December 31, 2015, and the remaining 40% vesting in the third performance period ending December 31, 2017. Vesting of the awards during the first performance period was subject to a revenue growth target and the successful completion of the initial public offering. Both conditions for the first performance period, (revenue target and the successful initial public offering of *voxeljet* were met as of December 31, 2013. Therefore the awards regarding the first performance period were paid in 2014. Vesting of the awards during the second and third performance periods is subject to performance and market conditions, including revenue growth and increase in share price of the ADSs compared to the initial public offering price per ADS. In determining the fair value of the liability for the LTCIP, the *Company* estimates a probability of achievement of the target of 80% based on the performance and development of the *Company's* share price and considering the current market conditions. Moreover, management expects a turnover rate of 5.0% based on past experience (2013: 5.8%). The awards are nontransferable during the vesting periods. There were no new grants in 2014.

The provision and other liabilities for vested LTCIP awards as of December 31, 2014 based on probability assumptions were €0.7 million (2013: €0.9 million).

**13. Other liabilities and provisions (Continued)**

The customer deposits included within other liabilities amount to €0.3 million and €0.9 million as of December, 2014 and 2013, respectively.

Within the other liabilities and provisions at December 31, 2014 are also included liabilities from VAT (€0.1 million; in 2013: none), employee bonuses (none in 2014; €0.4 million in 2013), accruals for management compensation (€0.1 million in 2014; €0.3 million in 2013, accruals for vacation and overtime (€0.1 million in 2014; €0.1 million in 2013) and accruals for licenses (€0.1 million in 2014; €0.1million in 2013).

| | January 1, 2014 | Usage | Addition | December 31, 2014 |
|---|---|---|---|---|
| | | (€ in thousands) | | |
| Personnel expenses | 235 | 0 | 657 | 892 |
| Warranties | 25 | 25 | 47 | 47 |
| **Total** | 260 | 25 | 704 | 939 |

In 2014, 2013, and 2012 product warranty expense amounted to kEUR 47, kEUR 25 and kEUR 17, respectively, and was included in the cost of sales. The personnel expenses provision mainly comprises of the LTCIP.

**14. Financial instruments**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy defines the following levels:

- Level 1: Quoted prices of the respective financial asset or financial liability in active markets
- Level 2: Other directly observable input parameters which contribute to establishing the fair value based on a valuation model
- Level 3: Input parameters not based on observable market data

Under IAS 39 there are four categories of financial assets:

(I) A financial asset or financial liability at fair value through profit or loss
(II) Held-to-maturity investments
(III) Available-for-sale financial assets
(IV) Loans and receivables

**14. Financial instruments (Continued)**

The following tables list the carrying values and fair values of all financial instruments held by *voxeljet*:

| 12/31/2014 | I. | II. | III. | IV. | Fair Value | Level |
|---|---|---|---|---|---|---|
| **Assets** | | | | | | |
| *Non-current assets* | | | | | | |
| Financial assets (restricted cash) | — | — | — | 247 | 247 | Level 1 |
| *Current assets* | | | | | | |
| Trade receivables | — | — | — | 3,148 | 3,148 | Level 1 |
| Financial assets (customer loan) | — | — | — | 1,074 | 1,079 | Level 1 |
| Financial assets (bond funds) | — | — | 40,068 | — | 40,068 | Level 1 |
| Cash and cash equivalents | | | | 8,031 | 8,031 | Level 1 |
| **Liabilities** | | | | | | |
| *Non-current liabilities* | | | | | | |
| Financial liabilities (long-term debt) | — | — | — | 752 | 750 | Level 2 |
| Financial liabilities (finance lease obligation) | — | — | — | 1,511 | 1,515 | Level 2 |
| *Current liabilities* | | | | | | |
| Financial liabilities (bank overdraft) | — | — | — | 448 | 448 | Level 1 |
| Financial liabilities (long-term debt) | — | — | — | 203 | 198 | Level 2 |
| Financial liabilities (finance lease obligation) | — | — | — | 590 | 593 | Level 2 |
| Trade payables | — | — | — | 2,326 | 2,326 | Level 1 |

| 12/31/2013 | I. | II. | III. | IV. | Fair Value | Level |
|---|---|---|---|---|---|---|
| **Assets** | | | | | | |
| *Non-current assets* | | | | | | |
| Financial assets (customer loans) | — | — | — | 1,219 | 1,209 | Level 2 |
| Financial assets (restricted cash) | — | — | — | 342 | 342 | Level 1 |
| *Current assets* | | | | | | |
| Trade receivables | — | — | — | 1,003 | 1,003 | Level 1 |
| Financial assets (customer loan) | — | — | — | 469 | 461 | Level 2 |
| Financial assets (restricted cash) | — | — | — | 275 | 275 | Level 1 |
| Cash and cash equivalents | | | | 33,459 | 33,459 | Level 1 |
| **Liabilities** | | | | | | |
| *Non-current liabilities* | | | | | | |
| Financial liabilities (bank overdraft) | — | — | — | 175 | 175 | Level 1 |
| Financial liabilities (long-term debt) | — | — | — | 1,133 | 1,159 | Level 2 |
| Financial liabilities (finance lease obligation) | — | — | — | 2,555 | 2,561 | Level 2 |
| *Current liabilities* | | | | | | |
| Financial liabilities (bank overdraft) | — | — | — | 583 | 583 | Level 1 |
| Financial liabilities (long-term debt) | — | — | — | 374 | 414 | Level 2 |
| Financial liabilities (finance lease obligation) | — | — | — | 965 | 988 | Level 2 |
| Trade payables | — | — | — | 1,502 | 1,502 | Level 1 |

**voxeljet AG**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

### 14. Financial instruments (Continued)

The fair value of customer loans included in financial assets was determined using a discounted cash flow model based on observable inputs from the relevant forward interest rate yield curve plus an appropriate risk premium.

The fair value of long-term debt was determined using discounted cash flow models based on the relevant forward interest rate yield curves. The fair value of finance lease obligations was determined using discounted cash flow models based on market interest rates available to the *Company* for similar transactions at the relevant date.

Due to the short maturity and the current low level of interest rates, the carrying amount of credit lines and bank overdrafts approximate fair value.

### 15. Revenues

In the respective years, *voxeljet's* revenues were generated in the following geographical regions:

**REVENUES BY GEOGRAPHICAL REGION**

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2014 | 2013 | 2012 |
| | (€ in thousands) | | |
| EMEA | 10,571 | 11,286 | 7,404 |
| Asia Pacific | 4,306 | 142 | 958 |
| Americas | 1,286 | 260 | 349 |
| **Total** | **16,163** | **11,688** | **8,711** |

In 2014 and 2012 no customer represented 10% or more of total revenue. In 2013 the *Company* had one customer with 13% of total revenues in 2013.

In 2014, on two occasions, the *Company* has provided loans to two customers to cover a portion of the purchase price of a 3D printer. The *Company* recognized revenue from the sale of these 3D printers upon acceptance by the customer at the fair value of the consideration received which comprises cash and the loan.

In September 2013, the *Company* recognized revenue of €0.8 on the sale of two new 3D printers to a customer in exchange for consideration consisting of €0.6 cash and €0.2 in research services to be received. The revenue recognized represents the fair value of the 3D printers sold determined by reference to the average discount off list price for such printers.

voxeljet AG

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 16. Cost of sales

Cost of sales includes cost of material, purchased services, cost for finished goods and allocated indirect costs related to production.

### COST OF SALES

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2014 | 2013 | 2012 |
| | (€ in thousands) | | |
| Personnel expenses | (4,287 ) | (3,133 ) | (2,215 ) |
| Material costs | (3,440 ) | (2,176 ) | (1,299 ) |
| Depreciation | (1,692 ) | (1,145 ) | (956 ) |
| Rental expense | (419 ) | (591 ) | (487 ) |
| **Total** | **(9,838 )** | **(7,045 )** | **(4,957 )** |

## 17. Other operating income and expense

Other operating income includes primarily government grants received for ongoing research and development projects and the recognition of the gain on sale and leaseback transactions upon release from deferred income.

The details of other operating income are presented in the table below:

### OTHER OPERATING INCOME

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2014 | 2013 | 2012 |
| | (€ in thousands) | | |
| Government grant income | 208 | 260 | 436 |
| Amortization of gain on sale and leaseback transactions | 399 | 546 | 362 |
| Recognition of deferred income due to early termination of sale and leaseback transactions | 401 | — | — |
| Reimbursement of transaction costs | 86 | — | — |
| Other | 290 | 88 | 24 |
| **Total** | 1,384 | 894 | 822 |

### OTHER OPERATING EXPENSES

In 2014, other operating expense amounts to kEUR 101 compared to kEUR 583 in 2013 and kEUR 62 in 2012. In 2013, other operating expenses include kEUR 557 of expenses related to the initial public offering.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 18. Financial result

For the periods 2014, 2013 and 2012, the financial result is mainly driven by interest expense on finance leases, bank overdrafts and drawings under credit lines and long-term debt.

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2014 | 2013 | 2012 |
| | (€ in thousands) | | |
| *Interest expense* | (472 ) | (380 ) | (363 ) |
| Finance lease obligations | (114 ) | (198 ) | (224 ) |
| Bank overdrafts and lines of credit | (37 ) | (80 ) | (27 ) |
| Long-term debt | (195 ) | (73 ) | (112 ) |
| Other | (126 ) | (29 ) | — |
| *Interest income* | 299 | 37 | 18 |
| Payout of bond funds | 201 | — | — |
| Customer loans | 50 | 18 | 13 |
| Other | 48 | 19 | 5 |
| Financial result | (173 ) | (343 ) | (345 ) |

## 19. Income taxes

Income taxes consist of the following:

**Income tax (expense) benefit**

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2014 | 2013 | 2012 |
| | (€ in thousands) | | |
| Current tax (expense) benefit | — | — | (137 ) |
| Deferred tax (expense) benefit | 32 | (358 ) | 21 |
| **Total** | 32 | (358 ) | (116 ) |

In 2014 and 2013, deferred tax (expense) benefit results from changes in deferred tax assets and liabilities on temporary differences.

## 19. Income taxes (Continued)

### Deferred tax assets and liabilities

The components of net deferred income taxes at the end of the respective reporting periods were as follows:

**SOURCES OF DEFERRED TAX ASSETS AND LIABILITIES**

| | Year Ended December 31, | | | |
|---|---|---|---|---|
| | 2014 | | 2013 | |
| | Deferred tax assets | Deferred tax liabilities | Deferred tax assets | Deferred tax liabilities |
| | (€ in thousands) | | | |
| Trade receivables | — | (13) | 18 | (6) |
| Other receivables and current assets | — | — | 52 | (14) |
| Property, Plant & Equipment | 53 | (664) | — | (1,052) |
| Current deferred income | 106 | — | 167 | — |
| Other current financial liabilities | 165 | — | 270 | — |
| Current financial assets | — | (80) | — | — |
| Other current liabilities and provisions | — | — | — | (35) |
| Non-current deferred income | 211 | — | 375 | (8) |
| Non-current financial liabilities | 423 | (16) | 715 | (23) |
| Non-current financial assets | — | (17) | — | — |
| Intangible assets | — | (213) | — | — |
| Valuation allowance | (168) | — | (459) | — |
| Tax assets (liabilities) | 790 | (1,003) | 1,138 | (1,138) |
| Set off of tax | (790) | 790 | (1,138) | 1,138 |
| **Net tax** | **—** | **(213)** | **—** | **—** |

At December 31, 2014 voxeljet AG had gross loss carry-forwards for corporation tax and trade tax losses of kEUR 8,199 and kEUR 8,031, respectively for which no deferred taxes have been recognized. These tax losses can be carried forward without restriction for future offset against taxable profits. In addition, there are foreign tax loss carry-forwards of kEUR 1,660.

In addition, a valuation allowance of kEUR 168 on net deferred tax assets related to sale and leaseback transactions was recorded in 2014.

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**19. Income taxes (Continued)**

**Reconciliation of profit before income taxes to income tax**

The reconciliation between profit before income taxes and income tax benefit (expense) is as follows:

**RECONCILIATION OF INCOME TAX BENEFIT (EXPENSE)**

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2014 | 2013 | 2012 |
| | (€ in thousands) | | |
| Profit (Loss) before tax | (4,364 ) | (2,356 ) | 328 |
| Tax expense at prevailing statutory rate (28%) | 1,222 | 660 | (92 ) |
| Non-deductible expenses | (25 ) | (23 ) | (15 ) |
| Tax-rate related differences | (44 ) | — | — |
| Unrecognized temporary differences and tax losses | (1,121 ) | (995 ) | (9 ) |
| **Income tax benefit (expense)** | 32 | (358 ) | (116 ) |

**20. Personnel expenses**

Personnel expenses included in cost of sales, research and development, selling and administrative expenses comprise:

**PERSONNEL EXPENSES**

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2014 | 2013 | 2012 |
| | (€ in thousands) | | |
| Wages and salaries | 5,505 | 3,850 | 2,797 |
| LTCIP | 412 | 729 | — |
| Social security contributions | 1,050 | 930 | 591 |
| **Total** | **6,967** | **5,509** | **3,388** |

**21. Segment reporting**

*voxeljet* operates in two reportable segments—Systems and Services—which reflect the internal organizational and management structure according to the distinct nature of the two businesses. The Systems business derives its revenues from the manufacture of 3D printers, and the Services business provides custom-ordered printed product to customers.

The measurement principles used by *voxeljet* in preparing this segment reporting are also the basis for segment performance assessment. The Chief Executive Officer of *voxeljet* acts as a chief operating decision maker. As a performance indicator, the chief operating decision maker monitors the performance by the *Company's* revenues and gross profit.

**voxeljet AG**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**21. Segment reporting (Continued)**

The following table summarizes segment reporting for each of the reporting periods ended December 31. As management's controlling instrument is mainly revenue-based, the reporting information does not include a detailed breakdown of all assets and liabilities by category. The sum of the amounts for the two segments equals the total for the *Company* in each of the years.

**SEGMENT REPORTING**

| | Year Ended December 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2014 | | 2013 | | 2012 | |
| | (€ in thousands) | | | | | |
| | SYSTEMS | SERVICES | SYSTEMS | SERVICES | SYSTEMS | SERVICES |
| Revenues | 9,057 | 7,106 | 6,343 | 5,345 | 3,464 | 5,247 |
| Gross profit | 3,301 | 3,024 | 2,505 | 2,138 | 1,399 | 2,355 |
| Gross profit in % | 36.4% | 42.6% | 39.5% | 40.0% | 40.4% | 44.9% |
| PPE | 7,322 | 12,144 | 4,913 | 11,403 | 854 | 4,445 |
| Trade receivables | 1,055 | 2,093 | 558 | 445 | 189 | 436 |
| Trade payables | 1,031 | 1,295 | 632 | 870 | 318 | 242 |
| Depreciation and amortisation (excl. Intangible assets) | 425 | 1,503 | 174 | 1,309 | 229 | 1,107 |

Systems revenues include revenues from the sales of used 3D printers of kEUR 393, kEUR 300 and kEUR 500 for the years ended December 31, 2014, 2013 and 2012 respectively.

As of December 31, 2014, more than 80% of all property, plant and equipment assets were located in Germany. In 2013 and 2012, all non-current assets were located at Germany.

**22. Financial risk management**

The *Company's* Management Board is responsible for implementing the finance policy and for ongoing risk management. Transactions related to activities in the area of financial instruments require the prior approval of the Chief Financial Officer. Derivative financial instruments have not been used for speculative purposes and have served solely to hedge risks connected with business operations.

*Foreign exchange risk*

For the year ended December 31, 2014, *voxeljet* generated 43.7% of its revenues in the eurozone. Additionally, the majority of the *Company's* sourcing transactions are also transacted in Euros in that zone. The *Company* had USD 5.3 million and GBP 0.8 million in foreign currency accounts, that are subject to foreign exchange risk as of December 31, 2014. Those foreign currency funds are used to finance the expansion in the UK and North American market.

The *Company* invoiced 90% in 2014 and 100% in 2013 of the total revenue in Euro and therefore the *Company* considers the current currency risk as minor.

**22. Financial risk management (Continued)**

**Interest rate risk**

*voxeljet's* principal interest-bearing positions are liabilities for bank borrowings and finance lease obligations. These liabilities are entirely at a fixed interest rate. As such, changes in market interest rates have no effect on future interest expenses.

*Credit risk*

Credit risk is the risk of the *Company* suffering a financial loss as the result of its counterparties being unable to perform their obligations. The *Company* is exposed to credit risk from its operating activities (mainly trade receivables and customer loans) and from its financing activities, including deposits with banks and financial institutions. *voxeljet* seeks to minimize such risk by entering into transactions with counterparties that are believed to be creditworthy business partners or with financial institutions which meet high credit rating requirements. In addition, the portfolio of receivables and customer advances is monitored on a continuous basis. Credit risk is limited to a specified amount with regard to individual receivables. As of December 31, 2014 and 2013, there are three customer loans amounting to €1.1 million and €1.5 million, respectively. To mitigate the credit risk associated with these loans, the *Company* considers several aspects. Before a customer receives a loan, the *Company* obtains relevant information about the customer. Such information includes the business model as well as the commercial context of the customer. In addition to that, the *Company* considers available financial disclosure about the customer. After granting a customer loan, the *Company* monitors the timely payment by the customer. In addition, the *Company* retains title to the 3D printer sold to a customer until all consideration is received.

*Liquidity risk*

Liquidity risk is the risk that *voxeljet* might not have sufficient cash to meet its payment obligations. This risk is countered by systematic, day-by-day liquidity management whose absolute fundamental requirement is that solvency must be guaranteed at all times. A major responsibility of key management is to monitor the cash balances and to set up and update cash planning on a monthly basis to ensure liquidity. At all times cash and cash equivalents are projected on the basis of a regular financial and liquidity planning.

The *Company*'s short- and mid-term liquidity needs are currently covered. Due to the proceeds from the initial public offering, the *Company* considers the mid-term liquidity risk as minor.

**23. Capital management**

Equity is monitored by the *Company* using financial ratios. The equity used as a basis for determining the equity ratio corresponds to the equity disclosed in the Statement of Financial Position.

Part of the capital management strategy is to reduce the number of sale and leaseback transactions for 3D printing equipment used in the production of printed product for customers. As a result of the increased liquidity, a part of the lease contracts will be terminated. In addition, the *Company* plans to reduce other financial debt.

## 23. Capital management (Continued)

*voxeljet's* capital structure as of the end of the reporting periods 2014 and 2013 was as follows:

### CAPITAL STRUCTURE

| | Year Ended December 31, 2014 | Year Ended December 31, 2013 |
|---|---|---|
| | (€ in thousands) | |
| **Equity** | **71,300** | **45,400** |
| Share of total equity and liabilities | 87.9 % | 78.4% |
| Current financial liabilities | 1,241 | 1,922 |
| Non-current financial liabilities | 2,263 | 3,863 |
| **Total financial liabilities** | **3,504** | **5,786** |
| Share of total equity and liabilities | 4.3 % | 10.0% |
| **Total equity and liabilities** | **81,095** | **57,916** |

## 24. Leases

### Finance leases

Future minimum lease payments under financing lease arrangements at the end of the considered reporting periods are as follows:

### PRESENT VALUE OF MINIMUM LEASE PAYMENTS

| | Year Ended December 31, 2014 | | |
|---|---|---|---|
| | Minimum future lease payments obligation | Unamortized interest expense | Present value of minimum future lease payments obligation |
| | | (€ in thousands) | |
| due within 1 year | 658 | (81 ) | 577 |
| due between 1 and 5 years | 1,572 | (91 ) | 1,481 |
| due in more than 5 years | — | — | — |
| **Total** | **2,230** | **(172 )** | **2,058** |

| | Year Ended December 31, 2013 | | |
|---|---|---|---|
| | Minimum future lease payments obligation | Unamortized interest expense | Present value of minimum future lease payments obligation |
| | | (€ in thousands) | |
| due within 1 year | 1,110 | (144 ) | 966 |
| due between 1 and 5 years | 2,627 | (136 ) | 2,491 |
| due in more than 5 years | 64 | (1 ) | 63 |
| **Total** | **3,801** | **(281 )** | **3,520** |

**24. Leases (Continued)**

**Operating Leases**

*Lessee*

The estimated payment schedule regarding operating leases is as follows:

**OPERATING LEASE OBLIGATIONS**

| | Year Ended December 31, 2014 | 2013 |
|---|---|---|
| | (€ in thousands) | |
| Less than 1 year | 479 | 137 |
| 1 to 5 years | 1,399 | 84 |
| Over five years | — | — |
| **Total** | **1,878** | **221** |

Operating lease expenses were kEUR 348, kEUR 377 and kEUR 371 in the financial years 2014, 2013 and 2012, respectively. The operate lease expenses are primarily related to the rental agreements for real estate regarding our foreign operations.

*Lessor*

*voxeljet* leased three of its self-produced 3D printers to customers. Under the lease contracts, *voxeljet* bears a majority of the substantial risks and rewards of the underlying assets.

**Operating lease payments receivable for subleases**

| | Year Ended December 31, 2014 | 2013 |
|---|---|---|
| | (€ in thousands) | |
| Less than 1 year | 157 | 126 |
| 1 to 5 years | 183 | 126 |
| Over five years | — | — |
| **Total** | **340** | **252** |

The operating lease income was kEUR 169, kEUR 126 and kEUR 96 in the financial years 2014, 2013 and 2012, respectively.

**25. Commitments, contingent assets and liabilities**

In connection with the enforcement of *voxeljet's* intellectual property rights, the acquisition of third-party intellectual property rights, or disputes related to the validity or alleged infringement of the *Company*'s or third-party intellectual property rights, including patent rights, *voxeljet* has been and may in the future be subject or party to claims, negotiations or complex, protracted litigation.

**voxeljet AG**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

## 26. Related party transactions

Related party transactions at *voxeljet* mainly comprise transactions with individuals on the Management Board and Supervisory Board.

Key management is defined as those individuals having authority and responsibility for planning, directing and control-ling the activities of the *Company* within their function and within the interest of the *Company*.

The following table presents the amount and components of Management Board compensation:

### MANAGEMENT COMPENSATION

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2014 | 2013 | 2012 |
| | (€ in thousands) | | |
| Fixed compensation | 504 | 352 | 168 |
| Variable compensation | 56 | 250 | 55 |
| **Total** | **560** | **602** | **223** |

Management Board remuneration currently consists of a fixed monetary remuneration, other fixed benefits (including *Company* car allowances and contributions to a direct contribution plan), and a variable bonus.

At December 31, 2014 and 2013, amounts of kEUR 276 and kEUR 250 were accrued for Management Board compensation.

*voxeljet*'s Chief Executive Officer has agreed to personally guarantee EUR 75,000 of a loan from Bayerische Hypo- und Vereinsbank AG, Munich, Germany, to the *Company*. Three of the shareholders of *voxeljet* pursuant to an agreement, dated September 1, 2010, have each agreed to reimburse the Chief Executive Officer EUR 18,750 in case *voxeljet* defaults on the loan and the Chief Executive Officer is required to pay any sums under his personal guarantee. The *Company* pays an interest rate of 6.00% per annum on the guaranteed amount to each guarantor. The guarantee and the agreement with the shareholders were terminated in March 2014.

### Transactions with related parties

A related party relationship could have an effect on the profit and loss and financial position of the *Company*. Defined as related parties are individuals or other third parties with whom *voxeljet* has common control relationships.

### OTHER RELATED PARTIES

| Name | Nature of relationship | Duration of relationship |
|---|---|---|
| Franz Industriebeteiligungen AG, Augsburg | Owner | 10/01/2003 - Current |
| Prof. Dr. Joachim Heinzl, Munich | Owner | 05/01/1999 - Current |
| AleSta Beteiligungs GmbH, Augsburg | Owner | 06/01/2009 - Current |
| Schlosserei und Metallbau Ederer, Dießen | Supplier | 05/01/1999 - Current |

**26. Related party transactions (Continued)**

The main transactions with other related individuals were the following:

Franz Industriebeteiligungen AG, Augsburg, Germany, is owned by Mr. Rudolf Franz who worked as an external consultant at *voxeljet* until June 30, 2013. Since July, 1, 2013, he has been the Chief Financial Officer of voxeljet AG. For his external consulting services, Franz Industriebeteiligungen AG, received compensation on a regular basis which was split into a fixed and variable component, amounted to the following: kEUR 99 (kEUR 70 fixed and kEUR 29 variable) for 2013, kEUR 151 (kEUR 117 fixed; kEUR 34 variable) for 2012. Other transactions with Franz Industriebeteiligungen AG comprise the rental of office space in Augsburg, Germany. Rental expenses amounted to kEUR 2, in each of 2014, 2013 and 2012. In addition, Franz Industriebeteiligungen AG received payments related to the use of certain paintings which are placed in the administrative building in Friedberg. Associated rental expenses amount to kEUR 2 in each of 2014, 2013 and 2012.

Further, *voxeljet* acquired goods amounting to kEUR 29, kEUR 20, and kEUR 14 in 2014, 2013 and 2012 from 'Schlosserei und Metallbau Ederer', which is owned by the brother of Dr. Ingo Ederer, the Chief Executive Officer of *voxeljet*.

**27. Equity transactions**

On July 2, 2013, the shareholders of Voxeljet Technology GmbH formed a new entity named VXLT 2013 AG with a nominal share capital of kEUR 50. Upon formation, the new entity's equity consisted of 50,000 ordinary shares with no par value and a stated value of one Euro (EUR 1) and each shareholder owned the same proportionate interest as in Voxeljet Technology GmbH.

Effective September 12, 2013, the Voxeljet Technology GmbH was merged into VXLT 2013 AG upon registration of the merger in the commercial register of the surviving entity, VXLT 2013 AG. Concurrent with the effectiveness of the merger, VXLT 2013 AG changed its name to voxeljet AG.

In connection with the merger, 1,950,000 ordinary shares of voxeljet AG were issued in exchange for the contribution of Voxeljet Technology GmbH. Combined with the previously issued 50,000 ordinary shares, the post-merger share capital of voxeljet AG consisted of 2,000,000 ordinary shares.

The merger is considered a transaction under common control and reflected in the financial statements of voxeljet AG using the carrying amounts of the assets and liabilities of Voxeljet Technology GmbH, the predecessor to voxeljet AG. The calculation of earnings (loss) per share is adjusted retrospectively for all periods to reflect the number of voxeljet AG shares issued and outstanding after the merger.

On October 23, 2013, the *Company's* registration statement on Form F-1 (File No. 333-191526) of 7,475,000 American Depositary Shares ("ADSs") at a public offering price of USD 13.00 per ADS became effective. Of the 7,475,000 ADSs sold in the public offering, 5,600,000 were sold by the *Company* and 1,875,000 were sold by its shareholders (the "Selling Shareholders"). As a result of the offering, the *Company* received net proceeds of approximately USD 64.5 million, or approximately EUR 46.8 million, after deducting underwriting discounts and commissions and EUR 2.2 million in offering costs.

On April 16, 2014, we completed a follow-on offering of 3,000,000 ADSs at a public offering price of USD 15.00 per ADS. Net proceeds from the follow-on offering to the *Company* were approximately USD 41.4 million. On April 24, 2014, the underwriters in the follow-on offering purchased 450,000

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**27. Equity transactions (Continued)**

ADSs from certain of the *Company's* shareholders (the "Selling Shareholders") pursuant to the overallotment option they were granted in the follow-on offering. The net proceeds to the Selling Shareholders were approximately USD 6.4 million, or approximately EUR 4.6 million. The *Company* did not receive any proceeds from the sale of ADSs by the Selling Shareholders.

At December 31, 2014, 3,720,000 ordinary shares were issued and outstanding.