exceet

Company Presentation

November 2016

- **Business Model**
- Selected Applications & Operational Highlights
- Financial Review & Analysis
- Growth Potential & Group Strengths

Our Profile

- exceet is an international technology group specialized in development and production of intelligent, complex and secure electronics.
- exceet is focussed on the Health, Industry and Security markets.
- exceet offers solutions for applications in Body Wearable Electronics, Opto-Electronics and Internet of Things (IoT)

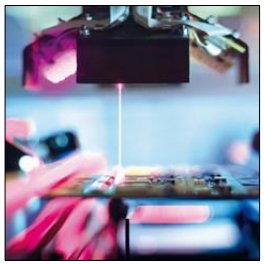
(in EUR million)	Continued operations FY 2015	9M 2015	9M 2016
Net Sales	136.4	102.2	99.8
EBITDA	9.6	6.8	6.5
EBITDA Margin	7.0%	6.7%	6.6%
CAPEX [1)]	4.7	3.3	6.4
Free Cash Flow	3.0	(2.1)	(6.8)
Net Financial Debt	9.1	13.9	4.9
FTEs [2)]	643	645	653

1) Net CAPEX including equipment purchased under finance lease agreements
2) Full Time Equivalent

Design **Development** **Engineering** **Production** **Solutions** **Services**

Highly Miniaturized

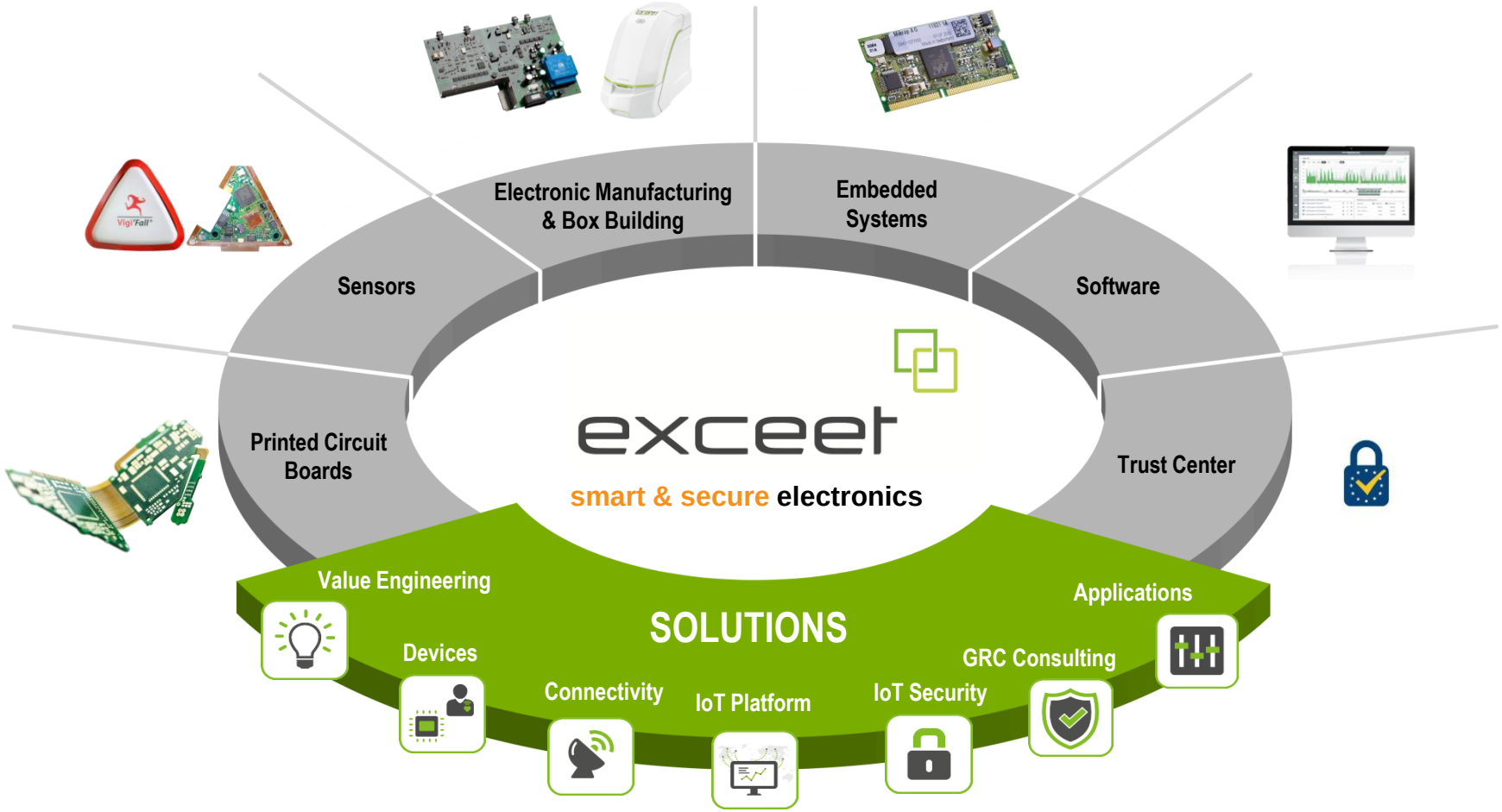
Highly Precise



Highly Reliable

Highly Secure

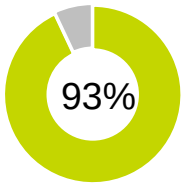
Our Activities



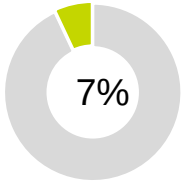
Our Segments

Reporting Segments*

ECMS
Electronic Components, Modules & Systems



ESS
exceet Secure Solutions



Competences

- Miniaturization
- Certified Box-Building
- Embedding
- Precise Placement
- Secure Data Handling

End Markets*

Health

46% of group net sales

Industry

49% of group net sales

Security

5% of group net sales

Applications

- *Hearing Aids*
- *Diagnostic Devices*
- *Wearables*
- *Implants*
- *Telematic Infrastructure & Applications*

- *Machine Control Units*
- *Intelligent Displays*
- *Multi Channel Optic Transceiver*

- *IoT*
- *PKI*
- *Cloud-Based Security Services*
- *Secure Access Solutions*
- *Digital Signatures and Trust Center*

**share of twelve month group sales (rolling)*

Our Achievements

- 27 July 2016 exceet warrants expired
- 15 September 2016 cancelation of all Class B and C Shares
- 30 September 2016 sale of the card business (IDMS Segment)
- 1 January 2017 new organizational structure in place
- Lean characteristics in capital, operational and organizational structure will reduce future overhead costs by about EUR 2 millions on an annual basis

- Business Model
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Health - Body Wearable Electronics

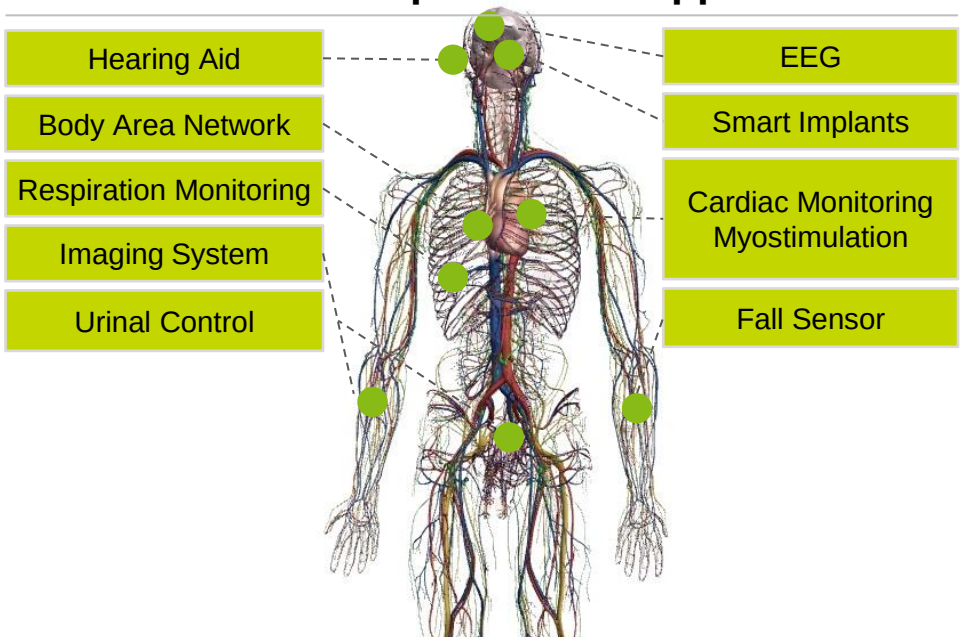
Miniaturized, complex, durable electronics for highest medical requirements

Strategic focus

- Focus on miniaturized electronics for sophisticated applications in life supporting systems, diagnostic and ambient assisted living
- Focus on highly complex and miniaturized PCBs for implantable or body wearable applications

- Life supporting systems
- Diagnostic
- Ambient assisted living

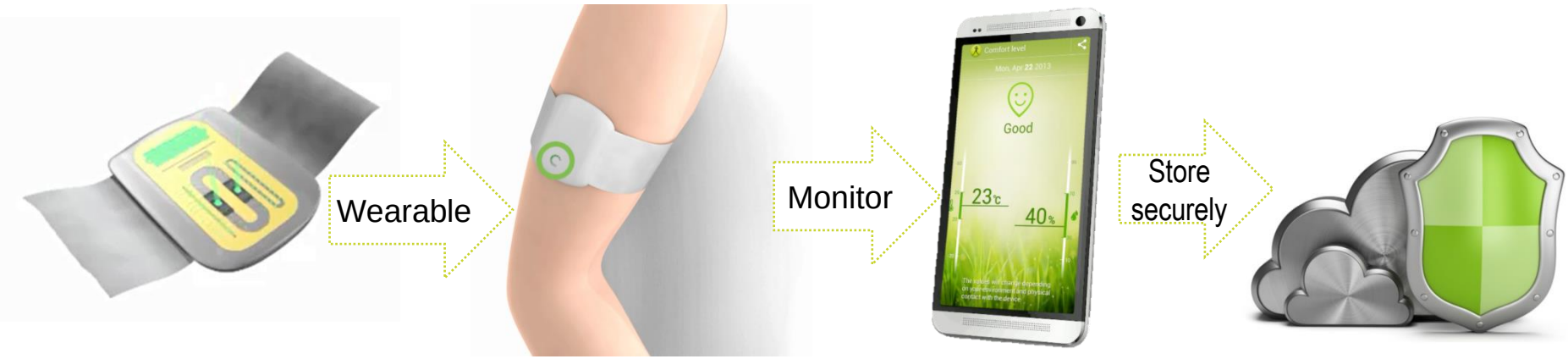
Electronics in sophisticated applications



Miniaturized turnkey electronics for the medical technology market

Health - Body Wearable Electronics

exceet as a full-service partner along the entire value chain



Device developed and manufactured by exceet | Mobile monitoring APP | Secure cloud storage

Highlights

- exceet will develop and manufacture new body monitor including a charging station
- Conduct all quality assurance tests required for certification and deliver the devices in ready-to-ship packaging

Advantages for customers / users

- New product aims to assist patients under medical treatment by continuously transmitting vital sign data
- Continuous monitoring of heart rate, blood oxygenation, body temperature and other important vital parameters

Health - Implantable Cardioverter Defibrillator

Development & Production of highly miniaturized, extremely durable PCBs

4-Layer Rigit-Flex Board by exceet

Newest generation of Implantable Cardioverter Defibrillator

Description

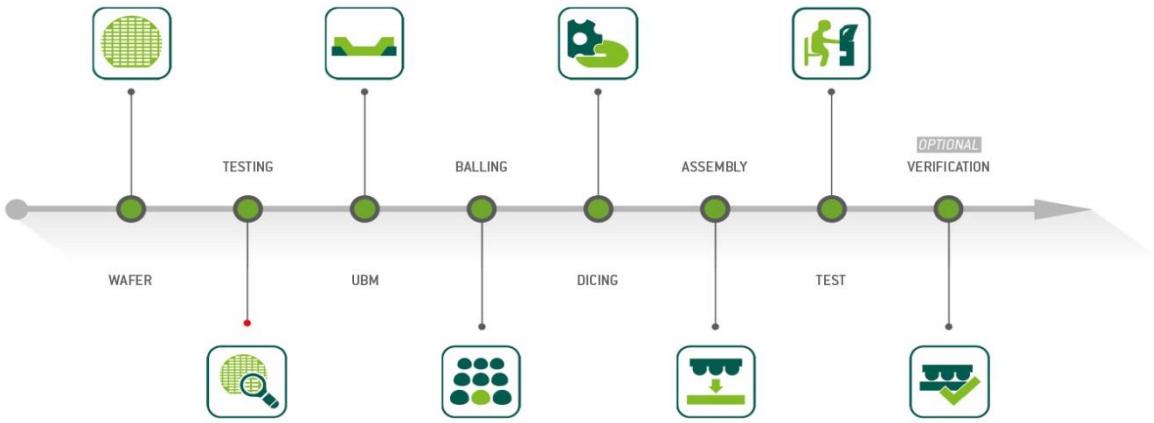
- exceet provides the PCB for a subcutaneous Implantable Cardioverter Defibrillator
- Expected lifetime: 11+ years
- Size of the device: 29.5 m³ and 9.9 mm thickness

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

Industry - Services for Microchip Placement

From Wafer to End Product within 8 Weeks



Description

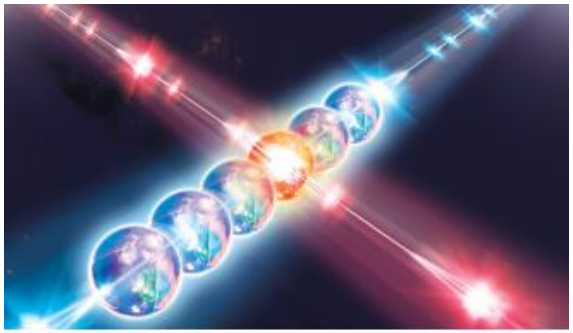
- exceet expanded value chain in a microchip placement and offers state-of-the-art production facility in Germany
- exceet provides all manufacturing steps from raw wafer product to fully fitted circuit board in less than 8 weeks
- Substantial reduction of cycle times due to the consistent avoidance of interface losses

Advantages for Customers

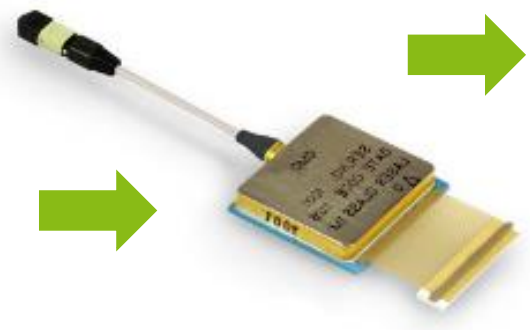
- Competitive advantages and short time to market thanks to exceets' short delivery times
- Transparent product traceability, because exceet, as one single supplier, assumes responsibility for the entire production chain
- Optimized coordination between customer and supplier due to the close geographical proximity and longstanding practical experience

Industry - Multi-Channel Optic Transceiver

Fast data communication – especially in small spaces



Optical signal



Multi-Channel optical transceiver

Electronic signal

Description

- Optical signals are converted to electrical information via integrated detectors and further processed by suitable trans-impedance amplifiers (TIA)
- Flex soldering, precision ± 30µm
- Placement accuracy of photodiode ± 1µm
- Dicaps & Chip resistors accuracy ± 20µm

Advantages for customers / users

- Reduction of cost and space in the field of data-communication
- Faster data communication
- Higher volumes of data can be transmitted

Industry - Electronics for Building Automation

Description

- Control unit & display for ventilating system for controlled ventilation of energy efficient house building
- Control unit incl. remote control system
- Modern & user-friendly display
- Easy to use web interface for remote access

Advantages for customers / users

- Ventilation in rented apartments can be centrally controlled by the custodian or owner
  - Prevention of mould formation
  - Ventilation in case of vacancy
- Remote access for service & support
  - Cost reduction
  - Enhanced service

IoT – exceet Offering

Market Requirements	exceet Offers

Access-, Personalization- & Payment Solutions

Consulting | Hardware | Software | Services

- secure authentification & identification
- data integrity & confidentiality
- encryption (secure key management)

- PKI solutions (Public-Key-Infrastructures)
- HSMs (Hardware-Security-Modules) – implementation & applications

Certifications

Consulting | Hardware | Software | Services

- industry specific product certifications
- business process related certifications (compliance)
- certified exceet production processes

- PLM (Product Lifecycle Management)
- industry specific approval processes & certifications, e.g. FDA compliance
- ISO 27001 & ISO 8001 consulting
- numerous exceet certifications, e.g. ISO 9001, ISO 13485, ISO 80079-34, AS EN 9100, ISO 14001, Trust Center

Governance, Risk & Compliance (GRC)

Consulting | Hardware | Software | Services

- data security
- data protection
- risk management

- preparation of external data protection audits
- implementation of ISMS (Information Security Management Systems)
- risk analysis

Ready for secure industrial Internet of Things (IoT)

IoT - Devices for M2M Solutions

exceet communication box supplements the control system of one of the largest car wash groups in Europe

Description

- Selection and realization of a costumer 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

- Just in time information about car wash use, detergent consumption and technical breakdowns
- Optimized controlling and timing of materials, maintenance and repair
- Reduction of breakdowns

IoT - Industrial Solutions

Intelligent & secure networking of machine tools

Description

- Selection and realization of a costumer 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.

- Business Model
- Selected Applications & Operational Highlights
- **Financial Review & Analysis**
- Growth Potential & Group Strengths

Financial Highlights

Net Sales

Continued operations

- Revenues are down 2.3% to EUR 99.8 million
- Organic decline: 1.4%
- FX Impact: (1.0%)

Total Group Basis

- Revenues increased 0.3% to EUR 133.0 million
- FX Impact: (0.7%)

EBITDA

Continued operations

- 9M 2016 EBITDA down 3.7% to EUR 6.5 million
- 6.6% EBITDA Margin (9M 2015: 6.7%)
- No material non-recurring items in both periods

Total Group Basis

- 9M 2016 EBITDA down 33.0% to EUR 5.5 million
- 4.1% EBITDA Margin (9M 2015: 6.2%)

Free Cash Flow

Total Group Basis

- Free Cash Flow EUR (10.7) million (9M 2015: EUR (2.6) million) driven by:
  - Operational Cash Flow EUR (2.9) million (9M 2015: EUR 1.8 million)
  - Capex of EUR 7.8 million (9M 2015: EUR 4.4 million)
  - Working Capital Movement of EUR (4.4) million (9M 2015: EUR (1.5) million)

Net Debt

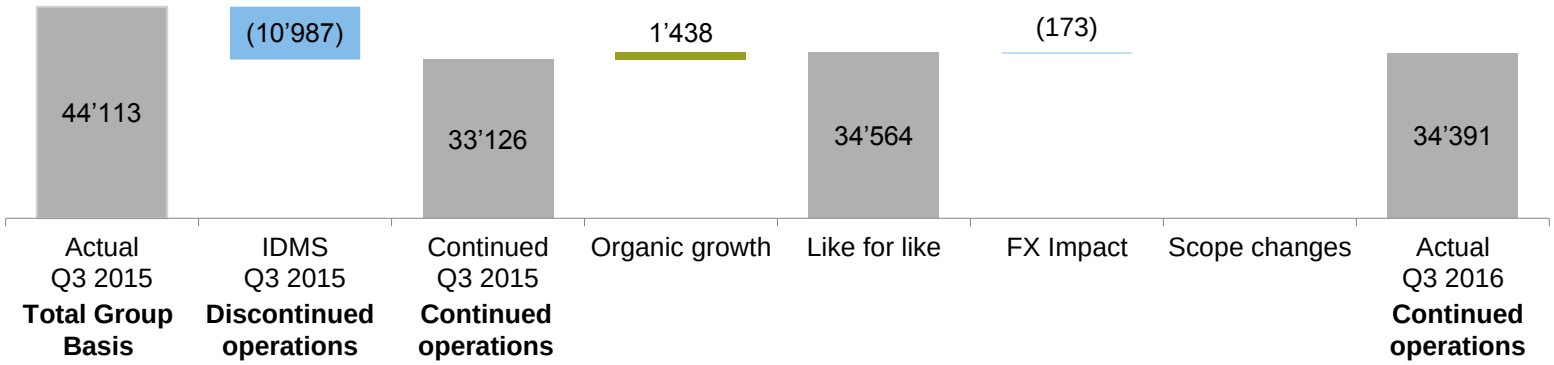
Total Group Basis

- Net Debt of EUR 4.9 million (31.12.2015: EUR 8.1 million)
- Cash position of EUR 34.4 million (31.12.2015: EUR 33.3 million)

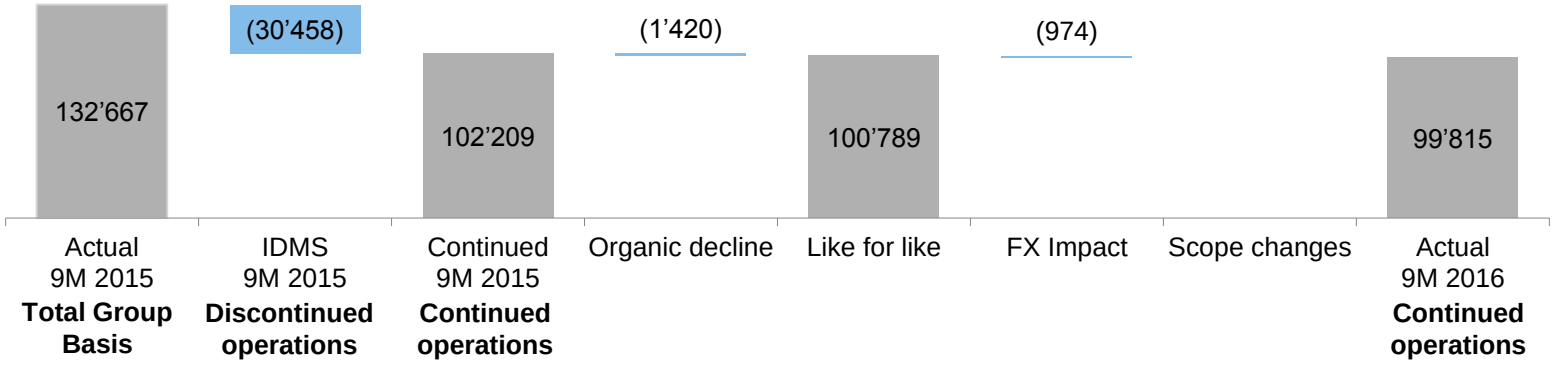
Net Sales

(in EUR 1'000)

Q3 2016



9M 2016



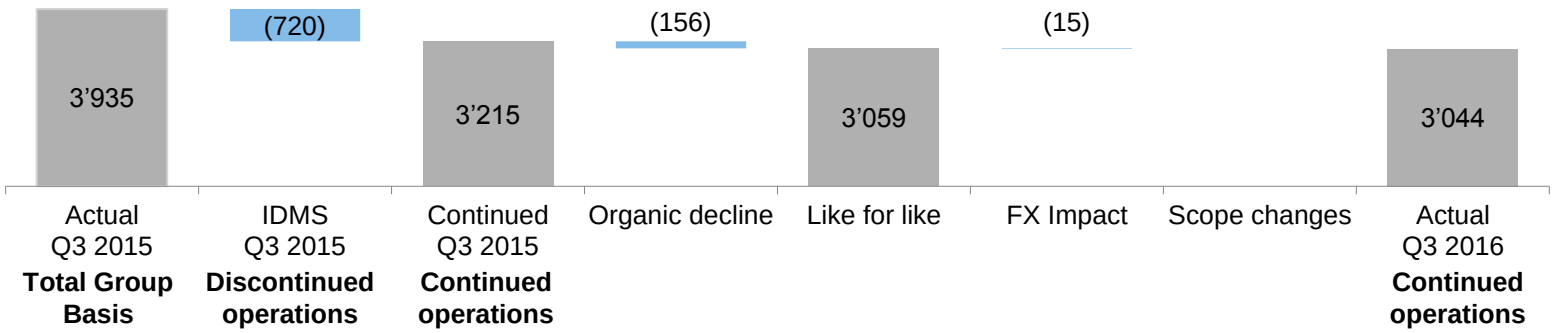
FX rate EUR/CHF: Actual 9M 2016: 1.0936 / Actual 9M 2015: 1.0621
FX rate EUR/USD: Actual 9M 2016: 1.1159 / Actual 9M 2015: 1.1141

FX rate EUR/CHF: Actual Q3 2016: 1.0889 / Actual Q3 2015: 1.0723
FX rate EUR/USD: Actual Q3 2016: 1.1166 / Actual Q3 2015: 1.1117

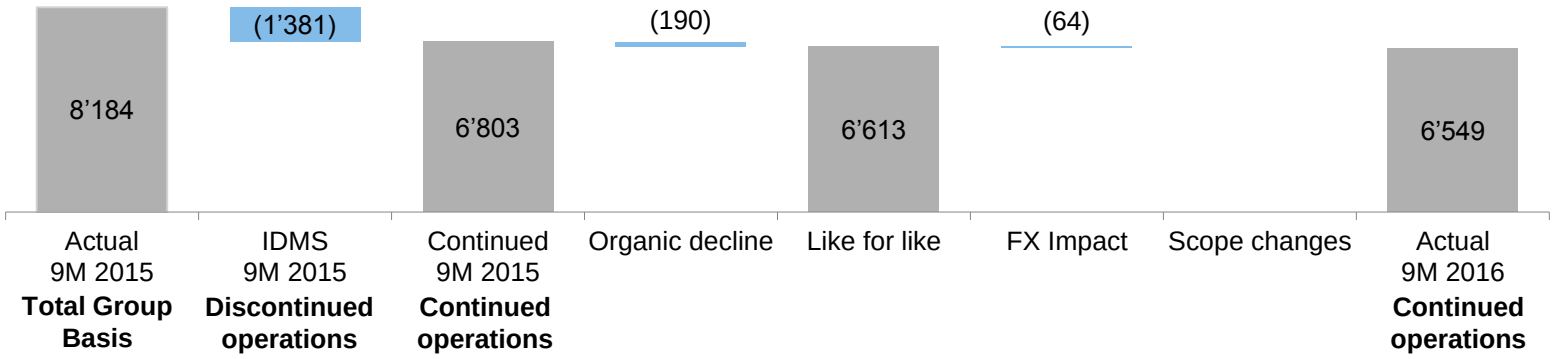
EBITDA

(in EUR 1'000)

Q3 2016



9M 2016



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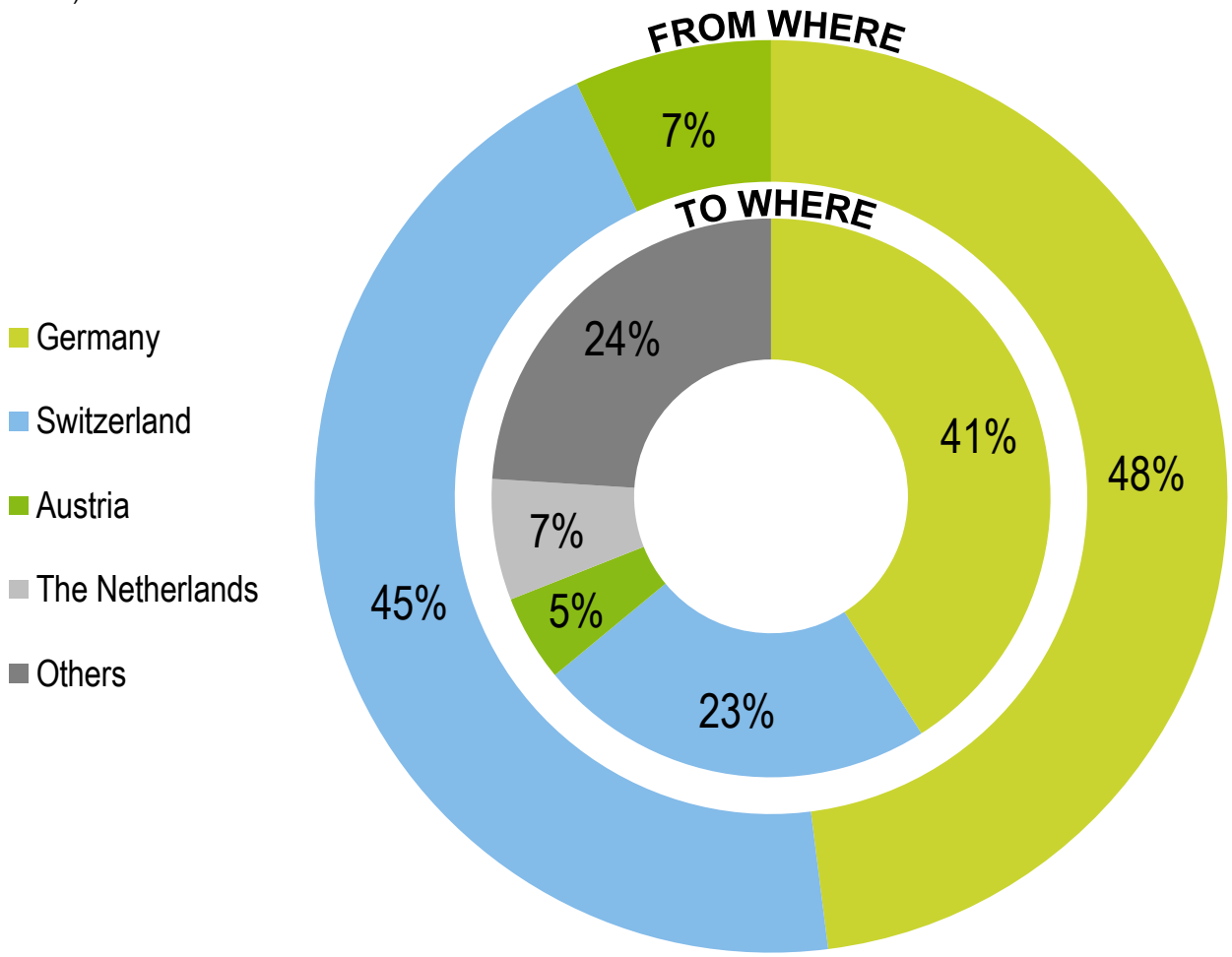
FX rate EUR/CHF: Actual Q3 2016: 1.0889 / Actual Q3 2015: 1.0723
FX rate EUR/USD: Actual Q3 2016: 1.1166 / Actual Q3 2015: 1.1117

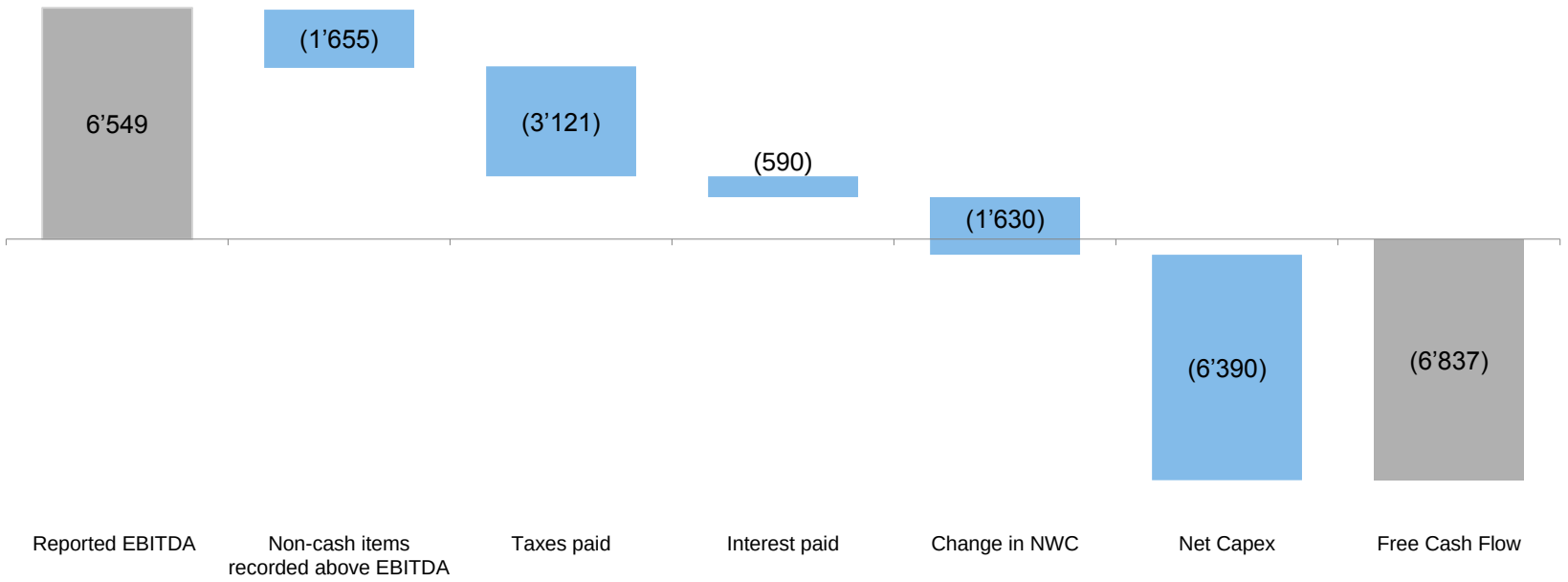
Net Sales by Countries 2015 (Continued operations)

(in EUR 1'000)



From EBITDA to Free Cash Flow (Cont. operations)

(in EUR 1'000)

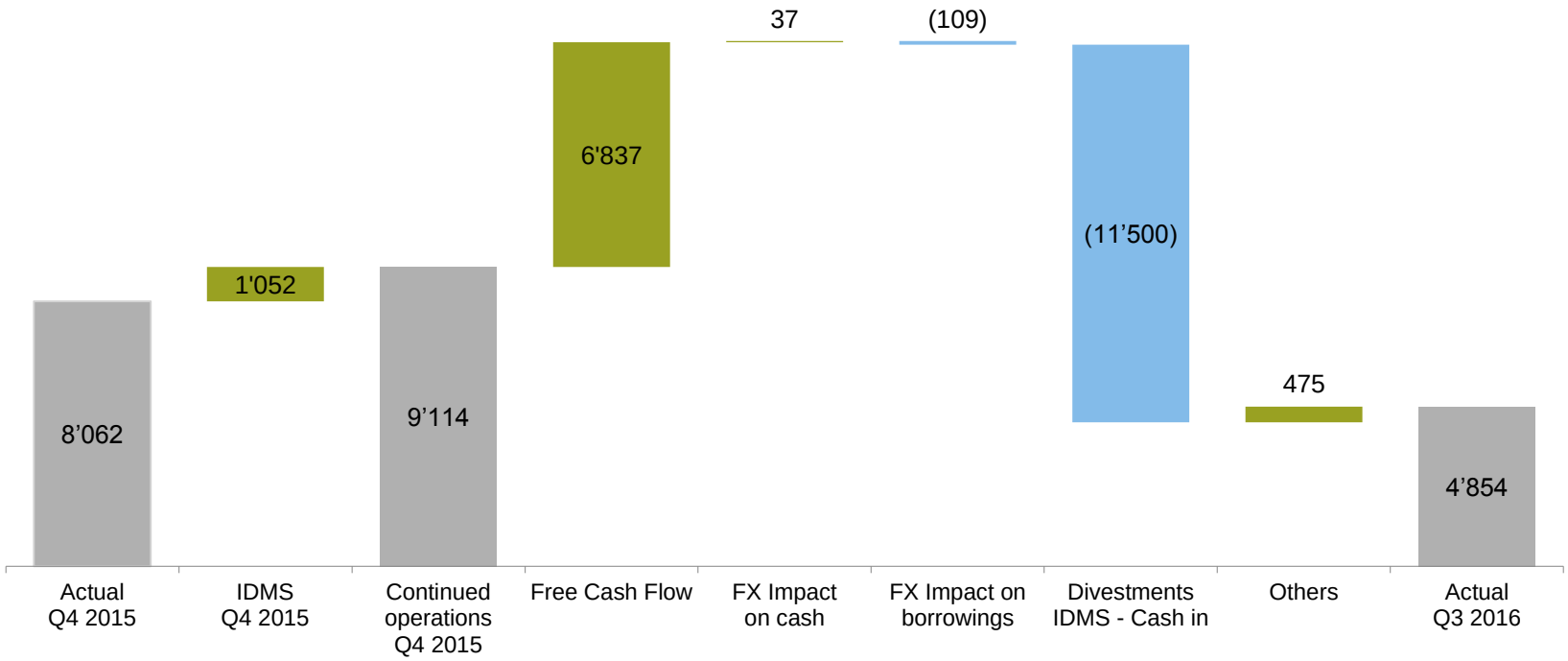


- Free Cash Flow in 9M 2016 EUR (6.8) million versus EUR (2.1) million in 9M 2015
- Main Free Cash Flow Drivers are:
  - Lower EBITDA Performance in 9M 2016 of EUR 6.5 million versus EUR 6.8 million in 9M 2015
  - Increase of Net Capital Expenditure[1)] (from EUR (3.3) million in 9M 2015 to EUR (6.4) million in 9M 2016)
  - Lower outflow from Net Working Capital movements EUR (1.6) million in 9M 2016 (9M 2015: EUR (1.9) million)
  - Lower tax payments in 9M 2016 of EUR (3.1) million versus EUR (4.3) million in 9M 2015

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

Net Debt

(in EUR 1’000)

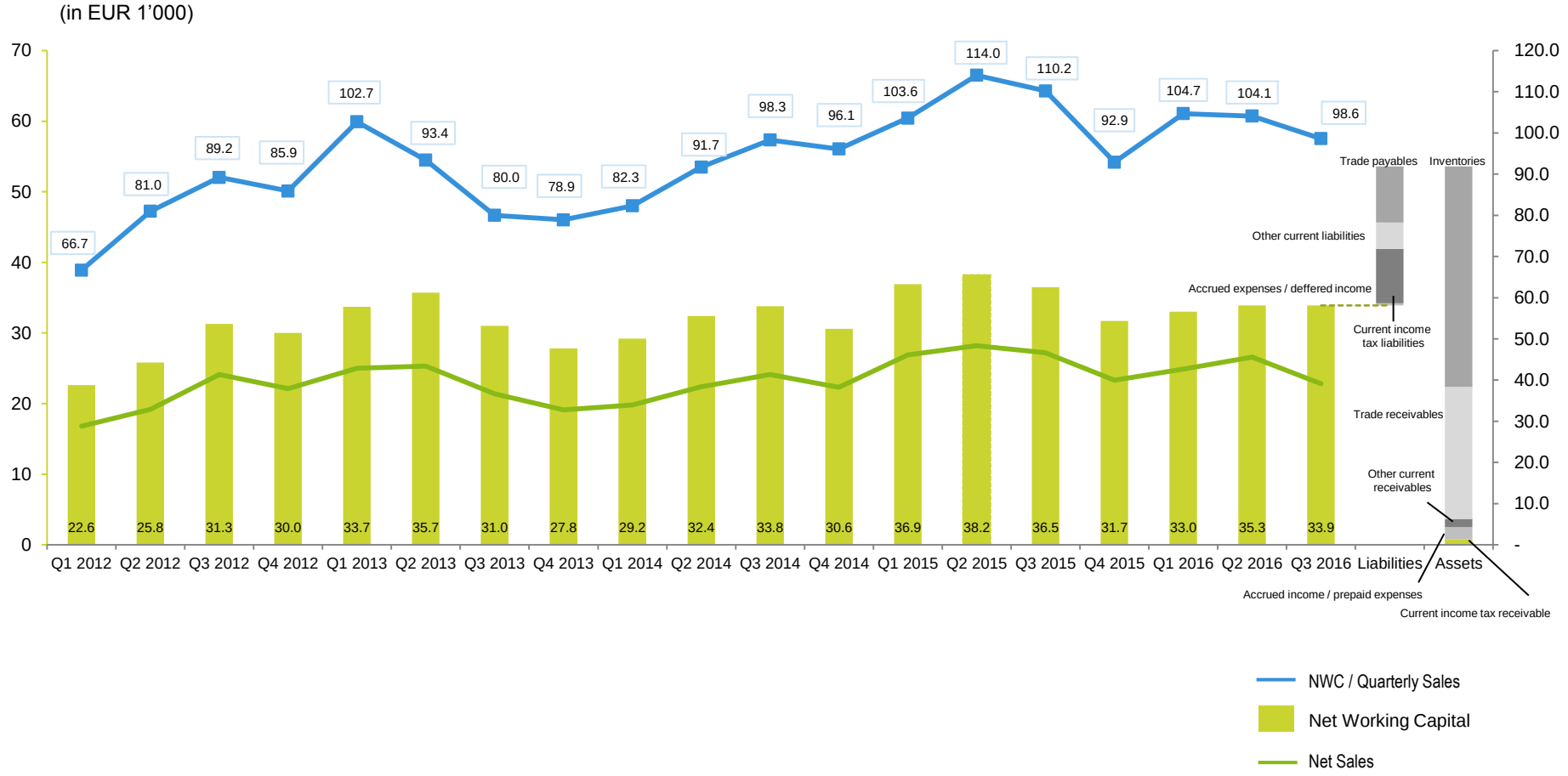


	Continued	IDMS	Total
Borrowings	38'200	3'118	41'318
Cash	(29'086)	(4'170)	(33'256)
Net Debt	9'114	(1'052)	8'062

	Continued	IDMS	Total
Borrowings	39'256	0	39'256
Cash	(34'402)	0	(34'402)
Net Debt	4'854	0	4'854

- Net Debt decrease in 9M 2016 by EUR 4.3 million

Net Working Capital (Continued operations)



- Net Working Capital of 98.6% of sales in Q3 2016, down from 110.2% in Q3 2015

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- Selected Applications & Operational Highlights
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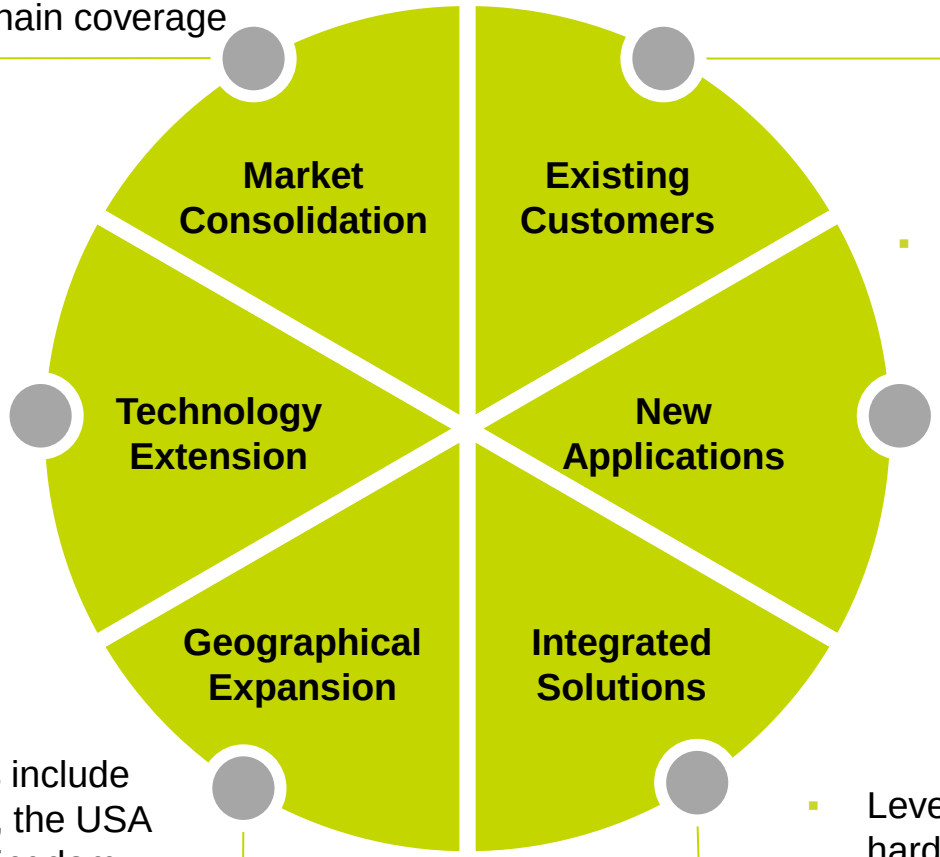
- **Growth Potential & Group Strengths**

Growth Potential

- Exploit fragmented market structure
- Enhance value chain coverage

- Leverage customer relationships



- Expansion of technological capabilities e.g. Ultra HDI

- Extend customer base through new healthcare applications e.g. medical implants

- Identified regions include e.g. Scandinavia, the USA and the United Kingdom

- Leverage on the combination of hardware, software, security components and connectivity

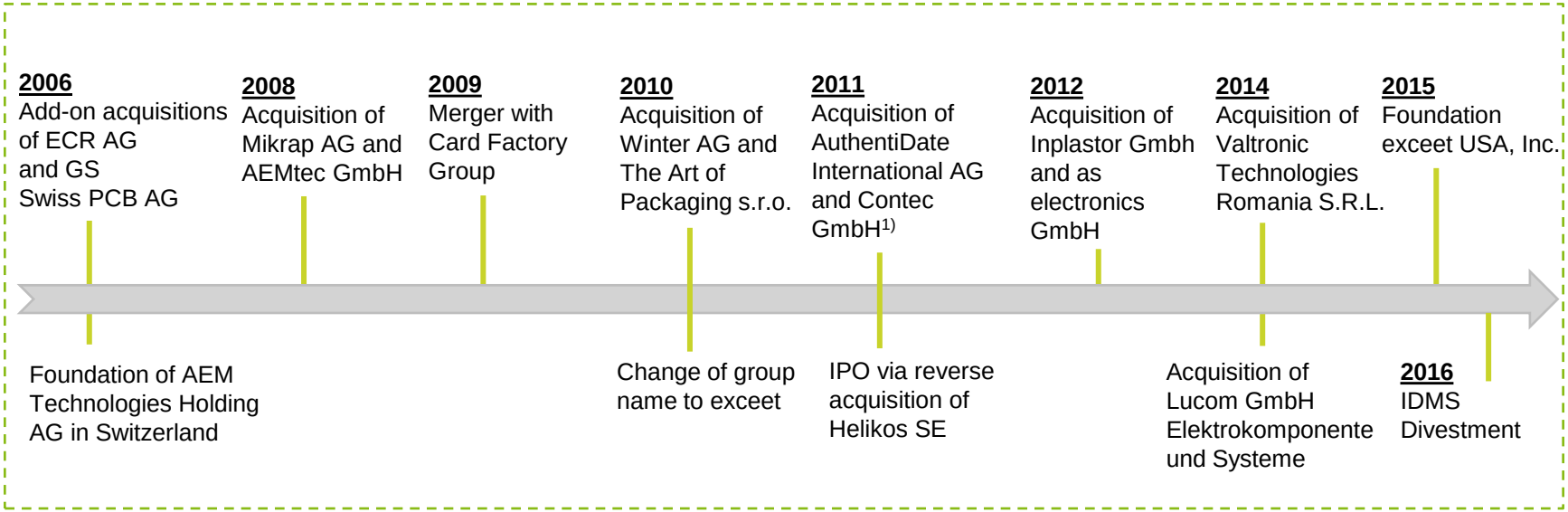
Group Strengths

Miniaturization	Strong skills in development & manufacturing of miniaturized electronic components, modules & systems
Health	Specialist with many years of experience in development and manufacturing of complete medical devices and experienced Partner for FDA approvals & certifications
Box-building	Full Service Outsourcing Partner for the development and manufacturing of complete devices
Complex Embedding	Development, engineering and manufacturing of complex embedded solutions
Opto-Electronic	Leading development, manufacturing and testing partner in one of the fastest growing technology markets
Secure Solutions	exceet provides a common key infrastructure to secure networks of machines, objects, people and processes
Manufacturing in Europe	Secure assembly & production: flexible production suited for short-runs and low/mid volumes as well as highest safety requirements

exceet is exciting

Annex

History of exceet



Foundation Dates

mikrap 1978 | contec 1986 | ECR ELECTRONICS 1994 | AuthentiDate 2000

QS SWISS PCB 1981 | Lucom 1991 | AEMtec 2000[2)]

1) Closing occurred in April/May 2011
2) Infineon spin-off
Since January 2013 rebranding exceet Secure Solutions AG (former AuthentiDate International AG)

Top Customers (Continued operations)

Top 10 Customer = 46% of total Sales

Customer	Revenue in EUR million
Health	14.4
Industry	9.6
Health	8.2
Health	8.1
Health	6.5
Industry	4.8
Health	3.8
Industry	3.0
Health	2.5
Industry	2.4
Total	**63.2**

Status: December 2015

Selected References

CERN
COCHLEAR
DELPHI
DORNIER
FERAG
FRANCE TELECOM
GANTNER
GE
GN RESOUND
MEGITT
PHILIPS
PHONAK
RITTAL
ROCHE
SANDOZ
SCHAEFFLER
SIEMENS
SONY
T SYSTEMS

Production & Engineering Sites

ECMS

Berlin, D ①
Design, development, industrialization and series production for high-end complex electronic and electrooptical systems

Großbettlingen, D ②
Design, development & engineering of intelligent control and automation systems

Rotkreuz, CH ③
Development and manufacturing of modular platforms of industrial embedded computers

Rotkreuz, CH ③
Development and production of medical equipment units, such as blood analysis devices

Küssnacht, CH ④
Development and manufactoring of miniaturized printed circuit boards for the medtec industry e.g. hearing aid implants

Ebbs/Tirol, A ⑤
Development, qualification and series production of medical devices

Bucharest, RO ⑥
Development Center

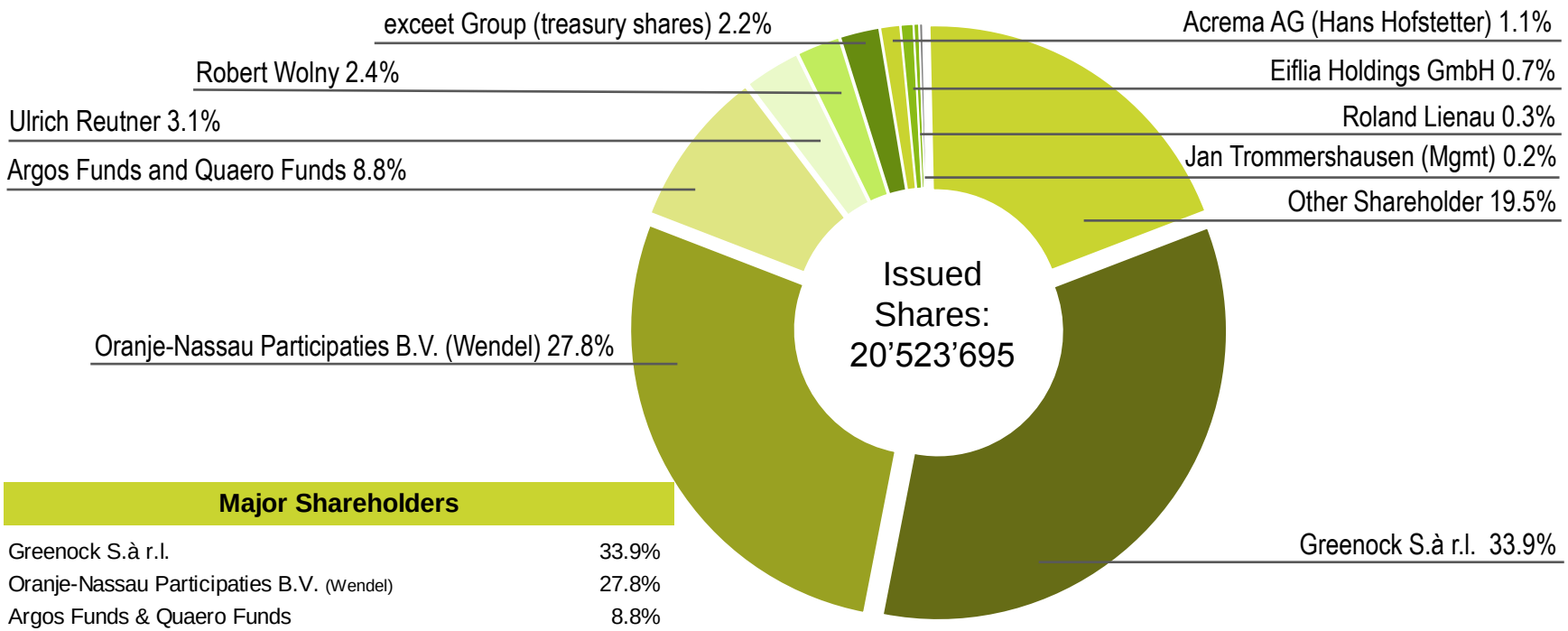
ESS

Düsseldorf, D ⑦
Software, services (cloud services) and consulting for secure business processes

Zirndorf, D ⑧
Mobile communication & M2M remoteservice, automation and security technology

Woburn (Massachusetts), USA
Sales Office

Shareholder Structure [1)]

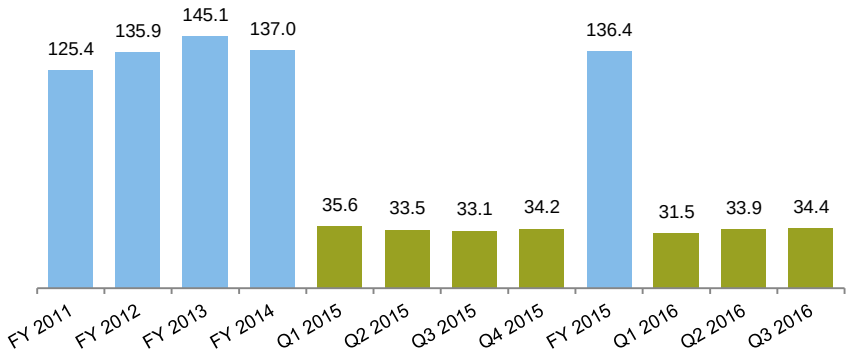


Major Shareholders	
Greenock S.à r.l.	33.9%
Oranje-Nassau Participaties B.V. (Wendel)	27.8%
Argos Funds & Quaero Funds	8.8%
Ulrich Reutner	3.1%
Robert Wolny	2.4%
exceet Group (treasury shares)	2.2%
Acrema AG (Hans Hofstetter)	1.1%
Eiflia Holdings GmbH	0.7%
Roland Lienau	0.3%
Jan Trommershausen (Management)	0.2%
Total	**80.5%**
Free Float	**19.5%**

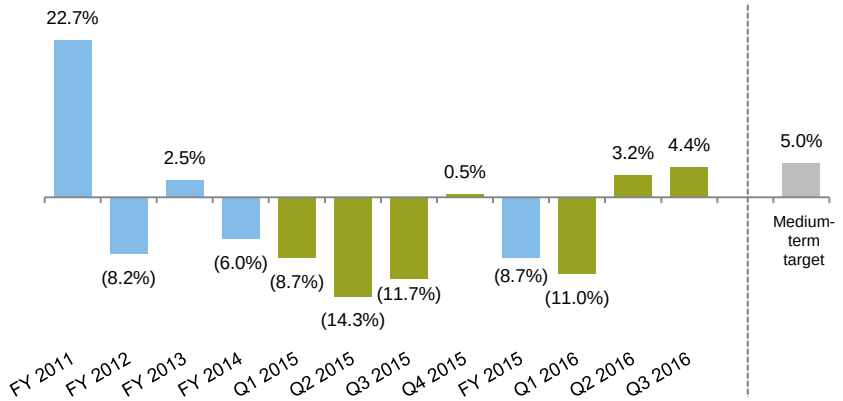
1) Status 30 September 2016

Actuals & Medium-Term Targets (Cont.operations)

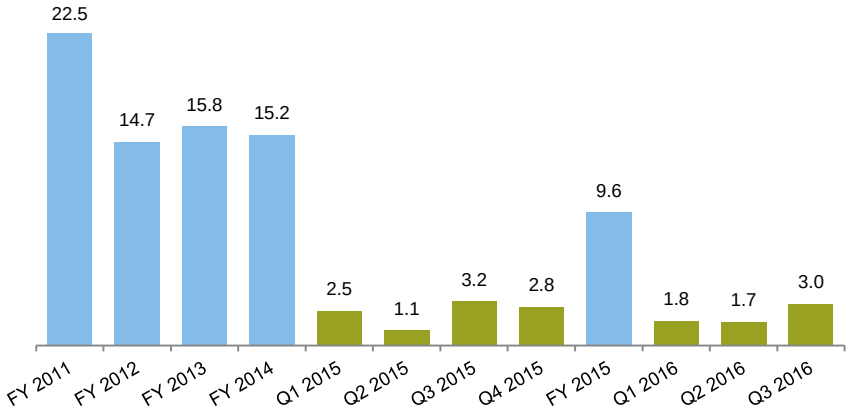
Net Sales (EUR million)



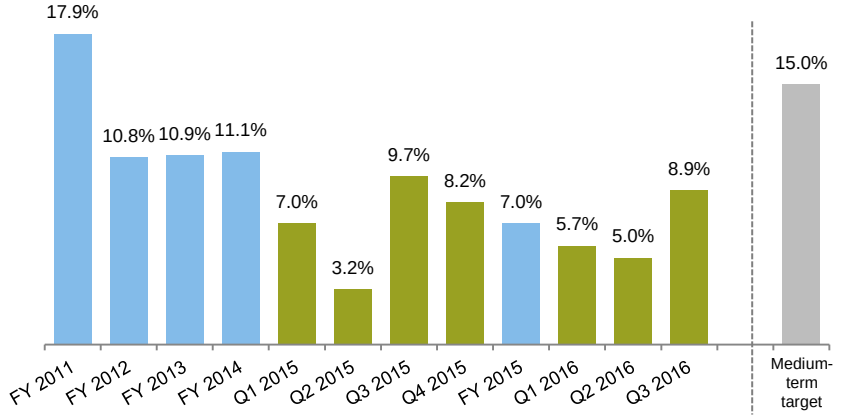
Organic Growth Rate (%)



Recurring EBITDA (EUR million)[1)]



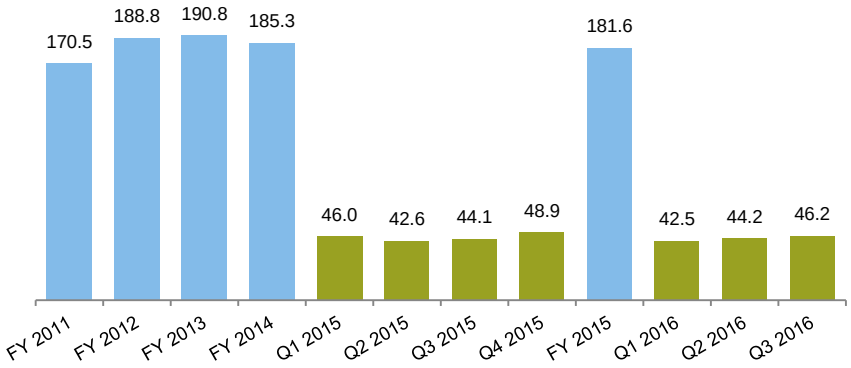
Recurring EBITDA Margin (%)[1)]



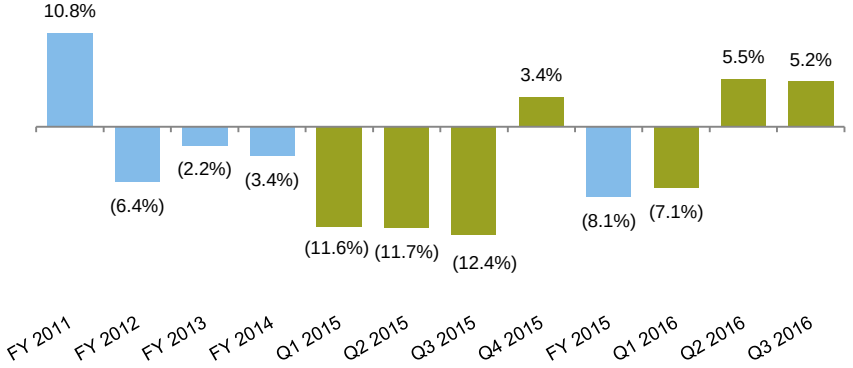
1) FY 2012 number reflect IAS 19 restatement

Actuals (Total Group Basis)

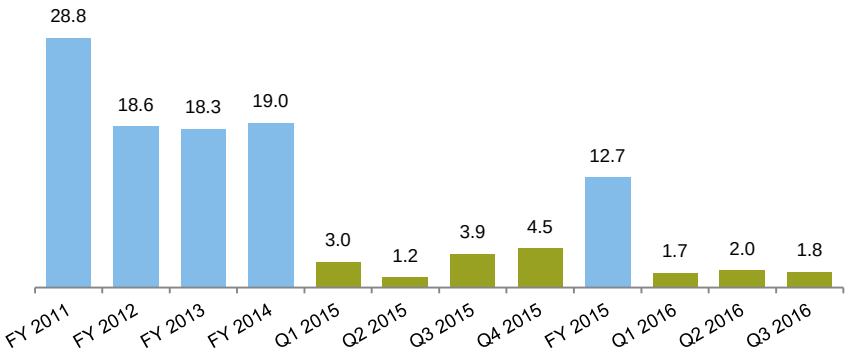
Net Sales (EUR million)



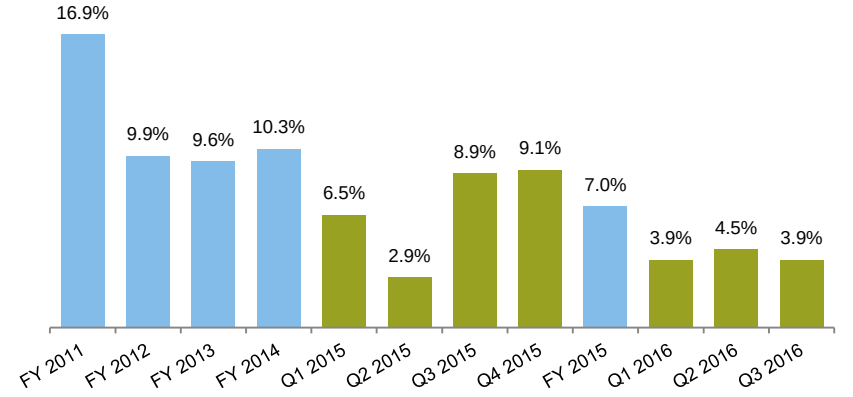
Organic Growth Rate (%)



Recurring EBITDA (EUR million)[1)]



Recurring EBITDA Margin (%)[1)]



1) FY 2012 number reflect IAS 19 restatement

Consolidated Financials

January – September 2015 & 2016

Income Statement	Total Group Basis		Continued Operations	
(in EUR 1'000)	Jan. - Sep. 2016	Jan. - Sep. 2015	Jan. - Sep. 2016	Jan. - Sep. 2015
Revenue	**133'000**	**132'667**	**99'815**	**102'209**
Cost of sales	(117'441)	(113'017)	(86'022)	(86'666)
Gross profit	**15'559**	**19'650**	**13'793**	**15'543**
% margin	*11.7%*	*14.8%*	*13.8%*	*15.2%*
Distribution costs	(10'137)	(10'315)	(6'913)	(7'218)
Administrative expenses	(8'681)	(10'060)	(6'965)	(8'144)
Other operating expenses	(11'518)	0	(3'018)	0
Other operating income	1'055	1'019	604	378
EBIT	**(13'722)**	**294**	**(2'499)**	**559**
% margin	*(10.3%)*	*0.2%*	*(2.5%)*	*0.5%*
Net financial result	(15'259)	(2'780)	(541)	(2'311)
Earnings before taxes / EBT	**(28'981)**	**(2'486)**	**(3'040)**	**(1'752)**
Income Tax	995	(49)	(421)	(514)
Net profit continued operations	**(27'986)**	**(2'535)**	**(3'461)**	**(2'266)**
Net proftit discontinued operations	**0**	**0**	**(24'525)**	**(269)**
Net profit	**(27'986)**	**(2'535)**	**(27'986)**	**(2'535)**
% margin	*(21.0%)*	*(1.9%)*	*(28.0%)*	*(2.5%)*

Recurring EBITDA	Total Group Basis		Continued Operations	
(in EUR 1'000)	Jan. - Sep. 2016	Jan. - Sep. 2015	Jan. - Sep. 2016	Jan. - Sep. 2015
Reported EBIT	**(13'722)**	**294**	**(2'499)**	**559**
+ PPA Amortization	1'852	1'991	1'645	1'788
+ Impairment charges Goodwill	11'518	0	3'018	0
EBIT before PPA Amortization / Impairment	**(352)**	**2'285**	**2'164**	**2'347**
+ Depreciation / Amortization charges	5'836	5'899	4'385	4'456
+ Non recurring items	0	0	0	
Recurring EBITDA	**5'484**	**8'184**	**6'549**	**6'803**
% recurring EBITDA margin	*4.1%*	*6.2%*	*6.6%*	*6.7%*

Consolidated Financials

31 December 2015 / 30 September 2016

Assets		
(in EUR 1'000)	**30 September 2016**	**31 December 2015**
Tangible assets	29'138	34'425
Intangible assets	40'103	60'944
Deferred tax assets	2'375	1'362
Other non current assets	1'530	216
Inventories	31'192	30'440
Trade receivables, net	18'709	22'720
Other current assets	1'934	2'207
Current income tax receivable	1'737	1'006
Cash and cash equivalents	34'402	33'256
Total assets	**161'120**	**186'576**

Shareholders' Equity & Liabilities		
(in EUR 1'000)	**30 September 2016**	**31 December 2015**
Total equity	**85'843**	**105'488**
Borrowings	36'555	37'045
Retirement benefit obligations	11'468	9'784
Deferred tax liabilities	3'190	5'486
Non current provisions & others	1'655	2'934
Trade payables	7'908	9'191
Other current liabilities	11'772	11'995
Current borrowings	2'701	4'273
Current provisions & others	28	380
Total liabilities	**75'277**	**81'088**
Total shareholders' equity & liabilities	**161'120**	**186'576**

Consolidated Financials

January – September 2015 & 2016

Cash Flow Statement		
(in EUR 1'000)	**Jan. - Sep. 2016**	**Jan. - Sep. 2015**
Earnings before taxes	(28'981)	(2'486)
Depreciation, amortization & impairment charges	19'206	7'890
Financial income / (expenses), net	15'193	758
Change in fair value in financial instruments	(20)	(409)
Change of provisions	132	8
Other non-cash items, net	(126)	2'602
Operating results before changes in net working capital	5'404	8'363
Changes in net working capital	(4'424)	(1'493)
Taxes paid	(3'180)	(4'281)
Interest paid	(704)	(753)
Cash Flow from operating activities	**(2'904)**	**1'836**
Acquisition of subsidiaries, net of cash acquired	9'926	0
CAPEX	(5'898)	(3'342)
Sale of assets	62	476
Cash Flow from investing activities	**4'090**	**(2'866)**
Repayments / proceeds of borrowings	1'289	(769)
Repayments / proceeds regarding finance lease	(1'292)	(2'825)
Cash Flow from financing activities	**(3)**	**(3'594)**
Net change in cash and cash equivalents	**1'183**	**(4'624)**
Cash and cash equivalents at the beginning of the period	33'256	30'954
Effect of exchange rate gains / (losses)	(37)	1'374
Cash and cash equivalents at the end of the period	**34'402**	**27'704**
Cash Flow from discontinued operations	**(4'170)**	**(1'090)**

Consolidated Financials (Total Group Basis)

January – September 2015 & 2016

Segment Information

(in EUR 1'000)	ECMS Jan. - Sep. 2016	ECMS Jan. - Sep. 2015	ESS Jan. - Sep. 2016	ESS Jan. - Sep. 2015	Corporate & Others Jan. - Sep. 2016	Corporate & Others Jan. - Sep. 2015	Continued Operations Jan. - Sep. 2016	Continued Operations Jan. - Sep. 2015	IDMS Jan. - Sep. 2016	IDMS Jan. - Sep. 2015	Eliminations Jan. - Sep. 2016	Eliminations Jan. - Sep. 2015	Group Consolidation Jan. - Sep. 2016	Group Consolidation Jan. - Sep. 2015
Net Sales	93'609	95'385	6'262	6'904	191	236	100'062	102'525	33'190	30'458	(252)	(316)	**133'000**	**132'667**
EBITDA *In % of Net Sales*	10'684 11.4%	11'351 11.9%	(1'341) (21.4%)	(299) (4.3%)	(2'794)	(4'249)	6'549 6.6%	6'803 6.7%	(1'065) (3.2%)	1'381 4.5%			**5'484** **4.1%**	**8'184** **6.2%**
EBIT *In % of Net Sales*	2'215 2.4%	5'647 5.9%	(1'759) (28.1%)	(695) (10.1%)	(2'955)	(4'393)	(2'499) (2.5%)	559 0.5%	(11'223) (33.8%)	(265) (0.9%)			**(13'722)** **(10.3%)**	**294** **0.2%**
CAPEX tangible assets	5'112	2'666	173	127	2	31	5'287	2'824	1'451	1'589			**6'738**	**4'413**
CAPEX intangible assets	189	152	917	275	1	15	1'107	442	26	10			**1'133**	**452**
Depreciation of tangible assets	(3'448)	(3'627)	(70)	(62)	(31)	(34)	(3'549)	(3'723)	(1'371)	(1'350)			**(4'920)**	**(5'073)**
Amortization / Impairment of intangible assets	(5'021)	(2'077)	(348)	(334)	(130)	(110)	(5'499)	(2'521)	(8'787)	(296)			**(14'286)**	**(2'817)**

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

Contact
Investor.Relations@exceet.lu
exceet Group SE | 115 avenue Gaston Diderich | L-1420 Luxembourg
www.exceet.lu