



THREE MONTHS 2021 PERFORMANCE REPORT

exceet Group SCA
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THREE MONTHS PERFORMANCE REPORT

- Group Net Sales slightly decreased to EUR 13.0 million (3M 2020: EUR 13.7 million) due to one off orders in prior year. FX adjusted Growth Rate minus 3.4%.
- Group EBITDA decreased to EUR 2.6 million (3M 2020: EUR 3.2 million) achieving an EBITDA margin of 20.2% (3M 2020: 22.9%).
- Net Profit (recurring) for the period EUR 1.5 million (3M 2020: EUR 1.7 million).
- 3M 2021 performance confirms the expectations for the quarter and the outlook for 2021.
- At 29 April 2021 exceet sold the shares in exceet Secure Solutions GmbH.

Key Financials

(in EUR million, expenses in parentheses)	January - March		
	2021	2020	Change
Income Statement			
Net Sales	13.0	13.7	-5.4%
- Healthcare	10.3	11.4	-9.4%
- Software (incl. IoT)	2.7	2.4	+14.0%
Gross Profit	3.4	4.4	-22.9%
EBITDA	2.6	3.2	-16.8%
in % of Net Sales	20.2%	22.9%	-2.7pp
- Healthcare	3.0	3.8	-21.6%
- Software (incl. IoT)	0.1	(0.0)	n.a.
EBIT	1.7	2.3	-28.7%
in % of Net Sales	12.7%	16.9%	-4.2pp
Net Profit for the period	1.5	1.0	n.a.
- per Ordinary Share	<i>Euro</i> 0.08	0.05	+0.03
One-off impacts	0.0	(0.7)	n.a.
- Non-cash currency exchange gains, net	0.0	(0.7)	n.a.
Net Profit (recurring) for the period	1.5	1.7	-11.4%
Backlog	14.2	16.8	-15.5%
Employees (full-time equivalent)	216	214	+0.9%

Financial Performance

In first 3M 2021 exceet achieved sales of EUR 13.0 million versus EUR 13.7 million one year ago. This slight decrease is only related to an extraordinary sales growth in prior year because of a strong demand for miniaturized PCBs within the Healthcare segment. Certain customers ordered high volumes at that time either to increase their inventories or to temporarily replace their other source suppliers due to delivery shortages. This year business was running as expected without such one off items.

Group EBITDA reached EUR 2.6 million in 3M 2021 versus EUR 3.2 million in prior year. The EBITDA Margin decreased accordingly from 22.9% in the prior year to 20.2% for the three months period 2021. Net profit for the period of 3M 2021 was EUR 1.5 million (3M 2020: EUR 1.0 million).

exceet is still acting with adaptive measures to the Group's businesses for the effects out of the Corona crisis. These measures included the protection of the production processes by securing the supply chains and raising inventory levels, but also intensifying the personal safety of employees, customers and suppliers by suspending travelling and face-to-face meetings as well as the introduction of home office work for certain members of the staff.

exceet's operations were unchanged compared to first quarter in prior year and include the Healthcare segment, consisting of the Printed Circuit Board (PCB) activities, and the Software (including IoT) segment, which focuses on industrial Internet of Things (IoT) and secure connectivity. The business sites are located in Switzerland, the United States (both Healthcare) and in Germany (Software (incl. IoT)).

With Share Purchase Agreement dated 29 April 2021 exceet sold its participation in exceet Secure Solutions, Düsseldorf. The sale became effective at 30 April 2021. exceet Secure Solutions contributed in the business year 2020 EUR 4.0 Mio sales with an EBITDA of EUR minus 0.7 Mio. In 3M 2021 net sales amounted of EUR 0.9 million (3M 2020: EUR 1.0 million) and EBITDA of EUR minus 0.2 million (3M 2020: EUR minus 0.2 million).

Group Balance Sheet Positions

(in EUR million)	31.03.2021	31.12.2020	Change
Balance Sheet			
Total Assets	56.4	57.2	-1.3%
Cash & Cash equivalents	14.9	16.6	-9.9%
Goodwill	7.4	7.4	0.0%
Shareholders' equity	41.2	40.6	+1.5%

As of 31 March 2021, the total assets of exceet Group amounted to EUR 56.4 million, compared to EUR 57.2 million as of 31 December 2020.

The non-current assets amounted to EUR 27.4 million (31.12.2020: EUR 28.4 million) and decreased by EUR 1.0 million. The position includes tangible assets of EUR 16.1 million (31.12.2020: EUR 16.6 million), intangible assets of EUR 9.2 million (31.12.2020: EUR 9.5 million), right-of-use assets of EUR 1.6 million (31.12.2020: EUR 1.8 million) and other non-current assets related to deferred tax assets of EUR 0.6 million (31.12.2020: EUR 0.6 million).

Current assets amounted to EUR 29.1 million, compared to EUR 28.8 million at year-end 2020. The increase of the current assets of EUR 0.3 million is related to contract assets out of not yet invoiced deliveries to customers which increased by EUR 0.2 million, trade and other receivables which increased in total by EUR 1.7 million, decrease of cash and cash equivalents by EUR 1.6 million, while inventory remained stable, and prepaid expenses were unchanged.

At the end of the reporting period, exceet Groups' equity amounted to EUR 41.2 million, against EUR 40.6 million as of 31 December 2020. This represents an equity ratio of 73.0% (31.12.2020: 70.9%).

The non-current liabilities decreased by EUR 0.2 million from EUR 7.8 million at year-end of 2020 to EUR 7.6 million at the end of March 2021. Lease liabilities and borrowings decreased in the same period by EUR 0.1 million each.

The decrease of the current liabilities by EUR 1.2 million to EUR 7.6 million as of 31 March 2021 (31.12.2020: EUR 8.8 million) included EUR 0.4 million increase in trade payables and EUR 1.4 million decrease in tax liabilities.

Cash Development and Net Cash

(in EUR million, cash out in parentheses)	January - March		
	2021	2020	Change
Cash Flow Statement			
Cash Flow from operations	(0.8)	2.8	n.a.
Capex (incl. finance lease agreements)	(0.5)	1.8	n.a.
Free Cash Flow	(1.2)	1.0	n.a.

As of 31 March 2021, the cash and cash equivalents amounted to EUR 14.9 million (31.12.2020: EUR 16.6 million). The cash position decreased by EUR 1.6 million mainly caused by the increase of trade receivables by EUR 1.8 million.

The three months 2021 operating cash flow of EUR minus 0.8 million (3M 2020: EUR 2.8 million) consisted of EUR 2.6 million, net out of the operations before changes in net working capital, EUR 1.7 million decrease because of changes in working capital, net tax payments of EUR 1.7 million. The net cash position as of 31 March 2021 amounts to EUR 12.0 million (31.12.2020: net cash EUR 13.6 million).

Segment Reporting

Healthcare

The segment is focused on the development and production of innovative and highly miniaturized PCBs in close cooperation with its customers for high-end electronic functionalities in healthcare and medtech devices, particularly in hearing aids, cochlear implants and other medtech implants. The hearing aids industry represents a stable growing segment within the healthcare market and offers favorable business conditions for the segment's competence and know-how in miniaturization with strong quality requirements. In many cases, exceet's deliveries of innovative PCB architectures are crucial for the realization of the demanded features by the customers.

In the three months of 2021, the segment realized net sales of EUR 10.3 million (3M 2020: EUR 11.4 million) accounting for 79.4% (3M 2020: 82.9%) of Group net sales. The EBITDA for the first three months 2021 amounted to EUR 3.0 million (3M 2020: EUR 3.8 million), down 21.6% resulting in an EBITDA margin of 28.7% (3M 2020: 33.1%).

The exceptionally strong 3M 2020 performance of the segment was driven by high volume orders from individual customers as one off orders.

Software (including IoT)

Secure connectivity in data-critical IT-environments such as eHealth architectures and industrial IoT is the focus of this segment. The strategic focus of this segment is to extend exceet's expertise in secure edge computing applications. Edge computing follows the trend of decentralized data processing close to the device, allowing data computations to be available faster, network traffic to be reduced and pre-processed data to be sent to the cloud.

In the reporting period between January and March, the segment contributed net sales of EUR 2.7 million (3M 2020: EUR 2.4 million) representing 20.6% (3M 2020: 17.1%) of Group net sales. The EBITDA increased from EUR 0.0 million for three months 2020 to plus EUR 0.1 million for three months 2021.

The segment comprises the companies Lucom GmbH and exceet Secure Solution GmbH. With Share Purchase Agreement dated 28 April 2021 exceet sold its participation in exceet Secure Solutions, Düsseldorf. exceet Secure Solutions provided in 3M 2021 net sales of EUR 0.9 million (3M 2020: EUR 1.0 million) and EBITDA of EUR minus 0.2 million (3M 2020: EUR minus 0.2 million).

Opportunities and Risk Report

The statements provided in the Annual Report 2020 on the opportunities and risks of the business model remain unchanged.

Significant Events and Actions

With Share Purchase Agreement dated 28 April 2021 exceet sold its participation in exceet Secure Solutions, Düsseldorf. exceet Secure Solutions contributed in the business year 2020 EUR 4.0 Mio sales with an EBITDA of EUR minus 0.7 Mio.

The transaction was based on a valuation of EUR 5.0 million cash-and-debt free. Once the transaction is completed, the exceet group's net cash position (available cash less interest bearing liabilities) after transaction costs will increase approx. by EUR 4.7 million.

Outlook

exceet Group's business development during first three months started as expected. While Software business remained relatively stable in 2021, the Healthcare business decreased in 3M 2021 slightly less as expected compared to prior year.

Business environment 2021 will be still driven by COVID-19 pandemic. The management is confident that exceet's business is resistant enough and will not be as negatively impacted as other sectors. Currently after the first quarter of 2021 positive performance is still ongoing with a good visibility for the second quarter 2021.

For 2021 exceet will miss about EUR 4 million net sales contributed by exceet Secure Solutions GmbH in prior year, but exceet's Management is still aiming for expected sales and for financial performance as in 2020. Focus to measure the performance is EBITDA, unchanged to prior years.

Grevenmacher, 6 May 2021

exceet Management S.à r.l. in its capacity as General Partner
exceet Group SCA

INTERIM FINANCIAL STATEMENTS (CONDENSED & CONSOLIDATED)

INTERIM BALANCE SHEET (CONSOLIDATED)

(in EUR 1,000)	unaudited 31 March 2021	audited 31 December 2020
ASSETS		
Non-current assets		
Tangible assets	16,060	16,546
Right-of-use assets	1,560	1,760
Intangible assets ¹⁾	9,175	9,463
Deferred tax assets	588	643
Total non-current assets	27,383	28,412
Current assets		
Inventories	4,909	4,909
Trade receivables, net	6,073	4,370
Contract assets	1,487	1,296
Other current receivables	446	443
Prepaid expenses	1,213	1,202
Cash and cash equivalents	14,926	16,570
Total current assets	29,054	28,790
Total assets	56,437	57,202
EQUITY		
Share capital	312	312
Reserves	40,861	40,250
Equity attributable to Shareholders of the parent company	41,173	40,562
Total equity	41,173	40,562
LIABILITIES		
Non-current liabilities		
Borrowings ²⁾	2,899	2,962
Lease liabilities	551	663
Retirement benefit obligations	3,603	3,583
Deferred tax liabilities	489	525
Provisions	103	103
Total non-current liabilities	7,645	7,836
Current liabilities		
Trade payables	2,038	1,681
Contract liabilities	1,278	1,296
Other current liabilities	448	555
Accrued expenses	2,490	2,352
Current income tax liabilities	739	2,091
Borrowings ²⁾	0	56
Lease liabilities	364	347
Provisions	262	426
Total current liabilities	7,619	8,804
Total liabilities	15,264	16,640
Total equity and liabilities	56,437	57,202

1) Incl. Goodwill of EUR 7,334 (31.12.2020: EUR 7,435)

2) Net cash amount to EUR 12,027 (31.12.2020: Net cash EUR 13,552) based on cash and cash equivalents of EUR 14,926 (31.12.2020: EUR 16,570) less third party borrowings EUR 2,899 (31.12.2020: EUR 3,018)

INTERIM INCOME STATEMENT (CONSOLIDATED)

(in EUR 1,000)	unaudited	
	01.01. - 31.03.2021	01.01. - 31.03.2020
Revenue from contracts with customers	13,005	13,748
Cost of sales	(9,635)	(9,380)
Gross profit	3,370	4,368
<i>Gross profit margin</i>	<i>25.9%</i>	<i>31.8%</i>
Distribution expenses	(809)	(1,019)
Administrative expenses	(942)	(1,033)
Other operating income	40	7
Operating result (EBIT) ¹⁾	1,659	2,323
<i>EBIT margin</i>	<i>12.8%</i>	<i>16.9%</i>
Financial income	287	31
Financial expenses	(74)	(1,000)
Financial result, net	213	(969)
Profit/(Loss) before income tax	1,872	1,354
Income tax expense	(349)	(336)
Profit/(Loss) for the period	1,523	1,018
<i>Profit/(Loss) margin</i>	<i>11.7%</i>	<i>7.4%</i>
PROFIT/(LOSS) ATTRIBUTABLE TO:		
Shareholders of the parent company	1,523	1,018
EARNINGS PER SHARE IN EURO ON TOTAL GROUP BASIS (BASIC = DILUTIVE)		
Class A shares	0.08	0.05
Operating result (EBIT)	1,659	2,323
Depreciation and amortization	967	831
Operating result before depreciation, amortization and impairment charges (EBITDA) ²⁾	2,626	3,154
<i>EBITDA margin</i>	<i>20.2%</i>	<i>22.9%</i>

1) Earnings Before Interest and Taxes

2) Earnings Before Interest, Taxes, Depreciation and Amortization

INTERIM STATEMENT OF COMPREHENSIVE INCOME (CONSOLIDATED)

(in EUR 1,000)	unaudited	
	01.01. - 31.03.2021	01.01. - 31.03.2020
Profit/(Loss) for the period	1,523	1,018
Items not to be reclassified to income statement:		
Remeasurements of defined benefit obligation	0	(285)
Deferred tax effect on remeasurements of defined benefit obligation	0	39
Items not to be reclassified to income statement	0	(246)
Items to be reclassified to income statement:		
Currency translation differences	(912)	1,555
Items to be reclassified to income statement	(912)	1,555
Total comprehensive income for the period	611	2,327
Attributable to:		
Shareholders of the parent company	611	2,327

INTERIM STATEMENT OF CASH FLOWS (CONSOLIDATED)

(in EUR 1,000)	unaudited 01.01. - 31.03.2021	unaudited 01.01. - 31.03.2020
Profit before income tax	1,872	1,354
Amortization on intangible assets	211	215
Depreciation on tangible assets	571	396
Depreciation on right-of-use assets	185	220
(Gains)/Losses on disposal of assets	(7)	3
Change of provisions	(157)	(101)
Adjustments to retirement benefit obligations/prepaid costs	96	107
Financial expenses	36	44
Other non-cash expenses	(169)	788
Operating net cash before changes in net working capital	2,638	3,026
Changes to net working capital		
- inventories	(75)	(563)
- receivables	(1,830)	(962)
- accrued income and contract assets	(236)	(384)
- liabilities	288	1,464
- accrued expenses and contract liabilities	158	860
Tax paid	(1,664)	(585)
Interest received	0	1
Interest paid	(44)	(51)
Cashflows from operating activities ¹⁾	(765)	2,806
Purchase of tangible assets	(434)	(1,823)
Sale of tangible assets	0	22
Purchase of intangible assets	(30)	(6)
Cashflows from investing activities	(464)	(1,807)
Payments of lease liabilities	(140)	(207)
Cashflows from financing activities	(140)	(207)
Net changes in cash and cash equivalents	(1,369)	792
Cash and cash equivalents at the beginning of the period	16,570	51,476
Net changes in cash and cash equivalents	(1,369)	792
Effect of exchange rate gains/(losses)	(275)	381
Cash and cash equivalents at the end of the period	14,926	52,649

1) Free cash flow amounts to EUR (1,229) (3M 2020: EUR 999) based on cash flow from operations of EUR (765) and net capital expenditure of EUR (464).

INTERIM STATEMENT OF CHANGES IN EQUITY (CONSOLIDATED)

(in EUR 1,000)	Issued and paid-in share capital	Capital reserves	Treasury shares	Retained earnings	Foreign currency transl. diff.	of the parent company
BALANCES AT 1 JANUARY 2021	312	0	0	14,491	25,759	40,562
Profit for the period				1,523		1,523
Other comprehensive income:						
Remeasurements of defined benefit obligations				0		0
Deferred tax effect on remeasurements				0		0
Currency translation differences					(912)	(912)
Total other comprehensive income for the period	0	0	0	0	(912)	(912)
Total comprehensive income for the period	0	0	0	1,523	(912)	611
Special distribution		0		0		0
Reclassification treasury shares reserve to retained earnings			0	0		0
Total other equity effects	0	0	0	0	0	0
BALANCES AT 31 MARCH 2021	312	0	0	16,014	24,847	41,173
BALANCES AT 1 JANUARY 2020	312	5,264	(4,525)	46,010	26,576	73,637
Profit for the period				1,018		1,018
Other comprehensive income:						
Remeasurements of defined benefit obligations				(285)		(285)
Deferred tax effect on remeasurements				39		39
Currency translation differences					1,555	1,555
Total other comprehensive income for the period	0	0	0	(246)	1,555	1,309
Total comprehensive income for the period	0	0	0	772	1,555	2,327
Reclassification treasury shares reserve to retained earnings			4,525	(4,525)		0
Total other equity effects	0	0	4,525	(4,525)	0	0
BALANCES AT 31 MARCH 2020	312	5,264	0	42,257	28,131	75,964

INTERIM SEGMENT REPORTING

01.01. - 31.03.2021 (in EUR 1,000)	Healthcare	Software (incl. IoT)	Corporate and others	Eliminations	Total Group
Revenue from sale of electronic components ¹⁾	10,305	1,987	0		12,292
Revenue from sale of services ²⁾	16	697	0		713
External revenue	10,321	2,684	0		13,005
Inter-segment revenue	0	0	0	0	0
Total revenue	10,321	2,684	0	0	13,005
EBITDA	2,958	100	(432)	0	2,626
<i>EBITDA Margin</i>	<i>28.7%</i>	<i>3.7%</i>			<i>20.2%</i>
Depreciation and amortization	(708)	(236)	(23)	0	(967)
EBIT	2,250	(136)	(455)	0	1,659
<i>EBIT Margin</i>	<i>21.8%</i>	<i>(5.1%)</i>			<i>12.8%</i>
Financial income	97	0	206	(16)	287
Financial expenses	(45)	(29)	(16)	16	(74)
Financial result, net	52	(29)	190	0	213
Profit/(Loss) before income tax	2,302	(165)	(265)	0	1,872
Income tax	(306)	(43)	0	0	(349)
Profit/(Loss) for the period	1,996	(208)	(265)	0	1,523
Capital expenditure tangible assets	418	16	0		434
Capital expenditure intangible assets	21	9			30
Depreciation tangible assets	(540)	(27)	(4)		(571)
Depreciation right-of-use assets	(105)	(61)	(19)		(185)
Amortization intangible assets	(63)	(148)	0		(211)

01.01. - 31.03.2020 (in EUR 1,000)	Healthcare	Software (incl. IoT)	Corporate and others	Eliminations	Total Group
Revenue from sale of electronic components ¹⁾	11,369	1,717			13,086
Revenue from sale of services ²⁾	24	638			662
External revenue	11,393	2,355	0		13,748
Inter-segment revenue	0	0	0	0	0
Total revenue	11,393	2,355	0	0	13,748
EBITDA	3,773	(4)	(615)	0	3,154
<i>EBITDA Margin</i>	<i>33.1%</i>	<i>(0.2%)</i>			<i>22.9%</i>
Depreciation, amortization and impairment	(575)	(234)	(22)	0	(831)
EBIT	3,198	(238)	(637)	0	2,323
<i>EBIT Margin</i>	<i>28.1%</i>	<i>(10.1%)</i>			<i>16.9%</i>
Financial income	26	0	21	(17)	30
Financial expenses	(79)	(31)	(906)	17	(999)
Financial result, net	(53)	(31)	(885)	0	(969)
Profit/(Loss) before income tax	3,145	(269)	(1,522)	0	1,354
Income tax	(418)	82	0	0	(336)
Profit/(Loss) for the period	2,727	(187)	(1,522)	0	1,018
Capital expenditure tangible assets	1,789	9	25		1,823
Capital expenditure intangible assets	0	6	0		6
Depreciation tangible assets	(372)	(22)	(2)		(396)
Depreciation right-of-use assets	(138)	(62)	(20)		(220)
Amortization intangible assets	(65)	(150)	0		(215)

1) Revenue is recognized at a point in time

2) Revenue is recognized overtime