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SUPERVISORY BOARD

The Supervisory Board of exceet Group SCA consists of three members.

ROLAND LIENAU

Chairman

GEORGES BOCK

JAN KLOPP

GENERAL PARTNER

EXCEET MANAGEMENT S.À R.L.

Directors of exceet Management S.à r.l. are Klaus Röhrig, Florian Schuhbauer and Bastian Bubel.

EXCEET GROUP MANAGEMENT REPORT

SUSTAINABLE BUSINESS WITH GROWTH EXPECTATION

STRUCTURE & REPORTING

exceet Group SCA (hereafter the "Company") — until 20 November 2019 trading as exceet Group SE and as of then until 23 January 2020, trading as exceet Group S.A. — is a company existing as a "Société en Commandite par Actions" under the law of Luxembourg and listed on the regulated market of the Frankfurt Stock Exchange (WKN: A0YF5P / ISIN: LU0472835155) in the Prime Standard segment. The Company's purpose is to pursue an opportunistic investment approach without a defined investment strategy.

exceet Group SCA is managed by exceet Management S.à r.l. (hereafter the "General Partner"), a limited liability company under the law of Luxembourg (Société à responsabilité limitée (S.à r.l.)), the shares in which are held indirectly by the founders of the Active Ownership Group (AOC) Florian Schuhbauer and Klaus Röhrig (50% each).

On 20 November 2019, the shareholders of the exceet Group SE approved the conversion of the legal form of exceet Group SE into exceet Group S.A. This conversion was a necessary interim step towards the conversion of exceet Group SE into a partnership limited by shares under the law of Luxembourg (Société en Commandite par Actions (SCA)). On 23 January 2020 an extraordinary shareholder meeting of exceet Group S.A. approved the conversion of exceet Group S.A. into exceet Group SCA.

The consolidated exceet Group SCA ("Group" or "exceet") consists of a portfolio of technology companies, which are specialized in the development and production of complex electronics for small and mid-sized volumes and software. The Group companies provide highly sophisticated solutions and distinguish themselves through their technical skill set with strong positions in the healthcare and industrial markets. They are situated in Switzerland, Germany, Luxembourg and the USA.

BUSINESS MODEL

exceet's investment focus lays on seizing attractive risk / reward profiles without restrictions regarding the asset class, structure or duration of such investments. Therefore, it might be possible that further investments will take place in areas outside the current business activities of exceet. As a long-term investor, exceet bases its decisions for a continuous engagement on the sustainable development of the company and its market environment.

In exceet's portfolio, the operational activities of both segments (Healthcare and Software (incl. IoT)) are characterized by distinguished engineering, manufacturing and software skills enabling them to offer solutions with a high degree of customization and qualified process certifications to fulfill demanding customer requirements. For its customers, mainly in the industrial and healthcare sector, the companies provide full-service development and manufacturing of complex and miniaturized electronic printed circuit boards ("PCB") as well as secure connectivity related hard- and software solutions.

The businesses are typically project-driven. To a certain extent, the businesses are determined by the Group's customers themselves, who are long-term project partners in most cases. Many projects, especially in the healthcare market have a multi-year duration over a number of consecutive product life cycles.

However, the progression of a project often follows a cyclical pattern and each project step in a row of steps over a product life cycle is usually initialized on a short-term basis. Essential for the speed, duration and depth of customers' action are their market assessments referring to possible market potentials, the available project conversion power, sales volumes and the actual phase of the product life cycle. The resulting sales

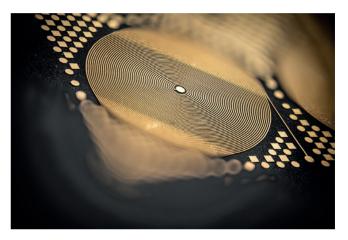
forecasts are normally given on short notice, which in turn limits exceet's visibility. This can lead to a higher quarterly business volatility compared to other industrial business models

OBJECTIVES AND BUSINESS STRATEGY

exceet Group SCA is a listed cash-flow and growth oriented holding company. Group companies therefore benefit from economies of scale out of continuous operational improvement processes as well as from financing support. The managing directors of the companies have the operational freedom to realize the targets agreed within the framework of exceet's reporting and risk management system. This allows the fast recognition of operational and strategic tendencies, which might have to be discussed and followed up with exceet Group SCA management. Important elements of this steering process are key performance indicators related to profitability and liquidity. This stringent process will allow for continued organic growth or new acquisitions. Finally, for exceet the increase of its share price is considered to be a key indicator for rising shareholder value.

exceet Group SCA management follows for future investments an opportunistic investment approach by abandoning fixed criteria. This includes value-enhancing investments into the existing operational units: the PCB activities (healthcare) and the secure connectivity related activities (software).

medtech devices, particularly in hearing aids, cochlear implants and other medtech implants. The hearing aid market 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, innovative PCB architectures are crucial for the realization of the features demanded by the customers. The continued optimization of the production processes and additional technology driven investments are important to maintain a market-leading position.



Miniaturized printed circuit board (PCB)

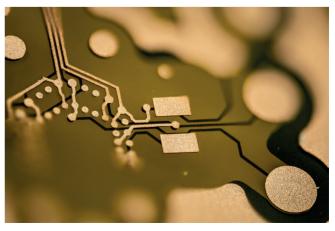
The performance of the segment is overall driven by typical small to medium size production characteristics. The size of series are generally limited and can experience visible volatility on a quarterly basis due to the short-term orders from customers and due to the specific product mix having an impact out of differently priced PCBs. The volume of produced PCBs increased by over 35% to 24.4 million units in 2020 compared to 18.0 million units in 2019.

OPERATIONS

exceet has two reporting segments defined as "Healthcare" and "Software (incl. IoT)".

HEALTHCARE

This segment is focused on the development and production of innovative and miniaturized PCBs in close cooperation with its customers for high-end electronic functionalities mainly in healthcare and



Electromagnetic Coil

An investment program started in 2019 to enlarge the production site in Küssnacht (Switzerland) by additional 1,000 m2 (more than 20%) and has been finished in 2020. This step is the basis for growth of the PCB activities by further optimizing the production process and separating the clean-room areas for the Ultra HDI Printed Circuit Board (Ultra HDI PCBs) production which started by the end of 2020. exceet's capabilities to produce new generation flexible Ultra HDI PCBs is now being presented to the market.





PCB production site in Küssnacht, Switzerland (before and after building extension)

SOFTWARE (INCLUDING IOT)

Secure connectivity in data-critical IT environments such as eHealth architectures and industrial IoT is the focus of this segment.

The segment continued during 2020 its efforts to extend the existing partner network to advance market reach of 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. With "exceet connect" the segment has developed a promising market solution, which provides easy implementation and a comprehensive lifecycle management dedicated to guarantee the chosen security level on a long-term basis. "exceet connect" offers system sustainability and security even in environments where no permanent network connection is available, through an intelligent modular structure with various levels of security to be selected by the customer. Technically, "exceet connect" is completely utilizing certificate-based two-factor authentication and uses no longer any passwords throughout the whole system. This reduces the attack surface dramatically. Even the mobile app for device configuration and the web interface for device management is using near field communication (NFC)-based tokens. The product consists of an edge computing gateway with updatable secure element, cloud based device management and regular services such as updates and Common Vulnerabilities and Exposures (CVE) scanning and is available also as "secure edge computing as a service".



Light grid module for security barriers

With its IoT related activities, the segment offers concept alignment and management, project coordination as well as customer specific IoT hardware, software and cloud services. Meanwhile, more than 110,000 industry routers and customized gateways have been installed within the market. In the field for industrial routers and customized gateways, the demand for connected solutions regarding remote services and protective maintenance systems is still on a high level. The offered solutions guarantee secure communication and an optimal and easy monitoring.

FUNDAMENTALS OF EXCEPT SHARES

exceet shares are traded at the Frankfurt Stock Exchange in the Prime Standard under:

ISIN: LU0472835155

WKN: AOYF5P Symbol: EXC

In the extraordinary general meeting held on 23 January 2020, the shareholders of exceet Group S.A. approved the proposal of the Board of Directors to change the Company's legal form into a partnership limited by shares under the laws of Luxembourg (Société en Commandite par Actions (SCA)), thus concluding the reorganization process initiated in 2019. Parallel to this, the shareholders adopted the immediate cancellation of the 450,000 treasury shares in order to clean up the capital structure of exceet. Since 23 January 2020 the number of ordinary shares (bearer shares listed in the Prime Standard segment of the Frankfurt Stock Exchange) is 20,073,695 shares. In addition, one unlimited share (held by exceet Management S.à r.l., the General Partner of the SCA) increases the total number of shares outstanding to 20,073,696 shares.

exceet shares trading started into the reporting year from a price level of Euro 4.96, recorded on 2 January 2020, the first trading day of the year on the Xetra trading platform. Based on this share price, the market capitalization of exceet amounted to EUR 101.8 million. During 2020 exceet shares traded between Euro 3.52 and Euro 6.20. Since 26 June 2020 the shares traded after the special distribution of Euro 1.75 dividend, which has been decided at the ordinary shareholder meeting. On 25 June 2020, the share price dropped down by Euro 1.59. At 30 December 2020, the last trading day of the year 2020, the share price closed with Euro 4.14, the market capitalization of exceet amounted to EUR 83.1 million

	EUR million
Market Capitalization 2 January 2020	101.8
Special Dividend	35.1
Market Capitalization 30 December 2020	83.1

Investors in exceet shares who held their shares during 2020 finally realized an overall equity performance of around 16% as exceet shares managed to catch up a substantial part of the special distribution markdown and outperformed the TecDax, which gained 6.6% in 2020.

The trading volume on the Xetra trading platform accumulated to 562,464 shares in 2020 compared to 809,249 in 2019.

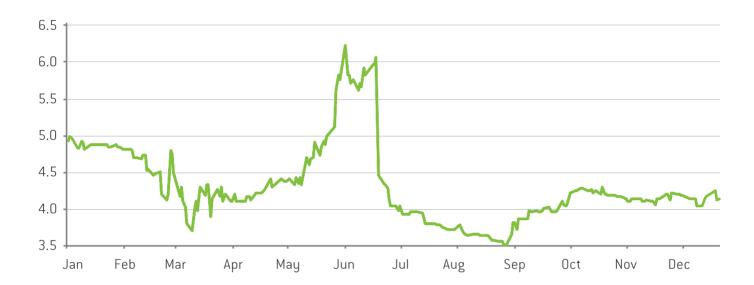
EXCEET SHARE PRICE DEVELOPMENT 2020 (in Euro)

EXCEET GROUP MANAGEMENT REPORT

High Low

Year 2020: Euro 6.20 (8 June 2020) Euro 3.52 (3 September 2020)

Share price development 2020, since 26 June 2020 trading ex dividend of Euro 1.75 per share.



BUSINESS ENVIRONMENT

OVERALL ECONOMIC ENVIRONMENT

Economic Growth

Global economic activity saw a historic decline in 2020, because COVID-19 was present worldwide. Even if the recovery in global economic activity in the third quarter was stronger than assumed back then, the pace of growth was to weaken significantly in the final quarter of 2020 and the first quarter of 2021, partly owing to the renewed sharp rise in the number of infections worldwide in the autumn and winter. Apart from China, where gross domestic product (GDP) fell sharply at the start of the year, but then, in the second quarter, already exceeded the pre-crisis level of the end of last year. Economic activity in almost all the major trading partners of the Euro zone is likely to remain below the level reached before the COVID-19 crisis, began until at least the second half of 2021. Irrespective of how the pandemic progresses, the outlook for the United Kingdom in particular will be

influenced by the new regulations of trade relations with the European Union. For the global economy as a whole, excluding the Euro area, an expansion rate of 5.75% is forecasted for 2021, following a decline of 3% in 2020, before economic activity grows in 2022 and 2023 at rates of 4% and 3.5% respectively. A similar profile is assumed for international trade. Following a downturn of 9.25% this year, global trade (excluding the Euro area) is expected to increase by 7% next year, before growing at rates of 4% in 2022 and 3.5% in 2023.

Scenarios illustrate high uncertainty about outlook for global setting. Assuming lower economic burdens in the milder scenario, global GDP and world trade could expand distinctly more dynamically as early as next year. By contrast, if it takes longer to implement medical solutions to combat the pandemic, the economic recovery process would be slowed down considerably over the next two years. In the more severe scenario, global trade will not reach its pre-crisis level until sometime in 2023.

EXCEET GROUP MANAGEMENT REPORT 010

The European economy's current situation is similar. The pandemic triggered an unprecedented slump in economic activity in the second quarter of 2020. Contact-intensive services whose business operations were substantially restricted or completely halted by government-imposed containment measures and voluntary behavioral adjustments took a particularly hard hit. This restriction of consumption opportunities due to the pandemic made the saving ratio soar and placed a very substantial strain on private consumption in the first half of 2020. Exports saw an even sharper fall, primarily because of the collapse in foreign demand due to the pandemic. This – and the high degree of uncertainty over the economic outlook - caused enterprises' investments in machinery and equipment to plunge. Real GDP in the second quarter of 2020 was, overall and after seasonal and calendar adjustment, in many countries double digit percentages below the recorded figure for the final quarter of 2019.

As infections decreased and containment measures were eased, the economy saw a strong recovery in the third quarter of the year, driven by rebound effects and, to some extent, catch-up effects in the sectors previously hit by a major slump. Nonetheless, economic output was still about 4% below its pre-crisis level, with substantial variation among the different economic sectors. The countermovement in the summer, which was much stronger than expected, was bolstered by fiscal and monetary policy support measures. In the final guarter of 2020 and the first guarter of 2021, the economic recovery is to be interrupted. The autumn resurgence of the pandemic could cause economic output to decline again – albeit moderately compared with the spring. This is based on the assumption that containment measures will remain necessary in the first quarter of 2021, with a similar average negative impact on the economy as in the fourth quarter of 2020. However, the economy is not likely to take a hit like that in the second quarter of 2020, nor is GDP expected to fall to such a low level. Nevertheless, fewer sectors face such tight restrictions as in the spring. It is primarily contact-intensive segments that are being affected directly by the restrictions. In addition, the experience now gained in dealing with the pandemic is mitigating the adverse economic impact of the measures. As a result, losses in sectors of the economy not directly affected by

restrictions, such as the industrial sector, should remain limited.

All in all, in the baseline scenario, this points to a strong, temporarily interrupted recovery for the economy. Germany, as the biggest economy in Europe was following a sharp decline of 5.5% in 2020, real GDP could grow calendar-adjusted, at strong rates of 3% in 2021 and 4.5% in 2022, before slackening off to 1.75% in 2023. GDP will thus have returned to its pre-crisis level by the beginning of 2022.

Change in Labor Market

As Euro area governments introduced containment measures to limit the spread of the virus, they also devised policies to support the labour market, with particular focus on job retention schemes in the form of short-time work and temporary lay-offs. The most prominent feature of the pandemic was a shift from office work to teleworking. While teleworkable jobs accounted for 33% of employees in 2019, fewer than 10% of potential teleworkers (3.3% of employees) reported working from home either usually or sometimes. That changed with the pandemic and associated lockdowns, during which more than a third of Europeans began to telework. In the first months after the onset of the pandemic, teleworking may have supported employment and hours worked in some sectors, in particular among workers with higher levels of education. Looking ahead, the pandemic is likely to accelerate the ongoing digital transformation of the euro area economy, with teleworking and the use of digital technology becoming more prominent.

Capital Markets

Beginning 2020, most were satisfied to leave the year 2019 behind. But 2020 turned completely different than expected. Most faced their first global pandemic. Stocks performed incredibly bullish in January, then COVID-19 came along and dramatically changed everything. Stocks fell drastically as COVID-19 influenced our lives. Tens of millions were infected as over two million died around the world. Millions of jobs were lost. The stock markets fell significantly in March, but started to recover over the year. Nevertheless, the year-on-year performance was very volatile and different worldwide:

European Stoxx 600 index closed down 3.8%. FTSE was down over 14%, marking its worst year since 2008, while German DAX raised up 3.5%. The worst-performing market in the region has been Spain's IBEX, down almost 15% this year.

Worldwide the big stock markets developed positive: The S&P 500 finished the year up 15.5% and is up more than strategists forecasted this time last year (they called for an increase of about 5%). There are many years that investors easily forget, but 2020 certainly won't be among them. Nasdaq Composite closed 43.4% better than last year, while China CSI 300 raised up 27.2% and Japan Nikkei gained 16%.

Looking at analyst's expectations for the outlook for 2021, we recognize a wide range of possible performance, mainly related to the expected development about COVID-19. This pandemic will influence 2021 even if already a moderately positive sentiment for economy started in the third quarter 2020. The increase of COVID-19 cases with additional mutations of the virus end of 2020, the delay in production of vaccine and the need of further economical shutdowns again increased the uncertainty for most of the economies worldwide. Under these circumstances it does not really matter, that other uncertainties of 2020 as the result of the US presidential elections, the Brexit, global trade disputes were meanwhile resolved.

SECTOR-SPECIFIC ENVIRONMENT

exceet's current group companies concentrate on [1] customer-specific developments and small-to mid-size-series manufacturing of highly miniaturized PCB required in medical and industrial devices and on [2] certified security solutions focussed on environments that require secure connectivity, communication and automation. This puts exceet into an excellent technological position to successfully participate in the transformation processes taking place in the health market and in many areas of industrial manufacturing. The health market is transforming into eHealth and industrial manufacturing turns into smart factory surroundings by implementing projects for the industrial loT. For exceet's current operations, the relevant market developments are therefore the observable mega trends

in "healthcare, medtech and the hearing aids market" and in "digitalisation and cyber security".

Major Trends in Healthcare

The worldwide market of healthcare technology was about USD 390 billion in 2017. The market share of Germany with 9.9% was higher than the share of Japan and China. Germany was the second biggest market after USA with a market share of 38.8%. For the following years the British research company Evaluate MedTech forecasted an annual growth of 5.6%.

The global hearing aids market size was valued at USD 5.3 billion in 2018 and is projected to grow at a lucrative rate over the forecast period. This can be attributed to key factors such as increasing adoption of these devices, growing awareness about technologically advanced devices for the treatment of deafness, and increasing prevalence of hearing loss due to the growing geriatric population. According to the WHO, about 466 million people worldwide lived with disabling hearing loss in 2018 expecting to be over 900 million by 2050.

The biggest market is North America with USD 3.37 billion in 2019, followed by Europe as the second-largest region. Asia Pacific is projected to register the highest CAGR during the forecast period owing to the increasing penetration of hearing implants and the rising aging population.

Hearing service offices and general healthcare service associations of local governments in both developed and developing economies are emphasizing early screening of deafness and the provision of hearing aids to people. As the healthcare sector in emerging economies is moving towards privatization, healthcare infrastructure in these countries is undergoing rapid development. Education and increased awareness about health among people are also playing an important role in increasing the demand for these devices and their diagnostic services.

Digital devices dominated the market with a revenue of USD 4.9 billion in 2018 and are anticipated to expand at the fastest CAGR over the forecast period. The analog devices are on the verge of getting obsolete with a slower growth rate as compared to their digital counterparts.

A digital device converts acoustic sound waves into digital form and facilitates the exact duplication of sound. The digital signal is then reconverted to a processed analog acoustic signal tailored as per the listener's requirement. Computer chips in digital hearing aids help analyze speech and other surrounding noises. Also, these products provide multiple program memories. These added features of these auditory aids are expected to drive its demand over the forecast period.

The COVID-19 pandemic has adversely impacted the healthcare sector in 2020. Major players operating in the market have reported a decline in the sales of hearing aid devices. According to the Hearing Industries Association (HIA) statistics, unit sales in the USA are expected to decline by 29.7% in the first half of 2020, because of temporarily reduced demand. Finally, the COVID-19 pandemic has boosted the adoption of telehealth among audiologists, avoiding patient traffic.

Major Trends in Digitalization and Data Security

Data security seems to be the most unsettling issue in digitalization. Digital adoption has increased notably since 2015. While connectivity (notably by broadband) has reached comparable levels in most countries, differences in other dimensions persist, such as the levels of human capital and the integration of digital technologies into the business and public sectors. Since the COVID-19 pandemic there has been an increase in the take-up of digital technologies, especially in connection with lockdowns restricting physical mobility within and across regions and countries. The increase in take-up has affected digital services and goods alike, as reflected in the corresponding data, usage/subscription statistics in the case of digital services as available through online platforms, and retail sales in the case of digital (or digitally-ordered) goods.

There are significant differences between the USA and Europe. The digital economy is smaller in the EU than in the USA, and the gap has not changed dramatically in the past few years. Most euro area countries have much smaller value added from digital sectors (as a percentage of GDP) than the United States. In the United States, the digital service sector alone contributes as much as the entire digital economy in the euro area. This is specifically true for public investment where also the discrepancy between the United States and the European Union is tremendous. Public cyber-security investment in the US is ten-fold the size of corresponding investments within the EU.

The possible points of attack have shifted from the classical Email malware to routers and gateways. Here the demand for implementation of the latest technology seems most important. Apart from wide-spread disruption concerns, a limiting factor to the implementation of security tools might be the contradiction between tamper-proof data transmission on the one hand and the full functionality of innovative applications on the other hand. For example, autonomous driving requires "vehicle2vehicle" or "vehicle2infrastucture" communication and a seamless tracking of all data. This could negatively interfere with the introduction of the latest security features. In the healthcare sector, for example, the full encryption of MedTech devices could be an obstacle to rapid assistance in emergency cases.

RESULTS OF OPERATIONS, SEGMENT REPORTING AND BALANCE SHEET POSITIONS

exceet's operations consist of the PCB activities within the Healthcare segment and the Software segment, actually focused on industrial IoT and secure connectivity. Currently, operating locations are in Switzerland and Germany.

	January - December			
(in EUR 1,000)	2020	2019		
Net Sales	45,446	43,657	+4.1%	
FX Adjusted Organic Growth Rate ¹⁾			+1.7%	
EBITDA ^{1]}	7,780	6,803	+14.4%	
in % of Net Sales	17.1%	15.6%		
One-off restructuring effects	0	597		
Recurring EBITDA ^{1]}	7,780	7,400	+5.1%	
in % of Net Sales	17.1%	17.0%		
Result for the period	3,114	2,520	+23,6%	
One-off restructuring effects	0	597		
Currency exchange differences (non-cash)				
- gains, net	(947)	(752)		
Recurring Net Result ¹⁾ before currency exchange differences and one-off costs	2,167	2,365	[8,4%]	
in % of Net Sales	4.8%	5.4%	(0,7/0)	

Net Sales increased from EUR 43.7 million in 2019 to EUR 45.4 million in 2020 respectively by 4.1%. Recurring EBITDA¹⁾ amounted to EUR 7.8 million in 2020 compared to EUR 7.4 million in 2019.

EBITDA¹⁾ 2019 includes one-off restructuring costs of EUR 0.6 million mainly out of the shutdown of the location in Rotkreuz (Switzerland) at the end of March 2021 and advisory costs related to the structural changes of the legal form of the former exceet Group SE into exceet Group SCA.

Based on IFRS requirements, the non-cash foreign currency effect out of cash held in EUR in the Swiss holding company with the functional currency of Swiss francs is neutralized on balance sheet level via the equity position. The payment of the special distributions to the shareholders in 2019 and 2020 reduces the future P&L impact substantially, but is still influenced by the development of the Swiss Francs / Euro currency rate.

RESULTS OF OPERATIONS

exceet 's 2020 business development started in Q1 strong in healthcare due to high orders of single customers before mid of Q2 first negative impacts of C0VID-19 pandemic influenced the business. While existing Software business remain pretty stable in 2020, the relaunch of new software product "exceet connect" were more or less blocked by C0VID-19 pandemic. Healthcare customers reduced respectively delayed their orders, because Covid-19 pandemic decreased the demand of their end customers.

Short time working has been in place until third quarter to mitigate the negative effects, receiving subsidies of EUR 0.4 million. Since October 2020 the business recovered significantly and exceet could finish 2020 with good results.

exceet's revenue of EUR 45.4 million (2019: EUR 43.7 million) increased by 4.1%. The FX Adjusted Organic Growth Rate¹⁾ was 1.7% (2019: 2.2%).

On 31 December 2020, exceet's Order Backlog¹⁾ amounted to EUR 14.9 million which is EUR 1.0 million higher than on 31 December 2019 (EUR 13.9 million).

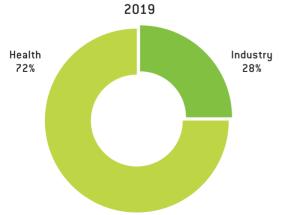




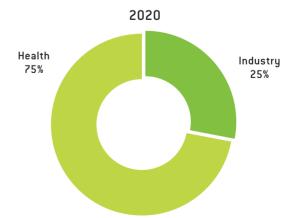
The geographical revenue split shows increased sales in Europe and decreased revenues in North & South America, while Asia remained pretty stable.

The Asian and North & South America revenues are mainly related to the Healthcare segment.

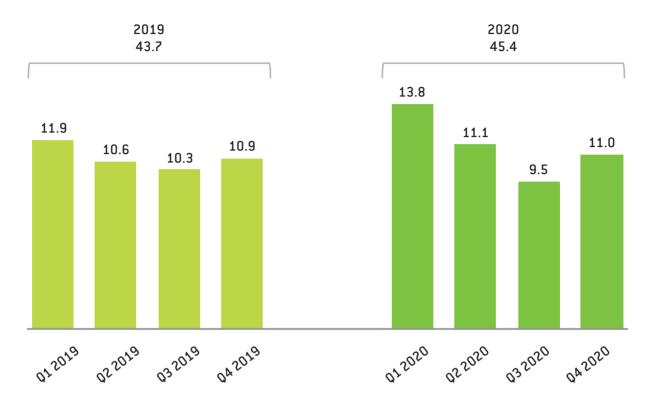
EXCEET'S REVENUE BY MARKETS (share of total net sales)







EXCEET'S QUARTERLY NET SALES DEVELOPMENT (in EUR million)



The business of exceet Group is generally slightly seasonal with a strong Q1. In 2020, the Group achieved net sales of EUR 13.8 million in Q1, EUR 11.1 million in Q2, EUR 9.5 million in Q3 and EUR 11.0 million in the fourth quarter. While first four months of 2020 were very strong due to high demand of two healthcare customers, who started to increase their inventory, the sales mid of the year decreased significantly. This negative impact was caused by the COVID-19 pandemic and the effects from the partially lock downs of economies.

Gross Profit remained stable with EUR 11.0 million which was 24.2% of net sales (2019: EUR 11.0 million or 25.2%). The slightly decrease of Gross Margin is caused by the product mix in 2020, which was very favourable in 2019 as the Gross Margin increased from 23.9% in 2018.

The EBITDA¹⁾ amounted to EUR 7.8 million or 17.1% of net sales (2019: EUR 6.8 million or 15.6%). The positive effect on the EBITDA Margin¹⁾ was completely driven by reductions of the administrative costs by EUR 0.8 million. Restructuring costs of EUR 0.6 million as one off costs in 2019 were the most significant part of savings.

Depreciations and amortizations charge in the amount of EUR 3.4 million increased by EUR 0.3 million (2019: EUR 3.1 million). EUR 2.6 million (2019: EUR 2.3 million) relate to the depreciation of tangible assets, EUR 0.8 million (2019: EUR 0.8 million) relate to the amortization of intangible assets.

The increase of Group's 2020 net result by EUR 0.6 million to EUR 3.1 million (2019: EUR 2.5 million) is mainly driven by these effects: Administrative costs decreased by EUR 0.6 million one off restructuring costs in 2019 and financial result increased by EUR 0.3 million, while income tax expenses changed by EUR 0.3 million because of higher earnings before tax, while the tax rate remained unchanged.

The calculation of basic earnings per share (EPS) on 31 December 2020 (see Consolidated Financial Statements exceet Group note 25 "Earnings per share") is based on the net profit attributable to the shareholders of exceet Group SCA.

EXCEET'S EARNINGS PER SHARE (in EURO)

	2020	2019
Profit for the year (EUR 1,000) attributable to equity holders of the Company	3,114	2,520
Weighted average number of ordinary shares outstanding	20,073,695	20,073,695
Basic earnings per share (Euro/share)	0.16	0.13

SEGMENT REPORTING

Healthcare

The segment realized net sales of EUR 36.1 million (2019: EUR 34.6 million) representing 79.5% of Group sales and an increase by 4.4%. The EBITDA¹ amounted to EUR 9.5 million (2019: EUR 9.2 million) – plus 2.7% - and resulting in an EBITDA Margin¹ of 26.2% (2019: 26.6%).

Software (including IoT)

The segment represented 20.5% of Group sales generated external revenues of EUR 9.3 million in 2020 after EUR 9.1 million in 2019 (plus 3.0%). The EBITDA 1 amounted to EUR 0 million (2019: minus EUR 0.1 million).

BALANCE SHEET POSITIONS

As of 31 December 2020, the total assets of exceet Group amounted to EUR 57.2 million, compared to EUR 89.6 million as of 31 December 2019.

The non-current assets amounted to EUR 28.4 million (31.12.2019: EUR 25.5 million). The total position includes tangible assets of EUR 16.6 million (31.12.2019: EUR 11.6 million), intangible assets of EUR 9.5 million (31.12.2019: EUR 10.3 million), right-of-use assets of EUR 1.8 million (31.12.2019: EUR 2.6 million) and deferred tax assets of EUR 0.6 million (31.12.2019: EUR 1.0 million). The tangible assets increased due to the investments in building and machinery into the PCB activities in Küssnacht (Switzerland) by EUR 6.6 million (2019: EUR 5.2 million).

Current assets amounted to EUR 28.8 million, compared to EUR 64.1 million at year-end 2019, reflecting a decrease by EUR 35.3 million.

The position included EUR 16.6 million cash and cash equivalents (31.12.2019: EUR 51.5 million) which decreased by EUR 34.9 million. Thereof EUR 35.1 million from decrease of cash and cash equivalents caused by the payment of a special distribution to the shareholders. Inventories increased by EUR 1.1 million while trade receivables decreased by EUR 0.9 million, contract assets reduced by EUR 0.4 million and other current assets amounted EUR 0.2 million less to prior year.

As of 31 December 2020, exceet Group's equity amounted to EUR 40.6 million, against EUR 73.6 million as of 31 December 2019. This represents an Equity Ratio²⁾ of 70.9 % (2019: 82.2%).

The non-current liabilities amount with EUR 7.8 million at year-end of 2020 (31.12.2019: EUR 7.7 million). Lease liabilities of right-of-use assets reduced by EUR 0.3 million to EUR 0.7 million (31.12.2019: EUR 1.0 million), borrowings are unchanged with EUR 3.0 million. Deferred tax liabilities amount to EUR 0.5 million (31.12.2019: EUR 0.5 million), provisions decreased to EUR 0.1 million (31.12.2019: EUR 0.3 million). Retirement benefit obligations increased by EUR 0.7 million to EUR 3.6 million (31.12.2019: EUR 2.9 million) and are the most significant part of non-current liabilities.

The increase of the current liabilities by EUR 0.6 million to EUR 8.8 million as of 31 December 2020 (31.12.2019: EUR 8.2 million) includes the increase of the trade payables of EUR 0.5 million, EUR 0.6 million out of higher income tax liabilities, increased accrued expenses by EUR 0.1 million and reduced liabilities of contract liabilities by EUR 0.2 million, borrowings by EUR 0.3 million, unchanged lease liabilities of right-of-use assets and reduced provisions by EUR 0.2 million.

Financial situation

The cash and cash equivalents amounted as of 31 December 2020 to EUR 16.6 million (31.12.2019: EUR 51.5 million). The decrease of EUR 34.9 million is mainly caused by the payment of a special distribution to the shareholders in the amount of EUR 35.1 million in June 2020.

Cashflow from operating activities contributed EUR 7.4 million (2019: EUR 5.4 million), investing cashflow amounted of EUR 6.7 million (2019: EUR 5.2 million) payments. Payments of finance lease liabilities of

EUR 0.7 million (2019: EUR 0.9 million) and a positive effect from exchange rates of EUR 0.2 million (2019: negative effect of EUR 0.9 million) are the other cashflow positions in 2020.

Capital expenditures

In 2020 exceet Group's capital expenditures were used for acquisition of tangible assets with EUR 6.7 million (2019: EUR 5.1 million), purchase of intangible assets with EUR 0 million (2019: EUR 0.1 million) while proceeds from sale of tangible assets were insignificant in 2020 and 2019.

NON-FINANCIAL PERFORMANCE INDICATORS

EMPLOYEES

As of 31 December 2020, the Group had 225 employees (Headcount) (2019: 231) or 209 full-time equivalents (FTE) (2019: 212). 54 FTE (2019: 55) were employed in Germany, 154 FTE (2019: 156) in Switzerland and 1 FTE (2019: 1) in the USA.

The number of 209 FTEs as of 31 December 2020 (2019: 212) was split into 152 (2019: 149) in production & technology, 11 (2019: 13) in research & development, 21 (2019: 24) in management & administration and 25 (2019: 26) in sales & marketing.

Staff as a key success factor

exceet's companies are an attractive employer, offering interesting job prospects in an international environment.

The loyalty of our employees and their motivation and expertise represent important success factors and a great competitive advantage. To support an open communication culture, exceet companies hold regular shop floor meetings including shift workers, administration employees and management team to talk about relevant issues, answer questions and discuss the actual business development.

The human resource (HR) strategy supports the core objectives of the corporate strategy. The HR strategy focuses on competitiveness and diversity. Specifically, this strategy entails the forward-looking establishment of expertise through selected talent recruitment and promotion as well as the attractive and flexible structuring of safe working conditions. During 2020, based on the COVID-19 pandemic, exceet enforced the safety of its employees at the working places and ensured, that





employees could work from their home office by using flexible working hours. Additionally, the employees could balance the working time and vacation to care for their children

The Group considers criteria like personality, skills and qualifications when selecting employees and is an equal opportunity employer. In consideration of individual qualification and the integrative capacity of an applicant, exceet aims to enhance the quota of female staff at all hierarchical levels. In 2020 exceet employed 75 female employees (2019: 82) and 150 male employees (2019: 149). The exceet companies aim to generate a corporate culture that is characterized by open and friendly interaction. Therefore, fairness to everybody is an important principle.

A further focus of personnel management is to support employees' personal and professional development. Due to the intense competitive environment, special significance is also allocated to recruit specialist and managerial staff to realize complex customer projects and to further standardize internal processes and systems. In addition, exceet offers apprenticeship programs in business administration and for technical engineers.

exceet has a zero tolerance approach with regard to the violation of human rights. However, since the Group is mainly active in countries with a stable democratic and regulatory environment, the violation of human rights is not regarded as an issue.

Work Safety

exceet's companies aim at making the workplace as safe as possible for their employees. This is currently an important matter during the COVID-19 pandemic. There are dedicated regulations in place and consequently monitored to prevent all employees for any risk of infection. COVID-19 steering committee is in place to monitor the external and internal regulations and to adjust immediately the regulations according the development of the pandemic. Disinfection, distance, meeting rules, visitor regulations, travelling rules are the key factors be used to mitigate the risks. The management complies with legal regulations regarding

labour force safety and health. Therefore, substantial efforts are in place regarding accident prevention and the limitation of dangers that can arise in the daily work routines

In order to increase the awareness of the employee's with regards to safety issues, a regular risk assessment is in place and measures, like employee trainings or work process adjustments, are taken. Within our healthcare production activities, monthly working group meetings are held to discuss actual safety issues or safety improvement measures; e.g. extended training of the internal first-aid team. Free influenza vaccination is offered regularly.

ENVIRONMENT

Corporate responsibility

exceet contributes actively to environmental protection through its careful handling of natural resources as well as the avoidance or recycling of production waste. The Group also benefits from close partnerships and collaborations with public and private research institutions and research and technology businesses, such as the Fraunhofer Institute of Reliability and Microintegration (IZM).

With the reconstruction and refurbishment of the location in Küssnacht in 2019 and 2020 the main system has been renewed which will lead to future energy savings and further reduce the risk of environmental pollution issues. The renewed water system of the location prepares the impure fresh water to reduce waste material and water consumption within the stripping process of the PCB production.

While the power consumption of the Group decreased in the office departments, higher production volume and the rebuilding of the production site increased the power consumption totally from 3.3 MWh in 2019 to 3.7 MWh in 2020.

SOCIAL RESPONSIBILITY

EXCEET GROUP MANAGEMENT REPORT

Sustainability

With its technological portfolio, exceet provides innovative products and solutions worldwide that secure sustainable success for its customers and therefore, contributes continuously to global sustainable development. This is based on a responsible corporate management geared to long-term value creation.

Development and technology investments

The availability of qualified development capacities and state-of-the-art production technologies is crucial for the sustainable business development of exceet's business activities. The research and development expenditures for the year 2020 amounted to EUR 0.8 million (2019: EUR 0.8 million). Due to this continuous investment in development and technology, exceet is expecting to keep the technology and quality leadership for customers benefits sustainable.

Social projects

Social responsibility is important for the management and the employees of exceet, not only in the area of customers and sustainable products.

CORRUPTION AND BRIBERY

Sustainability

With regard to corruption and bribery the Group has a zero tolerance approach. Since the Group is mainly active in countries with a stable political and regulatory environment, corruption is not regarded as a priority issue.

Internal Control System

The Supervisory Board and the General Partner are aware that a well-functioning internal control system including a regular detailed reporting essentially helps to prevent and detect cases of corruption and bribery.

The Group has a clear management and corporate structure. The areas of responsibility are clearly assigned. The financial systems used are protected against unauthorized access by appropriate IT systems and processes. In addition, for all relevant and significant processes, the four-eye principle is required.

OPPORTUNITIES AND RISK REPORT

exceet is exposed to different risks and opportunities in connection with its business activities, exceet adopts a comprehensive risk management strategy through the Group for early detection and control of risks and to benefit from opportunities resulting from operating activities and improved market conditions. A balanced risk profile is observed in every decision-making instance. The risk policy is oriented on the objective of securing and enhancing exceet's position in its markets in order to achieve a long-term increase in the Group's value. The General Partner and the Supervisory Board have established an internal control system for the diverse organizational, technical and commercial processes within the Group which is documented by regular reporting. A central component of exceet's risk policy is to take risks only if there is a high probability that the associated business activities will provide added value for the Group. The underlying requirement is that the risks must always remain transparent and manageable.

OPPORTUNITY MANAGEMENT

The General Partner and the Supervisory Board of the Group regularly review the Group's strategic opportunities. The task of the Group's companies is to identify opportunities at the operational level and to improve earnings performance where possible. The current strategy is reflected within the business description of this report.

RISK MANAGEMENT

exceet manages company risks with a group-wide risk management system, which is an integral component of the business processes and a significant element of the decision-making in the company. This allows timely identification of potential risks arising in connection with business activities, as well as risk monitoring and limitation using suitable control measures. At the same time, the risk management system serves as a tool to help seize opportunities in the best possible manner in terms of the Group strategy. The risks relevant can

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be divided into external, i.e. market and sector-specific risks, as well as internal risks. The latter include strategic, financial, operational and company-related risks. The risks defined are documented in the regular reporting of the Companies. If relevant, adhoc reporting is defined and specific measures will be implemented. This become applicable in 2020 to manage and monitor the COVID-19 pandemic and the effects of exceet's business.

SECTOR- AND MARKET-RELATED RISKS

Sustained weak economic development or a downturn of the economy as well as upcoming trade barriers can have a negative impact on demand for exceet products. This would result in decreasing sales and margin pressure. exceet counters these risks by way of constantly improving its technology leadership position in all segments with permanent and comprehensive development activities and state-of-the art manufacturing processes. In addition, exceet is constantly working on promising sustainable market segments (e.g. healthcare or secure connectivity) and strictly managing its costs and focussing on the core competences of its activities, e.g. further miniaturization of its produced PCBs.

STRATEGIC RISKS

exceet's investment focus lays on seizing attractive risk / reward profiles without restrictions regarding the asset class, structure or duration of such investments. Therefore, it might be possible that further investments will take place in areas outside the current business activities of exceet. exceet's strategy includes also divesting of activities in business areas which could become less attractive based on expected opportunities and risks or could not be successfully developed. Mergers and acquisitions are inherently risky because of difficulties that may arise when integrating people, operations, technologies and products. There can be no assurance that any of the businesses we acquire can be integrated successfully and in a timely manner as originally planned, or that they will perform as anticipated once integrated.

INTEREST RATE, LIQUIDITY AND CURRENCY RISKS

exceet is exposed to interest rate, liquidity and currency risks as part of its business activities. Derivative financial instruments are used from time to time in order to limit financial risks. This relates to specific hedging of such risks arising from operational business. Financial instruments entered into and yet to be entered into are continually monitored with the aid of the implemented risk management system.

The Group companies generate revenue mostly in Euro, Swiss francs and to a smaller extent in US dollars. Generally, foreign currencies are kept only if future payments (including dividend payments) are expected to be made in the respective currency. Foreign currency exposure is mitigated by balancing currency needs among the Group companies. However, the Group is exposed to foreign exchange risks, especially with regard to Swiss francs and US dollars. Liquidity risks arise where payment obligations cannot be fulfilled, can be only partially fulfilled, or are fulfilled with delay due to a lack of liquidity. Solvency is ensured by way of revolving liquidity planning and a solid Net Cash position.

As the functional currency of exceet Group AG — the Swiss based holding company holding the participations and Euro cash position — is Swiss francs, a material currency impact might occur to the consolidated profit and loss accounts due to the currency valuation at the effective date. However, this impact will be neutralized at the consolidated balance sheet level within the equity value.

CREDIT RISKS

Credit risks exist regarding financial institutions and customers. The credit risk with respect to financial institutions predominantly arises from liquid funds. In order to minimize a possible risk of default, financial instruments are mainly entered into with counterparties with prime credit ratings. The credit risk with respect to customers consists of granting terms of credit and the associated risk of default. Credit risk is managed on a group-wide basis. Credit risks arise from cash and cash equivalents, and deposits with banks and financial institutions. Credit exposures to customers, including

outstanding receivables and committed transactions, are managed by the individual group companies. The monitoring of the credit risks is supported by an internal monthly reporting.

QUALITY RISKS

Ensuring maximum and consistent quality of all exceet products requires close collaboration with all contract partners — customers and suppliers. Therefore, procurement, production and logistic risks are monitored regularly to achieve the target of maximum and consistent quality. One risk factor is a potential decrease of product quality. exceet counters these risks with numerous regular audits and quality tests by independent testers and subsequent quality assurance measures.

LEGAL RISKS

Legal risks in connection with product liability, warranties or employment law are comprehensively analysed by management and, where required, with external specialist consultants. exceet is thus in a position to adequately counter potential risks in a timely manner. Despite these measures, the outcome of current or future actions cannot be predicted with certainty.

PERSONNEL RISKS

exceet places great value on the proper and respectful treatment of all employees. The loss of key employees could have a negative impact on the development of exceet. This risk is countered by creating a good working environment as well as attractive remuneration agreements, taking the Group's long-term objectives into consideration.

IT RISKS

The availability and efficiency of IT infrastructure and applications is crucial for the economic performance of exceet's companies. IT risks consist of the possible

failure of operational and administrative IT systems which could impair business transactions. A failure of IT systems could entail existential risks. exceet therefore specifically invests in the expansion and continual development of modern IT systems in order to ensure functionality at all times and to increase the effectiveness of processes. Although all IT systems have multiple safeguards, it cannot be ruled out that data may be lost, for example as a result of fire, power failures, system errors, hacker attacks, fraud or terrorism. exceet has appointed data protection officers according to the legal requirements in all relevant areas.

WITHHOLDING TAX RISKS SWITZERLAND

The majority of the Group's cash currently sits in bank accounts of exceet Group AG respectively of GS Swiss PCB AG, both located in Switzerland. In case such cash is distributed to exceet Holding S.à r.l. Grevenmacher, Luxembourg, the Swiss withholding tax of 35% applies on all shareholder distributions not paid out of capital reserves of exceet Group AG. The payment of this withholding tax can be in whole or partially reduced by a notification procedure approved by the Swiss Federal Tax Administration. exceet Group AG filed an application in 2019 and received decision of the tax authority in April 2020, that future dividends to exceet Holding S.à r.l. Grevenmacher, Luxembourg are not taxable with withholding tax. This tax exemption is for three years approved and will expire at 16 April 2023.

COVID-19 PANDEMIC

COVID-19 has come to a second wave end of 2020 with the number of new infections rising rapidly in many countries. For most of the countries the impacts were faster and heavier than in the first wave in spring 2020. Even if the impacts from the pandemic vary between countries, the negative trend was visible everywhere. Governments and other local authorities started again to reduce the spread of the disease by implementing stronger various activities ranging from restricting social contacts, enforcing hygiene standards up to defining lockdowns and restrictions in certain sectors of the economy. Even during the Christmas and New Year holidays such restrictions kept in place. As a result,

the further development of COVID-19, the effectiveness of the vaccination, which started at the end of 2020, and the extent and duration of the individual effects on our business are difficult to predict. We could be facing ongoing or new shutdowns of locations, factories or office buildings of our suppliers, customers or our own operations, thus impairing our ability to produce or deliver our products, solutions and services in time or, in a worst case scenario, at all. Key uncertainties of the COVID-19 crisis are its duration, including for example potential additional waves of infections or mutations of the virus, and the economic cost of the lockdowns. Since the mid of the second quarter of 2020, we gradually started to see the effects in our businesses, as for example customers have been cancelling orders, we have been exposed to reduced sales and to start short term working for part of our production and quality departments. On Group level a management task force prepares regulations and decisions and coordinates the flow of information through the various levels of the organization while empowering the responsible management in the businesses and countries to take actions appropriate to their respective contexts. Currently we see uncertainties regarding the global economic outlook, the economic impact for exceet could become greater than in 2020 even if we feel our business more resistant than other businesses. We continuously monitor the business and expectations and coordinate our risk mitigation measures.

EVALUATION OF THE OVERALL RISK SITUATION

Risks that could threaten the continued existence of the Group are currently not present.

REPORT ON EXPECTED DEVELOPMENTS

OUTLOOK FOR 2021

exceet Group's business development during 2020 started in the first quarter strong in healthcare due to high orders of single customers. End of the first quarter exceet Group has to be prepared for negative impacts due to the Covid-19 pandemic. While existing Software business remain pretty stable in 2020, the relaunch of new software product "exceet connect" were more or less blocked by COVID-19 pandemic. Planned sales activities and marketing relaunches were not possible. The Healthcare business continued its strong development until second quarter. Customers reduced respectively delayed their orders, because COVID-19 pandemic decreased the demand of end customers. Short time working has been in place until third quarter to mitigate the negative effects. Since October 2020 the business recovered significantly. Finally, exceet Group could finish the year 2020 with increased sales and performance level compared to 2019.

Business environment 2021 will be driven by COVID-19 pandemic. Even if the vaccine against COVID-19 has been faster developed than expected, there is still a long way to go, before the economy comes back to former strength. exceet's short term business development is more difficult to forecast than in prior years. Despite the situation that currently the second wave of the COVID-19 pandemic is worse than expected and influencing the economy sharply, the management is confident that exceet's business is resistant enough and will not be as negatively impacted as other sectors. Currently the positive development in the final quarter of 2020 went on at the beginning of 2021. The Order Backlog¹⁾ as of 31 December 2020 amounts to EUR 14.9 million compared to EUR 13.9 million (+7.2%) versus one year ago.

exceet started in 2021 with news in both segments: The Healthcare Segment with the Swiss based PCB business invested in 2020 in new infrastructure and equipment to improve the internal processes and to develop and deliver high technologized PCBs. This investment was finished end of 2020. For 2021 the

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first sales of Ultra HDI PCBs with existing and new customers are planned with accelerating potential in the next years.

The Software business is focused on the development and sale of router, gateways and additionally infrastructure and services related to. The ongoing investments in IT infrastructure and IT security is a positive trend for exceet.

exceet's Management is aiming for a financial performance as in 2020. Focus to measure the performance is EBITDA, unchanged to prior years.

SUPPLEMENTARY REPORT

Up to the beginning of March 2021, no business transaction has occured that would significantly change the net assets, financial position and results of operations of exceet Group as compared to 31 December 2020.

CORPORATE GOVERNANCE

exceet Group SCA recognizes the importance of corporate governance. The corporate governance rules of exceet Group SCA are based on Luxembourg law (the "Law") and its articles of association (the "Articles").

Electronic copies of the Articles can be downloaded from the website of exceet Group SCA:

http://ir.exceet.com/investor-relations/corporate-governance

The main characteristics of exceet's internal control and risk management systems, as far as the establishment of financial information is concerned, can be found in the Consolidated Financial Statements of exceet Group under note 2.8 "Financial risk management".

THE SUPERVISORY BOARD AND THE GENERAL PARTNER

The Supervisory Board is responsible for the supervision of all transactions of the Company and assumes the function of the audit committee of exceet. In particular, the Supervisory Board is to provide opinions on any matters which the General Partner may submit to it and to resolve on matters exceeding the scope of the General partner's powers, such as related party transactions. The members of the Supervisory Board are Roland Lienau (Chairman), Jan Klopp and Georges Bock. The management of the business as such is ensured by the General Partner.

The role of exceet Management S.à r.l. as General Partner is to manage the Company whereby, subject to applicable laws and the Articles, the General Partner is vested with the broadest power to act in the name of the Company and to take any action necessary or useful to fulfil the Company's corporate purpose.

The authority and the responsibilities of the Supervisory Board and the General Partner are further set out in the Articles.

COMMITTEES OF THE SUPERVISORY BOARD

The Supervisory Board has not appointed any committees, but acts as audit committee of the Company and is, in such function, responsible for oversight of the financial reporting process and audit matters, selection of the independent auditor, and receipt of audit results both internal and external. When acting as audit committee, the Supervisory Board is chaired by Georges Bock. The Supervisory Board meets at least twice a year in this committee composition.

Information on the composition, function and remuneration of the General Partner and the Supervisory Board of the Company can be found in the Consolidated Financial Statements of exceet Group under note 30 "Remuneration of members of the Supervisory Board and the General Partner".

AUDITOR

PricewaterhouseCoopers, Société coopérative, Luxembourg, represented by lead auditor François Mousel, has been the statutory and group auditors of exceet Group SCA and the exceet Group, respectively, since the financial year 2012. The auditor is elected by the annual general meeting of the shareholders of the Company for the term of office of one year.

TAKEOVER LAW

The following disclosures are made in compliance with article 11 of the Luxembourg Law of 19 May 2006 on takeover bids, as amended (the "Takeover Law"):

SHARES

As of 23 January 2020 the shareholders of the Company accepted the proposal of the Board of Directors of the exceet Group S.A. (formerly exceet Group SE) and adopted the change of the legal form of exceet Group from a public limited company under the laws of Luxembourg (société anonyme (SA)). to a partnership limited by shares under the laws of Luxembourg (société en commandite par actions (SCA)). The general partner

of the SCA is exceet Management S.à r.l., a limited liability company under the laws of Luxembourg (société à responsabilité limitée (S.à r.l.)), the shares in which are held indirectly by the founders of the Active Ownership Group (AOC) Florian Schuhbauer and Klaus Röhrig (50% each). Prior to the change of the legal form, the shareholders resolved the immediate redemption of the 450,000 treasury shares in order to clean up the capital structure of the Company.

As a consequence the Company's issued share capital is today set at EUR 311,960.18 and represented by 20,073,696 voting shares (the "Shares") split into 20,073,695 ordinary bearer shares (the "Ordinary Shares") without nominal value and one registered unlimited share (the "Unlimited Share") held by the General Partner, with the Unlimited Share having a veto right in case of shareholder resolutions affecting the interest of the Company vis-à-vis third parties or on the amendment of the Articles. The Ordinary Shares are listed on the regulated market of the Frankfurt Stock Exchange within the "Prime Standard" segment, whereas the Unlimited Share is a registered share, and cannot be freely traded, requiring, for the transfer and resulting replacement of the General Partner, a majority of 85% of the votes validly cast at a general meeting convened for such purpose.

A copy of the Articles can be accessed at http://ir.exceet. com/investor-relations/corporate-governance.

RIGHTS AND OBLIGATIONS ATTACHED TO THE SHARES

Each Share entitles the holder thereof to one vote, with the Unlimited Share having a veto right with respect to decisions regarding the interests of the Company vis-à-vis third parties and with respect to changes to the Articles. All Shares carry equal rights as provided for by Law and as set forth in the Articles, including rights to receive dividends (if declared) or liquidation proceeds.

Holders of Ordinary Shares and derivatives or other financial instruments linked to the Ordinary Shares may be subject to notification obligations pursuant to the Luxembourg Law of 11 January 2008 on transparency requirements regarding information about issuers whose securities are admitted to trading on a regulated market,

as amended (the "Transparency Law"). The following description summarises these obligations.

The Transparency Law provides that, if a person acquires or disposes of a shareholding in the Company, and if following the acquisition or disposal the proportion of voting rights held by the person reaches, exceeds or falls below one of the thresholds of 5%, 10%, 15%, 20%, 25%, $33_{1/3}$ % or $66_{2/3}$ %, of the total voting rights existing when the situation giving rise to a declaration occurs, such person must simultaneously notify the Company and the "Commission de Surveillance du Secteur Financier" (the "CSSF") of the proportion of voting rights held by it further to such event.

A person must also notify the Company and the CSSF of the proportion of his voting rights if that proportion reaches, exceeds or falls below the abovementioned thresholds as a result of events changing the breakdown of voting rights and on the basis of the information disclosed by the Company.

The same notification requirements apply to a natural person or legal entity to the extent he is entitled to acquire, to dispose of, or to exercise voting rights in any of the following cases or a combination of them:

- (i) voting rights held by a third party with whom that person or entity has concluded an agreement, which obliges them to adopt, by concerted exercise of the voting rights they hold, a lasting common policy towards the management of the issuer;
- (ii) voting rights held by a third party under an agreement concluded with that person or entity providing for the temporary transfer for consideration of the voting rights in question;
- (iii) voting rights attaching to Shares which are lodged as collateral with that person or entity, provided the person or entity controls the voting rights and declares his intention of exercising them;
- (iv) voting rights attaching to Shares in which that person or entity has the life interest;
- (v) voting rights which are held, or may be exercised within the meaning of points (a) to (d), by an

undertaking controlled by that person or entity;

- (vi) voting rights attaching to Shares deposited with that person or entity which the person or entity can exercise at his discretion in the absence of specific instructions from the shareholders;
- (vii) voting rights held by a third party in its own name on behalf of that person or entity;
- (viii) voting rights which that person or entity may exercise as a proxy where the person or entity can exercise the voting rights at his discretion in the absence of specific instructions from the shareholders.

The notification requirements as set out in article 12 of the Transparency Law also apply to a natural person or legal entity that holds, directly or indirectly:

- (i) financial instruments that, on maturity, give the holder, under a formal agreement, either the unconditional right to acquire or the discretion as to his right to acquire, Shares to which voting rights are attached, already issued by the Company, or
- (ii) financial instruments which are not included in point (i), but which are referenced to the Shares referred to in that point and with economic effect similar to that of the financial instruments referred to in that point, whether or not they confer a right to a physical settlement.

In addition, where the relevant thresholds are reached or passed upwards or downwards, the Law provides for the notification of the aggregate amount of voting rights attached to Shares and those that are notifiable in connection with the special financial instruments set out in the preceding paragraph.

The notification to the Company and to the CSSF must be effected as soon as possible, but not later than six trading days following a transaction or four trading days following information of an event changing the breakdown of voting rights by the issuer. Upon receipt of the notification, but no later than three trading days thereafter, the Company must make public all the information contained in the notification as regulated information within the meaning of the Transparency Law.

Where within the 15 days preceding the date for which the general meeting of shareholders has been convened, the Company receives a notification or becomes aware of the fact that a notification has to be or should have been made in accordance with the Luxembourg Transparency Law, the General Partner may postpone the general meeting of shareholders for up to four weeks.

Among other exemptions, in accordance with Article 8(4) of the Transparency Law, the disclosure requirements do not apply to the acquisition or disposal of a major holding by a market maker (teneur de marché) in securities insofar as the acquisition or disposal is effected in his capacity as a market maker in securities and insofar as the acquisition is not used by the market maker to intervene in the management of the Company.

RESTRICTIONS ON VOTING RIGHTS

Each Share issued and outstanding in the Company represents one vote, however the Unlimited Share has a veto right in the general meeting with respect to resolutions regarding the interest of the Company vis-àvis third parties, and amendments of the Articles.

The Articles do not provide for any voting restrictions. Shareholders' votes are exercisable by the persons who are shareholders on the record date as further set out in article 12 of the Articles, and proxies must be received by the Company a certain time before the date of the relevant shareholder meeting, as set out in article 11.8 of the Articles. In accordance with the provisions of the Articles, the General Partner may determine any such other conditions to be fulfilled by the shareholders willing to take part in any meeting of shareholders of the Company in person or by proxy.

The Company recognizes only one holder per Share. In case a Share is owned by several persons, they must designate a single person to be considered as the sole owner of such Share in relation to the Company. The Company is entitled to suspend the exercise of all rights attached to a Share held by several owners until one owner has been designated.

In accordance with article 28 of the Transparency Law the exercise of voting rights related to the Shares exceeding the fraction that should have been notified under the respective provisions as set out above is suspended. The suspension of the exercise of voting rights is lifted the moment the shareholder makes the relevant notification.

SPECIAL CONTROL RIGHTS

The Unlimited Share is held by the General Partner, who is vested with the broadest power to act in the name of the Company and to take any action necessary or useful to fulfil the Company's corporate purpose, with the exception of the powers reserved by Law or by the Articles to the general meeting of shareholders.

The following actions and transactions in relation to the Company's daily management require an express decision of the General Partner:

- (i) any listing or public transactions in relation to the Company or its affiliates; and
- (ii) any material change to the business or activities of the Company or its affiliates, including entering into material new lines of business, discontinuing of a material activity or adopting any material change in strategic direction.

The general meeting of shareholders may only adopt or ratify acts affecting the interests of the Company vis-àvis third parties or amend the Articles with the consent of the General Partner.

The General Partner may be removed as general partner at any time with cause by a decision of the general meeting of shareholders approved by a majority of at least eighty-five percent (85%) of the votes validly cast at such general meeting. The sole General Partner may only be removed if a replacement general partner is appointed at the same time.

There are no special control rights attached to the Ordinary Shares.

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SHARE TRANSFER RESTRICTIONS

The Ordinary Shares of the Company are freely transferable, subject to the provisions of the Law and the Articles. The Unlimited Share is only transferable to a new unlimited shareholder liable for all liabilities of the Company which cannot be met out of the assets of the Company. All rights and obligations attached to any Share are passed to any transferee thereof.

The transfer of the registered Unlimited Shares becomes effective towards the Company and third parties either (i) through a declaration of transfer recorded in the register of shares, signed and dated by the transferor and the transferee or their representatives, or (ii) upon notification of a transfer to, or upon the acceptance of the transfer by the Company, both being subject to the aforementioned approval of 85% of the votes validly cast at the general meeting convened for such purpose.

AUTHORISATIONS REGARDING OPERATIONS ON SHARES

On 16 May 2019, the general meeting of the share-holders of the Company (at the time in the form of an SE) has granted (at the time) the board of directors, the authorisation to repurchase a maximum of shares issued by the Company not exceeding 10% of the total number of shares composing the issued share capital at the time of the acquisition in accordance with the conditions set forth in article 430-15 of the law of 10 August 1915 on commercial companies, as amended, for a purchase price to range between the nominal value per share and ten percent (10%) above the average listing price per share during the calendar month preceding the relevant buy-back transactions, with such authorization remaining in place for 5 years.

CONTRACTUAL TRANSFER RESTRICTIONS

Other than the restrictions set out in the Articles, exceet Group SCA is not aware of any factors, including agreements between shareholders, which may result in restrictions on the transfer of Shares or voting rights attached thereto.

SIGNIFICANT SHAREHOLDINGS

The details of shareholders holding 5% of the Shares or more as notified to the Company are published under "Notifications of Voting Rights" on the "Investor Relations" page at http://www.exceet.com. The major shareholders notified to the Company until end of February 2021 are set out in the following table:

Snarenoiders	s Percentage of total shareholding notified	
White Elephant S.à r.l. &		
related parties (Active Ownership Corporation S.à r.	I.]¹] 72,31 %	
Quaero Capital Funds ²⁾	6,84%	
MISTRAL Medien AG	6,43 %	
Mr. Roland Lienau (Chairman of the Supervisory Bo	ard) 0,25 %	

Dargantaga of total

- 1) White Elephant S.à r.l. is an indirect holding of Active Ownership Fund, Luxembourg
- 2) Quaero Capital-Funds, Luxembourg and Quaero Capital Funds (CH) Swiss Small & Mid Cap, Geneva are indirect holdings of Quaero Capital S.A., Geneva

EMPLOYEE SHARE SCHEME

exceet Group SCA has currently no employee share scheme.

APPOINTMENT AND REMOVAL OF SUPERVISORY BOARD MEMBERS, AMENDMENTS TO THE ARTICLES

The appointment and replacement of the members of the Supervisory Board are governed by Law and article 19 of the Articles. The Supervisory Board is composed of a minimum of 3 members which are appointed by the general meeting of shareholders, with one member being selected from a list of candidates proposed by Active Ownership Investments Limited. The members may be removed at any time, with or without cause, by decision of the general meeting of shareholders at a majority of two thirds of the votes validly cast at such meeting. The Articles are amended in accordance with the Law and article 14 of the Articles, i.e. the amendment requires a majority of at least two-thirds of the votes validly cast at a general meeting where at least half of the share capital present or represented plus the affirmative vote of the General Partner. In case the quorum is not met, a second meeting may be convened in accordance with the Law,

which may deliberate regardless of the proportion of the capital represented and at which resolutions are taken at a majority of at least two-thirds of the votes validly cast plus the affirmative vote of the General Partner.

General Partner, the General Partner receives only a pro rata portion of any distributions corresponding to its shareholding in the Company.

POWERS OF THE SUPERVISORY BOARD

The Supervisory Board may be consulted by the General Partner of the Company on such matters as the General Partner may determine and may authorise any action that may, pursuant to Law or regulation or under article 19 of the Articles, exceed the powers of the General Partner. In particular, the Supervisory Board has to sign off on any decision of the General Partner regarding any transaction between the General Partner and the Company, or between the Company and an affiliate of the General Partner (for the avoidance of doubt, excluding the Company and its subsidiaries) before the General Partner itself brings such matter to the vote.

THE EFFECT OF A TAKEOVER BID ON SIGNIFICANT AGREEMENTS

The Company is party to finance agreements which terminate upon a change of control of the Company following a takeover bid (see Consolidated Financial Statements exceet Group note 15 "Borrowings"). No other significant agreements are known which take effect, alter or terminate in that case.

AGREEMENTS WITH DIRECTORS AND EMPLOYEES

No agreements exist between exceet Group SCA and the members of its Supervisory Board or its employees that provide for compensation if the members of the Supervisory Board or employees resign or are made redundant without valid reason, or if their employment ceases due to a takeover bid for the Company.

The remuneration of the manager(s), and of the members of the Supervisory Board for the performance of their respective mandates is determined by the general meeting of shareholders. In the absence of such determination with respect to the manager, when such manager is, as in the case of the Company, the

RESPONSIBILITY STATEMENT

In accordance with article 3(2) c) of the Transparency Law the undersigned declares that, to the best of his knowledge, the consolidated financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS) give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and of the undertakings included in the consolidation taken as a whole. The undersigned further declares that, to the best of his knowledge, the Management Report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with the description of the principal risks and uncertainties they face.

Grevenmacher, 18 March 2021

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

Klaus Röhrig
On behalf of the Board of Managers
of exceet Management S.à r.l.

exceet Group SCA

FORWARD-LOOKING STATEMENTS

This Annual Report contains statements that refer to the future. Forward-looking statements are generally characterized by terms such as "could", "will", "should", "potential", "intend", "expect", "seek", "attempt", "predict", "estimate", "overestimate", "underestimate", "believe", "may", "forecast", "continue", "plan", "project" or similar terms and formulations. Forward-looking statements are based on certain assumptions, outline future expectations, describe future plans and strategies, contain predictions on the earnings and financial position or express other forward-looking information. The possibilities of predicting results or the actual effects of forward-looking plans and strategies are limited.

Even though exceet Group SCA assumes that the expectations expressed by these forward-looking statements are based on appropriate assumptions, the actual results and developments may deviate significantly from the information presented in the forward-looking statements. These forward-looking statements are subject to risks and uncertainties and depend on other factors, based on which the actual results in future periods may deviate significantly from the forecast results or communicated expectations. exceet Group SCA does not intend, nor shall it undertake, to update the forward-looking statements on a regular basis, as these are based solely on the conditions present at the date of publication.

FINANCIAL CALENDAR 2021

Date Publication

06 May Q1 Quarterly Statement 2021

24 June Annual General Meeting of exceet Group

SCA in Luxembourg

05 August Interim First Half Year Report 202104 November Q3 Quarterly Statement 2021

exceet intends to be present on the German Equity Forum 2021 in Frankfurt/Main, Germany (22 - 24 November 2021).

EXCEET GROUP CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET

(in EUR 1,000)	Note	31 December 2020	31 December 2019	
ASSETS				
Non-current assets				
Tangible assets	5.1	16,546	11,576	
Right-of-use assets	5.2	1,760	2,598	
Intangible assets	6	9,463	10,284	
Deferred tax assets	7	643	1,042	
Total non-current assets		28,412	25,500	
Current assets				
Inventories	8	4,909	3,803	
Trade receivables	9	4,370	5,223	
Contract assets	10	1,296	1,705	
Other current receivables	11	425	658	
Current income tax receivables	7	18	0	
Prepaid expenses	12	1,202	1,222	
Cash and cash equivalents	13	16,570	51,476	
Total current assets		28,790	64,087	
Total assets		57,202	89,587	
EQUITY				
Share capital	14	312	312	
Reserves	14	40,250	73,325	
Equity attributable to Shareholders of the parent company		40,562	73,637	
Total equity		40,562	73,637	
LIABILITIES				
Non-current liabilities	•	•		
Borrowings	15	2,962	3,024	
Lease liabilities		663	1,027	
Retirement benefit obligations	16	3,583	2,853	
Deferred tax liabilities	7	525	479	
Provisions	19	103	333	
Total non-current liabilities		7,836	7,716	
Current liabilities				
Trade payables		1,681	1,167	
Contract Liabilities	10	1,296	1,448	
Other current liabilities	18	555	557	
Accrued expenses	17	2,352	2,258	
Current income tax liabilities		2,091	1,451	
Borrowings	15	56	358	
Lease liabilities		347	371	
Provisions	19	426	624	
Total current liabilities	13	8,804	8,234	
Total liabilities		16,640	15,950	
Total aguity and liabilities		F7.000	00 503	
Total equity and liabilities		57,202	89,587	

 $\label{thm:companying} The \, accompanying \, notes \, are \, an \, integral \, part \, of \, the \, consolidated \, financial \, statements.$

CONSOLIDATED INCOME STATEMENT

(in EUR 1,000)	Note	2020	2019
Revenue from contracts with customers	3	45,446	43,657
Cost of sales	20-23	(34,465)	(32,666)
Gross profit		10,981	10,991
Gross profit margin		24.2%	25.2%
Distribution expenses	20-23	(3,346)	(3,222)
Administrative expenses	20-23	(3,396)	(4,186)
Net impairment losses on financial and contract assets		(4)	(14)
Other operating income	22	118	140
Operating result (EBIT) ¹⁾		4,353	3,709
EBIT margin		9.6%	8.5%
Financial income		2,266	8,820
Financial expenses		(1,798)	(8,642)
Financial result, net	24	468	178
Profit before income tax		4,821	3,887
Income tax expense	7	(1,707)	(1,367)
Profit for the period		3,114	2,520
Profit margin		6.9%	5.8%
PROFIT ATTRIBUTABLE TO:			
Shareholders of the parent company		3,114	2,520
EARNINGS PER SHARE IN EURO (BASIC = DILUTIVE)			
Ordinary Shares		0.16	0.13
Operating result (EBIT)		4,353	3,709
Depreciation, amortization and impairment charges	5/6	3,427	3,094
Operating result before depreciation, amortization and impairment charges (EBITDA) ²⁾		7,780	6,803
EBITDA margin		17.1%	15.6%

 $The \, accompanying \, notes \, are \, an \, integral \, part \, of \, the \, consolidated \, financial \, statements.$

 $^{^{\}rm 1)}$ Earnings before Interest and Taxes $^{\rm 2)}$ Earnings before Interest, Taxes, Depreciation and Amortization

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in EUR 1,000)	Note	2020	2019
Profit for the period		3,114	2,520
Other comprehensive income			
Items not to be reclassified to income statement:			
Remeasurements of defined benefit obligations	16	(284)	(270)
Deferred tax effect on actuarial (gains)/losses	7	41	22
Total items not to be reclassified to income statement		(243)	(248)
Items to be reclassified to income statement:			
Reclassification of foreign currency translation reserve 1]		(1,305)	(4,255)
Currency translation differences		488	4,479
Total items to be reclassified to income statement		(817)	224
Total comprehensive income for the period		2,054	2,496
Attributable to:			
Shareholders of the parent company		2,054	2,496

 $^{^{1)}}$ Reclassification of foreign currency translation reserve:

- 2020: Due to payments of dividends from a CHF-entity (exceet Group AG) to an EUR-entity (exceet Holding S.à r.l.) in the total amount of EUR 15.5 million, a foreign exchange gain of EUR 1,305 resulting from the difference between historic and actual exchange rate was recycled into the income statement.
- 2019: Due to payments of dividends from a CHF-entity (exceet Group AG) to an EUR-entity (exceet Holding S.à r.l.) in the total amount of EUR 76.1 million, a foreign exchange gain of EUR 4,255 resulting from the difference between historic and actual exchange rate was recycled into the income statement.

CONSOLIDATED STATEMENT OF CASH FLOWS

(in EUR 1,000)	Note	2020	2019	
Profit before income tax		4,821	3,887	
Adjustment for non-cash transactions	•			
Amortization on intangible assets	6	857	842	
Depreciation on tangible assets	5.1	1,724	1,155	
Depreciation on right-of-use assets	5.2	846	1,097	
(Gains)/Losses on disposal of assets	22/23	(7)	(17)	
Change of provisions	19	(438)	119	
Adjustments to retirement benefit obligations/prepaid costs	16	431	(165)	
Financial (income)/expenses	24	68	118	
Other non-cash (income)/expenses¹)		(878)	455	
Operating net cash before changes in net working capital		7,424	7,491	
Changes to net working capital				
- inventories		(1,268)	266	
- receivables		1,093	(1,407)	
- prepaid expenses and contract assets		441	(762)	
- liabilities		510	266	
- accrued expenses and contract liabilities		(59)	661	
Tax received (prior periods)		0	16	
Tax paid	•	(583)	(987)	
Interest received	•	2	40	
Interest paid		(113)	(148)	
Cashflows from operating activities		7,447	5,436	
Purchase of tangible assets	5.1	(6,710)	(5,125)	
Sale of tangible assets	5.1	32	18	
Purchase of intangible assets	6	(8)	(87)	
Cashflows from investing activities		(6,686)	(5,194)	
Special distribution	14	(35,129)	(60,221)	
Payments of finance lease liabilities		(713)	(855)	
Cashflows from financing activities		(35,842)	(61,076)	
Net changes in cash and cash equivalents		(35,081)	(60,834)	
Cash and cash equivalents at 1 January	13	51,476	113,188	
Net changes in cash and cash equivalents		(35,081)	(60,834)	
Effect of exchange rate gains/(losses)	•	175	(878)	
Cash and cash equivalents at 31 December	13	16,570	51,476	

 $^{^{1)}}$ Other non-cash (income)/expenses include non-cash FX-effects of EUR (1,012) (2019: EUR 799)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(in EUR 1,000)	Note	Issued and paid-in share capital	Capital reserves	Treasury shares	Share- based payments IFRS 2	Retained earnings	Foreign currency transl. diff.	Total Shareholders of the parent company
BALANCES AT 1 JANUARY 2020	14	312	5,264	(4,525)	0	46,010	26,576	73,637
Profit for the period					<u>.</u>	3,114		3,114
Other comprehensive income:	•	•		•••••	•	•		•••••
Remeasurements of defined benefit obligations	16		•	•	•	(284)		(284)
Deferred tax effect on remeasurements	7	•	•	•	•	41		41
Reclassification of foreign currency translation reserve	•		•	•	•		(1,305)	(1,305)
Currency translation differences	•••••	•	•	•	•		488	488
Total other comprehensive income/(loss) for the period		0	0	0	0	(243)	(817)	(1,060)
Total comprehensive income/[loss] for the period	•	0	0	0	0	2,871	(817)	2,054
Special distribution	14		(5,264)		<u>.</u>	(29,865)		(35,129)
Reclassification treasury shares reserve to retained	14	••••••		4,525		(4,525)		0
Total other equity effects		0	(5,264)	4,525	0	(34,390)	0	(35,129)
BALANCES AT 31 DECEMBER 2020		312	0	0	0	14,491	25,759	40,562

BALANCES AT 1 JANUARY 2019	14	312	65,485	(4,525)	0	43,856	26,352	131,480
Change in accounting policies (IFRS 16), net of tax						(118)		(118)
BALANCES AT 1 JANUARY 2019		312	65,485	(4,525)	0	43,738	26,352	131,362
Profit for the period	·····					2,520		2,520
Other comprehensive income:								
Remeasurements of defined benefit obligations	16			•••••••••••••••••••••••••••••••••••••••		(270)		(270)
Deferred tax effect on remeasurements	7		•	•••••••••••••••••••••••••••••••••••••••		22	•	22
Reclassification of foreign currency translation reserve	•		•	•		•	(4,255)	(4,255)
Currency translation differences	•		•				4,479	4,479
Total other comprehensive income/(loss) for the period		0	0	0	0	(248)	224	(24)
Total comprehensive income/(loss) for the period		0	0	0	0	2,272	224	2,496
Special distribution	14		(60,221)	<u> </u>			······································	(60,221)
Total other equity effects		0	(60,221)	0	0	0	0	(60,221)
BALANCES AT 31 DECEMBER 2019		312	5,264	(4,525)	0	46,010	26,576	73,637

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

exceet Group SCA (hereafter the "Company") is a company existing as a "Société en Commandite par Actions" under the law of Luxembourg and listed on the regulated market of the Frankfurt Stock Exchange (WKN: A0YF5P / ISIN: LU0472835155) in the Prime Standard segment. The Company's purpose is to pursue an opportunistic investment approach without a defined investment strategy. The registered office is at 17, rue de Flaxweiler, L-6776 Grevenmacher.

On 23 January 2020 an extraordinary shareholder meeting of exceet Group S.A. approved the conversion of exceet Group S.A. into exceet Group SCA. Under the SCA as the new legal form, exceet is managed by exceet Management S.à r.l. (hereafter the "General Partner"), a limited liability company under the law of Luxembourg (Société à responsabilité limitée (S.à r.l.)), the shares in which are held indirectly by the founders of the Active Ownership Group (AOC) Florian Schuhbauer and Klaus Röhrig (50% each).

The consolidated exceet Group SCA ("Group" or "exceet") consists of a portfolio of technology companies, which are specialized in the development and production of complex electronics for small and mid-sized volumes and software. The Group companies provide highly sophisticated solutions and distinguish themselves through their technical skill set with strong positions in the healthcare and industrial markets. They are situated in Switzerland, Germany, Luxembourg and the USA. All companies consolidated into the Group are disclosed in note 28 "List of consolidated subsidiaries of exceet Group SCA".

The Group is structured into two business segments: Healthcare and Software (incl. loT).

The Healthcare segment (79% of Sales 2020) is focused on the development and production of innovative and miniaturized printed circuit boards (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 aid market

represents a stable growing segment within the healthcare market and offers favorable business conditions for the segment's competences and know-how in miniaturization with strong quality requirements. In many cases, innovative PCB architectures are crucial for the realization of the demanded features by our customers. The continued optimization of the production processes and additional technology driven investments are important to maintain a market-leading position.

The Software (inkl. IoT) segment (21% of Sales 2020) is focused on secure connectivity mainly based on IT Security and industrial internet of things (IoT) projects and solutions. With its IoT related activities, the segment offers concept alignment and management, project coordination as well as customer specific IoT hardware, software and cloud services.

COVID-19 pandemic influenced business of exceet partly: Customers reduced and delayed their orders, relaunch of a new product had to be delayed, short-term working was in place for dedicated departments for several weeks.

Accounting policies and valuation principles did not change due to COVID-19. Assets, and especially intangible assets, are valued at the same principles. Beside of business impacts which are not measurable, like reduced and delayed customer demand, exceet was compensated by short-term working subsidies with an amount of EUR 0.4 million. There are no other COVID-19 impacts to be reflected in the financial statements or to be disclosed.

The Group decided to early adopt the European Single Electronic Format (ESEF) for the publishing of the consolidated financial statements 2020 and followed the core taxonomy and common rules on markups as specified in the ESEF regulation published by the European Securities and Market Authority (esma).

The consolidated financial statements as of 31 December 2020 were approved by the Supervisory Board and the General Partner of exceet Group SCA on 18 March 2021.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

The consolidated financial statements of exceet are based on the financial statements of the individual group companies drawn up according to uniform accounting principles at 31 December 2020. They were drawn up in accordance with the International Financial Reporting Standards (IFRS) as endorsed by the EU and comply with Luxembourg law.

The consolidated financial statements have been prepared under the historical cost convention, except for plan assets within pension liability.

The accounting principles applied to the consolidated financial statements at 31 December 2020 have been amended to comply with all new and revised IFRS standards and interpretations adopted by the European Union (EU) with effective date in 2020.

The following amendments/interpretations/improvements were effective as of 1 January 2020, but had no impact on the consolidated financial statement of the Group.

- IFRS 3 (Amendment) "Definition of a Business" (IASB and EU effective date: 1 January 2020)
- IFRS 16 (Amendment) "Covid-19 Related Rent Concessions" — (IASB and EU effective date: 1 June 2020)
- IAS 1 / IAS 8(Amendment) "Definition of Material" (IASB and EU effective date: 1 January 2020)
- IFRS 7, IFRS 9 and IAS39 (Amendment) "Interest Rate Benchmark Reform" (IASB and EU effective date: 1 January 2020)
- Amendments to the References to the Conceptual Framework in IFRS Standards — (IASB and EU effective date: 1 January 2020)

A number of new standards, amendments and interpretations are effective for annual periods beginning after 31 December 2020 and have not been applied in preparing these consolidated financial statements.

- IFRS 4 (Amendment) "Insurance contracts deferral of IFRS 9" – (IASB and EU effective date: 1 January 2021)
- IFRS 7/ IFRS 9 / IAS 39 (Amendment) "Interest Rate Benchmark Reform — Phase 2" — (IASB and EU effective date: 1 January 2021)
- Annual improvement cycle 2018 2020 Including smaller amendments to IFRS 3, IAS 16, IAS 37 (IASB effective date: 1 January 2022 – EU endorsement outstanding)
- IAS 1 (Amendment) "Clarification of Liabilities as Current or Non-current" (IASB effective date: 1 January 2023 – EU endorsement outstanding)
- IFRS 17 (new) "Insurance Contracts" (IASB effective date: 1 January 2023 EU endorsement outstanding)
- IAS 1 (Amendment) "Disclosure of Accounting policies" (IASB and EU effective date: 1 January 2023)
- IAS 8 (Amendment) "Definition of Accounting Estimates" (IASB and EU effective date: 1 January 2023)

The Group is in the process to assess the potential impacts of the above new standards and amendments to the existing EU.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Group.

2.2 PRINCIPLES OF CONSOLIDATION

INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries are fully consolidated. These are entities over which exceet Group SCA directly or indirectly exercises control (see note 29 with a list of the Group companies). The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

Group companies acquired during the year are included in the consolidation from the date on which control over the acquired company is transferred to the Group, and are excluded from the consolidation as of the date the Group ceases to have control over the company. For the consolidated entities, 100% of assets, liabilities, income and expenses are included. Intercompany balances and transactions (including unrealized profit on intercompany inventories) are eliminated in full.

2.3 SEGMENT REPORTING

A business segment is a group of assets and operations engaged in providing products or services. The operating business segments are based on Management's internal reporting. The Group has two main business segments, representing different subsidiaries (see also section 1 "General information"). The General Partner's decisions are based on the Management reporting.

2.4 CURRENCY TRANSLATION

REPORTING CURRENCY AND FUNCTIONAL CURRENCY

Items contained in the subsidiaries' financial statements are recognized in the currency of the primary economic environment in which the respective subsidiary operates ("Functional Currency"). Each entity within the Group determines its own functional currency. In principle, the functional currencies of the subsidiaries included in the consolidated financial statements are their respective local currencies.

The consolidated financial statements of exceet are prepared in Euro (EUR), the presentation currency of the Group. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

FOREIGN CURRENCY TRANSLATION

Transactions in foreign currencies are translated at the exchange rate of the functional currency prevailing on the date of the transaction. All resulting foreign exchange differences are recognized in the income statement.

Monetary items denominated in foreign currencies are translated into the functional currency at the exchange rate prevailing at the balance sheet date. Exchange rate differences are recorded in the income statement. Non-monetary assets and liabilities are translated at the historical rate.

Foreign exchange rate differences on long-term intercompany loans (equity like loans) are recorded within other comprehensive income.

GROUP COMPANIES

The results and financial position of all Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities are translated at the closing rate at the balance sheet date
- Income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions)

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, are taken to other comprehensive income. At the time the foreign operation is partially disposed of or sold, these exchange differences that were recorded in equity are recognized into the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the transaction date rate

2.5 ACCOUNTING AND VALUATION PRINCIPLES

CASH AND CASH EQUIVALENTS

This position includes cash in hand, cash at banks, time deposits with original maturities of three months or less and bank overdrafts. The cash flow statement summarizes the movements on cash and cash equivalents.

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

TRADE RECEIVABLES AND OTHER RECEIVABLES

Trade receivables are recognized initially at the amount of consideration that is unconditional, unless they contain significant financing components when they are recognized at fair value. They are subsequently measured at amortized costs using the effective interest method, less loss allowance.

INVENTORIES

Purchased raw materials, components and finished goods are valued at the lower of cost or net realizable value.

Purchased raw materials costs comprise of the average purchase cost.

The cost of finished goods and work in progress comprises design costs, raw materials, direct labor, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. For these costs, the standard cost method is applied, which approximates historical cost determined

on an average basis. Standard costs take into account normal levels of materials, supplies, labor, efficiency and capacity utilization. Standard costs are regularly reviewed and, if necessary, revised in the light of current conditions. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and selling expenses. Manufactured finished goods and work in progress are valued at the lower of production cost or net realizable value. Provisions are established for slow-moving, obsolete and phase-out inventory.

TANGIBLE ASSETS

Tangible assets are valued at acquisition cost less accumulated depreciation and any impairment in value. Depreciation is calculated on a straight-line basis over the expected useful lives of the individual assets or asset categories. Where an asset comprises several parts with different useful lives, each part of the asset is depreciated separately over its applicable useful life.

Land is not depreciated. The applicable useful lives are:

buildings
 machinery & production facilities
 equipment
 vehicles
 IT hardware
 30 - 50 years
 5 - 10 years
 5 - 8 years
 4 years
 3 years

The depreciable amount of a leased asset is allocated to each accounting period during the period of expected use on a systematic basis consistent with the depreciation policy for owned assets. If there is reasonable certainty that the Group will obtain ownership by the end of the lease term, the period of expected use is the useful life of the asset.

Subsequent expenditure on an item of tangible assets is capitalized at cost only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Expenditures for repair and maintenance which do not increase the estimated useful lives of the related assets are recognized as expenses in the period in which they are incurred.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (see note 5 "Tangible assets").

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within other operating income/expenses in the income statement.

LEASING

The Group leases various offices, equipment and cars. Rental contracts are typically agreed for fixed periods of 5 years, but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased property assets may not be used as security for borrowing purposes.

Leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leases asset is available for use by the Group. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be deter-

mined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- makes adjustments specific to the lease, e.g. term, country, currency and security.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between liability and finance cost. The finance cost is charged to profit or loss over the lease period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases (lease term of 12 month or less) and leases of low-value assets (below EUR 5) are recognized on a straight-line basis as an expense in profit or loss.

INTANGIBLE ASSETS

Purchased intangible assets are measured initially at cost; intangible assets acquired in a business combination are measured at fair value. Intangible assets are recognized when they are identifiable and controlled by the Group, when it is probable that future economic benefits to the Group can be expected from the asset and when cost can be measured reliably. With respect to intangible assets, it must first of all be determined whether they have finite or indefinite useful lives. Intangible assets with a finite useful life are amortized over their useful life and shall be tested for possible impairment whenever an indication exists that such intangible asset may be impaired. The amortization period and the amortization method are reviewed at the end of each financial year. Amortization of intangible assets with finite useful lives is recognized in the income statement under the expense category that corresponds to the intangible asset's function. Intangible assets that are not ready to use are not subject to amortization and are tested annually for impairment.

Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Customer Base, Technology, Brands

Customer base purchased or acquired through a business combination is amortized over a useful life. The useful life is estimated between 10-15 years. Purchased technology is amortized over a useful life; usually a period of 5 years and technology acquired through a business combination is amortized between 5-10 years, due to the additional know-how basis included (e.g. employees). Brands are amortized over 5-15 years depending on the useful life. For amortization, the Group applies the straight-line method. Except for goodwill, the Group has no intangible asset with an indefinite useful life.

Software

Software is amortized over a useful life of 3-5 years, unless the software is part of a machine. In this case, the useful life could depend on the machine or the technical equipment.

Costs associated with maintaining computer software Costs associated with maintaining computer software programs are recognized as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognized as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- it is intended to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

The directly attributable costs that are capitalized as part of the software product include the software development employee costs and an appropriate portion of relevant overheads

Other development expenditures that do not meet these criteria are recognized as an expense as incurred. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period.

BUSINESS COMBINATIONS AND GOODWILL

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognizes any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. The excess of the consideration transferred the amount on non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over fair value of the identifiable net assets acquired is recorded as goodwill. Goodwill is tested at least annually for impairment and carried at cost, less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination.

DISPOSAL OF SUBSIDIARIES

When the Group ceases to have control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognized in the income statement. Amounts previously recognized in other comprehensive income that may be reclassified to the income statement are reclassified.

DISCONTINUED OPERATIONS

A component of the Group is reclassified into "Discontinued operations" if its divestment is highly probable (according IFRS 5), and if it fulfils the criteria for being classified as "held for sale" and for being presented as "Discontinued operations", as it:

- represents a major line of operations (e.g. entity or group of entities) or a geographical area of operations;
- is part of a single coordinated plan to dispose this major line of operations/geographical area; or
- is an entity acquired exclusively with a view to resale.

Balance Sheet

All asset positions from a discontinued operation are reclassified as "Asset classified as held for sale". All liability positions are reclassified as "Liabilities directly associated with assets classified as held for sale"

Income Statement

The income statement only contains expenses and costs in relation to the continued operations. The net result of the discontinued operations is shown as a separate line as "Profit/(Loss) from discontinued operations" after "Profit/(Loss) from continued operations".

Cash Flow Statement

The cash flow statement is presented including movements from discontinued operations. Net cash flows attributable to the operating, investing and financing activities of the discontinued operations are separately disclosed within the detailed note regarding discontinued operations.

BORROWINGS

Borrowings without maturity are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the consolidated income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer the settlement of the liability for at least 12 months after the balance sheet date.

OTHER FINANCIAL LIABILITIES

Other financial liabilities such as trade and other payables as well as accrued expenses are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

[&]quot;Discontinued Operations" are disclosed as follows:

PROVISIONS

A provision is only recorded if the Company has a present (legal or constructive) obligation arising from a past event, if it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If a provision could not be recorded because not all of the aforementioned criteria were fulfilled, the relevant obligation is then disclosed as a contingent liability.

Provisions are reviewed at each balance sheet date and adjusted to the currently available best estimate. If the resulting interest rate effect is material, the provision is discounted to the present value of the estimated cash outflows necessary to settle the obligation. For provisions that are discounted, the increase in the provisions that reflect the time lapsed is recorded as interest expense. Where it is expected that another party will partly or fully settle the obligation that has been provided for, the reimbursement will only be recognized once it is virtually certain that the Group will receive the reimbursement.

INCOME TAXES / DEFERRED INCOME TAXES

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination, which at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

The tax expense for the period comprises current and deferred tax. Tax is recognized in the consolidated income statement, except to the extent that it relates to items recognized in other comprehensive income. In this case, the tax is also recognized in other comprehensive income.

REVENUE RECOGNITION

The revenue of the Group mainly comprises revenues for the sale of goods. In addition, exceet generates revenues from the sale of services. The Group follows the IFRS 15 five-step model framework, when recognizing the revenue from contracts with customers

Revenue from sale of electronic components

Revenue from the sale of electronics components (produced goods and prototypes) is recorded as revenue at the time of delivery to the customer in both segments of Healthcare and Software (incl. loT). Trade discounts and returns are deducted. The Group typically sells its products through purchase orders under contracts that include fixed or determinable prices and that generally do not include a right of return or similar provisions or other significant postdelivery obligations, except standard warranties. Delivery does not occur until products have been shipped to the specified location and the control over the product have been transferred to the customer.

The Group has consignment arrangements in regards to Vendor Managed Inventories (VMI), whereas the Group delivers to inventory locations controlled by the customer, this deliveries are recorded as contract assets. The related revenue is recognized when the customer accepts and uses the products out of the inventory location.

The Group's obligation under the standard warranty terms is recognized as guarantee provisions.

Revenue from services

Especially in its Software (incl. IoT) segment, the Group sells consulting, research and development services. These sales are recognized over time. The Group uses the output method, depending on agreed milestones with the customer to determine the progress of the project and therefore the recognition of revenue. When no milestones were agreed or would not properly determine the progress of the project, the Group uses the practical expedient to recognize revenue on its right to invoice to the customer. For performance obligations in regards to other services (e.g. maintenance) revenue is recognized proportionally based on the output method of the passing of time (i.e. monthly).

Research and development including the subsequent production and sale of electronic components are, depending on the contract and products, regarded as two performance obligations. Whereas the revenue for research and development are recognized based on agreed milestones, which are agreed with the intention to closely match the work performed with the receipt and use of benefits by the customer. The subsequent production and sale of electronics components are then recognized at the point in time the products are delivered to the customer and the customer has control over them.

Financing components

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

Contract asset

Contract assets are recognized when the Group's right to consideration is conditional on something other than the passage of time. In the case of Vendor Management Inventory, the control over the goods is already transferred to the customer and the customer then decides on accepting and using the delivered goods. As contract assets related to unbilled deliveries have substantially the same loss characteristics as trade receivables for the same type of contract, the Group decided to use the same expected loss rates for both categories.

Contract liabilities

Contract liabilities are recognized in relation to prepayments of customers for IT service contracts within the Software (incl. IoT) segment, where the delivery of the related service will happen over time.

IMPAIRMENT OF NON-FINANCIAL ASSETS

The Group reviews at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the recoverable amount of the asset is calculated. The recoverable amount of an asset or, where it is not possible to estimate the recoverable amount of an individual asset, a cash-generating unit, is the higher of its fair value less cost to sell and its value-in-use. Value-in-use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit. If the recoverable amount is lower than the carrying amount, an impairment loss is recognized.

RELATED PARTIES

A party is related to an entity if the party directly or indirectly controls, is controlled by, or is under common control of the entity, has an interest in the entity that gives it significant influence over the entity, has joint control over the entity or is an associate or a joint venture of the entity. In addition, members of key management and close members of their families are also considered as related parties.

RETIREMENT BENEFIT OBLIGATIONS

The Group has defined benefit pension plans. A defined benefit plan is a pension plan which defines the pension obligation amount that the employee will receive at retirement age. This amount usually depends on one or more factors, such as age, period of service and salary.

The liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation.

Actuarial gains and losses, resulting from changes in actuarial assumptions and differences between assumptions and actual experiences, are recognized in the period in which they occur directly in the consolidated statement of comprehensive income. Past-service costs are recognized immediately in the income statement.

EARNINGS PER SHARE

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period (excluding own shares hold by the Group). Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

DEFINITION OF NON-GAAP MEASURES

The Group reports the various alternative performance measures (not defined by IFRS) because management believe that these measures are relevant for measuring the performance of the operations, the financial position and cash flows for making decisions. These performance measures also provide additional information for users of the consolidated financial statements based on consistent information over time and regularity of reporting.

The Group controls its financial situation by means of various performance measures, such as revenue, organic growth of revenue, EBITDA, EBITDA margin, EBIT, order backlog, book-to-bill ratio, operating working capital, equity ratio, net cash and free cash flow. Please refer to note 32 "Alternative Performance Measures" for the definitions and usages of these alternative performance measures.

The performance measures used, might not be comparable to similar titled measures reported by other groups due to differences in the way these measures are calculated.

GOVERNMENT GRANTS

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions

Government grants relating to costs are deferred and recognized in the income statement over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to property, plant and equipment are included in non-current liabilities as deferred government grants and are credited to the income statement on a straight-line basis over the expected lives of the related assets.

FINANCIAL ASSETS

The Group classifies its financial assets in the following measurement categories:

- Financial assets at fair value through profit or loss (EVPL)
- Financial assets fair value at amortized costs

The classification depends on the Groups business model for managing the financial assets and the contractual terms of the cash flows of the assets. The Group reclassifies debt investments when and only when its business model for managing those assets change.

For the initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not measured at fair value through profit or loss (FVPL), transaction costs. Transaction costs are costs only directly related to the acquisition of the financial asset. Transaction costs for financial assets carried at FVPL are expensed in profit or loss.

The subsequent measurement of the financial assets is based on the Group's policy for managing the asset and the related cash flow characteristics.

Financial assets at fair value at amortized costs represent assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. Interest rate income from these financial assets is included in financial income using the effective interest rate method. Any gain or loss arising on derecognition is recognized in profit or loss in financial income or expenses, together with foreign exchange gains and losses. Impairment losses are presented in the statement of profit or loss.

For financial assets at fair value through profit or loss a gain or loss is subsequently recognized in profit and loss and presented net within "Changes in fair value in financial instruments" within the financial result in the period in which it arises.

The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortized costs. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

The Group considers the probability of default upon initial recognition of an asset and whether there has been a significant increase in credit risk on an ongoing basis throughout the reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information.

The fair value hierarchy has the following levels:

- Level 1: Quoted prices in active markets for identical assets or liabilities
- Level 2: Inputs other than quoted prices included within in level 1 that are observable for the asset or liability, either directly (that is, alternative prices) or indirectly (that is, derived from prices)
- Level 3: Classification for asset or liabilities which are not valued on observable market data (that is, unobservable inputs, for instance estimation and assumptions)

2.6 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

CRITICAL JUDGMENTS IN APPLYING ENTITY'S ACCOUNTING POLICIES

Revenue recognition

The Group uses judgments to identify the existence of a contract with customers based on IFRS 15. Furthermore, the Group uses judgments in regards to the distinction of separate performance obligation, e.g. in case of research and development projects with subsequent production and sale of electronic components; the determination and allocation of transactional prices, including judgment on variable consideration components (e.g. discounts, payment to customers, etc.) which can influence the amount of revenue recognized; and determination of the timing for the revenue to be recognized at a point in time for sale of electronics components or over time for services provided to customers.

These judgments are incorporated within the accounting policy.

Intangible and tangible assets

exceet reviews regularly the useful life of its intangible assets with definite useful life and also if there are triggering events for a potential impairment. Such trigger events could be a change of the customer base, of the technology or reputation damage of the brand or the software not to be useful anymore. Such assessments are based on estimates which are substantially based on the continued benefit of the intangible asset for the Group.

To review the underlying value of the customer base related intangible assets from acquisitions, the Group compares on a regular basis the customer list of the relevant entities with the customer list at the date of acquisition. To measure the customer loyalty the Group calculates the percentage of actual/budget revenue of customers for the year still remaining since acquisition to the total actual/budget revenue of the company. If this calculated

percentage of customer loyalty is below the relation of the net book value of the corresponding customer base asset to its acquisition value, an impairment is required.

The Group also regularly assesses the useful life of its tangible assets life and also if there are triggering events for a potential impairment. Such assessment is made on estimates which are based on the technical efficiency, the applicability and the continued use of the tangible assets.

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

Inventories

For the valuation adjustment of inventories, Management uses judgments which are based on past experience. To determine the inventory provision, the past experience turnover of the inventory is used as the basis for the calculation.

Goodwill Impairment

The Group tests annually whether goodwill has suffered any impairment in accordance with the accounting policy stated in note 2.5. The recoverable amounts of cashgenerating units have been determined based on value-in-use calculations with an appropriate discount rate. These calculations require the use of estimates. For further information on the level of goodwill and the impairment valuation please refer to note 6 "Intangible assets". For the 2020 calculation of the value-in-use the Group did not expect impact out of the COVID-19 situation.

Provisions

The Group is exposed to different risks, especially in regards to guarantees and costs associated with restructuring events. Management assumes at the current time that the provisions cover the different risks of the Group. However, it is possible that the situation will change and the costs are not covered with the existing

provisions recognized or the actual costs are lower than expected in the provision. Any arising changes can have effects on future periods. For details of current provisions refer to note 19 "Provisions".

Retirement benefit obligation

Actuarial assumptions are made for the purpose of estimating future developments. These include estimates and assumptions relating to discount rates, the expected return on plan assets in individual countries and future wage trends. The actuary also uses statistical data such as mortality tables and staff turnover rates in the actuarial calculations performed with a view to determining employee benefit obligations. If these parameters change due to a change in economic or market conditions, the subsequent result can deviate considerably from the actuarial report and calculation.

Over the medium term, this deviation can have a significant effect on income and expenses arising from employee benefit plans.

Leasing

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The lease term is reassessed if an option is actually exercised (or not exercised) or the group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

Deferred tax assets

The Group assess the possible utilization of tax loss carryforwards, being capitalized according IAS 12, based on the estimated performance development of the corresponding entities. This assessment takes into account the expected taxable profit over the following four years, including assumptions in regards to achievability (risk assessment) of the performance development and the possibility to allow the entity to utilize the achieved profits against the accumulated tax losses.

2.7 FINANCIAL RISK MANAGEMENT

FINANCIAL RISK FACTORS

The Group's activities are exposed to a variety of financial risks: market risks (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management system aims to identify key financial risks at an early juncture, within the subsidiaries and at the Group level, to implement appropriate countermeasures to minimize potential adverse effects on the Group's financial performance.

MARKET RISK

Foreign exchange risk

The Group companies generate revenue mostly in Euro (EUR), Swiss francs (CHF) and US dollars (USD). Most of the equipment and the raw materials are purchased from European manufacturers or distributors in Euro. Concerning the Swiss operational company, the revenues generated do not fully cover the Company's demand for Euro from time to time.

The revenue generated in USD is generally used for the procurement of equipment, services or raw material and has usually balanced out in the past thus providing a natural hedge. The sales teams are instructed to either price the products in EUR and CHF, to include exchange rate adjustments in framework contracts or to include an adequate foreign exchange margin in the pricing. In general foreign currencies are only kept if future payments are expected to be made in a particular currency.

The Group is exposed to foreign exchange risks especially with regards to CHF/EUR and USD/CHF. Impacts of foreign exchange rates on the profit and loss accounts are shown in Note 24 "Financial result". Foreign exchange impacts on investment are recorded as currency translation adjustment within equity.

As of 31 December 2020, the profits for the period and therefore equity would have been EUR 215 higher (2019: EUR 313) if the CHF had strengthened 10% against the EUR ceteris paribus. With a weaker CHF

compared to EUR, profits would have been decreased by similar amounts. This effect is caused by foreign exchange gains/losses of CHF-denominated trade account receivables and trade account payables.

Similarly, as of 31 December 2020, the profits for the period and therefore equity would have been EUR 29 lower (2019: EUR 38) if the USD had weakened by 10% against the EUR ceteris paribus. With a stronger USD, profits would have increased by the same extent, mainly due to foreign exchange gains/losses of USD-denominated trade account receivables and trade account payables.

Foreign exchange rates

The exchange rates relevant to the annual financial statements were:

	31.12.2020	Average 2020	31.12.2019	Average 2019
1 CHF	0.93	0.93	0.92	0.90
1 USD	0.81	0.88	0.89	0.89

Price risk

The Group is not exposed to investment price risk; however, there is a material and raw material price risk for the production of printed circuit boards [PCB's].

Healthcare Segment

With a high value-added, the production of PCB's has a low exposure to raw material prices. Raw material prices for epoxy and polyimide are to a less degree driven by the oil price, whereas copper, nickel and gold are purchased at spot rates. However, the total cost component of precious metal is low in relation to the average selling price and consequently the influence on the margin is limited. In extreme cases, the subsidiary is able to renegotiate selling prices with the clients to adjust for raw material price hikes.

The Group, in close cooperation with its customers, guard effectively these risks with long-term supplier contracts and flexible inventory levels. Higher component costs and the cost of increased inventories are shared with the clients whenever possible.

Software (incl. IoT) Segment

Most of the revenues within the segment are generated through software, cloud services and professional services. These services are mainly based on human capital which is employed by the operations. Consequently, the price risk is very limited.

Cash Flow and Fair Value Interest Rate Risk

Cash flow risk is categorized as very low as a result of the Company's good liquidity position and strong cash flow generation.

As the Group has no significant interest-bearing assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates.

Until the end of 2018 the Group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates exposed the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. The duration for which the Group has fixed the interest rates depends on the current interest conditions in the market.

Covenants, as agreed with the lending bank, determine the interest rate margin over the Euromarket. This margin largely depends on business performance of the Group (leverage ratio). Compliance with the financial covenants means that the Group has good credit standing with banks and access to further financing resources. In addition, banks provide credit lines that also create scope for short-term financial manoeuvre.

Sensitivity Analysis

If the interest rates of the different long-term borrowings would have been higher/lower by 100 basis points, with all other variables held constant, the Group would have had higher/lower interest expenses and impacted equity in 2020 of EUR 30 (2019: EUR 29). The Group's borrowings at variable and fixed rates are denominated in EUR and CHF

CREDIT RISK

Credit risk is managed on Group level. Credit risk arises from cash, cash equivalents and deposits with banks and financial institutions. Credit exposures to customers, including outstanding receivables, contract assets and committed transactions are managed by individual Group companies. The ratings for the engaged banks and financial institutions are monitored regularly. Furthermore, the risk on cash and cash equivalents

is minimized by the consideration of different financial institutions. For the risk control assessment of customers, the credit quality of the customer takes into account its financial position, past experience and other factors. Based on the varying customer structure within the Group, no specific individual credit limits are defined by the Group. Accounts receivables are regularly monitored and supported by an effective accounts receivables review in close cooperation with key account managers. The application of the expected credit loss model, according to IFRS 9, is based on historical experience and considering additional forward looking elements as well.

The table below shows the trade receivables and loan balances of the counterparties of each subsidiary as per the balance sheet date. None of the trade receivable and loan counterparties has an external credit rating. Management does not expect any losses from non-performance by these counterparties.

TRADE RECEIVABLES (in EUR 1,000)	2020	2019
MAJOR COUNTERPARTIES WITHOUT EXTERNAL CREDIT RATING		
Group 1	456	126
Group 2	3,915	5,095
Group 3	0	2
Total counterparties without external credit rating	4.370	5.223

Group 1 - new customers/related parties less than 6 months

Group 2 - existing customers/related parties since more than 6 months with no defaults in the past

Group 3 - existing customers/related parties since more than 6 months with some defaults in the past (all defaults were fully recovered)

The table below shows the bank balances rated:

CASH AT BANK AND SHORT-TERM BANK DEPOSITS

(in EUR 1,000)	2020	2019
BANKS WITH EXTERNAL CREDIT RATING ¹⁾		
AAA	8,145	40,167
AA	4	5
AA-	478	364
A+	5,992	2,315
A	0	1,814
A-	1,680	6,631
BBB	270	180
not rated	1	0
Total cash at bank and short-term bank deposits	16,570	51,476

^{1]} Source for external credit rating: Standard & Poor's

LIQUIDITY RISK

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Prudent liquidity risk management includes maintaining sufficient cash, the availability of funding from an adequate amount of committed credit facilities and the ability to close out market positions. The Group monitors its risk of suffering a shortage of funds regularly. In addition, Management monitors forecasts of the Group's liquidity reserve on the basis of expected cash flow.

The following table analyses the maturity profile of the Group's financial liabilities. The amounts disclosed are the contractual undiscounted cash flows including accrued interest and do therefore not reconcile with the financial liabilities presented in the consolidated balance sheet.

(in EUR 1,000)	Up to 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
BALANCES AT 31 DECEMBER 2020					
Bank borrowings	32	3,009	0	0	3,041
Other borrowings	56	0	0	0	56
Lease liabilities	347	313	350	0	1,010
Trade payables	1,681	0	0	0	1,681
Other payables	555	0	0	0	555
BALANCES AT 31 DECEMBER 2019		<u>.</u>		······································	······································
Bank borrowings	30	2,994	0	0	3,024
Other borrowings	362	76	0	0	438
Lease liabilities	371	317	710		1,398
Trade payables	1,167	0	0	0	1,167
Other payables	557	0	0	0	557

CAPITAL RISK MANAGEMENT

The Group's objectives, when managing capital, are to safeguard the Group's ability to continue as a going concern in order to provide added value to the shareholders.

In order to maintain or adjust the capital structure, the Group may issue new shares, buy-back existing shares or sell assets to reduce debt.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net (cash)/debt divided by total capital. Net (cash)/debt is calculated as total borrowings (including current and non-current borrowings, as shown in the consolidated balance sheet) less cash and cash equivalents. Total capital is calculated as equity, as shown in the consolidated balance sheet, plus net cash. With the strong net cash position of the Group, the gearing ratios at 31 December 2020 and 2019 were as follows:

(in EUR 1,000)	2020	2019
Bank borrowings	2,962	2,948
Finance lease	56	434
Total borrowings	3,018	3,382
Less: cash and cash equivalents (note 13)	(16,570)	(51,476)
Net cash	13,552	48,094
Equity	40,562	73,637
Total equity and equity equivalents	40,562	73,637
Total capital	27,010	25,543
Gearing ratio	(50%)	(188%)

The decrease of the gearing ratio in 2020 is attributable to the reduction in net cash due to the special distribution of reserves to the shareholders in the amount of EUR 31.1 millions.

The Group monitors covenants out of the bank facility agreement (see Note 15 "Borrowings"). The covenants are continuously met.

FAIR VALUE ESTIMATION

The Group has currently no assets or liabilities that are measured at fair value (2019: none).

The group policy demands the recognition of transfers into or out of fair value hierarchy levels as of the date of the event or at the change of circumstances that caused the transfer. There were no transfers between the levels during the reporting period.

Management is assisted for the valuation of financial assets required for financial reporting purposes, including level 3 fair values, by the Group's finance department. Discussions of valuation processes and results are made regularly.

There were no changes in Level 3 instruments.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

3. SEGMENT INFORMATION

The Group has two main business segments, Healthcare and Software (incl. IoT), representing different business activities. The segments are reported in a manner that is consistent with the internal reporting provided to the Group's Chief Operating Decision Maker — General Partner. In addition, the Group has a third segment "Corporate and others" for reporting purposes, which only includes the investment companies. The Group primarily uses a measure of adjusted earnings before interest, tax, depreciation and amortization (EBITDA) to assess the

performance of the segments. Furthermore, the internal reporting consists of information about the segments revenue and assets on a monthly basis. Segment assets and liabilities are measured in the same way as in the consolidated financial statements and are allocated to the relevant segment based on the underlying entities or their physical location.

The segment results are as follows:

2020 (in EUR 1,000)	Healthcare	Software (incl. loT)	Corporate and others	Intersegment elimination	Group consolidated
Revenue from sale of electronic components ^{1]}	36,008	6,763	0		42,771
Revenue from sale of services ^{2]}	112	2,563	0		2,675
External revenue	36,120	9,326	0		45,446
Inter-segment revenue	0	0	0		0
Total revenue	36,120	9,326	0	0	45,446
EBITDA	9,467	(25)	(1,662)	0	7,780
EBITDA Margin	26.2%	(0.3%)			17.1%
Depreciation, amortization and impairment	(2,432)	(913)	(82)		(3,427)
EBIT	7,035	(938)	(1,744)	0	4,353
EBIT Margin	19.5%	(10.1%)			9.6%
Financial income	151	0	2,179	(64)	2,266
Financial expense	(322)	(123)	(1,417)	64	(1,798)
Financial result – net	(171)	(123)	762	0	468
Profit/[Loss] before income tax	6,864	[1,061]	(982)	0	4,821
Income tax	(904)	(553)	(250)		(1,707)
Profit/(Loss) for the period	5,960	(1,614)	[1,232]	0	3,114
Non-current assets	22,700	5,653	59		28,412
Current assets	15,222	2,647	10,923		28,792
Liabilities	11,860	3,147	1,633		16,640
Capital expenditure tangible assets	6,629	56	25		6,710
Capital expenditure intangible assets	2	6	0		8
Depreciation tangible assets	(1,645)	(75)	[4]		(1,724)
Depreciation right-of-use assets	(524)	(244)	(78)		(846)
Amortization intangible assets	(263)	(594)	0		(857)

¹⁾ Revenue is recognized at a point in time

²⁾ Revenue is recognized overtime

2019 (in EUR 1,000)	Healthcare	Software (incl. loT)	Corporate and others	Intersegment elimination	Group consolidated
Revenue from sale of electronic components ^{1]}	34,482	6,816	0		41,298
Revenue from sale of services ²	117	2,242	0		2,359
External revenue	34,599	9,058	0		43,657
Inter-segment revenue	0	0	0		0
Total revenue	34,599	9,058	0	0	43,657
EBITDA	9,215	(43)	(2,369)	0	6,803
EBITDA Margin	26.6%	(0.5%)			15.6%
Depreciation, amortization and impairment	(2,089)	(916)	(89)		(3,094)
EBIT	7,126	(959)	(2,458)	0	3,709
EBIT Margin	20.6%	(10.6%)			8.5%
Financial income	440	0	8,449	(69)	8,820
Financial expense	(574)	(138)	(7,999)	69	(8,642)
Financial result – net	(134)	(138)	450	0	178
Profit/(Loss) before income tax	6,992	(1,097)	(2,008)	0	3,887
Income tax	(958)	308	(717)		(1,367)
Profit/(Loss) for the period	6,034	(789)	(2,725)	0	2,520
Non-current assets	18,386	6,973	141		25,500
Current assets	12,471	2,914	48,702		64,087
Liabilities	10,532	3,194	2,224		15,950
Capital expenditure tangible assets	5,073	52	0		5,125
Capital expenditure intangible assets	87	0	0		87
Depreciation tangible assets	(1,060)	(82)	(13)		(1,155)
Depreciation right-of-use assets	(782)	(239)	(76)		(1,097)
Amortization intangible assets	(247)	(595)	0		(842)

Revenue is recognized at a point in time

²⁾ Revenue is recognized overtime

Disaggregation of revenue

The Group generates revenue in its two main markets Health and Industry as follows:

Total	45,446	43,657
Industry	9,326	12,009
Health	36,120	31,648
(in EUR 1,000)	2020	2019

Top customer information

In 2020, 29.7% (2019: 25.9%) of total revenue of the Group was generated with one client from the segment Healthcare, with two other clients from Healthcare generating 15.6% (2019: 12.1%) and 9.2% (2019: 10.4%) of revenue in 2020. There is no other single customer with a share of revenue greater than 10% of the total Group revenue in 2020.

Breakdown of the revenue and non-current assets by geographic segments

In addition, a breakdown of revenue and non-current assets is presented by country of end customer, which shows the geographic segments according to the country in which the products are used. Non-current assets are allocated based on where the assets are located.

Revenue				Non-current assets				
(in EUR 1,000)	2020	in %	2019	in %	2020	in %	2019	in %
Germany	8,926	19.6%	8,620	19.7%	5,653	19.8%	6,973	27.5%
Switzerland	12,779	28.1%	11,381	26.1%	22,716	80.0%	18,338	72.3%
Rest of Europe	15,187	33.5%	14,758	33.8%	43	0.2%	61	0.2%
Total Europe	36,892	81.2%	34,759	79.6%	28,412	100.0%	25,372	100.0%
North & South America	2,826	6.2%	3,370	7.7%	0	0.0%	0	0.0%
Asia (incl. Australia)	5,539	12.2%	5,209	12.0%	0	0.0%	0	0.0%
Middle East & Africa	189	0.4%	319	0.7%	0	0.0%	0	0.0%
Total	45,446	100.0%	43,657	100.0%	28,412	100.0%	25,372	100.0%

57,356

Total

2,948

1,832

1,724

2,258

8,762

Total

31 DECEMBER 2019

Accrued expenses

Total

LIABILITIES AS PER BALANCE SHEET

Borrowings (excluding finance lease liabilities)

Trade and other payables (excluding non-financial liabilities)

(in EUR 1,000)

4. FINANCIAL INSTRUMENTS BY CATEGORY

31 DECEMBER 2020 (in EUR 1,000)	Financial assets at amortized costs	Financial assets at fair value through profit or loss	Total
ASSETS AS PER BALANCE SHEET			
Trade and other receivables (excluding prepayments)	4,811		4,811
Cash and cash equivalents	16,570		16,570
Total	21,381	0	21,381
31 DECEMBER 2020 (in EUR 1,000)	Other financial liabilities at amortized cost	Liabilities at fair value through profit or loss	Total
LIABILITIES AS PER BALANCE SHEET			
Borrowings (excluding finance lease liabilities)	2,962		2,962
Lease liabilities	1,066		1,066
Trade and other payables (excluding non-financial liabilities)	2,236		2,236
Accrued expenses	2,352		2,352
Total	8,616	0	8,616
31 DECEMBER 2019 (in EUR 1,000)	Financial assets at amortized costs	Financial asset at fair value through profit or loss	Total
ASSETS AS PER BALANCE SHEET			
Trade and other receivables (excluding prepayments)	5,880		5,880
Cash and cash equivalents	51,476		51,476

57,356

2,948

1,832

1,724

2,258

8,762

amortized cost

Liabilities at fair value

through profit or loss

Other financial liabilities at

5. TANGIBLE ASSETS AND RIGHT-OF-USE ASSETS

5.1 TANGIBLE ASSETS

2020 (in EUR 1,000)	Land & building	Production facilities & machinery	Equipment	Vehicles	IT Hardware	Assets under construction	Total
AQUISITION COSTS							
As of 1 January 2020	8,079	9,905	4,048	147	1,010	1,011	24,200
Additions	1,512	2,845	1,711	51	139	452	6,710
Disposals	0	(54)	(287)	(65)	(5)	0	(411)
Transfer to other category	0	587	438	0	0	(1,025)	0
Currency translation differences	25	17	2	1	1	10	56
As of 31 December 2020	9,616	13,300	5,912	134	1,145	448	30,555
ACCUMULATED DEPRECIATION	<u>.</u>						
As of 1 January 2020	(2,102)	(6,564)	(3,021)	(116)	(821)	0	(12,624)
Additions	(232)	(1,019)	(329)	(15)	(129)	0	(1,724)
Disposals	0	54	287	40	5	0	386
Transfer to other category	0	0	0	0	0	0	0
Currency translation differences	(8)	(23)	(13)	(1)	(2)	0	(47)
As of 31 December 2020	(2,342)	(7,552)	(3,076)	(92)	(947)	0	(14,009)
Net book value as of 1 January 2020	5,977	3,341	1,027	31	189	1,011	11,576
Net book value as of 31 December 2020	7,274	5,748	2,836	42	198	448	16,546

2019 (in EUR 1,000)	Land & building	Production facilities & machinery	Equipment	Vehicles	IT Hardware	Assets under construction	Total
AQUISITION COSTS							
As of 1 January 2019	5,320	19,173	3,648	172	834	852	29,999
Change in accounting policies (IFRS 16)	•	(11,664)					(11,664)
As of 1 January 2019	5,320	7,509	3,648	172	834	852	18,335
Additions	2,138	1,550	264	27	160	986	5,126
Disposals	0	0	(1)	(57)	0	0	(59)
Transfer to other category	355	508	0	0	0	(863)	0
Currency translation differences	266	338	137	5	16	36	798
As of 31 December 2019	8,079	9,905	4,048	147	1,010	1,011	24,200
ACCUMULATED DEPRECIATION							
As of 1 January 2019	(1,864)	(15,348)	(2,628)	(156)	(708)	0	(20,704)
Change in accounting policies (IFRS 16)	***************************************	9,604	****		•	•	9,604
As of 1 January 2019	(1,864)	(5,744)	(2,628)	(156)	(708)	0	(11,100)
Additions	(163)	(586)	(292)	(13)	(101)	0	(1,155)
Disposals	0	0	1	57	0	0	58
Transfer to other category	0	0	0	0	0	0	0
Currency translation differences	(75)	(234)	(102)	[4]	(12)	0	(427)
As of 31 December 2019	(2,102)	(6,564)	(3,021)	(116)	(821)	0	(12,624)
Net book value as of 1 January 2019	3,456	3,825	1,020	16	126	852	9,295
Net book value as of 31 December 2019	5,977	3,341	1,027	31	189	1,011	11,576

In 2020 depreciation expense for tangible assets of EUR 965 (2019: EUR 654) has been charged in "cost of sales", EUR 532 (2019: EUR 333) in "administrative expenses" and EUR 227 (2019: EUR 168) in "distribution costs".

EUR 7,284 (2019: EUR 5,986) of land and buildings are secured for bank borrowings. In 2020 und 2019 no machinery and equipment are pledged for borrowing facilities (see note 27 "Pledged Assets").

Commitments

Capital expenditure contracted for at the end of the reporting period but not yet incurred is as follows:

(in EUR 1,000) 2020		2019
Property, plant and equipment	413	3,063
Total	413	3,063

With investment projects in relation to the production site in Switzerland finished in 2020 commitments reduced to EUR 413 [2019: EUR 3,063].

5.2 RIGHT-OF-USE ASSETS

The Group has adopted IFRS 16 retrospectively from 1 January 2019. The reclassifications and adjustments arising from the new leasing rules were recognized in the opening balance sheet on 1 January 2019.

On adoption of IFRS 16, the Group recognized lease liabilities in relation to leases which had previously been classified as "operating leases" according to IFRS 16 "Leases". These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2019. The incremental borrowing rate used was derived for the Swiss entities based on the existing bank facility agree-

ment, with an interest rate of 1.1% (based on Euromarket condiditions) and for German and Luxembourg entities based on an assumed borrowing rate for the relevant entities of 6%, based on communication with a German bank. For leases previously classified as finance leases the Group recognized the carrying amount of the lease asset and lease liability immediately before transition as the carrying amount of the right-of-use asset and the lease liability at the date of initial application.

The associated right-of-use assets for operating leases were measured on a retrospective basis as if the new standard had always been applied. The recognized right-of-use assets were incorporated as "Change of accounting policies (IFRS 16) in 2019.

2020 (in EUR 1,000)	Land & building	Production facilities & machinery	Equipment	Vehicles	Total
AQUISITION COSTS					
As of 1 January 2020	2,902	12,110	15	77	15,104
Additions	0	0	14	61	75
Disposals	(79)	0	0	(6)	(85)
Currency translation differences	4	58	0	0	62
As of 31 December 2020	2,827	12,168	29	132	15,156
ACCUMULATED DEPRECIATION			<u></u>		
As of 1 January 2020	(1,686)	(10,751)	(13)	(56)	(12,506)
Additions	(337)	(476)	(5)	(28)	(846)
Disposals	0	0	0	6	6
Currency translation differences	(2)	(48)	0	0	(50)
As of 31 December 2020	(2,025)	(11,275)	(18)	(78)	(13,396)
Net book value as of 1 January 2020	1,216	1,359	2	21	2,598
Net book value as of 31 December 2020	802	893	11	54	1,760

2019 (in EUR 1,000)	Land & building	Production facilities & machinery	Equipment	Vehicles	Total
AQUISITION COSTS					
As of 1 January 2019	0	0	0	0	0
Change in accounting policies (IFRS 16)	2,921	11,664	15	63	14,663
As of 1 January 2019	2,921	11,664	15	63	14,663
Additions	125	0	0	35	160
Disposals	(174)	0	0	(22)	(196)
Currency translation differences	30	446	0	1	477
As of 31 December 2019	2,902	12,110	15	77	15,104
ACCUMULATED DEPRECIATION					
As of 1 January 2019	0	0	0	0	0
Change in accounting policies (IFRS 16)	(1,362)	(9,604)	(10)	(28)	(11,004)
As of 1 January 2019	(1,362)	(9,604)	(10)	(28)	(11,004)
Additions	(307)	(759)	(3)	(28)	(1,097)
Disposals	0	0	0	0	0
Currency translation differences	(17)	(388)	0	0	(405)
As of 31 December 2019	(1,686)	(10,751)	[13]	(56)	(12,506)
Net book value as of 1 January 2019	1,559	2,060	5	35	3,659
Net book value as of 31 December 2019	1,216	1,359	2	21	2,598

In 2020 depreciation expense for right-of-use assets of EUR 473 (2019: EUR 622) has been charged in "cost of sales", EUR 261 (2019: EUR 316) in "administrative expenses" and EUR 112 (2019: EUR 159) in "distribution costs".

Interest expenses for leasing liabilities amounted to EUR 59 (2019: EUR 91), please see note 24 "Financial result". Cash and non-cash movements in relation to leasing liabilities are provided within note 15 "Borrowings".

Please refer to Note 26 "Other financial obligations / commitments and contingencies" for information in relation to short term and low value (below EUR 5) leasing contracts.

6. INTANGIBLE ASSETS

2020 (in EUR 1,000)	Goodwill	Customer base	Technology	Brand	Software	Intangible assets under construction	Other intangible assets	Total
AQUISITION COSTS								
As of 1 January 2020	7,412	6,116	4,066	0	2,019	1,551	27	21,191
Additions	0	0	0	0	8	0	0	8
Transfer to other category	0	0	0	0	0	0	0	0
Currency translation differences	23	15	8	0	9	0	0	55
As of 31 December 2020	7,435	6,131	4,074	0	2,036	1,551	27	21,254
ACCUMULATED AMORTIZATION	······································		<u>.</u>	······				
As of 1 January 2020	0	(4,367)	(3,031)	0	(1,931)	0	(27)	(9,356)
Additions	0	(488)	(316)	0	(53)	0	0	(857)
Transfer to other category	0	0	0	0	0	0	0	0
Currency translation differences	0	(11)	(16)	0	0	0	0	(27)
As of 31 December 2020	0	(4,866)	(3,363)	0	(1,984)	0	(27)	(10,240)
ACCUMULATED IMPAIRMENT	•							
As of 1 January 2020	0	0	0	0	0	(1,551)	0	(1,551)
Additions	0	0	0	0	0	0	0	0
Transfer to other category	0	0	0	0	0	0	0	0
Currency translation differences	0	0	0	0	0	0	0	0
As of 31 December 2020	0	0	0	0	0	(1,551)	0	(1,551)
Net book value as of 1 January 2020	7,412	1,749	1,035	0	88	0	0	10,284
Net book value as of 31 December 2020	7,435	1,265	711	0	52	0	0	9,463

2019 (in EUR 1,000)	Goodwill	Customer base	Technology	Brand	Software	Intangible assets under construction	Other intangible assets	Total
AQUISITION COSTS								
As of 1 January 2019	7,239	5,998	3,635	0	1,866	1,922	27	20,687
Additions	0	0	0	0	87	0	0	87
Transfer to other category	0	0	371	0	0	(371)	0	0
Currency translation differences	173	118	60	0	66	0	0	417
As of 31 December 2019	7,412	6,116	4,066	0	2,019	1,551	27	21,191
ACCUMULATED AMORTIZATION	•·····		······································	······································			······································	
As of 1 January 2019	0	(3,788)	(2,650)	0	(1,828)	0	(27)	(8,293)
Additions	0	(480)	(321)	0	(41)	0	0	(842)
Transfer to other category	0	0	0	0	0	0	0	0
Currency translation differences	0	(99)	(60)	0	(62)	0	0	(221)
As of 31 December 2019	0	(4,367)	(3,031)	0	(1,931)	0	(27)	(9,356)
ACCUMULATED IMPAIRMENT	•		<u> </u>					
As of 1 January 2019	0	0	0	0	0	(1,551)	0	(1,551)
Additions	0	0	0	0	0	0	0	0
Transfer to other category	0	0	0	0	0	0	0	0
Currency translation differences	0	0	0	0	0	0	0	0
As of 31 December 2019	0	0	0	0	0	(1,551)	0	(1,551)
Net book value as of 1 January 2019	7,239	2,210	985	0	38	371	0	10,843
Net book value as of 31 December 2019	7,412	1,749	1,035	0	88	0	0	10,284

The amortization expense of EUR 857 (2019: EUR 842) has been charged in "cost of sales".

No impairment had to be recognized in the years 2020 and 2019. $\,$

Impairment tests for goodwill

Management reviews the business performance by entity and by segment level reflecting the lowest operational level of cash-generating units (CGUs).

Summary of the goodwill allocation and movements:

2020 (in EUR 1,000)	Opening	Impairment	Disposal	Currency translation difference	Closing
GS Swiss PCB AG	4,713	0	0	23	4,736
Healthcare Segment	4,713	0	0	23	4,736
exceet Secure Solutions GmbH	380	0	0	0	380
Lucom GmbH Elektrokomponenten und Systeme	2,319	0	0	0	2,319
Software (inkl. loT) Segment	2,699	0	0	0	2,699
Total	7.412	0	0	23	7.435

2019 (in EUR 1,000)	Opening	Impairment	Disposal	Currency translation difference	Closing
GS Swiss PCB AG	4,540	0	0	173	4,713
Healthcare Segment	4,540	0	0	173	4,713
exceet Secure Solutions GmbH	380	0	0	0	380
Lucom GmbH Elektrokomponenten und Systeme	2,319	0	0	0	2,319
Software (incl. IoT) Segment	2,699	0	0	0	2,699
Total	7,239	0	0	173	7,412

The recoverable amount of all CGUs is determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets covering a five-year period. Cash flows beyond the five-

year period are extrapolated using an estimated long term growth rate.

Key assumptions used for value-in-use calculations:

CASH-GENERATING UNIT (CGU)	revenue g	nd annual rowth rate five years)		margin h rate ive years)		term h rate	Pre- discou	tax nt rate
	2020	2019	2020	2019	2020	2019	2020	2019
GS Swiss PCB AG	5%	4%	5%	5%	1%	1%	7.7%	7.9%
exceet Secure Solutions GmbH	17%	17%	20%	21%	1%	1%	15.7%	10.6%
Lucom GmbH Elektrokomponenten und Systeme	8%	10%	8%	11%	1%	1%	10.4%	10.6%

The estimated recoverable amount for all cash generating units exceeds the carrying amount. Management considers the assumed gross margin will not change so significantly as to eliminate this excess.

Compound annual revenue growth / Gross margin growth

Budgeted revenues and gross margins are based on past performance and the expectation for the market and customer developments (medium-term planning) over the course of the next five years. The gross margin varies depending on the operating function of the companies and their customer mix.

Long term growth rate

The long term growth rate is estimated at 1% (2019: 1%) and used to extrapolate cash flows beyond the forecast period of five years.

Pre-tax Discount rate

Discount rates are used on a pre-tax basis and represent the current market assessment of the risks specific to each CGU. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its weighted average cost of capital (WACC) depending on the country in which the Group operates. The WACC takes debt and equity into account. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service in the different countries of operation. Segment-specific risk is incorporated by applying individual beta factors and assuming market risk premiums, depending to the expected risk on business performance. The beta factors are evaluated annually based on publicly available market data.

Sensitivity analysis

The Group has performed a sensitivity analysis on the following critical factors of the calculation for its CGU of GS Swiss PCB AG and Lucom GmbH:

- If the estimated annual revenue growth rate at 31 December 2020 would be 1 percentage point lower than management's estimates at 31 December 2020 (for example, 4% instead of 5%).
- If the estimated gross margin (Net sales less material costs) at 31 December 2020 would be 1 percentage point lower than management's estimates at 31 December 2020 (for example, 32% instead of 33%).
- If the estimated pre-tax discount rate applied to the discounted cash flows would be 1 percentage point higher than management's estimates (for example, 8.9% instead of 7.9%).

The sensitivity analysis provided no indication for potential impairments for the CGU GS Swiss PCB AG and Lucom GmbH, as the valuation of the recoverable

amount with each sensitivity impact and their combination exceeded the carrying value.

Due to the difficult foreseeable nature and volatility of projects resulting in revenues for exceet Secure Solutions GmbH CGU, the sensitivity analysis was amended as follows:

- If the estimated annual revenue growth rate at 31 December 2020 would be 10 percentage points lower than management's estimates at 31 December 2020 (for example, 7% instead of 17%).
- If the estimated gross margin (Net sales less material costs) at 31 December 2020 would be 10 percentage points lower than management's estimates at 31 December 2020 (for example, 22% instead of 32%).

The valuation headroom (the estimated recoverable amount exceeding the carrying amount) and the impact of changes in key assumptions on this headroom are shown in the following table only for entities, where a potential impairment loss might be recognized:

		Impact on the headroom of the sensitivity analysis					
CASH-GENERATING UNIT (CGU)	"Valuation Head- room based on assumptions 2020	Revenue growth rate (-10 percentage points)	Gross margin rate (-10 percentage points)	Discount rate (+1 percentage point)	Combination of all factors		
exceet Secure Solutions GmbH	4,322	(2,136)	(5,308)	(402)	(7,846)		

Based on the additional sensitivity analysis performed for exceet Secure Solutions GmbH, with a recoverable amount, based on value-in-use calculation, of EUR 4,934 as per 31 December 2020, any combination of the sen-

sitivity of the Gross margin rate with another sensitivity or the combination of all three key assumptions of the sensitity analysis together might lead to recognize an impairment loss for the amount of Goodwill of EUR 380.

7. DEFERRED TAXES / INCOME TAXES

Income taxes

(in EUR 1,000)	2020	2019
Total current income tax	(1,224)	(1,807)
Total deferred tax	(483)	440
Total income tax recognized in income statement	(1,707)	(1,367)
Total deferred tax directly recognized in other comprehensive income	41	65
Total income tax expense	(1,666)	(1,302)

Reconciliation of tax expense

(in EUR 1,000)	2020	2019
Profit before income tax expense	4,821	3,887
Group effective taxe rate	6.37%	7.80%
Tax calculated at average domestic tax rates applicable to profits in the respective jurisdictions	(308)	(303)
Non-taxable income / additional taxable expenses	(209)	(278)
Non-deductible expenses / additional taxable income	(313)	(791)
Reversal of previously recognized deferred tax assets	(825)	0
Unrecognized tax loss carryforwards, used	0	7
Effect of changes in local tax rates	7	43
Tax effect from prior years	0	(31)
Various effects	(59)	(14)
Total income tax (current & deferred)	(1,707)	(1,367)
in % of earnings before tax	35.41%	35.17%

In 2020, the composition of the Group effective tax rate was the result of the mix of profit and loss of Group companies located in countries with different tax rates.

The reason for the "additional taxable income" in the tax reconciliation 2020 and 2019 is mainly due to the capital contribution from exceet Group AG to exceet Holding S.à r.l. which triggered an income tax due to the different transaction currency of the contribution compared to the historical currency which was recognized as investment in exceet Holding S.à r.l. For 2020 the gain for this transaction recognized in exceet Holding S.à r.l. amounted to EUR 943 (2019: EUR 2,723) and was taxed with a tax rate of 27.19% (2019: 27.19%). The calculated tax of EUR 256 (2019: EUR 740) is shown within "Non-deductible expenses/additional taxable income" in the table above. EUR 209 (2019: EUR 278) are in relation to additional tax-

able expenses for the Holding company without taxable income.

Deferred tax assets of EUR 825 (2019: EUR 0) on the accumulated tax loss carry forward have been written off in 2020, as the usage of the tax losses cannot longer be expected.

At 31 December 2020, unremitted earnings have been retained by consolidated entities for reinvestment. Therefore, no provisions were made for income taxes that would be payable upon the distribution of these earnings. If these earnings were remitted, an income tax charge could result based on the tax statutes currently in effect.

Deferred taxes

The gross movement on the deferred income tax accounts is as follows:

(in EUR 1,000)	2020	2019
At 1 January	563	73
Income statement charge	(483)	440
Directly recognized in other comprehensive income	41	65
Currency translation difference	(3)	(15)
At 31 December	118	563

Composition of deferred taxes in the balance sheet

Deferred tax assets and liabilities are presented on a net basis if a legally enforceable right exists to offset current tax receivables against tax payables and if the deferred taxes exist in the same tax jurisdiction. In 2020 deferred tax liabilities in the amount of EUR 988 (2019: EUR 1,031) were offset with deferred tax assets. The following amounts remain after offsetting:

(in EUR 1,000)	2020	2019
DEFERRED TAX ASSETS		
Deferred tax assets, realized after 12 months	643	1,042
Deferred tax assets, realized within 12 months	0	0
Total deferred tax assets	643	1,042
DEFERRED TAX LIABILITIES		
Deferred tax liabilities, realized after 12 months	0	0
Deferred tax liabilities, realized within 12 months	(525)	(479)
Total deferred tax liabilities	(525)	(479)
Total deferred tax	118	563

The changes in deferred tax assets and liabilities in the current year, without taking into account the netting of open items within the same tax jurisdiction, are determined as follows:

(in EUR 1,000)	Intangible assets	Tangible assets	Inventories	Provisions	Pension liability	Capitalized tax losses carry- forwards	Others	Total
DEFERRED TAX ASSETS								
1 January 2020	45	0	0	0	380	1,649	0	2,074
Movements via income statement	(2)		•		55	(719)	•	(666)
Movements via OCI	••••		•	••••••••••	41	******************************	***************************************	41
Currency translation differences			•		1			1
31 December 2020	43	0	0	0	477	930	0	1,450
1 January 2019	0	0	0	0	332	1,740	0	2,072
Movements via income statement	2		•	•	12	(91)		(77)
Movements via OCI	43		•		22			65
Currency translation differences	••••		•	•••••••••••	14	•	***************************************	14
31 December 2019	45	0	0	0	380	1,649	0	2,074

(in EUR 1,000)	Intangible assets	Tangible assets	Inventories	Provisions	Pension liability	Longterm Liabilities	Others	Total
DEFERRED TAX LIABILITIES								
1 January 2020	(735)	(134)	(451)	(6)	0	(156)	(29)	(1,511)
Movements via income statement	203	14	(38)	•			4	183
Movements via OCI			•••••	••••••••••••		•	•	0
Currency translation differences	0	0	(3)				(1)	(4)
31 December 2020	(532)	(120)	(492)	(6)	0	(156)	(26)	(1,332)
1 January 2019	(1,149)	(162)	(500)	(6)	0	(156)	(26)	(1,999)
Movements via income statement	416	34	70				(3)	517
Movements via OCI			•	•		•	•	0
Currency translation differences	(2)	(6)	(21)					(29)
31 December 2019	(735)	(134)	(451)	(6)	0	(156)	(29)	(1,511)

Group companies have uncapitalized tax losses of EUR 9,095 (2019: EUR 29,150) as it is uncertain that the companies can utilize them. Of those tax losses EUR 20,036 (2019: EUR 20,091) have no expiry date.

8. INVENTORIES

Total	4,909	3,803
Inventory provision	(644)	(474)
Finished goods	1,114	1,006
Work in progress and semi-finished products	2,180	1,503
Raw materials	2,259	1,768
(in EUR 1,000)	2020	2019

The cost of inventories recognized as expenses and included in "cost of sales" amounted to EUR 15,819 (2019: EUR 14,111).

No Inventories are pledged (2019: EUR 0) (see note 27 "Pledged assets").

9. TRADE RECEIVABLES, NET

Total	4,370	5,223
Loss allowance	(28)	(24)
Trade accounts receivable, gross - due from third parties	4,398	5,247
[in EUR 1,000]	2020	2019

As of 31 December 2020 trade receivables of EUR 47 (2019: EUR 61) were partially impaired. The amount of the total loss allowance for these receivables amounts to EUR 28 as of 31 December 2020 (2019: EUR 24), as there is evidence that not all amounts due will be collected. In total there are EUR 0 (2019: EUR 0) insured, including EUR 0 (2019: EUR 0) receivables which are not due.

The Group has seen no impact out of the COVID-19 situation in regards to collection of receivables so far.

The ageing of the impaired receivables (referred to the due date of the receivables) is as follows:

(in EUR 1,000)	2020	2019
Not due and past due up to 3 months	0	0
Past due over 3 to 6 months	16	46
Past due over 6 to 12 months	16	8
Past due over 12 months	15	7
Total	47	61

As of 31 December 2020 trade receivables of EUR 332 (2019: EUR 577) were past due since up to 3 months but were not impaired. This decision is made based on no recent history of default of these customers.

The following table shows the movements of the provision for impairment for trade receivables:

(in EUR 1,000)	2020	2019
At 1 January	24	10
Charged/(credited) to the income statement		
- additional provisions	4	18
- unused amounts reversed	0	0
Used during the year	0	(5)
Currency translation differences	0	1
At 31 December	28	24

The gross amounts of the Group's trade receivables are denominated in the following currencies:

(in EUR 1,000)	2020	2019
EUR	770	1,281
CHF	3,324	3,589
USD	304	377
Total	4,398	5,247

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above. Accounts receivables in the amount of EUR 3,809 (2019: EUR 4,204) are pledged (see note 27 "Pledged assets").

10. CONTRACT ASSETS / LIABILITIES

The Group has recognized the following assets and liabilities related to contracts with customers:

(in EUR 1,000)	2020	2019
Contract assets from Vendor Managed Inventory (VMI) contracts	1,296	1,705
Contract assets	1,296	1,705
(in EUR 1,000)	2020	2019
Contract liability from IT services contracts	1,296	1,448
Contract liabilities	1,296	1,448

After billing the goods finally to the customer, contract assets of EUR 1,705 (2019: EUR 1,819) were moved to trade receivables. Contract assets decreased by yearend 2020 as deliveries into Vendor Managed Inventory decreased depending on the expected demand from the customer.

EUR 733 (2019: EUR 335) of contract liabilities in relation to IT service contracts have been recognized as revenue in the current year. Contract liabilities in 2020 decreased due to lower maintenance and support requirements out of signed customer agreements.

11. OTHER CURRENT RECEIVABLES

(in EUR 1,000)	2020	2019
Value added tax/withholding tax	309	530
Short-term deposit	85	86
Social securities	10	13
Payments in advance	2	1
Others	19	28
Total	425	658

Other receivables in the amount of EUR 311 (2019: EUR 503) are pledged (see note 27 "Pledged assets").

12. PREPAID EXPENSES

(in EUR 1,000)	R 1,000) 2020	
Maintenance contracts	965	1,091
Fees	42	54
Exhibition	40	26
Insurance companies	38	6
Rents	18	18
Social costs	2	2
Others	97	25
Total	1,202	1,222

Prepaid expenses are reflected in different expense accounts.

Maintenance contracts are contracts for up to 5 years and include maintenance and support services acquired from third parties to cater for customer requirements (see note 10 "Contract assets/liabilities").

13. CASH AND CASH EQUIVALENTS

Total	16,570	51,476
Short-term bank deposits	140	89
Cash at bank and on hand	16,430	51,387
(in EUR 1,000)	2020	2019

The risk that these assets will be subject to changes in value is minimal.

No cash and cash equivalents were pledged in 2020 (2019: EUR 0) (see note 27 "Pledged assets").

14. EQUITY

Share capital of exceet Group SCA

With the extraordinary general meeting (EGM) of exceet Group S.A. on 23 January 2020, the Company changed the legal form to a partnership limited by shares under the laws of Luxembourg (Société en Commandite par Actions (SCA)).

In order for this change of the legal form, the EGM decided the immediate cancellation of the 450,000 treasury shares to clean up the capital structure of exceet Group S.A. With the cancellation of the treasury shares, the reserve for treasury shares of EUR 4,525 was reclassified to retained earnings as of 23 January 2020.

With the change of the legal form, the EGM approved the creation and issuance of one unlimited share to the general partner exceet Management S.à r.l. - a limited liability company under the laws of Luxembourg (Société à responsabilité limitée (S.à r.l.)), the Shares in which are held indirectly by the founders of the Active Ownership

Group (AOC) Florian Schuhbauer and Klaus Röhrig (50% each) - subsequently increasing the share capital by Euro 0.02 to Euro 311,960.18 with 20,073,096 Voting Shares, represented by 20,073,695 Ordinary Shares and 1 Unlimited Share.

In 2019, with resolution at the extraordinary general meeting (EGM) held on 20 November 2019, the company exceet Group SE has been converted from an "Société Européenne" into the legal form of a "Société Anonyme". The issued share capital was set at 20,523,695 shares, issued as Class A Shares ("Public Shares"), with 20,073,695 Class A Shares listed on the stock exchange and 450,000 own Class A Shares held by the Company (Treasury Shares).

Share capital of exceet Group SCA has developed as follows:

Euro

Balance at 1 January 2020	311,960.16
Issuance of Unlimited Share - EGM 23 January 2020	0.02
Balance at 31 December 2020	311,960.18
Balance at 1 January 2019	311,960.16
Balance at 31 December 2019	311,960.16

The Company's share capital amounts to Euro 311,960.18, represented by 20,073,695 Ordinary Shares and one Unlimited Share with no par value. The Ordinary Shares are listed on the Frankfurt stock exchange. The number of shares is as follows:

	Total Shares	Unlimited Share	Ordinary Shares
Number of shares issued as at 1 January 2020	20,523,695	0	20,523,695
Redemption of treasury shares - EGM 23 January 2020	(450,000)		(450,000)
Issuance of Unliminted Share - EGM 23 January 2020	1	1	0
Number of shares issued as at 31 December 2020	20,073,696	1	20,073,695
Number of shares issued as at 1 January 2019	20,523,695		20,523,695
Number of shares issued as at 31 December 2019	20,523,695	•••••	20,523,695

Dividend rights

Each Public Share is entitled to receive the same amount of dividend.

Voting rights

All shares are entitled to one vote at any ordinary or extraordinary general meeting of shareholders.

Transfer restrictions

The Ordinary Shares are issued in bearer form and are freely transferable, subject to the provisions of the law and these articles of association. All rights and obligations attached to any ordinary share are passed to any transferee thereof.

The Unlimited Shares are in registered form. Any transfer of registered shares are either through a declaration of transfer recorded in the register of shares or upon a notification of a transfer by the company.

Other Reserves

Other reserves contain capital reserve, retained earnings and the foreign currency translation difference for equity. Reserve for Treasury Shares have been cancelled as per 23 January 2020 against Retained Earnings.

With resolution at the ordinary general meeting (OGM)

(in EUR 1,000)

Balance at 1 January 2020	73,325
Special distribution of reserves to the shareholders	(35,129)
Total comprehensive income for the period	2,054
Balance at 31 December 2020	40,250
Balance at 31 December 2018	131,168
Change in accounting policies (IFRS 16), net of tax	[118]
Balance at 1 January 2019	131,050
Special distribution of reserves to the shareholders	(60,221)
Total comprehensive income for the period	2,496
Balance at 31 December 2019	73,325

held on 25 June 2020, the shareholders approved the decision of the Board of Directors of the Company for a special distribution of reserves in the amount of Euro 1.75 per share or EUR 35,129 in total. The distribution was effected on 26 June 2020.

15. BORROWINGS

(in EUR 1,000)	2020	2019
NON-CURRENT		
Bank borrowings	2,962	2,948
Finance lease liabilities (note 26)	0	76
Total non-current borrowings	2,962	3,024
CURRENT		
Finance lease liabilities (note 26)	56	358
Total current borrowings	56	358
Total	3,018	3,382

Bank borrowings are denominated 100% in CHF.

The main facility agreement offers exceet a possible amount of EUR 1.4 million (CHF 1.5 million). The facility was agreed in February 2018 in the amount of CHF 23 million, and subsequent to the divestment of business activities reduced to the current level. The interest for the facility is based on Euromarket condition, including a margin depending on the leverage ratio and has a duration until 28 February 2023. The bank has the right for an extraordinary termination with the consequence of immediate repayment of outstanding debt there under and payment of a prepayment penalty, if, inter alia, a certain leverage ratio (defined as net debt divided by EBITDA) is exceeded; certain operation measures are not met or in the case of change of control of the Group. The facility is not drawn.

For the Swiss operational subsidiary lines of credit in the amount of CHF 9 million (EUR 8.3 million) were agreed at the same time and with the same duration as for the Group, containing general market conditions and requirements, including restrictions due to change of control.

The total bank borrowings of EUR 2,962 (2019: EUR 2,948) are secured by land and buildings (see note 5.1 "Tangible assets") and by assigned trade receivables.

The exposure of the Group's borrowings to interest rate changes and the contractually fixed interest repricing dates at the balance sheet dates are as follows:

(in EUR 1,000)	2020	2019
6 months up to	0	0
6 - 12 months	56	358
1 - 2 years	2,962	3,024
2 - 5 years	0	0
Over 5 years	0	0
Total	3,018	3,382

As per 31 December 2020, the borrowings within interest repricing dates of 6 months or less are mainly non-current with floating interest rates.

The carrying amounts and fair value of the non-current borrowings are as follows:

(in EUR 1,000)	2020	2019
CARRYING AMOUNT		
Bank borrowings	2,962	2,948
Finance lease liabilities	0	76
Total	2,962	3,024
FAIR VALUE		
Bank borrowings	3,009	2,993
Finance lease liabilities	0	76
Total	3,009	3,069

The fair values of bank borrowings are level 2 fair values and were determined based on actual interest rates.

The Group had the following undrawn borrowing facilities:

(in EUR 1,000)	2020	2019
Floating rate:		
- Expiring within one year	6,702	6,292
- Expiring beyond one year	0	0
Fixed rate:		
- Expiring within one year	0	0
- Expiring beyond one year	0	0
Total	6,702	6,292

The facilities have been arranged to help finance the operational activities if required. The granted current account lines are normally not fully utilized.

The table below displays the cash and non-cash movements in relation to borrowings and other financial investments:

(in EUR 1,000)	Bank borrowings	Financial lease liability	Borrowings Total	Other financial investments
2020				
Current	0	358	358	0
Non-current	2,948	76	3,024	0
As of 1 January 2020	2,948	434	3,382	0
Changes from financing Cash flows	0	(383)	(383)	0
Foreign exchange adjustments	14	5	19	0
As of 31 December 2020	2,962	56	3,018	0
Current	0	56	56	0
Non-current	2,962	0	2,962	0

(in EUR 1,000)	Bank borrowings	Financial lease liability	Borrowings Total	Other financial investments
2019				
Current	0	548	548	0
Non-current	2,840	402	3,242	0
As of 1 January 2019	2,840	950	3,790	0
Changes from financing Cash flows	0	(540)	(540)	0
Foreign exchange adjustments	108	24	132	0
As of 31 December 2019	2,948	434	3,382	0
Current	0	358	358	0
Non-current	2,948	76	3,024	0

16. RETIREMENT BENEFIT OBLIGATIONS

Contributions to retirement benefit plans are generally calculated based on the salary of the insured employees. In Switzerland, pension obligations are covered by legally segregated assets. The retirement benefit scheme of the Groups subsidiaries located in Switzerland is organized as a legally independent pension fund according to Swiss Law (BVG). The pension fund provides benefits in the event of retirement, death or disability. The plans' benefits are based on age, years of service, salary and on an individual old age account. The plan is financed by contributions paid by the employees and by the employer.

The net periodic pension cost and the defined benefit obligations have been calculated using the projected unit credit method.

The amount recognized in the balance sheet is composed as follows:

(in EUR 1,000)	(38,246)	(25.220)
Present value of funded obligation	[38,246]	(35,279)
Fair value of plan asset	34,663	32,426
Liability in the balance sheet	(3,583)	(2,853)

Movement of the defined benefit obligation:

2020 (in EUR 1,000)	Present value of obligation	Fair value of plan assets	Total
At 1 January 2020	(35,279)	32,426	(2,853)
Current service cost	(1,198)		(1,198)
Plan amendments	0		0
Gain on curtailments	0		0
Interest on obligation / assets	(106)	100	(6)
Administration expense		(82)	(82)
Total amount recorded in the income statement	(1,304)	18	(1,286)
REMEASUREMENTS			
-Return on plan assets		1,309	1,309
-Gain / (loss) from change in economic assumptions	(457)	•	(457)
-Gain / (loss) from experience	(1,136)	•	(1,136)
Total remeasurements	(1,593)	1,309	(284)
CONTRIBUTIONS			
-Company contributions		849	849
-Plan participants	(727)	727	0
Total contributions	(727)	1,576	849
PAYMENTS FOR PLAN			
-Benefit payments	802	(802)	0
Total payments for Plan	802	(802)	0
Exchange differences	(145)	136	(9)
At 31 December 2020	(38,246)	34,663	(3,583)

2019 (in EUR 1,000)	Present value of obligation	Fair value of plan assets	Total
At 1 January 2019	(33,208)	30,581	(2,627)
Current service cost	(960)		(960)
Plan amendments	(734)		(734)
Gain on curtailments	1,073		1,073
Interest on obligation/assets	(250)	232	(18)
Administration expense		(56)	(56)
Total amount recorded in the income statement	(871)	176	(695)
REMEASUREMENTS			
-Return on plan assets		3,180	3,180
-Gain/(loss) from change in economic assumptions	(2,939)		(2,939)
-Gain/(loss) from experience	(511)		(511)
Total remeasurements	(3,450)	3,180	(270)
CONTRIBUTIONS			
-Company contributions		843	843
-Plan participants	(713)	713	0
Total contributions	(713)	1,556	843
PAYMENTS FOR PLAN		······	
-Benefit payments	4,253	(4,253)	0
Total payments for Plan	4,253	(4,253)	0
Exchange differences	(1,290)	1,186	[104]
At 31 December 2019	(35,279)	32,426	(2,853)

Due to the restructuring process in 2019 within the Group, employees of exceet Group AG received limited worktime contracts, as they will leave the company latest in the next 18 months. This resulted in costs in 2019 for plan amendments of EUR 734 and gains from curtailment of EUR 1,073. For 2020 there are no such costs or gains.

Of the total charge of EUR 1,286 (2019: EUR 695), EUR 940 (2019: EUR 503) were included in "cost of sales", EUR 176 (2019: EUR 101) in "administrative expenses", EUR 170 (2019: EUR 91) in "distribution costs".

Swiss pension plan

The average life expectancy for Swiss pension plans was calculated on the basis of BVG2015 Generation tables (2019: BVG2015 Generation tables). The disability rates were also calculated on the basis of BVG2015 (2019: BVG2015).

The significant actuarial assumptions are as follows:

	2020	2019
Discount rate	0.20%	0.30%
Inflation rate	0.50%	1.00%
Interest on old age accounts	0.60%	0.60%
Future salary increases	0.50%	1.00%
Labor turnover rate	5.26%	5.60%

Life expectancy at age 65 (years):

	2020	2019
- Retiring at the end of the reporting period		
- Male	22.72	22.61
- Female	24.76	24.65
- Retiring 20 years after the end of the reporting period		
- Male	24.48	24.40
- Female	26.51	26.44

SENSITIVITY OF THE DEFINED BENEFIT OBLIGATION TO CHANGES IN THE PRINCIPAL ASSUMPTIONS

Impact on defined benefit obligation:

2020		Switzerland/Total Group
Discount rate	- 0.25%	increase of 4.7%
	+ 0.25%	decrease of 4.4%
Salary increase	- 0.25%	decrease of 0.4%
	+ 0.25%	increase of 0.5%
Pension indexation	- 0.25%	n/a
	+ 0.25%	n/a

As of the balance sheet date, the plan assets comprise the following items:

(in EUR 1,000)	2020	in %	2019	in %
Equities	8,615	24.9%	8,039	24.8%
Bonds	15,059	43.5%	15,084	46.5%
Real estate	7,294	21.0%	6,383	19.7%
Qualified insurance policies	216	0.6%	332	1.0%
Cash and cash equivalents	1,668	4.8%	975	3.0%
Other	1,811	5.2%	1,613	5.0%
Total	34,663	100.0%	32,426	100.0%

The qualified insurance policies are based on unquoted prices, all other categories are based on quoted prices in an active market.

The investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets. The main proportions of assets are invested in bonds and equities, although the Group also invests in property, hedge funds and cash. The Group believes that bonds and equities offer the best returns in the long term with an acceptable level of risk. The expected long-term return is based on past experience and on expected future returns.

The Group expects EUR 856 (2019: EUR 841) in contributions to be paid to the defined benefits plans in 2021.

The weighted average duration of the defined benefit obligation for the Swiss pension plans is 20 years.

17. ACCRUED EXPENSES

(in EUR 1,000)	2020	2019
Incentives for employees	831	1,009
Holiday and overtime	347	390
Accrued outstanding bills	257	51
Goods received without invoice	205	65
Audit and consulting fees	200	337
Provisions, third party	152	8
Social securities	90	112
Fee of Supervisory Board	85	185
Salaries	72	55
Interest	11	10
Others	102	36
Total	2,352	2,258

18. OTHER CURRENT LIABILITIES

(in EUR 1,000)	2020	2019
Social securities	316	228
Value-added tax	149	51
Othertaxes payable	28	31
Prepayments	2	23
Audit & consultancy	1	174
Others	59	50
Total	555	557

The position "Others" contains liabilities to other third parties.

19. PROVISIONS

(in EUR 1,000)	Guarantees	Restructuring	Social provisions	Others	Total
2020					
At 1 January 2020	721	230	0	6	957
Charged/(credited) to the income statement					
-Additional provisions		121			121
-Unused amounts reversed	(434)				(434)
Used during year		(125)			(125)
Currency translation differences	8	2		•	10
At 31 December 2020	295	228	0	6	529

(in EUR 1,000)	Guarantees	Restructuring	Social provisions	Others	Total
2019					
At 1 January 2019	804	0	0	6	810
Charged/(credited) to the income statement					
-Additional provisions		225			225
-Unused amounts reversed	(106)				(106)
Used during year					0
Currency translation differences	23	5			28
At 31 December 2019	721	230	0	6	957

(in EUR 1,000)	2020	2019
ANALYSIS OF TOTAL PROVISIONS		
Non-current	103	333
Current	426	624
Total	529	957

Guarantees

The Group recognizes guarantee provision to cover warranty claims. The calculation of this provision is based on past experience of warranty claims and returns. The actual costs for warranty and returns may differ from these estimates. Guarantees provided for in prior years in the amount of EUR 434 have been reversed, as these guarantees expired without any claims.

Restructuring

The restructuring provision is to cover cost in relation to the close of the office located in Rotkreuz (Switzerland).

Others

Other provisions contain EUR 6 for storage of business documents.

20. EXPENSES BY NATURE

[in EUR 1,000]	2020	2019
Raw materials and consumables used	15,819	14,011
Changes in inventories of finished goods and work in progress	(684)	97
Personnel cost (note 21)	18,355	17,996
Repair and maintenance expense	1,157	1,124
Leasing expense	16	47
Rental expense	13	55
Administrative expense	1,951	2,346
Marketing and acquisition expense	295	274
Other expense (note 23)	862	1,044
Depreciation, amortization and impairment charges (note 5/6)	3,427	3,094
Total cost of sales, distribution costs, admin & other expenses	41,211	40,088

Development costs of EUR 801 (2019: EUR 752) are included in above expenses by nature.

Administrative expenses include EUR 221 (2019: EUR 270) of audit costs for the consolidated accounts and EUR 0 (2019: EUR 21) for non-audit services charged by the Group auditor.

Restructuring costs amounted to EUR 0 (2019: EUR 597) out of personel and administrative expenses.

21. PERSONNEL COSTS

Personnel costs comprised the following cost items:

(in EUR 1,000)	2020	2019
Salaries	15,283	15,387
Social contributions	1,637	1,612
Defined benefit plan expenses (note 16)	1,286	695
Other personnel expenses	149	302
Total	18,355	17,996

Average staff headcount (FTE) for 2020 amounts to 208 (2019: 208), split into production & technical of 151 (2019: 149); management & administration of 21 (2019: 24); sales & marketing of 25 (2019: 25) and research & development of 11 (2019: 10).

22. OTHER OPERATING INCOME

Other operating income included the following items:

(in EUR 1,000)	2020	2019
Income from supplier	42	75
Income from services	15	0
Income from employees	13	17
Gain on sale of tangible assets	10	18
Income from delivery	4	4
Others	34	26
Total	118	140

23. OTHER EXPENSES

Other expenses resulted from the following items:

(in EUR 1,000)	2020	2019
Energy costs	619	494
Waste disposal and cleaning costs	259	234
Insurance costs	128	125
Freight costs	91	93
Other tax and government requirements	55	3
Vehicle Costs	17	23
Book loss of sales of equipment	3	1
Costs for claims	(348)	3
Others	38	68
Total	862	1,044

The income within costs for claims of EUR 348 is due to unused provisions (see note 19 "Provisions") from 2018.

Higher energy costs resulted out of the investment projects to enhance the production facility in Switzerland.

24. FINANCIAL RESULT

The financial results were derived as follows:

(in EUR 1,000)	2020	2019
Interest income	2	40
Foreign currency exchange gains	2,264	8,780
Financial income	2,266	8,820
Interest expenses	(60)	(140)
Leasing expenses	(59)	(91)
Foreign currency exchange losses	(1,503)	(8,045)
Other financial expenses	(176)	(366)
Financial expenses	(1,798)	(8,642)
Total	468	178

25. EARNINGS PER SHARE

Earnings per shares (EPS) are calculated by dividing the profit attributable to the ordinary shareholders of the Group by the weighted average number of Ordinary Shares outstanding during the period excluding Ordinary Shares purchased by the Group and held as Treasury Shares.

a) Basic earnings per share

The calculation of basic EPS at 31 December 2020 is based on the profit attributable to the owners of the parent of EUR 3,114 for 2020 (2019: EUR 2,520) and the weighted average number of Ordinary Shares outstanding of 20,073,695 Shares. For the same period in the previous year the notional weighted average numbers of Shares outstanding were 20,073,695 Class A Shares.

BASIC EARNINGS PER SHARE	2020	2019
Profit for the year (EUR 1,000) attributable to equity holders of the Company	3,114	2,520
Weighted average number of ordinary shares outstanding	20,073,695	20,073,695
Basic earnings per share (Euro/share)	0.16	0.13

b) Dilutive earnings per share

There are no share options or other instruments which could dilute earnings per share for 2020 and 2019.

26. OTHER FINANCIAL OBLIGATIONS/ COMMITMENTS AND CONTINGENCIES

26.1 RENTAL AND LEASE CONTRACTS

In the financial year 2020, the rental and leasing expenses for short term (up to 12 month) and below EUR 5 leasings contracts amounted total to EUR 29 (2019: EUR 102 for all leasing contracts).

Description of rental and lease contracts (short term and below EUR 5)

(in EUR 1,000)	2020	2019
OPERATING LEASE OBLIGATIONS (RENTAL) AS OF 31 DECEMBER		
< 1 year	56	42
> 1 - 5 years	0	1
More than 5 years	0	0
Total	56	43

(in EUR 1,000)	2020	2019
FINANCE LEASE OBLIGATIONS AS OF 31 DECEMBER		
< 1 year	56	362
> 1 - 5 years	0	76
More than 5 years	0	0
Total	56	438
Future finance charges on finance lease	0	(4)
Present value of finance lease liabilities	56	434

The present value of finance lease liabilities is as follows:

Present value of future finance lease liabilities	56	434
More than 5 years	0	0
>1-5 years	0	76
< 1 year	56	358
(in EUR 1,000)	2020	2019

26.2 CONTINGENT LIABILITIES

It is not anticipated that any other material liabilities will arise from the contingent liabilities other than those already provided for (see note 19 "Provisions").

27. PLEDGED ASSETS

The Company had the following pledged assets:

(in EUR 1,000)		2019
Land and building	7,284	5,986
Pledged accounts receivables	3,809	4,204
Pledged other receivables	311	503
Total	11,404	10,693

Bank borrowings are secured by land and building, receivables (see note 15 "Borrowings").

28. LIST OF CONSOLIDATED SUBSIDIARIES OF EXCEET GROUP SCA

Company	Country	Year of acquisition ¹⁾	Segment	Activity	Ref.	Share capital	Share in the capital	Share of the votes
exceet Holding S.à r.l.	LUX	2011	C&0	Holding	1	EUR 30,000	100%	100%
exceet Group AG	SUI	2006	C&0	Holding & Services	2	CHF 25,528,040	100%	100%
GS Swiss PCB AG	SUI	2006	Healthcare	Manufacturing & Sales	3	CHF 1,350,000	100%	100%
GS Swiss PCB Inc. ^{2]3]}	USA	2015	Healthcare	Sales	4	USD 10	100%	100%
exceet Secure Solutions GmbH	GER	2011	Software (incl. loT)	Development & Sales	5	EUR 1,000,000	100%	100%
Lucom GmbH Elektrokomponenten und Systeme ^{4]}	GER	2014	Software (incl.loT)	Development & Services	6	EUR 26,000	100%	100%

 $^{^{\,\,\}mathrm{1}]}$ $\,$ Year of acquisition refers to exceet Group AG point of view

Ref.	Address					
1	17, rue de Flaxweiler	L-6776 Grevenmacher	Luxembourg			
2	Riedstrasse 1	CH-6343 Rotkreuz	Switzerland			
3	Fännring 8	CH-6403 Küssnacht a. R.	Switzerland			
4	100 Sylvan Road, Suite G-700	Woburn, Massachusetts 01801	USA			
5	Rethelstrasse 47	D-40237 Düsseldorf	Germany			
6	Flössaustrasse 22a	D-90763 Fürth	Germany			

^{2]} GS Swiss PCB Inc. (former exceet USA, Inc.) ownership has been transferred from exceet Group AG to GS Swiss PCB AG as per 20.03.2020

 $^{^{\}rm 3J}$ $\,$ GS Swiss PCB Inc. (former exceet USA, Inc.) has been renamed on 17.09.2020 $\,$

 $^{^{4]}}$ exceet Secure Solutions GmbH holds 100% of the share capital of Lucom GmbH Elektrokomponenten und Systeme

On 23 January 2020 the extraordinary general meeting approved the change from a "Société Anonyme" into "Société en commandite par actions" following the name changed in 2020 from exceet Group S.A. into exceet Group SCA.

On 17 September 2020 exceet USA, Inc. has been renamed to GS Swiss PCB Inc.

New name	Previous name	Date of change
exceet Group SCA	exceet Group S.A.	23 January 2020
GS Swiss PCB Inc.	exceet USA, Inc.	17 September 2020

29. ULTIMATE CONTROLLING PARTIES AND RELATED-PARTY TRANSACTIONS

Entities and natural persons (and their families) are considered related parties if they have the possibility to control the exceet Group SCA (formerly exceet Group SE) or to exert a significant influence on its financial and business policies. For the purpose of assessing the significant influence exercised by related parties on the financial or business policies of the exceet Group SCA (formerly exceet Group SE), the existence of fiduciary relationships is taken into account in addition, to the existing control relationships.

RELATED ENTITIES

The following entities are to be considered related entities:

exceet Management S.à r.l. (General Partner)
White Elephant S.à r.l. (Active Ownership Fund)
(controlling shareholder)
White Elephant Holdco S.à r.l.
Active Ownership Investments Ltd.
Active Ownership Advisors GmbH
Active Ownership Capital S.à r.l.
Active Ownership Fund SICAV-SIF SCS
Tamlino Import & Advisory L.P.
Tamlino Investments Ltd.

RELATED PERSONS

Supervisory Board exceet Group SCA

Due to the change of the legal form of the Company to a partnership limited by shares under the laws of Luxembourg (Société en Commandite par Actions (SCA)), the extra ordinary general meeting on 23 January 2020 appointed the following members to the Supervisory Board of the Company:

- Roland Lienau (Chairman)
- Georges Bock
- Jan Klopp

MEMBERS OF THE MANAGEMENT BOARD

On 23 January 2020 the extraordinary general meeting of exceet Group S.A. adopted the change of the legal form of the Company to a partnership limited by shares under the laws of Luxembourg (Société en Commandite par Actions (SCA)). And the creation and issuance of one unlimited share to the General Partner exceet Management S.à r.l. The directors of exceet Management S.à r.l. are Klaus Röhrig, Florian Schuhbauer and Bastian Bubel.

The General Partner replaced Mr. Wolf-Günter Freese in his function in the Management Board.

The remuneration of members of the Management Board and the Supervisory Board is disclosed in note 30 "Remuneration of members of Supervisory Board and the Management Board".

TRANSACTIONS WITH RELATED PARTIES

The Group had costs charges of EUR 280 (2019: EUR 0) and no legal charges (2019: EUR 316) in 2020, EUR 23 of them outstanding as per 31 December 2020 (2019: EUR 26). For remuneration to Members of the Supervisory Board and the Management Board see note 30.

CONTINGENT LIABILITIES TOWARDS RELATED PARTIES

No contingent liabilities towards related parties.

30. REMUNERATION OF MEMBERS OF THE SUPERVISORY BOARD AND THE GENERAL PARTNER

The following remuneration relates to the financial year 2020:

(in EUR 1,000)	2020	2019
Remuneration for meetings Board of Directors	9	160
Remuneration for meetings Supervisory Board (since 23 January 2020)	164	0
Total remuneration to the Board of Directors / Supervisory Board	173	160
Salaries and social cost payments to Management Board	36	390
Post employment benefits payments to Management Board	2	37
Fee General Partner (since 23 January 2020)	70	0
Total remuneration to Management Board / General Partner	108	427

The members of the Supervisory Board hold the following shares:

SUPERVISORY BOARD (2019: BOARD OF DIRECTORS)	2020 Total shares	2019 Total shares
Roland Lienau	50,000	50,000
Georges Bock	0	n/a
Jan Klopp	0	0

31. ALTERNATIVE PERFORMANCE MEASURES

31.1 FBITDA

Earnings before interest, taxes, depreciation and amortization (EBITDA) is calculated as operating result (EBIT) plus depreciation and impairments. EBITDA is an indicator of the operating profitability of the Group.

(in EUR 1,000)	2020	2019	Reference
Operating result (EBIT)	4,353	3,709	Consolidated Income Statement
Depreciation tangible assets	1,724	1,155	Note 3
Depreciation right-of-use assets	846	1,097	Note 3
Amortisation intangible assets	857	842	Note 3
EBITDA	7,780	6,803	

31.2 EBITDA MARGIN

EBITDA Margin represents EBITDA in % of net sales. EBITDA margin is used as a normalised indicator of the operating profitability of the Group, comparable between different periods.

(in EUR 1,000)	2020	2019	Reference
Revenue	45,446	43,657	Consolidated Income Statement
EBITDA	7,780	6,803	Note 31
EBITDA Margin	17.1%	15.6%	

31.3 RECURRING EBITDA

Recurring EBITDA is calculated by adding back non-recurring costs, which are not related to the recurring operation of the Group, to the EBITDA. Non-recurring costs are defined within the Group as one-off costs (e.g. external advisory costs, provisions for reduction

of workforce) which occur due to restructuring activities within the Group. The Recurring EBITDA displays the recurring (normalized) performance of the Groups.

(in EUR 1,000)	2020	2019	Reference
EBITDA	7,780	6,803	Note 31.2
Non-recurring costs due to restructuring	0	597	Note 20
Recurring EBITDA	7,780	7,400	

31.4 RECURRING EBITDA MARGIN

Recurring EBITDA Margin represents Recurring EBITDA in % of net sales. The Recurring EBITDA Margin is used as a normalized indicator of the recurring operating profitabil-

ity of the Group, comparable between different periods excluding any one-off costs.

(in EUR 1,000)	2020	2019	Reference
Revenue	45,446	43,657	Consolidated Income Statement
EBITDA	7,780	7,400	Note 31.3
EBITDA Margin	17.1%	17.0%	

31.5 RECURRING GROUP NET RESULT

Recurring Group net result is calculated by adding back non-recurring costs, which are not related to the recurring operation of the Group, to the net result of the period. Non-recurring costs are defined within the Group as one-off costs (personnel, administration and other

expenses) which occur due to restructuring activities within the Group and foreign exchange difference not related to the normal course of business of the Group. It is used to assess the recurring (normalized) performance of the Groups.

(in EUR 1,000)	2020	2019	Reference
Profit	3,114	2,520	Consolidated Income Statement
Non-recurring costs due to restructuring	0	597	Note 20
Currency exchange difference (non-cash)	(947)	(752)	
Recurring Group net result	2,167	2,365	

31.6 FX ADJUSTED ORGANIC GROWTH RATE

Organic growth is the growth rate calculated excluding impact from changes in exchange rates or acquisitions during the reporting period. Organic growth aims at

evaluating the performance of the Group without considering non-organic factors, like acquisitions or currency fluctuations.

(in EUR 1,000)	2020	2019	Reference
Revenue	45,446	43,657	Consolidated Income Statement
Impact of the exchange rates on revenues	1,056	1,203	
Revenue for organic growth calculation	44,390	42,454	
Prior year comparable revenue	43,657	41,535	Consolidated Income Statement
Organic growth	1.7%	2.2%	

31.7 ORDER BACKLOG

Order Backlog shows the total of all not yet delivered customer orders at revenue value as at balance sheet date, to help to assess future revenue development.

(in EUR 1,000)	2020	2019	Reference
Order Backlog as per 31 December	14,865	13,871	

Currency Adjusted Backlog:

(in EUR 1,000)	2020	2019	Reference
Order Backlog as per 31 December	14,865	13,871	
Impact of the exchange rates on backlog	(56)	(365)	
Order Backlog as per 31 December	14,809	13,506	
Prior year comparable backlog	13,871	12,623	
Currency adjusted Backlog	6.8%	7.0%	

31.8 BOOK-TO-BILL-RATIO

Twelve months rolling book-to-bill-ratio is the ratio of orders received over the last twelve months to net sales

over the last twelve months, to support the analysis of potential future growth.

(in EUR 1,000)	2020	2019	Reference
Revenue	45,446	43,657	Consolidated Income Statement
Order backlog 1 January	13,871	12,623	
Revenue	45,446	43,657	Consolidated Income Statement
Order backlog prior year adjustment/FX effects	(1,375)	(1,578)	
Order backlog 31 December	14,865	13,871	
Orders received during the period	45,065	43,327	
Book-to-bill-ratio	0.99	0.99	

31.9 OPERATING NET WORKING CAPITAL

Operating Net Working Capital is defined as the sum of inventories plus trade receivables minus trade payables.

This values allows to assess the capital requirement of the Group.

(in EUR 1,000)	2020	2019	Reference
Inventories	4,909	3,803	Consolidated Balance Sheet
Trade receivables	4,370	5,223	Consolidated Balance Sheet
Trade payables	(1,681)	(1,167)	Consolidated Balance Sheet
Operating Net Working Capital	7,598	7,859	

31.10 NET CASH

Net Cash is calculated as financial debt adjusted for cash and cash equivalents to assist in presenting the Group's financial capacities at balance sheet date.

(in EUR 1,000)	2020	2019	Reference
Bank borrowings (current and non-current)	2,962	2,948	Note 15
Finance lease (current and non-current)	56	434	Note 15
Total borrowings (current and non-current)	3,018	3,382	Consolidated Balance Sheet
Less: cash and cash equivalents	(16,570)	(51,476)	Consolidated Balance Sheet
Net (cash)	(13,552)	(48,094)	

31.11 EQUITY RATIO

Equity Ratio is calculated as the ratio of total equity to total assets, representing the Group's financial leverage and stability.

Equity ratio	70.9%	82.2%	
Total Equity	40,562	73,637	Consolidated Balance Sheet
Total Assets	57,202	89,587	Consolidated Balance Sheet
(in EUR 1,000)	2020	2019	Reference

31.12 FREE CASH FLOW

Free cash flow is based on cash flow from operations minus net capital expenditure (adjusted for finance lease). This performance indicator represents the cash being generated by the Group after necessary capital expenditures to maintain and expand its asset base.

(in EUR 1,000)	2020	2019	Reference
Cash flow from operating activities	7,447	5,436	Consolidated Cash Flow
Net capital expenditures ¹⁾	(6,686)	(5,194)	Note 3
Free cash flow	761	242	

^{1]} Including cash from disposal of assets EUR 32 (2019: EUR 18)

32. EVENTS AFTER THE BALANCE SHEET DATE

There were no other events since the balance sheet date on 31 December 2020 that would require adjustment of assets or liabilities of disclosure.

AUDIT REPORT

To the Shareholders of exceet Group SCA

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

OUR OPINION

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of exceet Group SCA (the "Company") and its subsidiaries (the "Group") as at 31 December 2020, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Our opinion is consistent with our additional report to the Audit Committee or equivalent.

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated balance sheet as at 31 December 2020;
- the consolidated income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of cash flows for the year then ended;
- the consolidated statement of changes in equity for the year then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

BASIS FOR OPINION

We conducted our audit in accordance with the EU Regulation No 537/2014, the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" (CSSF). Our responsibilities under the EU Regulation No 537/2014, the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the consolidated financial statements" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the consolidated financial statements. We have fulfilled our other ethical responsibilities under those ethical requirements.

To the best of our knowledge and belief, we declare that we have not provided non-audit services that are prohibited under Article 5(1) of the EU Regulation No 537/2014.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter: Recoverability of goodwill

As per Note 6 to the consolidated financial statements, Intangible Assets mainly comprise Goodwill (EUR 7.4 million), representing 13% of the total assets of the Group.

Management's assessment of the recoverable amount of Goodwill requires significant judgment and the determination of critical estimates or assumptions, such as the estimation of future cashflows, discount rates and long-term growth rates. If the estimates or assumptions used should significantly change, the resulting differences could materially affect the carrying amount of the goodwill.

How our audit addressed the Key audit matter

With respect to the impairment test of Goodwill, our procedures included, but were not limited to the following:

- We evaluated Management's determination of the underlying cash-generating units. We gained an understanding of and assessed the process of identification of impairment indicators and of the annual impairment test and the development of the key assumptions in the valuation models used. We tested the valuation models for consistency and arithmetical accuracy;
- We assessed the reasonableness of assumptions in the prospective financial information attributable to the cash generating units (projected revenues, margins, long-term growth rates, tax rates) by considering past and current performance and comparing trends with external industry specific analysis, when appropriate;

- We have further compared the current year actual results with the forecast figures included in the prior year impairment tests and assessed that the prior year assumptions have proven to be reasonable;
- We have also compared year-to-date results with the 2021 budget to ensure that the current assumptions have proven to be reasonable;
- We performed procedures with our internal valuation specialists to obtain audit evidence over the weighted average cost of capital (WACC) independently;
- We reviewed Management's sensitivity analysis and related disclosures;
- We assessed the overall adequacy of the disclosures in the consolidated financial statements.

OTHER INFORMATION

The General Partner is responsible for the other information. The other information comprises the information stated in the consolidated management report and the Corporate Governance Statement but does not include the consolidated financial statements and our audit report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE GENERAL PARTNER FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The General Partner is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs as adopted by the European Union, and for such internal control as the General Partner determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the General Partner is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the General Partner either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The General Partner is responsible for presenting the consolidated financial statements in compliance with the requirements set out in the Delegated Regulation 2019/815 on European Electronic Format ("ESEF Regulation").

RESPONSIBILITIES OF THE "RÉVISEUR D'ENTREPRISES AGRÉÉ" FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The objectives of our audit are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the EU Regulation No 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the EU Regulation No 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement
 of the consolidated financial statements, whether due
 to fraud or error, design and perform audit procedures
 responsive to those risks, and obtain audit evidence that
 is sufficient and appropriate to provide a basis for our
 opinion. The risk of not detecting a material misstatement
 resulting from fraud is higher than for one resulting from
 error, as fraud may involve collusion, forgery, intentional
 omissions, misrepresentations, or the override of internal
 control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the General Partner;
- conclude on the appropriateness of the General Partner's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Group to cease to continue as a going concern;

- evaluate the overall presentation, structure and content
 of the consolidated financial statements, including the
 disclosures, and whether the consolidated financial
 statements represent the underlying transactions and
 events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate to them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our audit report unless law or regulation precludes public disclosure about the matter.

Our responsibility is to assess whether the consolidated financial statements have been prepared in all material respects with the requirements laid down in the ESEF Regulation.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

The consolidated management report is consistent with the consolidated financial statements and has been

prepared in accordance with applicable legal requirements.

The Corporate Governance Statement is included in the consolidated management report. The information required by Article 68ter Paragraph (1) Letters c) and d) of the Law of 19 December 2002 on the commercial and companies register and on the accounting records and annual accounts of undertakings, as amended, is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

We have been appointed as "Réviseur d'Entreprises Agréé" by the General Meeting of the Shareholders on 25 June 2020 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 9 years.

We have checked the compliance of the consolidated financial statements of the Group as at 31 December 2020 with relevant statutory requirements set out in the ESEF Regulation that are applicable to consolidated financial statements.

For the Group it relates to:

- Consolidated financial statements prepared in a valid xHTML format;
- The XBRL markup of the consolidated financial statements using the core taxonomy and the common rules on markups specified in the ESEF Regulation as described in Note 1.

In our opinion, the consolidated financial statements of the Group as at 31 December 2020, identified as exceet_ Group_Annual_Report_2020.zip, have been prepared, in all material respects, in compliance with the requirements laid down in the ESEF Regulation.

PricewaterhouseCoopers, Société cooperative Luxembourg, 18 March 2021 Represented by

François Mousel

EXCEET GROUP SCA

MANAGEMENT REPORT

Registered office: exceet Group SCA 17, rue de Flaxweiler L-6776 Grevenmacher

RCS No.: B148525

All figures presented should be read as in Euro, if not stated otherwise.

STRUCTURE & REPORTING

exceet Group SCA (hereafter the "Company" or "exceet") — until 20 November 2019 trading as exceet Group SE and as of then, until 23 January 2020, trading as exceet Group S.A. - is a company existing as a "Société en Commandite par Actions" under the law of Luxembourg and listed on the regulated market of the Frankfurt Stock Exchange (WKN: A0YF5P / ISIN: LU0472835155) in the Prime Standard segment. The Company's purpose is to pursue an opportunistic investment approach without a defined investment strategy.

exceet Group SCA has of a portfolio of technology companies, which are specialized in the development and production of complex electronics for small and mid-sized volumes and software with locations in Switzerland, Germany, Luxembourg and the USA. For further details in relation to the subsidiaries please refer to the exceet Group consolidated financial statements.

OBJECTIVES & BUSINESS STRATEGY

exceet Group SCA is a listed cash-flow and growth oriented holding company. Group companies benefit from economies of scale out of continuous operational improvement processes as well as from financing support. The managing directors of the companies have the operational freedom to realize the targets agreed within the framework of exceet's reporting and risk management system. This allows the fast recognition of operational and strategic tendencies, which might have to be discussed and followed up. Important elements of this steering process are key performance indicators related to profitability and liquidity. This stringent process will allow for continued organic growth or new acquisitions. Finally, for exceet the increase of its share price is considered to be a key indicator for rising shareholder value.

exceet Group SCA Management follows for future investments an opportunistic investment approach by abandoning fixed criteria. This includes value-enhancing investments into the existing operational units: the PCB activities (healthcare) and the secure connectivity related activities (software).

exceet's investment focus lays on seizing attractive risk / reward profiles without restrictions regarding the asset class, structure or duration of such investments. Therefore, it might be possible that further investments will take place in areas outside the current business activities of exceet. As a long-term investor, exceet bases its decisions for a continuous engagement on the sustainable development of the Company and its market environment.

For further details please refer to the exceet Group Management Report and the articles of the association of exceet Group SCA^{1} .

MAJOR EVENTS DURING THE REPORTING PERIOD

exceet Group SCA is managed by exceet Management S.à r.l. (hereafter the "General Partner"), a limited liability company under the law of Luxembourg (Société à responsabilité limitée (S.à r.l.)), the shares in which are held indirectly by the founders of the Active Ownership Group (AOC) Florian Schuhbauer and Klaus Röhrig (50% each).

On 23 January 2020 an extraordinary shareholder meeting of exceet Group S.A. approved the conversion of exceet Group S.A. into exceet Group SCA. On 20 November 2019 the former exceet Group SE changed its legal form into exceet Group S.A. This conversion was a necessary interim step towards the conversion of exceet Group SE into a partnership limited by shares under the law of Luxembourg (Société en Commandite par Actions (SCA).

On 25 June 2020 the shareholders decided in the ordinary shareholder meeting about the special distribution to the shareholders in the total amount of EUR 35,128,966 (EUR 1.75 per share). This amount was paid on 30 June 2020 out of the share premium account.

The Company decided to reverse the impairment on shares of affiliated undertakings in the amount of EUR 10,980,511, as the value-in-use considerably increased since the recognition of the impairment in 2018.

^{1]} https://ir.exceet.com/fileadmin/exceet/downloads/ir/corp_govern/2020.01.23_Articles_of_Association_exceet_Group_SCA.pdf

COVID-19 pandemic also influenced exceet Group SCA with its subidiaries.

End of the first quarter exceet Group has to be prepared for negative impacts due to the Covid-19 pandemic. While existing Software business remain pretty stable in 2020, the relaunch of new software product "exceet connect" were more or less blocked by COVID-19 pandemic. Planned sales activities and marketing relaunches were not possible. The Healthcare business continued its strong development until second quarter. Customers reduced respectively delayed their orders, because COVID-19 pandemic decreased the demand of end customers. Short time working has been in place until third quarter to mitigate the negative effects. Since October 2020 the business recovered significantly. Finally, exceet Group could finish the year 2020 with increased sales and performance level compared to 2019.

NET ASSETS, FINANCIAL POSITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS

exceet Group SCA, as a holding company, is subject to operating expenses in nature and does not have any operational profit.

In 2020 the company made a profit of EUR 12,306,194 (2019: loss of EUR 1,844,739).

The other external expenses for the Company were EUR 743,177 (2019: EUR 930,790), this comprised mainly of costs in connection with legal fees, audit fees, investor relations, consulting fees, rent charges, insurance charges, fees for tax compliance, bank charges and travel costs of the Supervisory Board. The other operating charges of EUR 180,115 (2019: EUR 192,922) were mainly compensation of the Company's independent directors for their services on the Supervisory Board in the amount of EUR 172,758 (2019: EUR 160,000).

In 2020 the "value adjustments in respect of financial assets and of investments held as current assets" resulted in a gain of EUR 13,282,824, of which EUR 2,302,313 amounted out of the cancellation of the 450,000 own shares held as Treasury Shares in the

amount of EUR 2,223,000 until 23 January 2020 and the reserve for own shares of EUR 4,525,313. In the prior year, the valuation loss of own shares amounted to EUR 657,000. Additionally EUR 10,980,511 resulted from the reversal of impairment on the investment of exceet Holding S. à r.l., as the calculated value-in-use increased compared to 2019 and 2018, when the impairment was recognized.

The "interest payable and similar expenses" was composed of negative bank interests of EUR 23,146 (2019: EUR 52,434).

BALANCE SHEET POSITIONS

As at 31 December 2020 the Company's balance sheet revealed total assets of EUR 92,096,151, compared to EUR 119,769,082 at the end of the previous year. This decrease was mainly the result of the capital contribution from exceet Holding S.à r.l. of EUR 31,500,000 and increased due to the reversal of impairment of EUR 10,980,511, which reduced the shares in affiliated undertakings from EUR 111,000,000 to EUR 90,480,511 as per 31 December 2020.

The current assets amounted to EUR 1,604,582 (2019: EUR 8,763,945). The main reason for the decrease was the reduced level of cash at bank and in hand compared to prior year (2020: EUR 1,586,928 - 2019: EUR 6,540,945).

The prepayments amounted to EUR 11,058 (2019: EUR 5,137).

Capital and reserves moved from EUR 119,237,227 as per 31 December 2019, to EUR 91,889,148 as per 31 December 2020, reflecting the profit for the financial year of EUR 12,306,194 (2019: loss of EUR 1,844,739) and the special distribution to the shareholders in the total amount of EUR 35,128,960 (EUR 1.75 per share). This amount was paid on 26 June 2020 out of the share premium account.

The total creditors amounted to EUR 176,811 (2019: EUR 531,855). Trade creditors decreased to EUR 176,811 from EUR 531,855 in prior year.

EMPLOYEES

As at 31 December 2020, there were no employees in the Company. For further information concerning employees of the exceet Group, please refer to the exceet Group Management Report pages 22 to 23.

DEVELOPMENT AND TECHNOLOGY INVESTMENTS

In 2020 and 2019, no development expenditures occurred within the Company. For details concerning development expenditure of the exceet Group please refer to the exceet Group Consolidated Financial Statements note 20 "Expenses by nature".

OTHER DISCLOSURES

For information regarding:

- Non-financial performance indicators
- Opportunities and risk report
- Report on expected developments
- Corporate Governance
- Takeover Law
- Forward-Looking Statements
- Financial calendar

Please refer to the exceet Group Management Report pages 3 to 37.

RESPONSIBILITY STATEMENT

In accordance with article 3(2) c) of the Transparency Law the undersigned declares that, to the best of his knowledge, the Annual Accounts in accordance with Luxembourg Law give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company. The undersigned further declares that, to the best of his knowledge, the Management Report includes a fair review of the development and performance of the business and the position of the Company, together with the description of the principal risks and uncertainties it faces.

Grevenmacher, 18 March 2021

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

Klaus Röhrig
On behalf of the Board of Managers
of exceet Management S.à r.l.

exceet Group SCA

EXCEET GROUP SCA

(SOCIÉTÉ EN COMMANDITE PAR ACTIONS)

ANNUAL ACCOUNTS 31 DECEMBER 2020

BALANCE SHEET

(in EUR)	Note	31 December 2020	31 December 2019
ASSETS			
Fixed assets			
Financial assets			
Shares in affiliated undertakings	3	90,480,511	111,000,000
Total fixed assets		90,480,511	111,000,000
Current assets			
Other debtors			
Becoming due and payable within one year		17,654	0
Investments			
0wn Shares	4	0	2,223,000
Cash at bank and in hand		1,586,928	6,540,945
Total current assets		1,604,582	8,763,945
Prepayments		11,058	5,137
Total assets		92,096,151	119,769,082
CAPITAL, RESERVES AND LIABILITIES	·····		
Capital and reserves			
Subscribed capital		311,960	311,960
Share premium account		103,578,029	138,706,989
Reserves			
Reserve for own shares	4	0	4,525,313
Profit or (loss) brought forward		(24,307,035)	(22,462,296)
Profit or (loss) for the financial year		12,306,194	(1,844,739)
Total capital and reserves	5	91,889,148	119,237,227
Provisions			
Provisions for taxation	6	30,070	0
Total provisions		30,070	0
Creditors			
Trade creditors			
Becoming due and payable within one year	7	176,811	531,855
Other creditors			
Tax authorities	•	122	0
Total creditors		176,933	531,855
Total capital, reserves and liabilities		92,096,151	119,769,082

The accompanying notes form an integral part of these annual accounts.

PROFIT AND LOSS ACCOUNT

(in EUR) Not	e 2020	2019
Other external expenses	3 (743,177)	(930,790)
Other operating expenses	(180,115)	(192,922)
Value adjustments in respect of current assets and of investments held as current assets 3/4/1	13,282,824	(657,000)
Interest payable and similar expenses		
- concerning affiliated undertakings	0	(6,778)
- other interest and similar expenses	(23,146)	(52,434)
Other taxes (net wealth tax)	(30,192)	(4,815)
Profit or (loss) for the financial year	12,306,194	(1,844,739)

The accompanying notes form an integral part of these annual accounts.

NOTES TO THE ANNUAL ACCOUNTS

1. GENERAL INFORMATION

exceet Group SCA (hereafter the "Company") is a Luxembourg Company and subject to the general company law of Luxembourg. The company was originally incorporated as a European Stock Corporation (Société Européenne (SE)) on 9 October 2009. exceet Group SE was converted into a Luxembourg Société Anonyme (S.A.) on 20 November 2019. On 23 January 2020 an extraordinary shareholder meeting of exceet Group S.A. approved the conversion into exceet Group SCA a Luxembourg Société en Commandite par Actions (SCA). Under the SCA as the new legal form, exceet will be managed by exceet Management S.à r.l. (hereafter the "General Partner"), a limited liability company under the law of Luxembourg (Société à responsabilité limitée (S.à r.l.)), the shares in which are held indirectly by the founders of the Active Ownership Group (AOC) Florian Schuhbauer and Klaus Röhrig (50% each).

The Company is established for an unlimited period and is located at 17, rue de Flaxweiler, L-6776 Grevenmacher (Luxembourg) and is registered with the Register of Commerce and Companies of Luxembourg under the section B number 148.525. The shares are listed on the regulated market of the Frankfurt Stock Exchange (WKN: A0YF5P / ISIN: LU0472835155) in the Prime Segment.

The Company's purpose is to pursue an opportunistic investment approach without a defined investment strategy. Therefore it is creating, holding, developing and realizing a portfolio consisting of interests and rights of any kind and of any other form of investment in entities in the Grand Duchy of Luxembourg and in foreign entities, whether such entities exist or are to be

created, especially by way of subscription, acquisition by purchase, sale or exchange of securities or rights of any kind whatsoever, such as equity instruments, debt instruments, patents and licenses, as well as the administration and control of such portfolio.

The Company may further grant any form of security for the performance of any obligations of the Company or of any entity in which it holds a direct or indirect interest or right of any kind or in which the Company has invested in any other manner or which forms part of the same group of entities as the Company and lend funds or otherwise assist any entity in which it holds a direct or indirect interest or right of any kind or in which the Company has invested in any other manner or which forms part of the same group of companies as the Company. It may borrow in any form and may issue any kind of notes, bonds and debentures and generally issue any debt, equity and/or hybrid securities in accordance with Luxembourg law and may carry out any commercial, industrial, financial, real estate or intellectual property activities which it may deem useful in accomplishment of these purposes.

The conversion into a partnership limited by shares under the laws of Luxembourg (Société en Commandite par Actions (SCA)) did not affect the legal and economic identity of the Company.

COVID-19 impacted partly the business of the subsidiaries, but without any impact on the valuation of the investments.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

The financial statements as per 31 December 2020 of the Company are prepared in accordance with current Luxembourg legal and regulatory requirements under the historical cost convention.

Accounting policies and valuation rules are, besides the ones laid down by the modified Law of 19 December 2002, as amended, determined and applied by the Supervisory Board and General Partner of the Company.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires the Supervisory Board and General Partner to exercise its judgement in the process of applying the accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period in which the assumptions changed. The Supervisory Board and General Partner believes that the underlying assumptions are appropriate and that the financial statements therefore present the financial position and results fairly.

The financial statements have been prepared in accordance with the valuation rules and accounting policies described below.

2.2 FOREIGN CURRENCY TRANSLATION

The Company maintains its accounting records in Euro (EUR). The financial statements are expressed in this currency.

Transactions denominated in foreign currencies other than EUR are translated separately into EUR at the exchange rates ruling at the date of transaction.

Fixed assets, which are expressed in currencies other than EUR, are translated into EUR at the exchange rate effective at the date of the transaction. No subsequent translation adjustments are recorded at each balance sheet date. At the balance sheet date, these assets remain translated at historical exchange rates.

All other assets, including long term loans disclosed under fixed assets, expressed in currencies other than EUR are valued individually at the lower of their value translated into EUR at historical exchange rates or at exchange rates prevailing at the balance sheet date. Unrealized exchange losses resulting from this conversion are recorded in the profit and loss account of the year. The exchange gains are recorded in the profit and loss account at the moment of their realization.

Liabilities expressed in currencies other than EUR are valued individually at the higher of their value translated into EUR at historical exchange rates or at the exchange rates prevailing at the balance sheet date. Unrealized exchange losses resulting from this conversion are recorded in the profit and loss accounts of the year. The exchange gains are recorded in the profit and loss account at the moment of their realization.

Realized exchange gains and losses are reflected in the profit and loss account of the year.

2.3 FINANCIAL ASSETS

Financial assets, including shares in affiliated undertakings and loans to these undertakings, are valued at their acquisition cost including the expenses incidental hereto. Value adjustments are made in respect of financial assets to recognize a durable reduction in their value. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

2.4 DEBTORS

Debtors are stated at their nominal value. Value adjustments are recorded if the net realizable value is lower than the book value. These value adjustments are not continued if the reasons for which the value adjuments were made have ceased to apply.

2.5 OWN SHARES

Own shares are recorded at acquisition cost. In accordance with article 430-18 of the Law on Commercial companies, a non-distributable reserve ("Reserve for own shares") was credited for an equivalent amount from "Profit or loss brought forward". A value adjustment for own shares is recorded in profit and loss when the market value is lower than the acquisition cost, without any impact on the non-distributable reserve. If the share price increases and the impairment is no longer considered durable, a reversal of value adjustments will be recognized in the profit and loss account without any impact on the non-distributable reserve.

2.6 PREPAYMENTS

Prepayments include expenditure incurred during the financial year but relating to a subsequent financial year.

2.7 PROVISIONS

Provisions are intended to cover losses or debts the nature of which is clearly defined and which, at balance sheet date are either likely to be incurred or certain to be incurred but uncertain as to their amount or as to the date on which they will arise. Provisions may also be created to cover charges which originate in the financial year under review or in a previous financial year, the nature of which is clearly defined and which at the date of the balance sheet are either likely to be incurred or certain to be incurred but uncertain as to their amount or the date on which they will arise.

2.8 CREDITORS

Creditors are recorded at their reimbursement value. Where the amount repayable on account is greater than the amount received, the difference is shown as an asset and is written off over the period of the debt based on a linear method.

3. FINANCIAL ASSETS - SHARES IN AFFILIATED UNDERTAKINGS

Undertakings in which the Company holds at least 20% of the share capital are as follows:

Name	Registered office	Percentage of ownership	Last balance sheet date	Net equity * (EUR)	Gain for the financial year * (EUR)
exceet Holding S.à r.l.	Grevenmacher, Luxembourg	100%	31 December 2020	74,547,725	14,667,104

^{*} according to audited annual accounts in accordance with current Luxembourg legal and regulatory requirements

On 18 June 2020, the Company received a distribution of capital reserves (share premium) from its sole investment exceet Holding S.à r.l. in the amount of EUR 31,500,000. The received amount reduced the investment to EUR 79,500,000. The net equity of exceet Holding S.à r.l. according to the audited financial statement as per 31 December 2020 amounted to EUR 74,547,725 after the distribution of EUR 31,500,000 share premium.

In 2018 the Company performed an impairment test of the investment and asset. Out of this test resulted a value adjustment of EUR 10,980,511. With the year-end 2020 the Company performed another impairment test and based on the improved value-in-use calculation of the investment and decided to reverse the impairment in the full amount of EUR 10,980,511 increasing the value of the investment to EUR 90,480,511.

4. OWN SHARES

On 23 January 2020 the extraordinary general meeting of exceet Group S.A. approved the proposals of the Board of Directors to the immediate redemption of the 450,000 treasury shares to clean up the capital structure of exceet Group S.A.

At inception, the value of the 450,000 treasury shares amounted to EUR 4,525,313 in 2011. Accumulated value adjustments since then amounted to EUR 2,302,313.

The Treasury shares were valued at 31 December 2019 with the market value of EUR 4.94 representing a total value for own shares of EUR 2,223,000. Additionally, a reserve for own shares in the amount of EUR 4,525,313 had been recognized within equity at inception. With the cancellation of the 450,000 treasury shares, this reserve has been booked against the value of own shares and resulted in a gain of EUR 2,302,313.

5. EQUITY

Changes in equity are:

_ (in EUR)	Subscribed capital	Share premium account	Reserve for own shares	Profit or (loss) brought forward	Profit or (loss) for the financial period	Total capital and reserves
Opening balance 1 January 2020	311,960	138,706,989	4,525,313	(22,462,296)	(1,844,739)	119,237,227
Allocation of prior year result				(1,844,739)	1,844,739	0
Cancellation of Own Shares			(4,525,313)			(4,525,313)
Issuance of 1 Unlimited Share	0	6				6
Special distribution	•	(35,128,966)				(35,128,966)
Result for the financial year					12,306,194	12,306,194
Closing balance 31 December 2020	311,960	103,578,029	0	(24,307,035)	12,306,194	91,889,148

On 23 January 2020 the extraordinary general meeting of exceet Group S.A decided to change the legal form of the Company to a partnership limited by shares under the laws of Luxembourg (Société en Commandite par Actions (SCA)). With this change the extraordinary general meeting also decided the creation and issuance of one unlimited share to the general partner exceet Management S.à r.l. - a limited liability company under the laws of Luxembourg (Société à responsabilité limitée (S.à r.l.)). The shares in which are held indirectly by the founders of the Active Ownership Group (AOC) Florian Schuhbauer and Klaus Röhrig (50% each) - subsequently increasing the share capital by Euro 0.02 to Euro 311,960.18 with 20,073,096 voting shares, represented by 20,073,695 Ordinary Shares and 1 Unlimited Share.

The issued share capital as of 31 December was set at 20,523,695 Ordinary shares and 1 Unlimited Share. The Ordinary Shares are listed on the stock exchange.

As at 31 December 2020 the issued share capital equalled the authorized share capital.

Legal Reserve

Under Luxembourg law, 5% of the net profit of the year, net of any losses brought forward, must be allocated to a legal reserve until such reserve equals 10% of the issued share capital. This reserve is not available for dividend distribution.

Reserve for own shares

As stated in note the reserve for own shares was cancelled as per 23 January 2020.

6. TAX

Details of this capital are as follows:

(in EUR)	31 December 2020	31 December 2019
Provision for Luxembourg net wealth tax 2020	30,070	0
Total	30,070	0

7. TRADE CREDITORS

This caption included amounts for invoices payable to suppliers and for accrued charges for invoices received after the balance sheet date regarding expenses incurred during the financial year ended 31 December 2020. They are becoming due and payable within one year.

(in EUR)	31 December 2020	31 December 2019
Third party invoices payable	6,967	174,487
Accruals for tax compliance services	0	6,500
Accruals for audit services	48,357	35,968
Accruals for directors remuneration	85,000	185,000
Accruals for services from related parties	23,439	25,500
Accruals for legal services from third parties	5,000	100,000
Other accruals	8,048	4,400
Total	176,811	531,855

8. OTHER EXTERNAL EXPENSES

The other external expenses included mainly costs for legal fees, audit fees, investor relations, consulting fees, rent charges, insurance charges, fees for tax compliance, bank charges and travel costs of the Supervisory Board. The accrued costs for the audit of the Company financial statements amounted to EUR 151,009.

9. OTHER OPERATING EXPENSES

The other operating expenses resulted mainly from the compensation of the Company's independent directors for their services on its Supervisory Board as well as the annual charges of the Commission de Surveillance du Secteur Financier (CSSF) and charges for listing to the Frankfurt Stock Exchange.

10. VALUE ADJUSTMENTS IN RESPECT OF FINANCIAL ASSETS AND OF INVESTMENTS HELD AS CURRENT ASSETS

The value adjustment in the financial period was the result out of the cancellation of the own shares [further details in note 4 "Own shares"] and the rever-

sal of the impairment out of 2018 in the amount of EUR 10,980,511 (see note 3 "Financial assets – Shares in affiliated undertakings").

(in EUR)	01.01 31.12.2020	01.01 31.12.2019
Reversal of impairment on the investment of exceet Holding S.à r.l.	10,980,511	0
Value adjustment recognized on own shares	2,302,313	(657,000)
Total	13,282,824	(657,000)

11. EMOLUMENTS GRANTED TO THE MEMBERS OF THE MANAGEMENT AND SUPERVISORY BODIES

For 2020 an amount of EUR 172,758 (2019: EUR 160,000) has been recognized in profit and loss statement, of which EUR 76,753 has not been paid yet

to the Supervisory Board. EUR 70,200 has been recognized in profit and loss statement a fee for the General Partner.

12. SUBSEQUENT EVENTS

There were no other events since the balance sheet date on 31 December 2020 that would require adjustment of assets or liabilities of disclosure.

AUDIT REPORT

To the Shareholders of exceet Group SCA

REPORT ON THE AUDIT OF THE ANNUAL ACCOUNTS

OUR OPINION

In our opinion, the accompanying annual accounts give a true and fair view of the financial position of exceet Group SCA (the "Company") as at 31 December 2020, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts.

Our opinion is consistent with our additional report to the Audit Committee or equivalent.

What we have audited

The Company's annual accounts comprise:

- the balance sheet as at 31 December 2020;
- the profit and loss account for the year then ended; and
- the notes to the annual accounts, which include a summary of significant accounting policies.

BASIS FOR OPINION

We conducted our audit in accordance with the EU Regulation No 537/2014, the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" (CSSF). Our responsibilities under the EU Regulation No 537/2014, the Law of 23 July 2016

and ISAs as adopted for Luxembourg by the CSSF are further described in the "Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the annual accounts" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the annual accounts. We have fulfilled our other ethical responsibilities under those ethical requirements.

To the best of our knowledge and belief, we declare that we have not provided non-audit services that are prohibited under Article 5(1) of the EU Regulation No 537/2014.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts of the current period. These matters were addressed in the context of our audit of the annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter: Carrying value of investment

As per Note 3 to the annual accounts, the Company has an investment in shares in one subsidiary for a carrying value of EUR 90.5 million, representing 98% of the total assets of the Company. The Company reversed the impairment of EUR 11.0 million recorded in the past on this investment.

Management's assessment of the recoverable value requires significant judgment and the determination of critical estimates or assumptions, such as the estimation of future cash-flows, discount rates and long term growth rate of the underlying investments. Should the estimates or assumptions used significantly change, the resulting differences could materially affect the carrying value of the subsidiary.

How our audit addressed the key audit matter

We gained an understanding of and evaluated Management's processes to estimate the recoverable value of the investment and development of the key assumptions in the valuation model used. We tested the valuation model for consistency and mathematical accuracy;

- We assessed the reasonableness of assumptions in the prospective financial information (projected revenues, margins, long-term growth rates, tax rate) by considering past and current performance and comparing trends with external industry specific analysis, when appropriate;
- We performed procedures with our internal valuation specialists to obtain audit evidence over the weighted average cost of capital (WACC);
- We also compared the carrying value of the investment with the market capitalisation of the Company;
- We assessed the overall adequacy of the disclosures in the annual accounts.

OTHER INFORMATION

The General Partner is responsible for the other information. The other information comprises the information stated in the management report and the Corporate Governance Statement but does not include the annual accounts and our audit report thereon.

Our opinion on the annual accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the annual accounts, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the annual accounts or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE GENERAL PARTNER FOR THE ANNUAL ACCOUNTS

The General Partner is responsible for the preparation and fair presentation of the annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts, and for such internal control as the General Partner determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the General Partner is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the General Partner either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The General Partner is responsible for presenting the annual accounts in compliance with the requirements set out in the Delegated Regulation 2019/815 on European Electronic Format ("ESEF Regulation").

RESPONSIBILITIES OF THE "RÉVISEUR D'ENTREPRISES AGRÉÉ" FOR THE AUDIT OF THE ANNUAL ACCOUNTS

The objectives of our audit are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the EU Regulation No 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

As part of an audit in accordance with the EU Regulation No 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

 identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the General Partner;
- conclude on the appropriateness of the General
 Partner's use of the going concern basis of accounting
 and, based on the audit evidence obtained, whether a
 material uncertainty exists related to events or conditions that may cast significant doubt on the Company's
 ability to continue as a going concern. If we conclude
 that a material uncertainty exists, we are required to
 draw attention in our audit report to the related disclosures in the annual accounts or, if such disclosures are
 inadequate, to modify our opinion. Our conclusions are
 based on the audit evidence obtained up to the date of
 our audit report. However, future events or conditions
 may cause the Company to cease to continue as a
 going concern;
- evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate to them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual accounts of the current period and are therefore the key audit matters. We describe these matters in our audit report unless law or regulation precludes public disclosure about the matter.

Our responsibility is to assess whether the annual accounts have been prepared in all material respects with the requirements laid down in the ESEF Regulation.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

The management report is consistent with the annual accounts and has been prepared in accordance with applicable legal requirements.

The Corporate Governance Statement is included in the management report. The information required by Article 68ter Paragraph (1) Letters c) and d) of the Law of 19 December 2002 on the commercial and companies register and on the accounting records and annual accounts of undertakings, as amended, is consistent with the annual accounts and has been prepared in accordance with applicable legal requirements.

We have been appointed as "Réviseur d'Entreprises Agréé" by the General Meeting of the Shareholders on 25 June 2020 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 9 years.

We have checked the compliance of the annual accounts of the Company as at 31 December 2020 with relevant statutory requirements set out in the ESEF Regulation that are applicable to annual accounts.

For the Company it relates to annual accounts prepared in a valid xHTML format.

In our opinion, the annual accounts of the Company as at 31 December 2020, identified as exceet_Group_Annual_Report_2020.zip, have been prepared, in all material respects, in compliance with the requirements laid down in the ESEF Regulation.

PricewaterhouseCoopers, Société cooperative Luxembourg, 18 March 2021 Represented by

François Mousel

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