



Company Presentation

February 2019

- **Business Overview**
- Activities
- Recent Development
- Business Model
- Investment Focus
- Opportunities & Key Highlights
- Financial Review & Analysis

Our Profile



exceet is a listed holding company investing into structurally growing industries (like healthcare, software or technology).

Key Elements

Existing activities with good development potential and high cash conversion

Partnership approach and entrepreneurial mindset with support capabilities for the companies

Net cash position of EUR 109.4 million and additional debt firepower for acquisitions

Perpetual capital with differentiated investment approach

Average increase of the intrinsic value by at least 15% of potential new investments

Continued Basis in EUR million	FY 2017	FY 2018
Net Sales	42.4	41.5
EBITDA	2.2	4.9
EBITDA Margin	5.3%	11.8%
CAPEX ¹⁾	1.7	1.7
Free Cash Flow	0.2	2.5
Net Cash / (Debt)	(7.2)	109.4
FTEs ²⁾	219	206

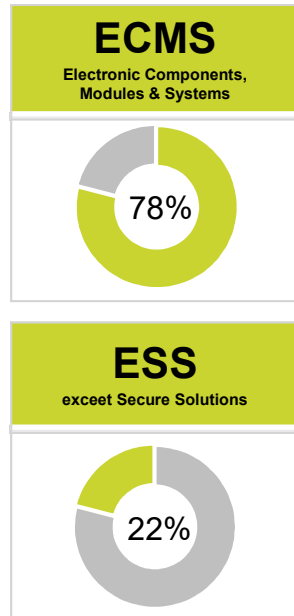
1) Net CAPEX including equipment purchased under finance lease agreements

2) Full Time Equivalent



Our Segments (Continued Operations)

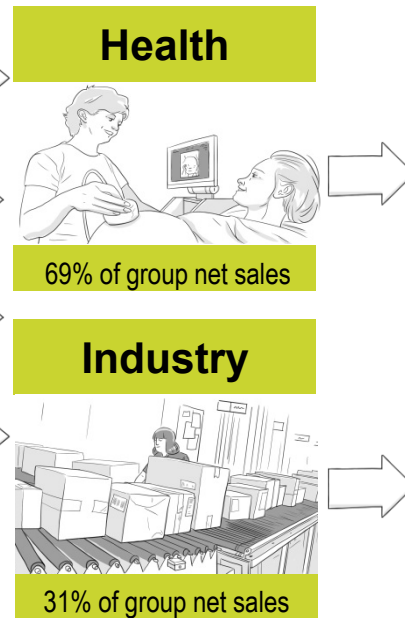
Reporting Segments*



Competences

- Miniaturization
- Complexity
- Reliability
- Secure Data Handling

End Markets*



Application Examples

- Hearing Aids
- Cochlea Implants
- Implants
- Telematic Infrastructure & Applications
- Gateways & Routers
- Smart Connectivity Solutions
- IoT
- PKI
- Cloud-Based Security Services
- Secure Access Solutions
- Digital Signatures and Trust Center

*share of twelve month group sales

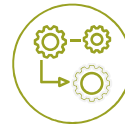
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ECMS (Healthcare)



Net Sales: EUR 32.6 million / EBITDA: 25.4%

- **Electronic Components, Modules & Systems** excels in manufacturing extremely reliable and highly miniaturized flex, rigid-flex and rigid printed circuit boards in small to medium volumes
- Unique capabilities in the production of miniaturised electronics
- Mostly customers in the medical end-markets (90%)
- High margin business with strong cash generation



Description

ESS (Software and IoT)



Net Sales: EUR 9.0 million / EBITDA: (6.2%)

- **exceet Secure Solutions** focuses on secure solutions in the fields of IT security and the Internet of Things (IoT)
- Significant existing installed base and capabilities to partner with all relevant middleware and analytics providers
- Ongoing built-up of software and gateway based recurring revenue streams



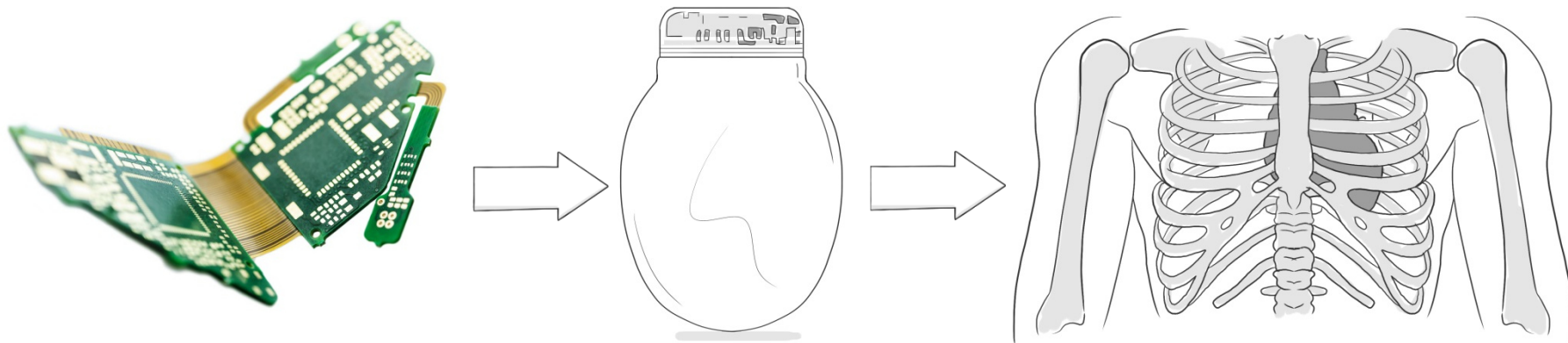
Development Plans

- ✓ Increased market penetration via enhanced focus on specific medical and industrial markets
- ✓ New markets (e.g. US) and new industries (military, aerospace)
- ✓ Product portfolio extension with new advanced technologies
- ✓ Potential small acquisitions

- ✓ Built-up of an indirect sales / channel and partner network
- ✓ Increasing move towards recurring software revenues
- ✓ Improving and strengthening of the direct sales team
- ✓ Potential small and mid-sized acquisitions and team hires

Note: Numbers based on continued operations 2018

Development & Production of highly miniaturized, extremely durable PCBs



4-Layer Rigid-Flex Board by exceet

Newest generation of Implantable Cardioverter Defibrillator

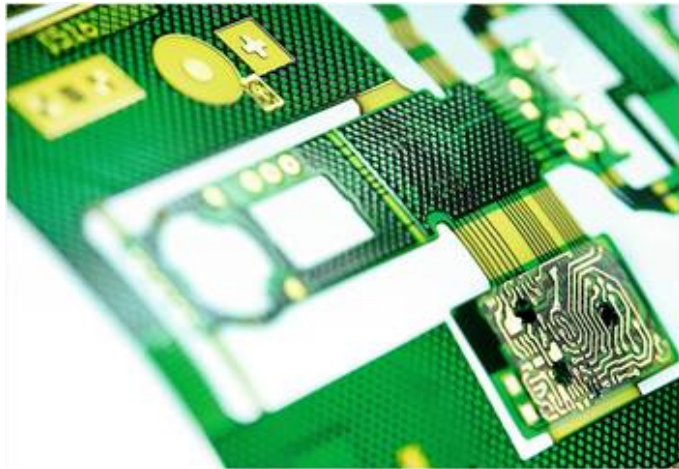
Description

- exceet provides the PCB for a subcutaneous Implantable Cardioverter Defibrillator
- Expected lifetime: 11+ years
- Size of the device: 29.5 cm³ and 9.9 mm thickness

Advantages for customers / users

- Remote patient management with weight scale, blood pressure sensors and respiratory rate trend
- Simplifies usage through ECG technology for at home monitoring of cardiac rhythms

Development & Production of highly miniaturized, extremely durable PCBs



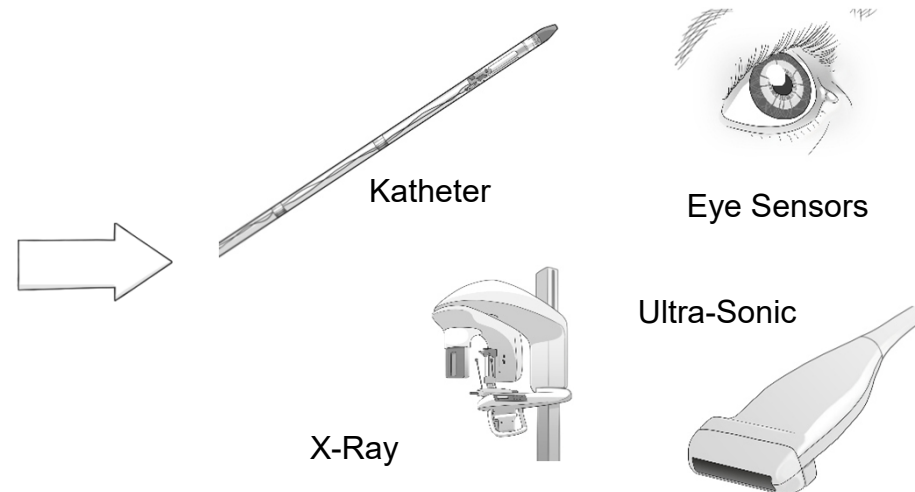
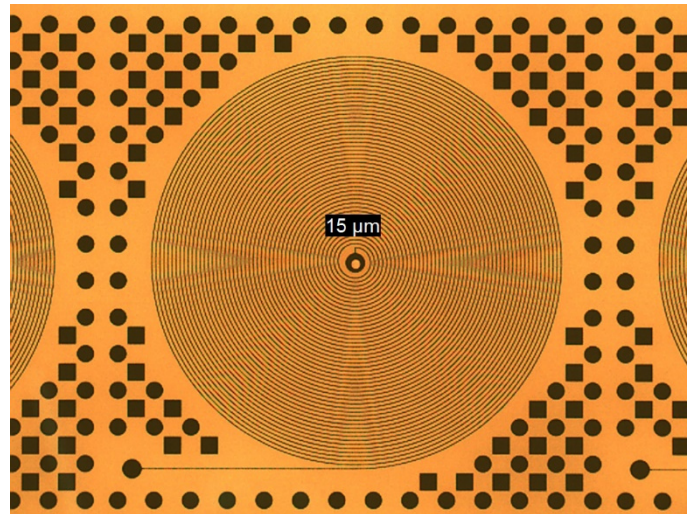
Description

- Development and manufacturing of printed circuit board (PCB) for implants
- Complex PCB structure
- Highly miniaturized
- High quality and longevity

Advantages for customers / users

- Can be used already in infancy - enables participation in social life and promotes the development of children
- Long-life cycle of over 70 years
- High wearing comfort

New market possibilities due to innovative technological progress



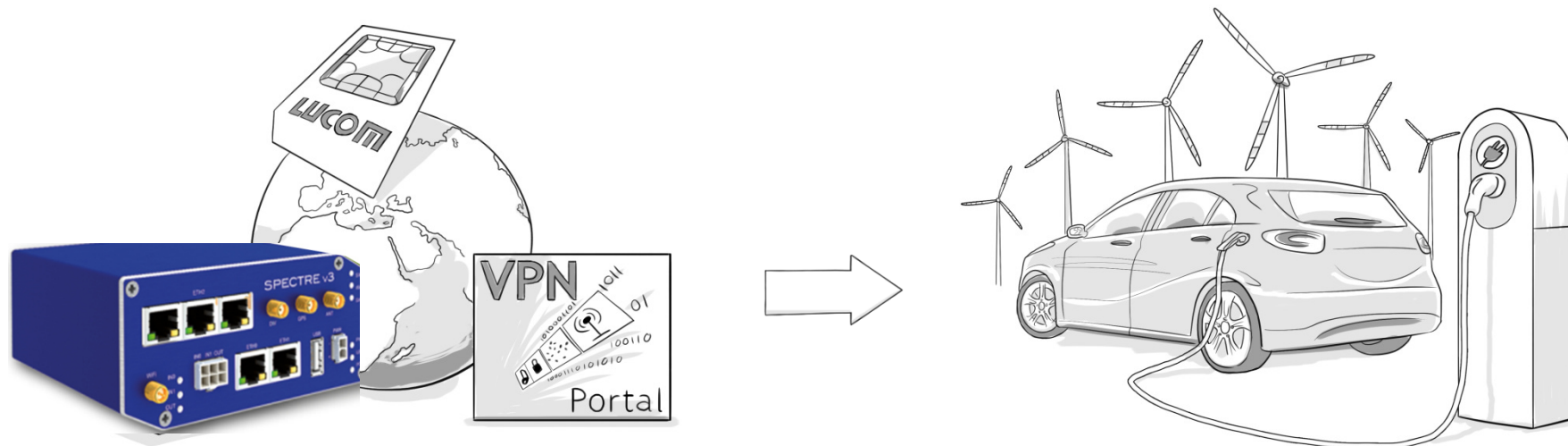
Description

- Very small features (line width and space down to 10μm/10μm and below)
- Precise copper traces with straight vertical flanks
- Ultra-thin substrates
- Flexible and rigid PCB's

Advantages for customers / users

- Higher resolution with better image allows better and easier diagnosis
- Smaller footprint allows a smaller form factor of the products (access to otherwise not accessible areas in the human body)

Charging solutions for electric vehicles Remote service via VPN service portal



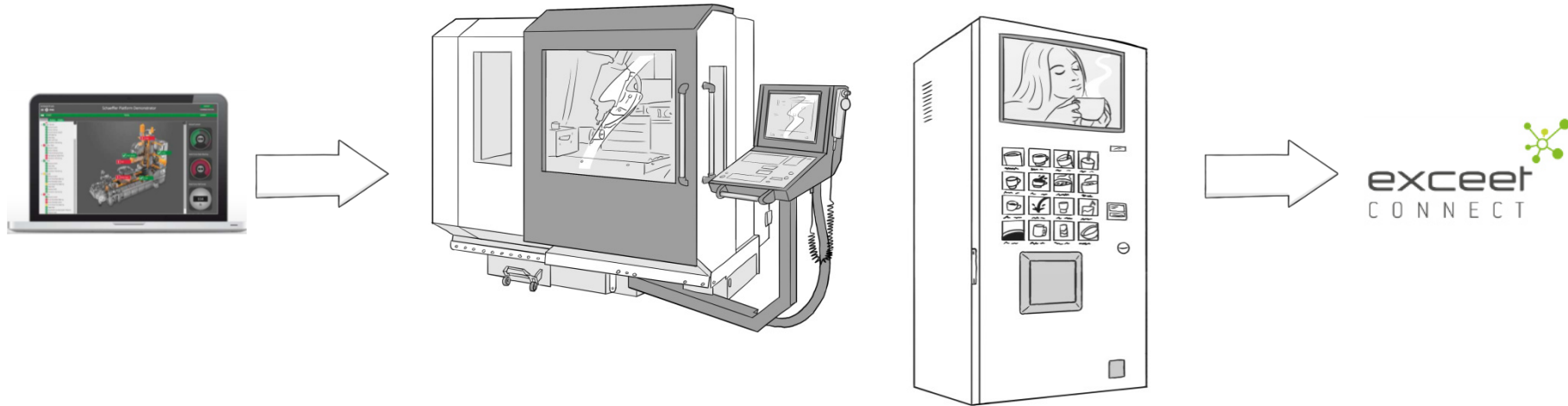
Description

- Transparent remote service
- Automatic configuration of devices
- Independent of country, technology and provider
- Additional functions at the charging pole
- Alerts

Advantages for customers / users

- Simple, safe and scalable solution for recharging electric cars
- Easy project management, installation, maintenance and billing
- Service, maintenance, reparations, eliminations of disruptions
- 100% green electricity

Intelligent & secure networking of machine tools



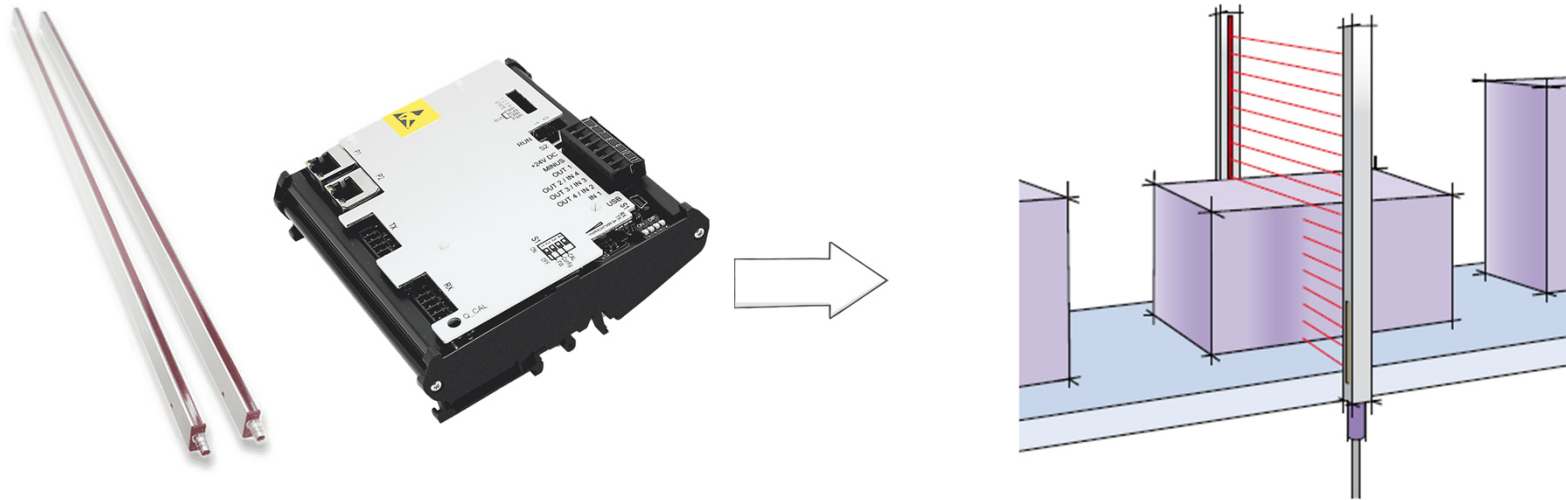
Description

- Selection and realization of a customer specific pilot IoT Platform for networking of machine tools
- exceet provided & supported
 - Innovation engineering
 - Platform integration & customizing
 - Specific platform interfaces
 - Graphical user interface
 - Individual presentation of machine tool data

Advantages for customers / users

- Comprehensive, real-time machine tool data available at different locations and devices
- Individual data processing
- Intuitive operable user interface
- Target: Cost reduction, process & quality optimization by immediate detection of down times, maintenance, etc.

Contour monitoring for transport containers and boxes for one of the largest automotive suppliers in Europe

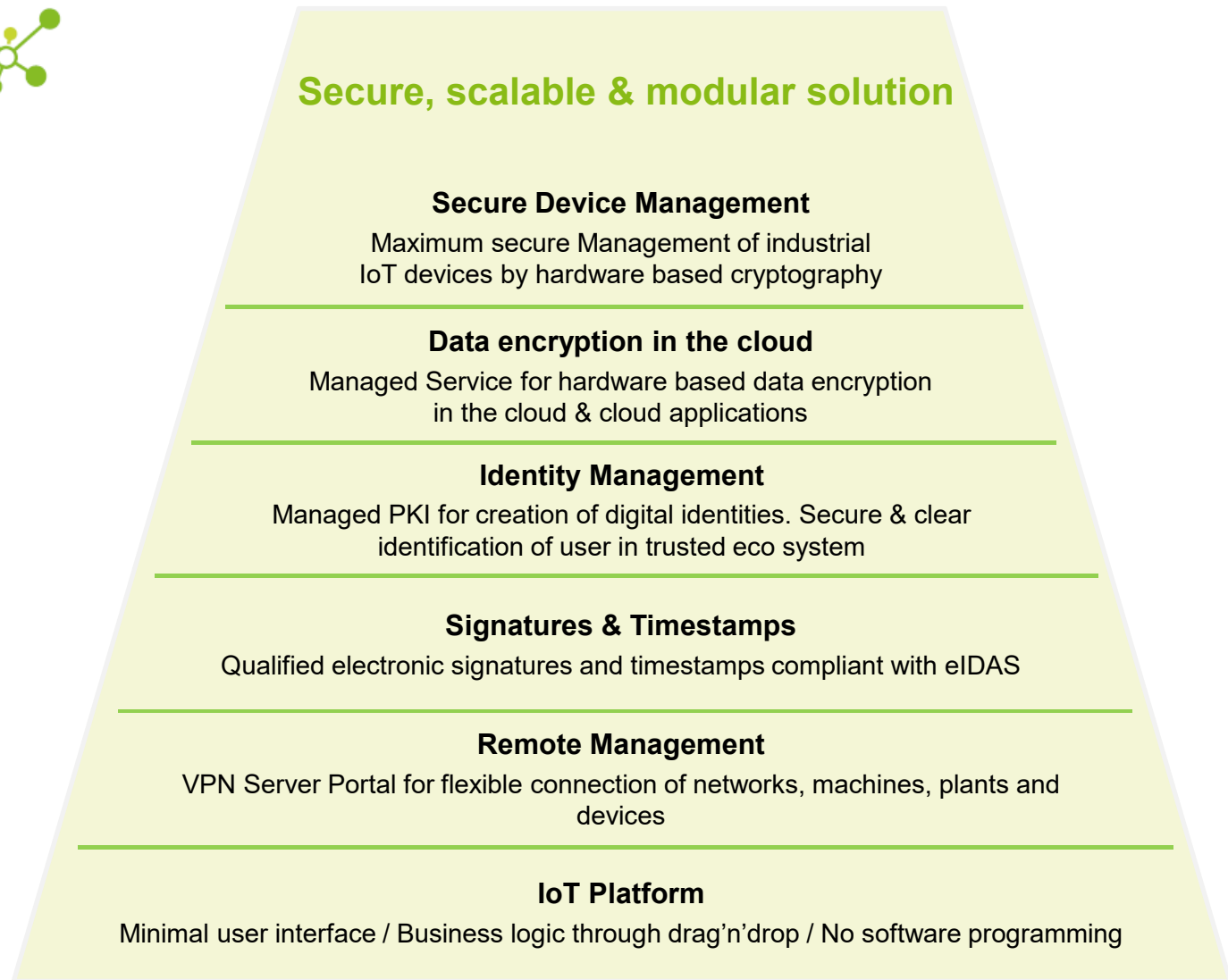


Description

- Light curtain system and analysis
- Contour check
- Height classification
- Data transmission from light curtain to control system

Advantages for customers / users

- Optimal and trouble-free transport monitoring
- Reduction of transportation cost
- Faster handling and picking times
- Automation of verification and control tasks



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THE ORIGINS

- 2006: Founded as a private equity backed buy-and-build investment
- 2010: Acquired by a SPAC, renamed and listed on the Frankfurt stock exchange
- Subsequently burdened by its complex structure and therefore difficult for investors to build a position
- Disappointing share price development and unable to live up to the full expectations and potential

OWNERSHIP CHANGE / REFOCUS

- **Majority acquisition by AOC after detailed analysis of the existing activities**
- Successful sale of two companies as part of a “refocus” of the group:
 - exceet electronics for EUR 31m – subscale and cash losing
 - AEMtec for EUR 86m – cycle timing and attractive valuation

THE FUTURE AHEAD

- **The group continues to develop the existing activities and to make new investments**
- The core pillars of the new “refocused” strategy:
 - Perpetual capital to grow European champions
 - A flexible and opportunistic investment approach
 - A focus on structurally growing industries in German speaking Europe and Western Europe

New and highly differentiated investment approach

Complimentary skillsets of exceet and AOC

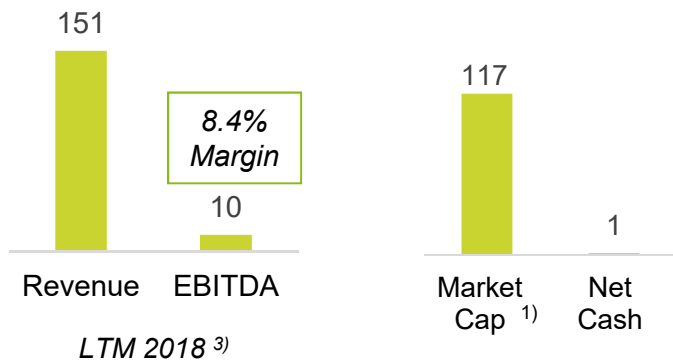
Investor centric approach to capital allocation

Recent Development

PRIOR REFOCUS

- Electronics conglomerate

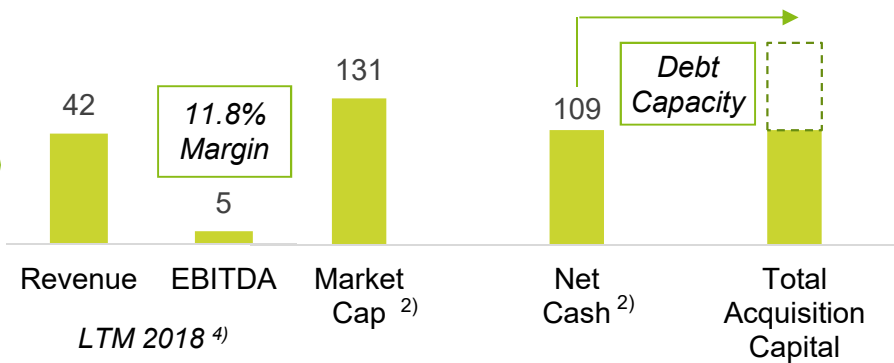
(in EUR million)



POST REFOCUS from Q4 2018

- Listed investment firm focusing on structurally growing industries
- Current activities with substantial healthcare focus

(in EUR million)



1) As per 29 June 2018 2) As at 31 December 2018 3) July 2017 – June 2018 4) Continued operations 2018

Note: Numbers based on continued operations

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The New exceet – AOC as majority Shareholder

Active Ownership as new majority shareholder of exceet: 56.2% of the shares

Board with complimentary skillset

- | | | |
|----------------------------------|------------------|---------------|
| ▪ Klaus Röhrig | <i>Chairman</i> | AOC (Founder) |
| ▪ Florian Schuhbauer | | AOC (Founder) |
| ▪ Jan Klopp | | AOC |
| ▪ Andreas Füchsel ⁽¹⁾ | | DLA Piper |
| ▪ Roland Lienau | | Wendel Group |
| ▪ Wolf-Günter Freese | <i>CEO / CFO</i> | exceet |

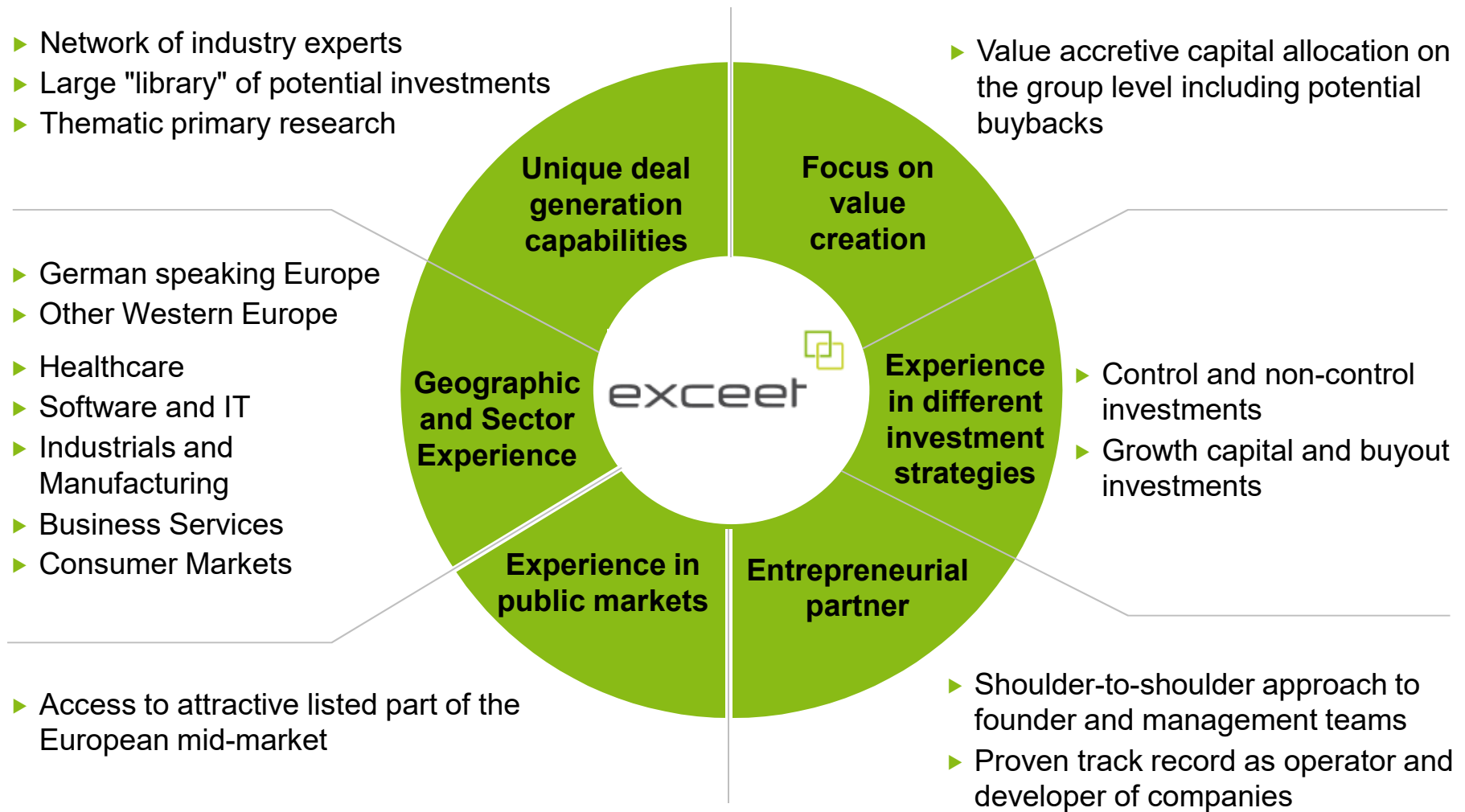


Active Ownership Capital

- **Team with over 50 years** of experience investing in public and private markets
- Uniquely positioned in Europe by **combining a value investing strategy with a focus on value creation through active and operational participation**
- **Strong track record with net returns of >31% p.a.⁽²⁾** since inception of the Active Ownership Fund
- **Unique deal flow** in private and public markets and a large library of potential investments

1) Representative of White Hills Management & Co S.C.S (2) Source: AOC Investor Reporting as per 31 December 2018, share class A

The New exceet – Circle of Competences





The New exceet – Structural Advantages

PERPETUAL CAPITAL

- Permits long-term and indefinite investment horizon
- No fundraising / investment / divestment pressure
- Access to additional capital where required for further investments

PARTNERSHIP APPROACH

- Enables structures that put the entrepreneur first
 - Permitting an entrepreneur to stay in charge whilst de-risking his position and only selling a minority
 - Participation of management in the long-term value creation via equity roll-over / re-investment possibilities

FLEXIBLE INVESTMENTS

- Ability to accommodate the varying needs of the target companies:
 - Control and non-control positions
 - Buyout / new capital (equity, debt, hybrid instruments)
 - Public and private market focus
 - Flexible in size / equity tickets / holding period

INVESTOR FRIENDLY

- Value accretive capital allocation possibilities on the Group level including potential buybacks
- Willingness to stay liquid for long periods – no investment pressure in overvalued markets
- Conservative approach to leverage

The New exceet – Unique Positioning



EXCEET



Unique structure

- Capability to hold assets indefinitely
- Capital market access
- Flexible and non-restricted investment strategy

Entrepreneurial experience and mindset

- Extensive management and board room expertise
- Understanding management's perspective
- Focus on developing the assets

Differentiated investment approach

- Access to off-market deal flow
- Prudent approach to leverage
- Experienced capital allocator focusing on shareholder value creation

CLASSIC PRIVATE EQUITY



- **Structural shortcomings**
 - Pressure to deploy capital and to raise new funds
- **Outdated investment approach**
 - Auction driven deal flow
 - Private market focus and majority investments only
 - High focus on financial engineering / high leverage
- **Lack of entrepreneurial experience**
 - “One size fits all” value creation approach
 - Buy-and-Sell mentality / Preparing companies for exit

INDUSTRIAL & FAMILY HOLDINGS

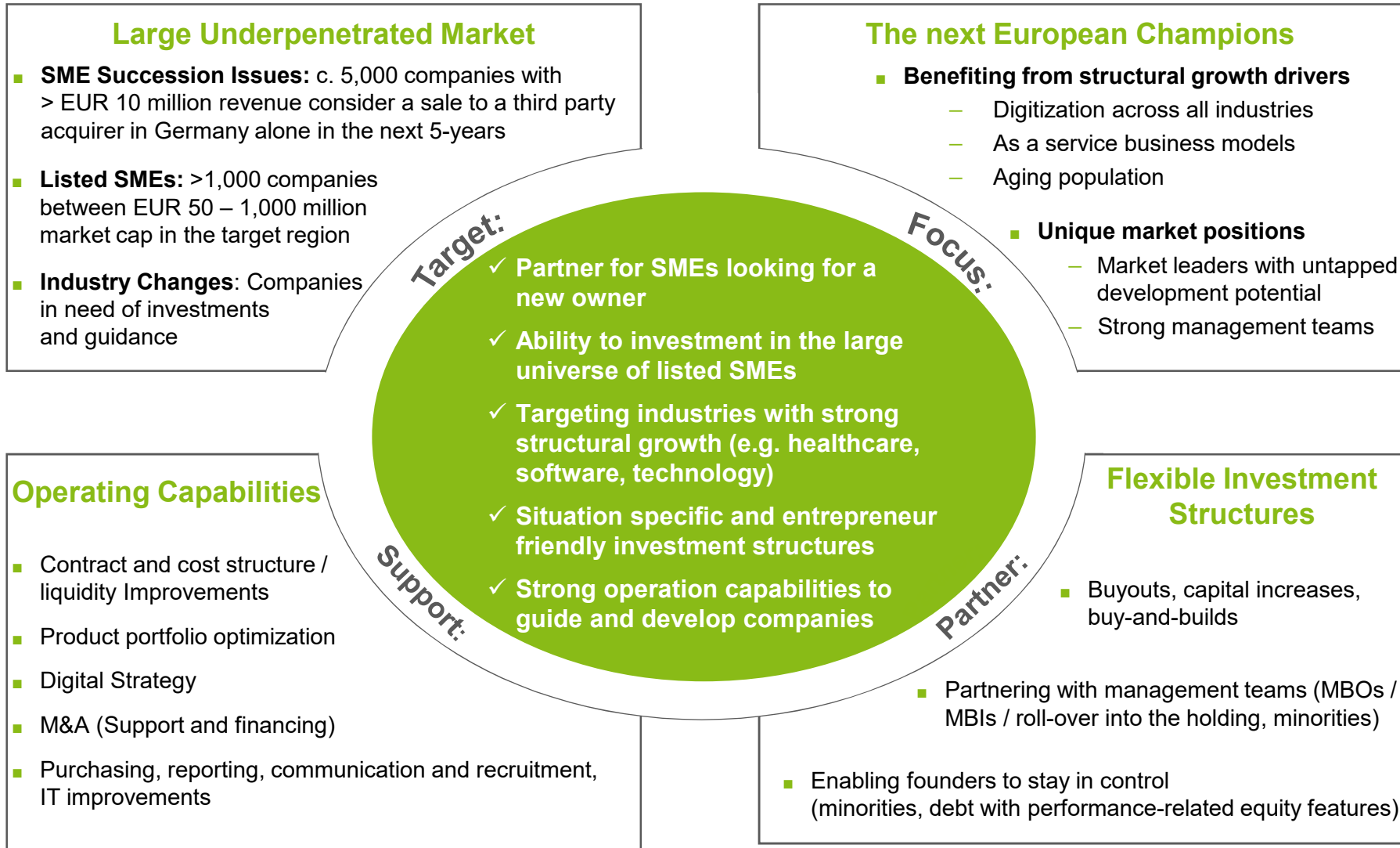


- **One-dimensional investment focus**
 - Investments only into private companies
 - Inability to take minority positions
 - Focus on number of investments versus shareholder value creation
- **In competition with financial buyers**
 - “Standardized” deal sourcing (succession planning, carve-outs etc.)
 - Difficulties to adjust to non-standardized investment cases

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- Focus on German speaking Europe and Western Europe
- Established players with a leading position and stable client base
- Focus on structurally growing industries (healthcare, software or technology)
- Industry leading operating profit margins for established companies – view on near-term profitability for emerging companies
- Companies led by strong management team
- Shareholder value and cash flow oriented management style
- Consolidation opportunities (limited competition / high re-rating potential)
- Opportunistic direct and co-investments

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Structural Growth Drivers

Digitisation across all industries

- Low digitisation except in knowledge intensive sectors (ICT, media & financial services)
- Capital intensive sectors: potential to further digitize physical assets
- Service sector: reshape customer transactions
- Labor intensive sectors: provide digital tools to their workforce

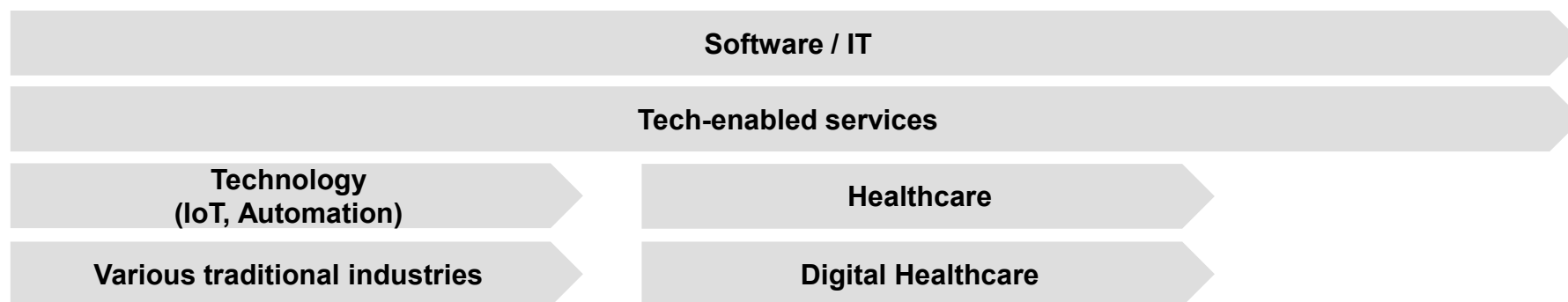
Healthcare market growth

- Aging population: Ratio of people >65 relative to those aged 15-64 in the EU to increase from 30% to 51% in 2070
- Increasing trend towards digital medicine
- Strong generics market growth

Software and IT market developments

- Strong growth in the Software-as-a-service markets (>15% p.a.) – new application layer / software opportunities
- Ongoing cloud transitioning / migration needs
- New emerging technologies (artificial intelligence etc.) and business models (data-driven)

Examples of benefiting industries



Source: Gartner: Worldwide Public Cloud Revenue Forecast 2018. European Commission 2018 Ageing report

✓ **Existing activities**
with good development potential and high cash conversion

✓ **Perpetual capital**
with differentiated investment approach

✓ **Partnership approach and entrepreneurial mindset**
with support capabilities for the companies

✓ **Average increase of the intrinsic value by at least 15%** of potential new investments

✓ **Net cash position of EUR 109.4 million**
and additional debt firepower for acquisitions

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Financial Highlights



Net Sales

Total Group Basis

- Revenues are EUR 122.2 million

Continued Operations

- Revenues are down (2.0%) to EUR 41.5 million
- Organic growth: 0.7%
- FX Impact: (2.8%)

Free Cash Flow

Total Group Basis

- Free Cash Flow EUR (1.0) million (2017: EUR 4.6 million) driven by:
 - Operational Cash Flow EUR 2.3 million (2017: EUR 8.3 million)
 - Capex of EUR 3.3 million (2017: EUR 3.7 million)
 - Working Capital Movement of EUR (5.5) million (2017: none)

EBITDA

Total Group Basis

- EBITDA EUR 10.2 million
- 8.3% EBITDA Margin

Continued Operations

- EBITDA up 120.0% to EUR 4.9 million
- 11.8% EBITDA Margin (2017: 5.3%)

Net Debt

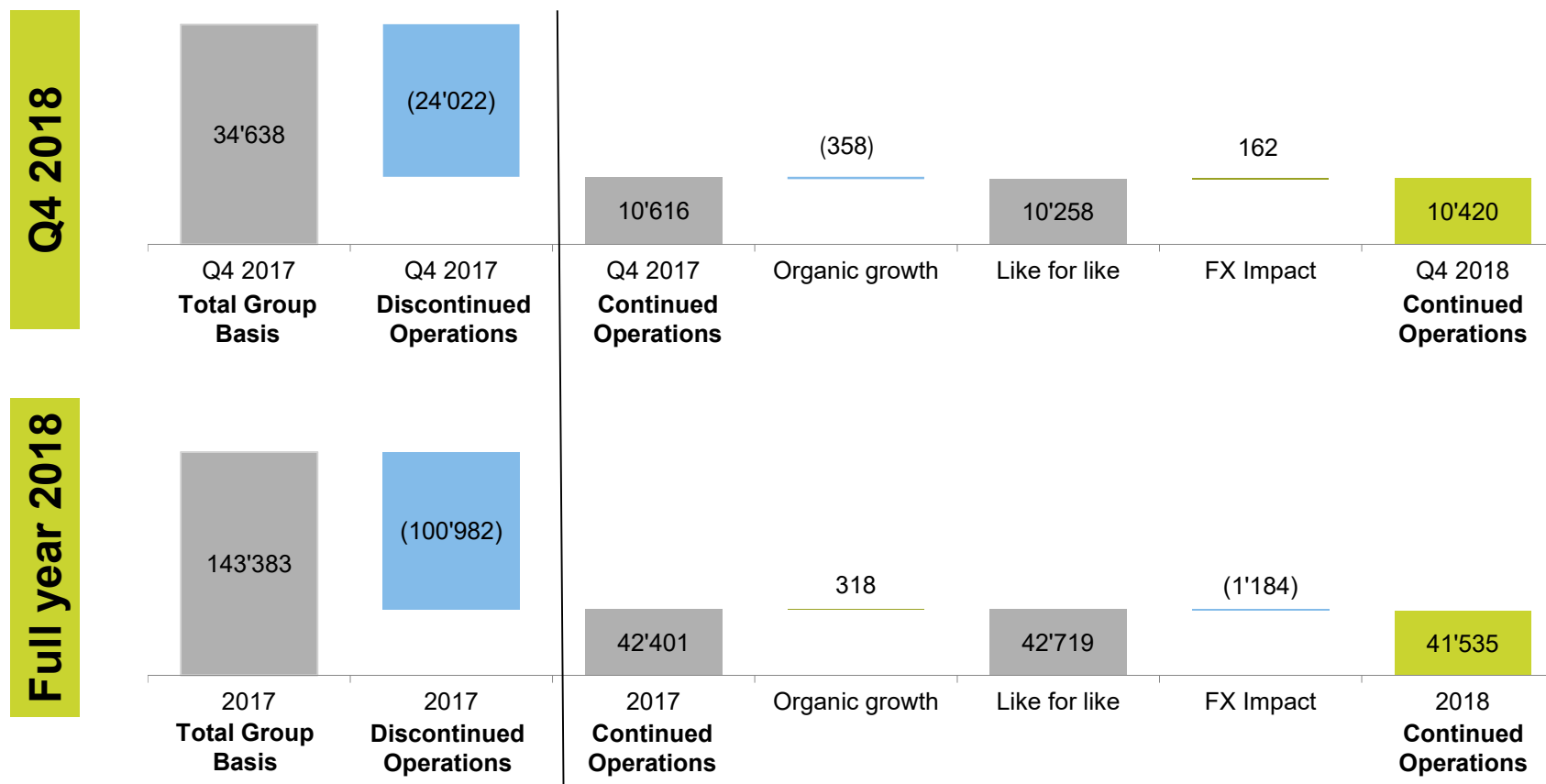
Total Group Basis

- Net Debt of EUR (109.4) million (31.12.2017: EUR 7.2 million)
- Cash position of EUR 113.2 million (31.12.2017: EUR 29.0 million)

Net Sales



(in EUR 1'000)

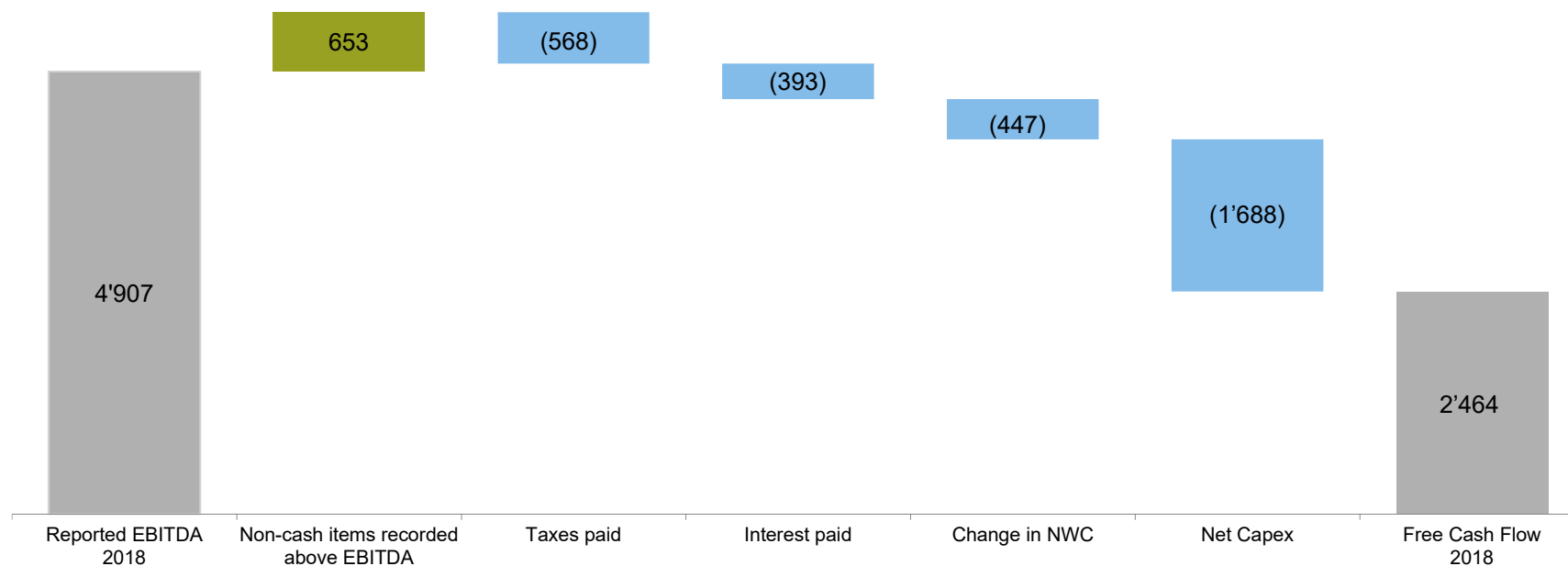


FX rate EUR/CHF: Actual 12M 2018: 1.1550 / Actual 12M 2017: 1.1117
 FX rate EUR/CHF: Actual Q4 2018: 1.1365 / Actual Q4 2017: 1.1623
 FX rate EUR/USD: Actual 12M 2018: 1.1803 / Actual 12M 2017: 1.1290
 FX rate EUR/USD: Actual Q4 2018: 1.1414 / Actual Q4 2017: 1.1774



From EBITDA to Free Cash Flow (Continued Operations)

(in EUR 1'000)

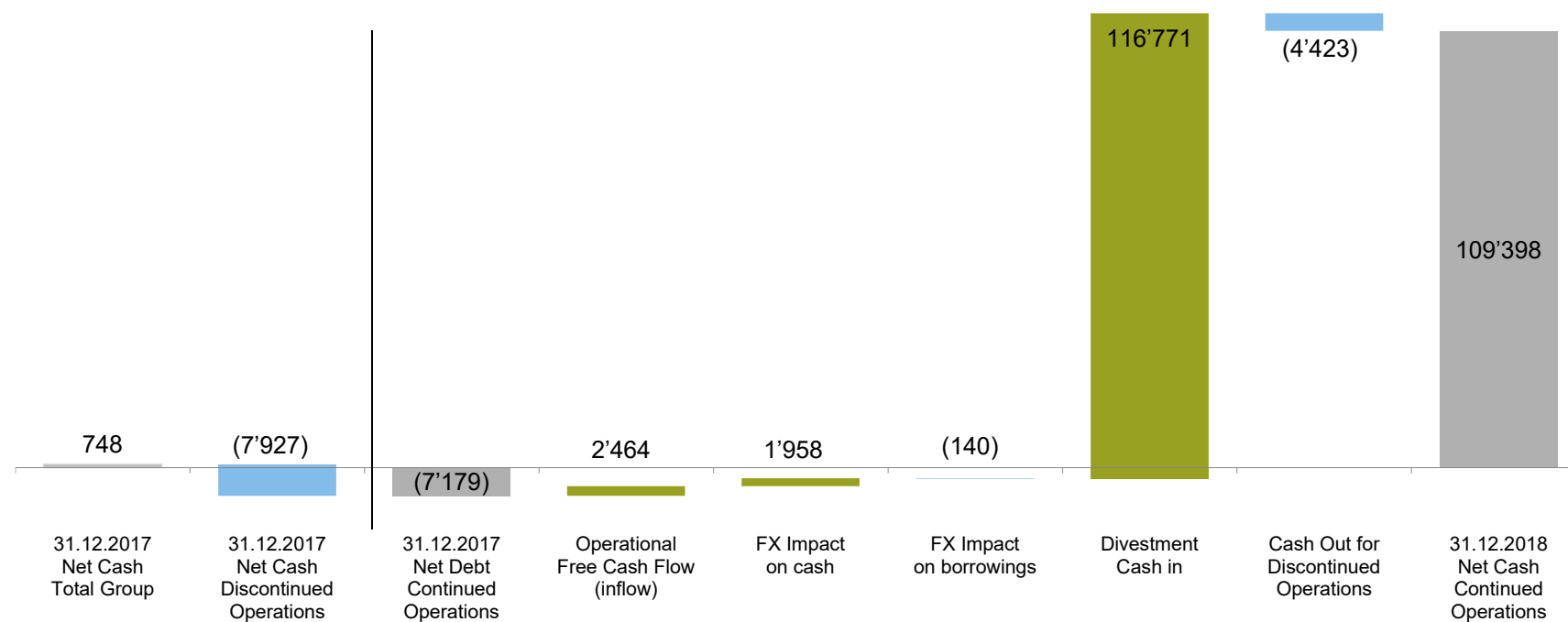


- Free Cash Flow in 2018 EUR 2.5 million versus EUR 0.2 million in 2017
- Main Free Cash Flow Drivers are:
 - Change in Net Working Capital EUR (0.4) million in 2018 (2017: EUR (0.3) million)
 - Better EBITDA Performance in 2018 of EUR 4.9 million versus EUR 2.2 million in 2017
 - Unchanged level of Net Capital Expenditure in 2018 of EUR 1.7 million ¹⁾
 - Lower tax payments in 2018 of EUR 0.6 million versus EUR 1.1 million in 2017

1) Capital expenditure includes equipment purchased under finance lease agreements and capitalized costs

Net (Debt) / Cash

(in EUR 1'000)



	<u>Continued</u>	<u>Discontinued</u>	<u>Total</u>		<u>Continued</u>
Borrowings	(22'612)	(5'605)	(28'217)	Borrowings	(3'790)
Cash	15'433	13'532	28'965	Cash	113'188
Net (Debt) / Cash	(7'179)	7'927	748	Net (Debt) / Cash	109'398

- As of 31 December 2018 bank debt in the amount of EUR 18.6 million was repaid



exceet is exciting

Annex

Succession Issues (Germany)

- C. 511,000 companies are planning for succession in Germany within the next five years
 - 42% considering sale to a 3rd party
 - C. 2.3% of all German SMEs above EUR 10m in revenues
- A market size in Germany alone of c. 5,000 companies
- **Private equity firms are not the preferred partner**

Opportunities and Challenges for SMEs

„A good one in four small and medium-sized enterprises have expanded their digitalisation in the past three years.[..] Given the high importance of digitalisation for growth, productivity and competitiveness, it appears to make sense to further speed up the pace.“

Kreditanstalt für Wiederaufbau (KfW), 2018

„Daneben haben die Berater von Roland Berger noch rund 70 Interviews mit mittelständischen Familienunternehmen geführt. Und dabei zeigt sich: **Die Eigenkapitalquote der meisten familiengeführten Unternehmen ist gut, aber womöglich nicht gut genug, um die Digitalisierung zu stemmen..**“

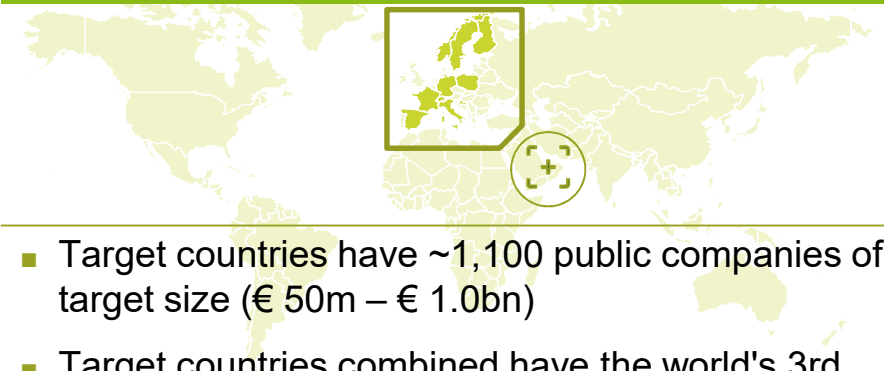
Handelsblatt Digital, 12/10/2018

„The majority of SMEs in France, Germany, Italy, Spain and the UK are not engaged internationally. **Less than 30 % of all SMEs export**, mostly to other EU countries, and less than 3 % invest abroad.“

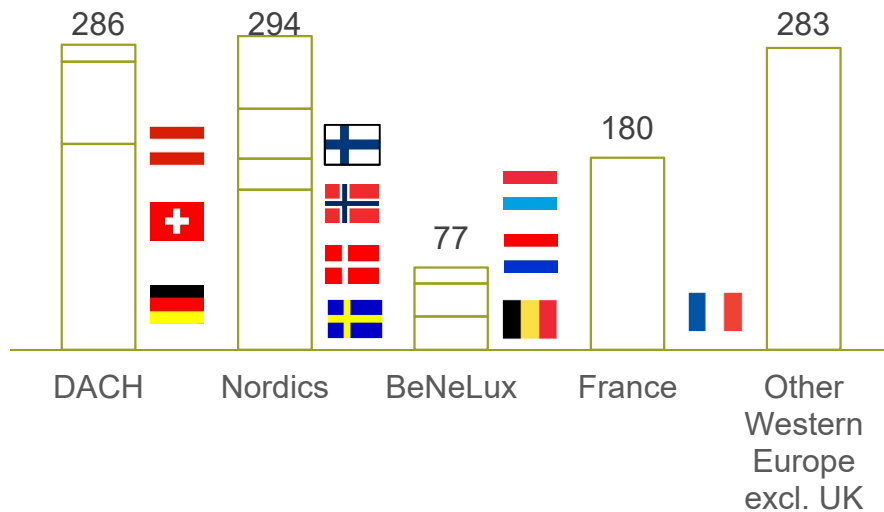
KfW, bpi France, cdp, 2018

Source: SME data as per KfW publications (KfW SME Panel 2017, Generationenwechsel im Mittelstand)

The Listed SME Universe in Western Europe



- Target countries have ~1,100 public companies of target size (€ 50m – € 1.0bn)
- Target countries combined have the world's 3rd largest GDP



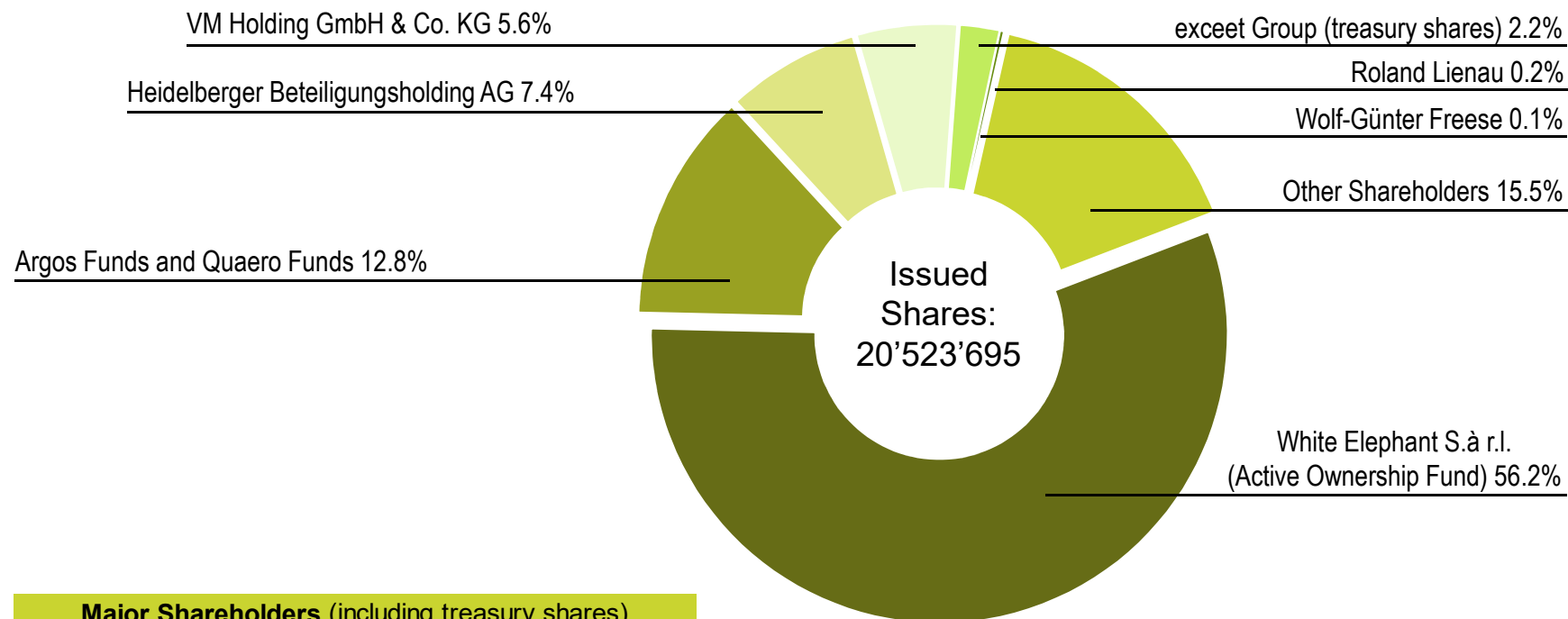
Source: Listed Mittelstand data as per CapIQ 18/10/2018 (Western Europe, Selected Industries, >EUR 20m revenue, EUR 50-1,000 market cap)

Characteristics of Listed SMEs

- Often market leaders in their specific niches, but too small to be recognized by larger investors
- Often misunderstood and undervalued as a result of limited and/or poor sell-side research (1-2 to no analyst coverage)
- Despite listing often insufficient resources to pursue strategic opportunities/lack sufficient capital to grow
- Lack support from owners and the board, sub-optimal corporate structures and inefficient balance sheets
- Limited focus on profit and cash generation



Actual Shareholder Structure (27 February 2019) ¹⁾



Major Shareholders (including treasury shares)

White Elephant S.à r.l. (Active Ownership Fund)	56.2%
Argos Funds & Quaero Funds	12.8%
Heidelberger Beteiligungsholding AG	7.4%
VM Holding GmbH & Co. KG	5.6%
exceet Group (treasury shares)	2.2%
Roland Lienau (Member of the Board exceet Group SE)	0.2%
Wolf-Günter Freese (CEO & CFO / Member of the Board)	0.1%
Total	84.5%
Other Shareholders	15.5%

1) Based on the published voting rights announcement

Consolidated Financials



January – December 2017 & 2018

Income Statement		
(in EUR 1'000)	Jan. - Dec. 2018	Jan. - Dec. 2017
Revenue	41'535	42'401
Cost of sales	(31'627)	(34'602)
Gross profit	9'908	7'799
<i>% margin</i>	23.9%	18.4%
Distribution costs	(3'415)	(4'006)
Administrative expenses	(4'472)	(4'503)
Other operating expenses	0	(717)
Other operating income	92	61
EBIT	2'113	(1'366)
<i>% margin</i>	5.1%	(3.2%)
Net financial result	(2'350)	1'404
Earnings before taxes / EBT	(237)	38
Income Tax	(298)	(442)
Net profit continued operations	(535)	(404)
Net profit discontinued operations	52'935	(10'611)
Net profit/(loss)	52'400	(11'015)
<i>% margin</i>	126.2%	(26.0%)

EBITDA		
(in EUR 1'000)	Jan. - Dec. 2018	Jan. - Dec. 2017
Reported EBIT	2'113	(1'366)
+ PPA Amortization	675	621
+ Impairment charges Goodwill	0	0
+ Impairment intangible Assets	0	717
EBIT before PPA Amortization / Impairment	2'788	(28)
+ Depreciation / Amortization charges	2'119	2'258
EBITDA	4'907	2'230 ¹⁾
<i>% recurring EBITDA margin</i>	11.8%	5.3%

1) Including restructuring costs of EUR 0.6 million

Consolidated Financials



31 December 2017 / 30 December 2018

Assets		
(in EUR '000)	30 December 2018	31 December 2017
Tangible assets	9'295	26'528
Intangible assets	10'843	22'770
Deferred tax assets	599	1'233
Other financial investments	0	384
Inventories	3'872	30'033
Trade receivables, net	3'458	17'366
Contract assets	1'819	0
Other current assets	1'149	1'865
Current income tax receivables	0	617
Cash and cash equivalents	113'188	28'965
Total assets	144'223	129'761

Shareholders' Equity & Liabilities		
(in EUR '000)	30 December 2018	31 December 2017
Total equity	131'480	74'368
Borrowings	3'242	8'385
Retirement benefit obligations	2'627	5'051
Deferred tax liabilities	526	1'636
Non current provisions & others	326	1'764
Trade payables	1'051	9'686
Contract liabilities	411	0
Other current liabilities	4'012	9'039
Current borrowings	548	19'832
Total liabilities	12'743	55'393
Total shareholders' equity & liabilities	144'223	129'761

Consolidated Financials



January – December 2017 & 2018

Cash Flow Statement		
(in EUR 1'000)	Jan. - Dec. 2018	Jan. - Dec. 2017
Earnings before taxes	54'783	(9'410)
Depreciation, amortization & impairment charges	6'774	19'990
Financial income / (expenses), net	(936)	663
Change of provisions	1'977	188
Gain on Sale of discontinued operations, net of income tax	(54'400)	0
Other non-cash items, net	1'673	(238)
Operating results before changes in net working capital	9'871	11'193
Changes in net working capital	(5'460)	(12)
Taxes paid	(1'563)	(2'322)
Interest paid	(569)	(568)
Cash Flow from operating activities	2'279	8'291
Divestment of subsidiaries	101'997	0
CAPEX	(3'129)	(3'418)
Sale of assets	119	24
Cash Flow from investing activities	98'987	(3'394)
Repayments / proceeds of borrowings	(18'170)	(4'711)
Repayments / proceeds regarding finance lease	(831)	(372)
Cash Flow from financing activities	(19'001)	(5'083)
Net change in cash and cash equivalents	82'265	(186)
Cash and cash equivalents at the beginning of the period	28'965	30'874
Effect of exchange rate gains / (losses)	1'958	(1'723)
Cash and cash equivalents at the end of the period	113'188	28'965

Consolidated Financials



January – December 2017 & 2018

Segment Information														
(in EUR '000)	ECMS		ESS		Corporate & Others		Continued Operations		Discontinued Operations		Eliminations		Group Consolidation	
	Jan. - Dec.		Jan. - Dec.		Jan. - Dec.		Jan. - Dec.		Jan. - Dec.		Jan. - Dec.		Jan. - Dec.	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Net Sales	32'552	32'809	8'983	9'385	0	207	41'535	42'401	82'008	103'098	(1'356)	(2'116)	122'187	143'383
EBIT <i>In % of Net Sales</i>	6'175 19.0%	4'888 14.9%	(1'165) (13.0%)	(3'446) (36.7%)	(2'897)	(2'808)	2'113 5.1%	(1'366) (3.2%)	952 1.2%	(9'137) (8.9%)			3'065 2.5%	(10'503) (7.3%)
CAPEX tangible assets	1'572	1'129	61	34	10	4	1'643	1'167	1'626	1'813			3'269	2'980
CAPEX intangible assets	42	6	3	560	0	0	45	566	118	167			163	733
Depreciation of tangible assets	(1'862)	(2'002)	(96)	(110)	(19)	(20)	(1'977)	(2'132)	(1'618)	(2'555)			(3'595)	(4'687)
Amortization of intangible assets	(226)	(233)	(509)	(453)	(82)	(61)	(817)	(747)	(862)	(2'158)			(1'679)	(2'905)
Impairment of intangible assets	0	0	0	(717)	0	0	0	(717)	(1'829)	(11'681)			(1'829)	(12'398)

This presentation contains forward-looking statements based on beliefs of exceet Group SE management. Such statements reflect current views of exceet Group SE with respect to future events and results and are subject to risks and uncertainties. Actual results may vary materially from those projected here, due to factors including changes in general economic and business conditions, changes in currency exchange, the introduction of competing products, lack of market acceptance of new products, services or technologies and changes in business strategy.

exceet Group SE does not intend or assume any obligation to update these forward-looking statements.

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