



NINE MONTHS 2021 PERFORMANCE REPORT

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NINE MONTHS PERFORMANCE REPORT

- With share purchase agreement dated October 8, 2021, exceet Group divested GS Swiss PCB AG. The transaction will be closed until end of 2021.
- Group Net Sales of the discontinued operations up to EUR 37.9 million (9M 2020: EUR 34.4 million).
- Group EBITDA¹⁾ increased to EUR 8.0 million (9M 2020: EUR 5.7 million) achieving an EBITDA margin¹⁾ of 21.1% (9M 2020: 16.7%).
- EUR 7.9 million Group Net Profit (9M 2020: EUR 3.1 million), including a profit of EUR 3.4 million arising from the divestment of exceet Secure Solutions GmbH

(in EUR million, expenses in parentheses)	January - September			
	2021		2020	
	Discontinued	Continued	Discontinued	Continued
Income Statement				
Net Sales	37.9		34.4	-
Gross Profit	10.6		8.6	-
EBITDA	9.9	(1.9)	7.2	(1.4)
<i>in % of Net Sales</i>	26.2%	n/a	20.9%	n/a
EBIT	7.3	(1.9)	4.7	(1.5)
<i>in % of Net Sales</i>	19.3%	n/a	13.8%	n/a
Net Profit for the period	6.2	1.7	4.1	(1.0)
<i>- per Ordinary Share</i>	<i>Euro</i> 0.31	0.08	0.20	(0.05)
Backlog	14.4	0.0	14.5	0.0
Employees (full-time equivalent)	179	0	206	3

Rounding differences can occur

Financial Performance

After the sale of exceet Secure Solution GmbH and GS Swiss PCB AG and the planned divestment of Lucom GmbH Elektrokomponenten und Systeme all operating business is disclosed as Discontinued Operations. Continued operations are only related to the Corporate Business, which comprises the holding companies with its administrative costs. exceet is currently evaluating various strategic options with regard to its future.

The financial performance of the Group increased in 9M 2021 to prior year, while Q3 2021 outperformed Q3 2020. The Group's business was not impacted by the Corona crisis besides the extended delivery of components and higher prices for some of them. Nevertheless the companies went on with the protection of the production processes by securing the supply chains and keeping inventory at higher levels, but also taking care of the personal safety of employees, customers and suppliers by suspending travelling and face-to-face meetings as well as home office work for certain members of the staff.

In this business environment, exceet achieved sales in Q3 2021 of EUR 12.9 million, up 35.3% versus one year ago and a total of EUR 37.9 million for the first nine months 2021, up 10.1% compared to the corresponding period last year (9M 2020: EUR 34.4 million). Excluding the foreign exchange impact of minus EUR 0.7 million in the first nine months of this year, exceet realized organic top line growth on a like-for-like basis of 12.3%. Group EBITDA¹⁾ reached EUR 3,1 million in Q3 2021 (EUR 0.9 million in Q3 2020) and EUR 8.0 million for the entire reporting period (EUR 5.7 million in 9M 2020).

The divestment of exceet Secure Solutions GmbH increased the interest result by EUR 3.8 million while FX result decreased by EUR 0.7 million in the first nine months. Net profit amounted in the first nine months 2021 to EUR 7.9 million from the corresponding period in 2020 with EUR 3.1 million.

At 8 October 2021 exceet Group signed a contract with a fund advised by AFINUM Management AG to sell its portfolio company GS Swiss PCB AG. The completion of the transaction is not subject to any conditions and is expected to occur until 31 December 2021. The agreed purchase price amounts to approx. CHF 105 million and will increase exceet Group's net cash position (available cash less interest-bearing liabilities) after transaction costs to about EUR 110 million after completion of the transaction.

Group Balance Sheet Positions

(in EUR million)	30.09.2021		31.12.2020	
	Discontinued	Continued	Discontinued	Continued
Balance Sheet				
Total Assets	46.3	15.8	46.2	11.0
Cash & Cash equivalents	7.7	14.5	5.8	10.8
Goodwill	7.0	-	7.4	-
Shareholders' equity	-	50.7	-	40.6

As of 30 September 2021, the total assets of exceet Group amounted to EUR 62.1 million, compared to EUR 57.2 million as of 31 December 2020.

The non-current assets amounted to EUR 0.5 million (31.12.2020: EUR 0.1 million) and increased by EUR 0.4 million due to financial investments.

Current assets amounted to EUR 61.6 million, compared to EUR 57.1 million at year-end 2020. The increase of the current assets of EUR 4.5 million includes the increase of the Cash position due to the sales of exceet Secure Solutions GmbH. Assets classified as held for sale amounts to EUR 46.3 million, compared to EUR 46.2 million at year-end 2020. The position includes non-current assets of EUR 25.1 million (31.12.2020: EUR 28.4 million) and current assets of EUR 21.2 million (31.12.2020: EUR 17.9 million).

At the end of the reporting period, exceet Group's equity amounted, to EUR 50.7 million, against EUR 40.6 million as of 31 December 2020. This represents an equity ratio¹⁾ of 81.7% (31.12.2020: 70.9%).

The non-current liabilities include minor amounts.

The decrease of the current liabilities by EUR 5.3 million to EUR 11.3 million as of 30 September 2021 (31.12.2020: EUR 16.6 million) is due to the discontinued operations respectively deconsolidation of exceet Secure Solutions GmbH. Liabilities directly associated with assets classified as held for sale amounts to EUR 10.5 million (31.12.2020: EUR 15.0 million). The position includes non-current liabilities of EUR 4.9 million (31.12.2020: EUR 7.8 million) and current liabilities of EUR 5.6 million (31.12.2020: EUR 7.2 million).

Cash Development and Net Cash

(in EUR million, cash out in parentheses)	January - September	
	2021	2020
Cash Flow Statement		
Cash Flow from operations	3.1	5.5
Capex (incl. finance lease agreements)	3.5	(3.9)
Free Cash Flow	6.6	1.5

As of 30 September 2021, the cash and cash equivalents amounted to EUR 22.2 million (31.12.2020: EUR 16.6 million). The cash position increased by EUR 5.6 million mainly caused by the generated cash out of operating activities of EUR 3.1 million, Cash inflow of capital expenditures of EUR 3.5 million (due to EUR 4.8 million cash inflow from divestment of exceet Secure Solutions GmbH), repayments for financial leases of EUR 0.2 million and an effect of exchange rate valuation of minus EUR 0.7 million.

The 9M 2021 operating cash flow of EUR 3.1 million (9M 2020: EUR 5.5 million) consisted of EUR 8.2 million, net out of the operations before changes in net working capital, minus EUR 2.5 million increase of net working capital¹⁾, net tax payments of EUR 2.4 million and interest payments of EUR 0.1 million. The net cash position¹⁾ as of 30 September 2021 amounts to EUR 19.3 million (31.12.2020: net cash¹⁾ EUR 13.6 million).

Segment Reporting

Healthcare

This segment includes GS Swiss PCB AG only. 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.

The segment realized 9M 2021 net sales of EUR 31.6 million (9M 2020: EUR 27.5 million) accounting for 83.3% (9M 2020: 80.0%) of Group net sales. The EBITDA¹⁾ for the first nine months 2021 amounted to EUR 9.3 million (9M 2020: EUR 7.3 million), up 27.4% resulting in an EBITDA margin¹⁾ of 29.4% (9M 2020: 26.5%). Strong backlog of EUR 13.4 million (September 30, 2020 of EUR 10.6 million) indicates a strong business for the upcoming months, too.

Software (including IoT)

After the sale of exceet Secure Solutions GmbH end of April 2021, this segment only includes Lucom GmbH Elektrokomponenten und Systeme.

In the reporting period between January and September, the segment contributed net sales of EUR 6.3 million (9M 2020: EUR 6.9 million) representing 16.7% (9M 2020: 20.0%) of Group net sales. The EBITDA¹⁾ for this period came from minus EUR 0.1 million in 9M 2020 to plus EUR 0.6 million in 9M 2021.

Opportunities and Risk Report

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

Actual Situation (Corona pandemic)

More than a year after the onset of the COVID-19 pandemic, uncertainties about its evolution continue to shape trends in the global economy. Despite the acceleration of the vaccination process, the prospects for a return to normalcy are both uneven and uncertain, however we feel our business is more resistant than other businesses. exceet is following the development of the situation with regular conversations between the management and the business segments and regular reporting to the Supervisory Board to identify, analyse and mitigate any emerging issues.

Significant Events and Actions

At 8 October 2021 exceet Group signed a contract with a fund advised by AFINUM Management AG to sell its portfolio company GS Swiss PCB AG. The completion of the transaction is not subject to any conditions and is expected to occur until 31 December 2021. The agreed purchase price amounts to approx. CHF 105 million and will increase exceet Group's net cash position (available cash less interest-bearing liabilities) after transaction costs to about EUR 110 million after completion of the transaction.

Outlook

With Share Purchase Agreement dated 8 October 2021, exceet sold the shares in GS Swiss PCB AG. Currently the business comprises only Lucom GmbH Elektrokomponten und Systeme, which is for sale, too.

Following the completion of the sale of GS Swiss PCB AG and the sale of Lucom, exceet would no longer hold any operating companies. exceet is currently evaluating various strategic options with regard to its future.

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. Currently both companies, GS Swiss PCB AG and Lucom GmbH Elektronikkomponten und Systeme are performing well in this environment. For the first nine months and as far as forecasted for the remaining period of 2021 the companies are even performing better as expected at the beginning of 2021.

Not taking into account the potential sale of the both operating entities, 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 currently confident for expected sales and for financial performance better than in 2020. Focus to measure the performance is EBITDA, unchanged to prior years.

Grevenmacher, 4 November 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)	30 September 2021	31 December 2020
ASSETS		
Non-current assets		
Tangible assets	0	3
Right-of-use assets	31	56
Other financial investments	426	0
Total non-current assets	457	59
Current assets		
Other current receivables	691	56
Prepaid expenses	101	80
Cash and cash equivalents	14,515	10,785
Assets classified as held for sale	46,320	46,222
Total current assets	61,627	57,143
Total assets	62,084	57,202
EQUITY		
Share capital	312	312
Reserves	50,433	40,250
Equity attributable to Shareholders of the parent company	50,745	40,562
Total equity	50,745	40,562
LIABILITIES		
Non-current liabilities		
Lease liabilities	13	23
Total non-current liabilities	13	23
Current liabilities		
Other current liabilities	212	58
Accrued expenses	496	324
Current income tax liabilities	0	967
Lease liabilities	18	33
Provisions	69	228
Liabilities directly associated with assets classified as held for sale	10,531	15,007
Total current liabilities	11,326	16,617
Total liabilities	11,339	16,640
Total equity and liabilities	62,084	57,202

1) Incl. Goodwill of EUR 7,043 (31.12.2020: EUR 7,435)

2) Net cash amount to EUR 19,288 (31.12.2020: Net cash EUR 13,552) based on cash and cash equivalents of EUR 22,243 (31.12.2020: EUR 16,570) less third party borrowings EUR 2,955 (31.12.2020: EUR 3,018)

INTERIM INCOME STATEMENT (CONSOLIDATED)

(in EUR 1,000)	3 months		9 months	
	unaudited	unaudited	unaudited	unaudited
	01.07. - 30.09.2021	01.07. - 30.09.2020	01.01. - 30.09.2021	01.01. - 30.09.2020
Administrative expenses	(635)	(433)	(1,943)	(1,509)
Operating result (EBIT) ¹⁾	(635)	(433)	(1,943)	(1,509)
<i>EBIT margin</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>
Financial income	105	117	4,079	2,010
Financial expenses	(281)	(88)	(427)	(1,250)
Financial result, net	(176)	29	3,652	760
Profit/(Loss) before income tax	(811)	(404)	1,709	(749)
Income tax expense	0	0	0	(256)
Profit/(Loss) for continued operations	(811)	(404)	1,709	(1,005)
<i>Profit/(Loss) margin</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>
Profit/(Loss) from discontinued operations	2,514	420	6,203	4,104
Profit/(Loss) for the period	1,703	16	7,912	3,099
<i>Profit/(Loss) margin</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>
PROFIT/(LOSS) ATTRIBUTABLE TO:				
Shareholders of the parent company	1,703	16	7,912	3,099
EARNINGS PER SHARE IN EURO ON TOTAL GROUP BASIS (BASIC = DILUTIVE)				
Class A shares	0.09	0.00	0.40	0.15
Operating result (EBIT)	(635)	(433)	(1,943)	(1,509)
Depreciation and amortization	4	19	32	62
Operating result before depreciation, amortization and impairment charges (EBITDA) ²⁾	(631)	(414)	(1,911)	(1,447)
<i>EBITDA margin</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</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)	3 months		6 months	
	unaudited	unaudited	unaudited	unaudited
	01.07. - 30.09.2021	01.07. - 30.09.2020	01.01. - 30.09.2021	01.01. - 30.09.2020
Profit/(Loss) for the period	1,703	16	7,912	3,099
Items not to be reclassified to income statement:				
Remeasurements of defined benefit obligation	10	286	2,460	52
Deferred tax effect on remeasurements of defined benefit obligation	(1)	(37)	(327)	(4)
Items not to be reclassified to income statement	9	249	2,133	48
Items to be reclassified to income statement:				
Reclassification of foreign currency translation reserve				(1,305)
Currency translation differences				
Currency translation differences of discontinued operations	843	(475)	138	491
Items to be reclassified to income statement	843	(475)	138	(814)
Total comprehensive income for the period	2,555	(210)	10,183	2,333
Attributable to:				
Shareholders of the parent company arises from Continuing operations				
Shareholders of the parent company arises from Discontinued operations				
	2,555	(210)	10,183	2,333

- 3) The liability of the defined benefit obligation was reduced based on the strong performance of the deposit

INTERIM STATEMENT OF CASH FLOWS (CONSOLIDATED)

(in EUR 1,000)	unaudited 01.01. - 30.09.2021	unaudited 01.01. - 30.09.2020
Profit before income tax	8,991	3,805
Amortization on intangible assets	485	648
Depreciation on tangible assets	1,667	1,220
Depreciation on right-of-use assets	487	643
Losses on disposal of assets	0	(3)
Change of provisions	(157)	(32)
Adjustments to retirement benefit obligations/prepaid costs	289	323
Financial expenses	(3,565)	93
Other non-cash expenses	3	(903)
Operating net cash before changes in net working capital	8,200	5,794
Changes to net working capital		
- inventories	(491)	(730)
- receivables	(2,014)	632
- accrued income and contract assets	(762)	(339)
- liabilities	1,375	780
- accrued expenses and contract liabilities	(654)	401
Tax paid	(2,384)	(967)
Interest received	0	1
Interest paid	(125)	(117)
Cashflows from operating activities ¹⁾	3,145	5,455
Divestment of subsidiaries	4,847	0
Purchase of tangible assets	(1,357)	(3,957)
Sale of tangible assets	0	28
Purchase of intangible assets	(34)	(6)
Cashflows from investing activities	3,456	(3,935)
Special distribution	0	(35,129)
Payments of lease liabilities	(202)	(580)
Cashflows from financing activities	(202)	(35,709)
Net changes in cash and cash equivalents	6,399	(34,189)
Cash and cash equivalents at the beginning of the period	16,570	51,476
Net changes in cash and cash equivalents	6,399	(34,189)
Effect of exchange rate gains	(726)	181
Cash and cash equivalents at the end of the period	22,243	17,468

1) Free cash flow amounts to EUR 6.601 (9M 2020: minus EUR 1.520) based on cash flow from operations of EUR 3.145 and net capital expenditure of EUR 3.456.

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.	Total shareholders of the parent company
BALANCES AT 1 JANUARY 2021	312	0	0	14,491	25,759	40,562
Profit for the period				7,912		7,912
Other comprehensive income:						
Remeasurements of defined benefit obligations ¹⁾				2,460		2,460
Deferred tax effect on remeasurements				[327]		[327]
Recycling of currency translation difference to the P&L						0
Currency translation differences					138	138
Total other comprehensive income for the period	0	0	0	2,133	138	2,271
Total comprehensive income for the period	0	0	0	10,045	138	10,183
Special distribution						0
Reclassification treasury shares reserve to retained earnings						0
Total other equity effects	0	0	0	0	0	0
BALANCES AT 30 SEPTEMBER 2021	312	0	0	24,536	25,897	50,745
BALANCES AT 1 JANUARY 2020	312	5,264	[4,525]	46,010	26,576	73,637
Profit for the period				3,099		3,099
Other comprehensive income:						
Remeasurements of defined benefit obligations				52		52
Deferred tax effect on remeasurements				[4]		[4]
Recycling of currency translation difference to the P&L					[1,305]	[1,305]
Currency translation differences					491	491
Total other comprehensive income for the period	0	0	0	48	[814]	[766]
Total comprehensive income for the period	0	0	0	3,147	[814]	2,333
Special distribution		[5,264]		[29,865]		[35,129]
Reclassification treasury shares reserve to retained earnings			4,525	[4,525]		0
Total other equity effects	0	[5,264]	4,525	[34,390]	0	[35,129]
BALANCES AT 30 SEPTEMBER 2020	312	0	0	14,767	25,762	40,841

1) The liability of the defined benefit obligation was reduced based on the strong performance of the deposit

INTERIM SEGMENT REPORTING

01.01. - 30.09.2021 (in EUR 1,000)	Healthcare	Software (incl. IoT)	Corporate	Eliminations	Total Group
Revenue from sale of electronic components ¹⁾	31,471	5,474	0		36,945
Revenue from sale of services ²⁾	80	871	0		951
External revenue	31,551	6,345	0		37,896
Inter-segment revenue	0	0	0		0
Total revenue	31,551	6,345	0	0	37,896
EBITDA	9,275	610	(1,883)	0	8,002
<i>EBITDA Margin</i>	<i>29.4%</i>	<i>9.6%</i>			<i>21.1%</i>
Depreciation and amortization	(2,165)	(442)	(32)		(2,639)
EBIT	7,110	168	(1,915)	0	5,363
<i>EBIT Margin</i>	<i>22.5%</i>	<i>2.6%</i>			<i>14.2%</i>
Financial income	190	0	4,105	(26)	4,269
Financial expenses	(173)	(41)	(453)	26	(641)
Financial result, net	17	(41)	3,652	0	3,628
Profit/(Loss) before income tax	7,127	127	1,737	0	8,991
Income tax	(947)	(132)	0		(1,079)
Profit/(Loss) for the period	6,180	(5)	1,737	0	7,912
Capital expenditure tangible assets	1,340	17	0		1,357
Capital expenditure intangible assets	25	9	0		34
Depreciation tangible assets	(1,629)	(34)	(4)		(1,667)
Depreciation right-of-use assets	(354)	(105)	(28)		(487)
Amortization intangible assets	(182)	(303)	0		(485)

- 1) Revenue is recognized at a point in time
 2) Revenue is recognized overtime

01.01. - 30.09.2020 (in EUR 1,000)	Healthcare	Software (incl. IoT)	Corporate	Eliminations	Total Group
Revenue from sale of electronic components ¹⁾	27,418	4,876	0		32,294
Revenue from sale of services ²⁾	105	2,017	0		2,122
External revenue	27,523	6,893	0		34,416
Inter-segment revenue	0	0	0		0
Total revenue	27,523	6,893	0	0	34,416
EBITDA	7,280	(101)	(1,441)	0	5,738
<i>EBITDA Margin</i>	<i>26.5%</i>	<i>(1.5%)</i>			<i>16.7%</i>
Depreciation and amortization	(1,760)	(689)	(62)		(2,511)
EBIT	5,520	(790)	(1,503)	0	3,227
<i>EBIT Margin</i>	<i>20.1%</i>	<i>(11.5%)</i>			<i>9.4%</i>
Financial income	136	0	2,058	(48)	2,146
Financial expenses	(226)	(92)	(1,298)	48	(1,568)
Financial result, net	(90)	(92)	760	0	578
Profit/(Loss) before income tax	5,430	(882)	(743)	0	3,805
Income tax	(723)	273	(256)		(706)
Profit/(Loss) for the period	4,707	(609)	(999)	0	3,099
Capital expenditure tangible assets	3,915	17	25		3,957
Capital expenditure intangible assets	0	6	0		6
Depreciation tangible assets	(1,159)	(57)	(4)		(1,220)
Depreciation right-of-use assets	(403)	(182)	(58)		(643)
Amortization intangible assets	(198)	(450)	0		(648)

- 1) Revenue is recognized at a point in time
 2) Revenue is recognized overtime