N.V. Nederlandsche Apparatenfabriek “Nedap”

Annual general meeting of shareholders

Amsterdam, 4 April 2019
Solid progress in 2018
## Financial results 2018

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue (€ x 1 million)</td>
<td>191.4</td>
<td>182.2</td>
<td>+5%</td>
</tr>
<tr>
<td>Operating profit excl. one-off items (€ x 1 million)</td>
<td>19.4</td>
<td>15.9</td>
<td>+22%</td>
</tr>
</tbody>
</table>
Paradigm shift
Paradigm shift in Retail

RF
Sharp decline in roll-outs
Very competitive market
Project driven

RFID
Many retailers interested
Strong market position Nedap
Recurring revenue

*short term: negative impact on revenue*

*long term: excellent growth opportunity*
RFID in practice
Need for physical shielding
Our answer: virtual shielding!

• Reading labels multiple times on multiple locations
• Storing signal processing data
• Using smart algorithms to determine right location
• Patent pending

<table>
<thead>
<tr>
<th>Comparison overview</th>
<th>Virtual shielding</th>
<th>Physical shielding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Labor costs</td>
<td>none</td>
<td>---</td>
</tr>
<tr>
<td>Material costs</td>
<td>none</td>
<td>--</td>
</tr>
<tr>
<td>Leakage</td>
<td>0-5%</td>
<td>15-20%</td>
</tr>
<tr>
<td>Sub-location data</td>
<td>+++</td>
<td>+</td>
</tr>
</tbody>
</table>

Virtual shielding can save retailers millions in investments in tinfoil!
Ready for growth!
Livestock Management

- Strong growth in 2018
- Both in cow and pig market
- Two innovation awards Eurotier
Livestock Management

• Strong growth in 2018
• Both in cow and pig market
• Two innovation awards Eurotier

Positive long term perspective...
... but 2019 will be challenging
– return to normal sales levels in cow market
– growing impact of African Swine Fever
Healthcare

• Expanded market leadership elderly care
• Increased market share in disabilities care
• First large mental healthcare organization has switched to Nedap
Healthcare

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- First steps with eHealth applications
Healthcare

• Expanded market leadership elderly care
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• First large mental healthcare organization has switched to Nedap
• First steps with eHealth applications
• Introduction NUTS, a decentralized, open source communication network
• Introduction Helder, first software service aimed at general practitioners

*Strengthened market position, increased growth potential*
Progress Changing Gears

- Capturing Growth
- Enabling Growth
- Sustaining Growth
IN 2018 WE’VE WELCOMED 89 NEW NEDAP FAMILY MEMBERS!

GROWTH PER QUARTER

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>23</td>
</tr>
<tr>
<td>2</td>
<td>20</td>
</tr>
<tr>
<td>3</td>
<td>15</td>
</tr>
<tr>
<td>4</td>
<td>31</td>
</tr>
</tbody>
</table>

HIRES

COMMERCIAL: 41
TECHNICAL: 48

MOST HIRED UNIVERSITIES

- UNIVERSITY OF TWENTE: 28
- HOGESCHOOL SAXION: 12
- HOGESCHOOL ARNHEM/NIJMEGEN: 9
- RIJKUNIVERSITEIT GRONINGEN: 6
- UNIVERSITY OF UTRECHT: 5
- OTHER: 29

EDUCATION LEVEL

- MASTER: 48
- BACHELOR: 38
- PHD: 2
- PRE UNIVERSITY: 1

TOP 5 RECRUITMENT METHODS

<table>
<thead>
<tr>
<th>Method</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>AGENCY</td>
<td>32</td>
</tr>
<tr>
<td>LIFE AT NEDAP</td>
<td>21</td>
</tr>
<tr>
<td>INTERNSHIPS</td>
<td>8</td>
</tr>
<tr>
<td>REFERRALS</td>
<td>8</td>
</tr>
<tr>
<td>EVENTS</td>
<td>7</td>
</tr>
<tr>
<td>OTHER</td>
<td>13</td>
</tr>
</tbody>
</table>

NEW NEDAPPERS PER BUSINESS UNIT

- HEALTHCARE: 28
- RETAIL: 16
- SECURITY MANAGEMENT: 12
- GENERAL: 12
- LIVESTOCK MANAGEMENT: 10
- STAFFING SOLUTIONS: 5
- IDENTIFICATION SYSTEMS: 4
- LIGHT CONTROLS: 2
Introduction new logo
Introduction new logo
To sum it all up

2018 has been a solid year for Nedap

a lot of work remains to be done in 2019
Financial highlights 2018

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Amsterdam, 4 April 2019
Financial Highlights

• Revenue and Operating Profit
• NAPP
• Profit, Financial Position and Dividend
• Financial Performance versus Financial Targets
• Outlook
Revenue and Operating Profit

- Revenue: €191.4 mio (+5%)
  - Healthcare and Livestock Management: solid growth
  - Identification Systems and Security Management: slight growth
  - Light Controls and Staffing Solutions: slightly down
  - Retail: substantially down
  - Recurring revenue: €37.2 mio (+20%)

- Added Value (‘Gross Margin’): 62%
  - Effect of outsourcing
  - Added value per FTE: €179k (+7k)
Revenue and Operating Profit

• Development costs
  – € 25.9 mio (23.5 mio)
  – % of Revenue: 14% (13%)
  – Capitalized: € 0.7 mio (€ -.- mio)

• Operating profit
  – € 19.4 mio (+22%)
  – Operating margin: 10.2% (+1.5%)
  – No one-offs
Nedap Additional Participation Plan (NAPP)

- **NAPP structure**
  - Operating profit* 2016 starting point: € 12.2 mio
  - Threshold: 5% annual growth
  - 40% of operating profit* exceeding threshold allocated to NAPP
    - 2018 threshold: € 17.5 mio
    - 2019 threshold: € 18.4 mio
      - Thresholds adjusted for sale of Nsecure
      - Thresholds take into account communicated cost savings related to the restructuring of the supply chain (2017: € 2.0 mio; 2018: € 4.0 mio)

- **Who:** all individuals employed by Nedap, worldwide
- **How:** fully in certificates of shares (4 yr. lock-up, right to dividends)
- Management has discretionary authority to alter plan

* Excluding one-off items
NAPP 2018

• Threshold 2018: € 17.5 mio

• Operating profit 2018 excluding NAPP: € 20.7 mio
  – Surplus: € 3.2 mio
  – NAPP allocation (40%): € 1.3 mio (personnel costs)
  – Operating profit 2018 including NAPP: € 19.4 mio

• NV delivered shares to Stichting Medewerkerparticipatie Nedap
  – Shares from treasury stock
Profit, Financial Position and Dividend

- Net result for the year: € 17.1 mio (-39%)
  - 2017: Sale Nsecure
- Return on Invested Capital (ROIC): 25% (+3%)
  - High inventories (€ 37.5 mio)
- Solvency: 56% (+1%)
- Net debt / EBITDA: 0.6 (0.6)
- New financing agreement:
  - Size: € 44 mio, 7 years (April 2026)
  - No covenants, flexible structure
  - Lower interest rate
- Dividend per share: € 2.50 (2.50)
Key Financials

<table>
<thead>
<tr>
<th>(in millions of euros)</th>
<th>FY 2018</th>
<th>FY 2017</th>
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<tr>
<td>Revenue (x €1M)</td>
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<td>Recurring revenue (x €1M)</td>
<td>37.2</td>
<td>30.9</td>
<td>20%</td>
</tr>
<tr>
<td>Added value as % of revenue</td>
<td>62%</td>
<td>62%</td>
<td>-</td>
</tr>
<tr>
<td>Operating profit excl. one-off items (x €1M)</td>
<td>19.4</td>
<td>15.9</td>
<td>22%</td>
</tr>
<tr>
<td>Operating profit incl. one-off items (x €1M)</td>
<td>19.4</td>
<td>9.9</td>
<td>96%</td>
</tr>
<tr>
<td>Operating profit (excl. one-off items) as % of revenue</td>
<td>10.2%</td>
<td>8.7%</td>
<td>-</td>
</tr>
<tr>
<td>Profit for the financial year (x €1M)</td>
<td>17.1</td>
<td>28.0</td>
<td>-39%</td>
</tr>
<tr>
<td>Earnings per share (x € 1)</td>
<td>2.66</td>
<td>4.21</td>
<td>-37%</td>
</tr>
<tr>
<td>Earnings per share excl. one-off items (x € 1)</td>
<td>2.66</td>
<td>2.02</td>
<td>32%</td>
</tr>
<tr>
<td>Dividend per share (x € 1)</td>
<td>2.50</td>
<td>2.50</td>
<td>-</td>
</tr>
<tr>
<td>31/12/2018</td>
<td>31/12/2017</td>
<td></td>
<td></td>
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<tr>
<td>Net debt/EBITDA</td>
<td>0.6</td>
<td>0.6</td>
<td>-</td>
</tr>
<tr>
<td>Solvency</td>
<td>56%</td>
<td>55%</td>
<td>-</td>
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<tr>
<td>Return on invested capital (ROIC)</td>
<td>25%</td>
<td>22%</td>
<td>-</td>
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Financial targets

High and growing added value per FTE

Long-term autonomous revenue growth
Recurring revenue outgrows total revenue

Operating profit, excluding one-off items, of at least 10%, increasing further in the following years

Conservative financing structure
Solvency > 45% | Net Debt/EBITDA < 1.5

High dividend pay-out

* 2017 reflects increased dividend due to the sale of Nsecure
Outlook

Nedap is optimistic about the developments in 2019 and expects a further increase in revenue, unforeseen circumstances notwithstanding.

However, the Board of Management finds it too early to make any statements about the level of growth in revenue over 2019 as a whole.

Growth depends on the general economic climate, as well as on developments on certain markets and with individual customers.