

Investor presentation

February 2022



/ Disclaimer

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Nedap N.V. ("Nedap")
nedap.com

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Nedap at a glance



/ Technology for Life



- Nedap focuses on **Technology for Life**: developing technological solutions that make people more successful and happier in their professional lives. We create **True Value**.
- To have a positive impact on people's professional lives this requires a people-centred approach; **First People, then Technology**.
- Designing Technology for Life requires a **long-term perspective**. This perspective is essential for the continuity of our purpose.
- We regard market share as proof of our relevance; therefore, we always **strive for leadership** in the markets we are active in.
- **A high added value per employee** is the indicator for our success in converting market and technology insights into real market impact.
- Our people, our culture and our perspective on leadership collectively form the basis of our distinctive capabilities, therefore **we are uniquely qualified** to create Technology for Life.

/ Key facts



Founded in
1929



Listed since
1947



High-tech
company



4 core
technologies



800±
employees



Shared value
creation



Leading
positions in 7
selected niche
markets



**Headquarters in Groenlo,
The Netherlands**
Offices in Belgium, China, Dubai,
Germany, Hong Kong, the
Netherlands, Poland, Spain, UK and
the U.S.A.



Entrepreneurial,
innovative
culture



Highly skilled
and dedicated
staff

Revenue

(2021)

€ 207 million

Market Cap

(31-12-2021)

€ 419 million

Operating Profit

(2021)

€ 23.1 million

ROIC

(2021)

36%

/ Board of directors



Ruben Wegman (1966) - CEO

Joined Nedap in 1997

CEO since 2009

- Nedap board member since 2002
- Several management positions at Nedap since 1997
- Started career at Shell
- Graduated in Computer Sciences
- Various executive programs, including INSEAD and IMD



Daniëlle van der Sluijs (1972) - CFO

Joined Nedap in 2020

- Nedap board member since 2020
- Previously Group Finance Director at ForFarmers N.V.
- Several financial positions at Numico, Crucell and the Port of Rotterdam Authority
- Graduated in Business Administration, completed Executive Master of Finance & Control at VU and completed New Board Program at Nyenrode



Rob Schuurman (1969) - CCO

Joined Nedap in 2004

- Nedap board member since 2022
- Managed various business units within Nedap
- Previously he was a regional director at Start People Uitzendbureau
- Graduated in Electrical and Electronic Engineering from HAN University of Applied Sciences

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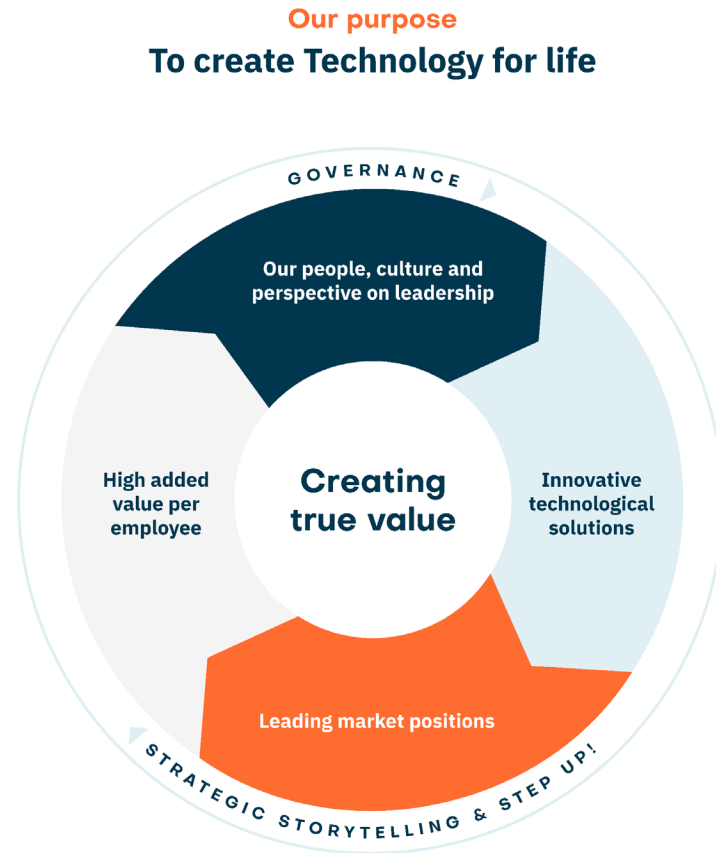
Strategy



/ Our business model

Focus on 4 core technologies

1. Connected devices
2. Communications technology
3. Software architecture
4. User eXperience



Leading positions in 7 niche markets

1. Healthcare
2. Identification Systems
3. Light Controls
4. Livestock Management
5. Retail
6. Security Management
7. Staffing Solutions

/ Create - Scale - Core model

In more detail, we look at propositions in various stages of market adoption:

Create

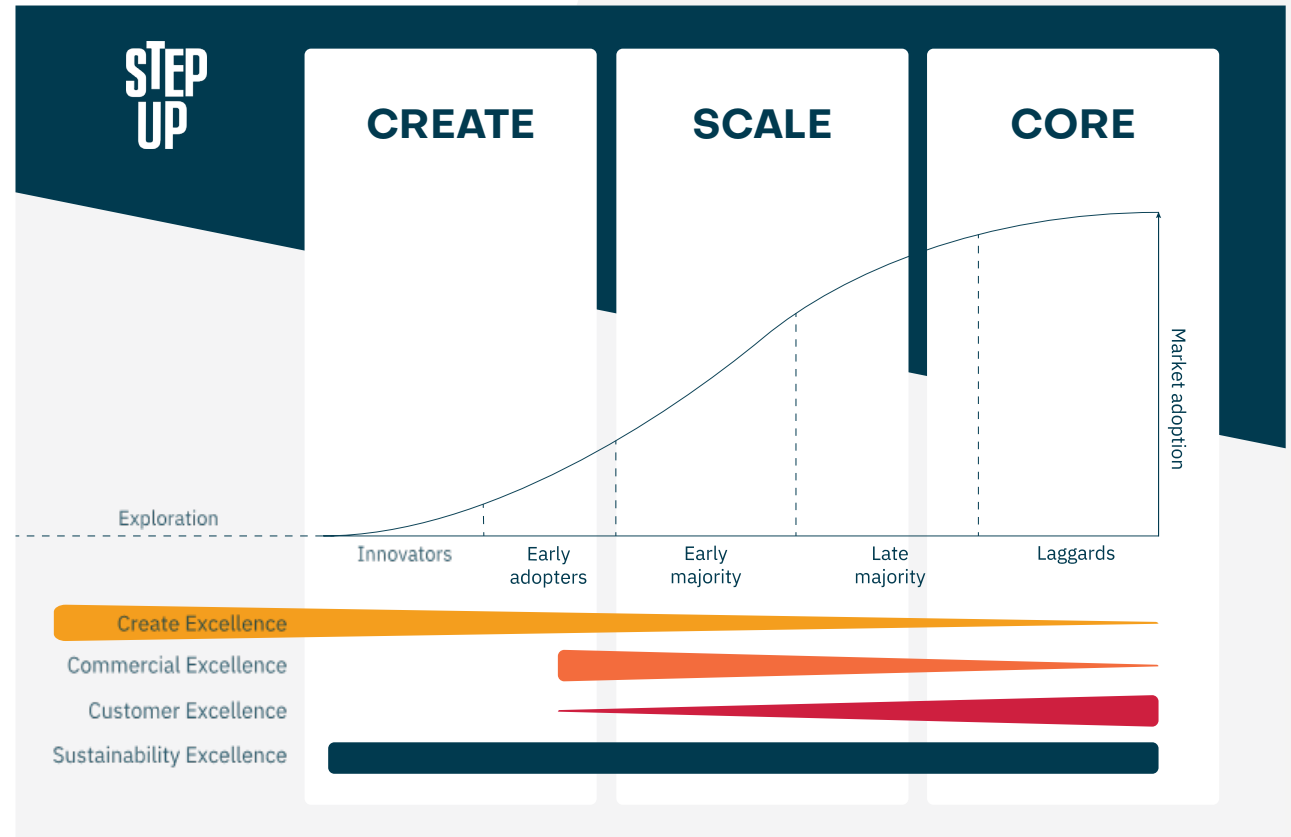
exploration and development: assessing leadership potential

Scale

growing towards maturity: gaining leadership

Core

mature market: maintaining leadership at good margins



/ Business units

Livestock Management



Automation of livestock management processes based on identification of individual animals, globally

Identification Systems



Vehicle identification and vehicle access control solutions, globally

Security Management



Solutions for access control and security systems, globally

Healthcare



Cloud solution for administrative, logistic and care processes at care providers in The Netherlands

Retail



Global RFID solutions for optimised inventory management, simplified shop processes and prevention of shrinkage

Light Controls



Power electronics and control systems for the lighting industry in the USA & Europe

Staffing Solutions



Digitised timesheet processing, planning and employee scheduling in the Netherlands

/ Shared value creation

- Nedap's shared value creation in the markets where Nedap participates
 - value for **people**, the **environment** and **society**
 - healthy **financial** results
- Focus on long term **commercial** success and our intrinsic motivation to do this in sustainable way will reinforce each other
- Positive impact by creating Technology for Life

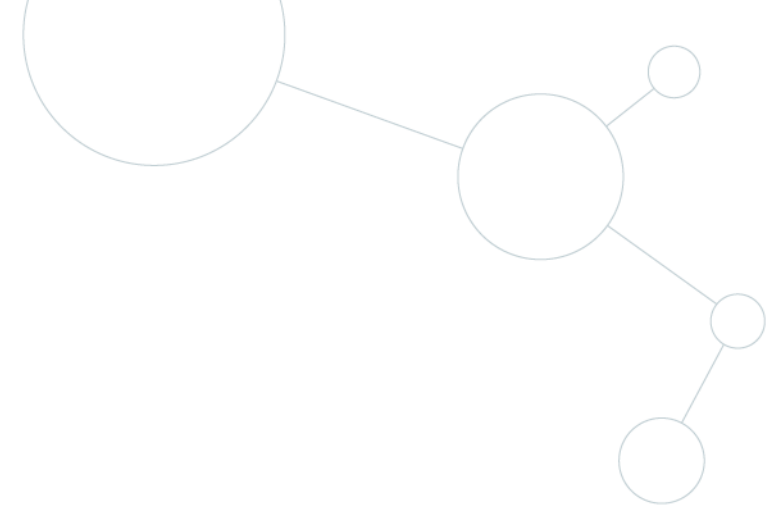
Sustainable impact (outcome)



/ Focus areas sustainability

- Operations: net zero CO₂ in 2030
- Partners: Product Lifecycle management – analysing the impact during the full lifecycle
- Employees: talent developments, diversity and inclusivity
- Customers: We only want to pursue opportunities with propositions that contribute to making our customers' business model more sustainable

/ Financial ambition



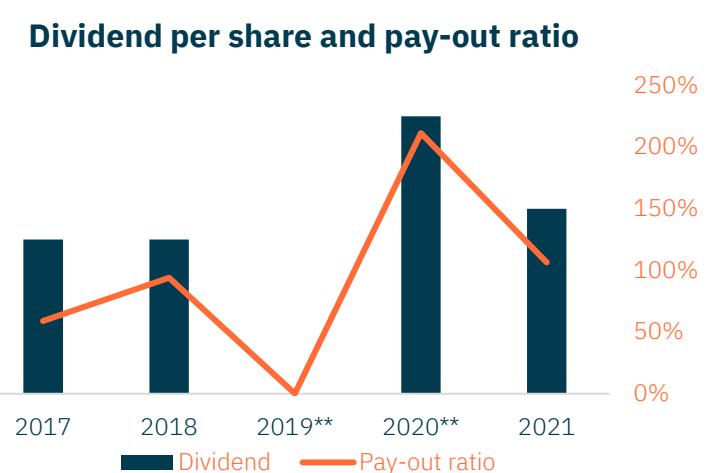
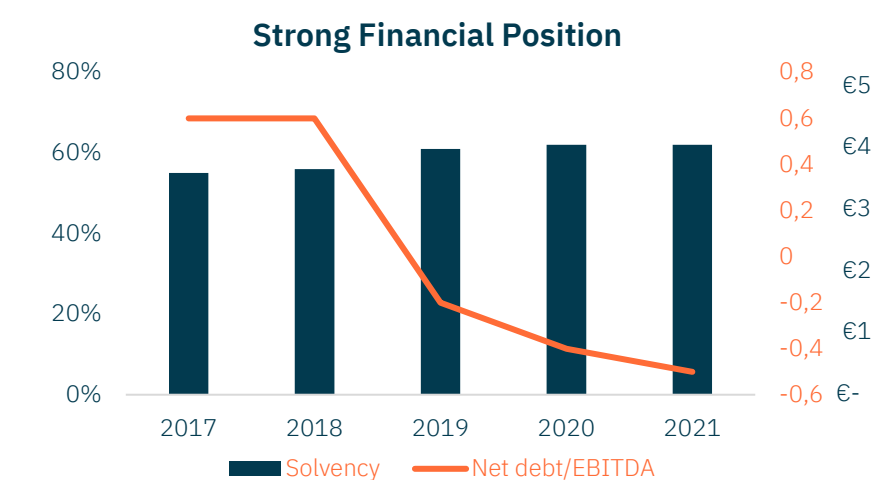
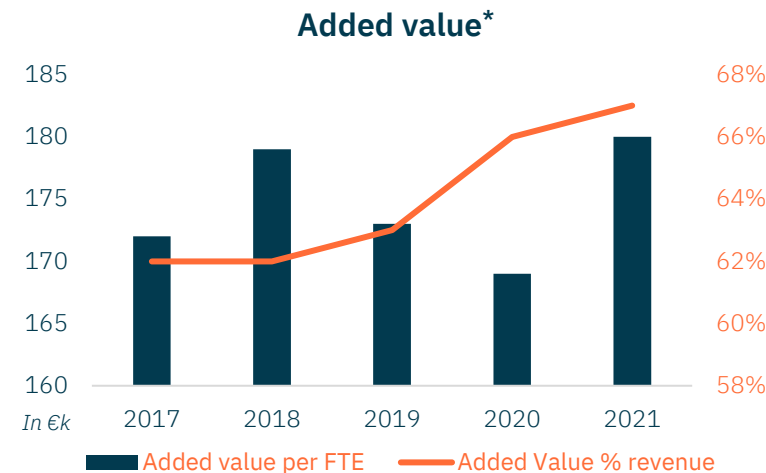
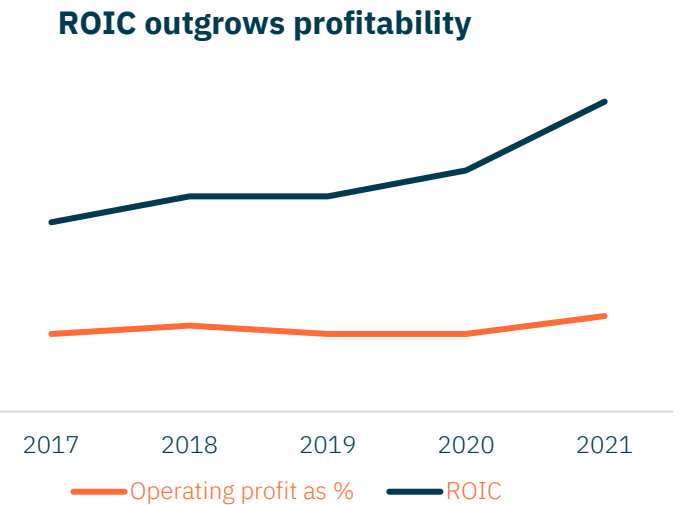
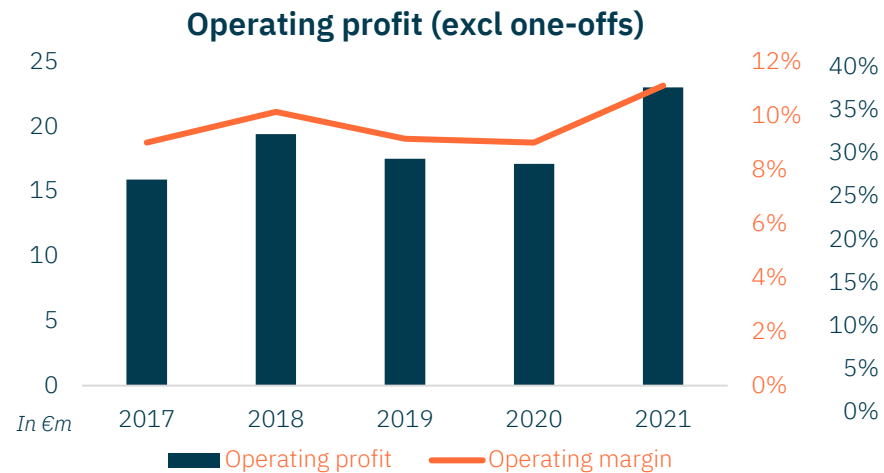
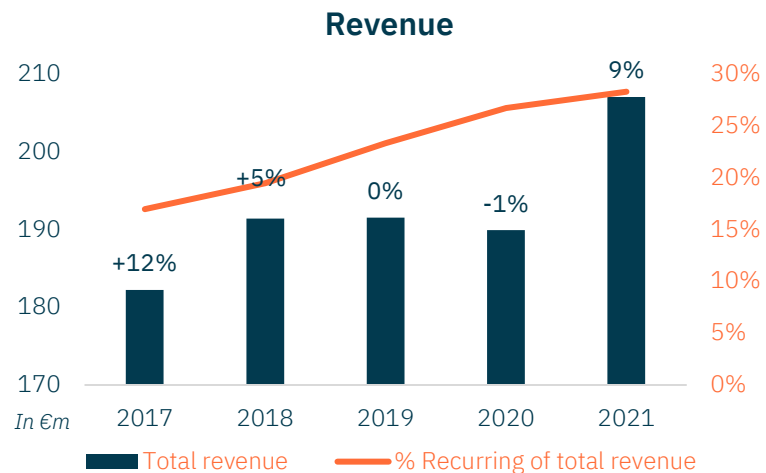
Towards 2025:

- an autonomous **high-single-digit revenue** growth
- a growing operating **margin towards 15%** (*excluding one-offs*)
- return on invested capital (**ROIC**) that outgrows profitability

To ensure our long-term perspective and focus on growth and innovation we need a **strong financial position**:

- solvency rate of at least 50% and Net debt/EBITDA of a maximum of 1.5
- profits are paid out as dividend to shareholders, after deduction of the amount needed for investments in profitable growth and the intended financial structure

/ Financial performance



* Added value is revenue plus or less inventory movements, the cost of materials and outsourced work and logistical costs

** The dividend for 2020 includes a one-off interim dividend, following an earlier decision to withdraw the dividend proposal for 2019 due to the Covid-19 pandemic.

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Key propositions



/ iD Cloud

Merchandise simply available

We observe

Fashion retailers have great difficulty in keeping an accurate overview of their stock levels. This leads to a mismatch in supply and demand, dissatisfied customers and missed revenue opportunities.

We create

By combining RFID knowledge with powerful new software concepts, Nedap has created iD Cloud. This solution gives fashion retailers detailed insight into their stock in the shortest possible time with up to more than 98% accuracy, whilst it is still compatible with the retailers' total ICT environment.

We scale

With the cloud-based software service and a growing global ecosystem of implementation and technology partners, Nedap iD Cloud can roll out quickly and easily in large retail chains. At the moment Nedap is the global market leader in this fast growing market.



/ AEOS

Security above everything

We observe

More and more organisations are struggling with the sharply increasing and fundamentally changing security requirements, which can hardly be met by traditional security systems.

We create

Based on modern software concepts and open standards, Nedap has built a powerful security platform that focuses on ease of use. By combining a diversity of smart software components, the most diverse and complex security issues can be solved with our standard software solution.

We scale

Many leading institutions around the world are now working with the AEOS security system. Nedap has gained a leading European position in the security management market for large and complex systems.



/ CowControl™

Where is Bertha 128?

We observe

The market for dairy farming is changing rapidly: Scaling up is a prerequisite for remaining profitable, while suitable personnel are becoming scarcer.

We create

Nedap has created an all-in-one monitoring and management system for dairy cows. This produces simple to use action-oriented management information based on collected essential animal data. This solution contributes to higher returns, better business operations, and better animal welfare.

We scale

Nedap is the global market leader in management systems of dairy cows because its propositions are and remain relevant for every type of dairy farm worldwide. Thanks to the distribution network of business partners that are active internationally, Nedap is further expanding its market position.



/ ONS softwareplatform

Improved care, better working conditions

We observe

The healthcare sector suffers from a large staff shortage and a high workload, partly due to a high administrative burden. At the moment, existing administrative systems do not sufficiently meet the specific requirements and wishes of healthcare providers.

We create

Nedap has developed a single system, Ons, that supports the entire care process and reduces the complexity of administrative processes. By combining the most modern software technologies with a great emphasis on user-friendliness, healthcare providers once again enjoy their work.

We scale

By adding functionalities and connecting partners and systems, the Ons software platform has evolved into a core system for healthcare institutions. Nedap is now the market leader in care for the elderly and is rapidly expanding its position in care for the disabled and mental health care.



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Nedap investment proposition

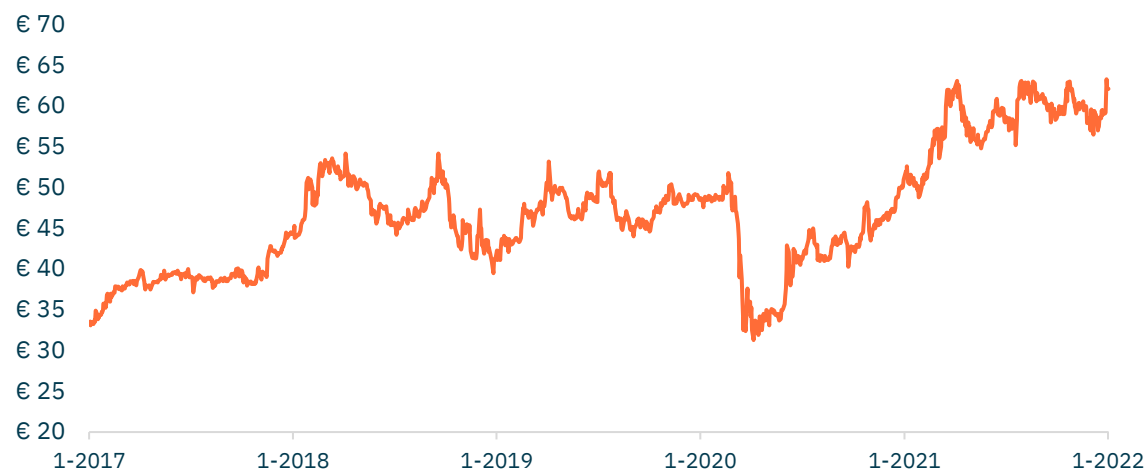


/ Investment proposition

- Focus on 4 core technologies and 7 niche markets offers opportunities to build winning platforms
- Ample autonomous growth potential through scalable propositions
- High and growing added value per FTE driven by our entrepreneurial culture
- Create sustainable value for our customers, employees and partners
- Growth in margins and recurring software services
- Asset light business model that enhances capital efficiency and cash conversion
- Solid financial position
- Attractive dividend

/ Nedap share

Share price development



Relative share performance Nedap



Overview of notifications major shareholdings AFM *

Shareholder	Stake in Nedap
Cross Options Beheer B.V.	14.61%
Teslin Participaties Coöperatief U.A.	10.19%
Kempen Capital Management N.V.	10.00%
NN Group NV.	9.97%
ASR Nederland N.V.	8.20%
Decico B.V.	5.01%
Nedap N.V.	4.14%
Add Value Fund N.V.	3.36%

Not-disclosed shareholding to AFM:

Stichting Medewerkerparticipatie Nedap	2.87%
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The Nedap Share	2021	2020
# shares outstanding (end of year)	6.486.501	6.468.343
# Shares traded	848.936	1.630.213
Share price end of year	€ 62,60	€ 51,00
Dividend per share	€ 3,00	€ 4,50 **
Price-earnings ratio	22	24
Dividend yield (end of year)	4.79%	8.82%
Market cap (end of year)	€ 419 M	€ 341 M

* Lists all notifications to the Dutch Authority for the financial markets (AFM) as per mid-February 2022.

** The dividend for 2020 includes a one-off interim dividend, following an earlier decision to withdraw the dividend proposal for 2019 due to the Covid-19 pandemic.

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FY 2021



/ Key figures

Key Financials (in millions of euros)	FY2021	FY2020	%
Revenue	207,0	189,9	9%
Recurring revenue	58,5	50,7	16%
Recurring revenue as percentage of revenue	28%	27%	
Added value* as percentage of revenue	67%	66%	
Added value per FTE (x € 1,000)	180	169	
Operating profit	23,1	17,1	35%
Operating margin	11,1%	9,0%	
Net profit	18,3	13,8	33%
Earnings per share (x € 1)	2,82	2,13	32%
Dividend per share (x € 1)	3,00	4,50 **	
Return on invested capital (ROIC)	36%	28%	
Net debt/EBITDA	-0,5	-0,4	
Solvency	61%	62%	

* Added value is revenue plus or less inventory movements, the cost of materials and outsourced work and logistical costs.

** The dividend for 2020 includes a one-off interim dividend, following an earlier decision to withdraw the dividend proposal for 2019 due to the Covid-19 pandemic.

/ Highlights 2021

- Revenue amounted to € 207.0 million, up 9% on 2020, despite increasing scarcity on components. All business unit contributed to the growth. Recurring revenue rose 16% and now makes up 28% of revenue.
- Added value increased from 66% to 67% of revenue.
- Operating profit increased with 35% to €23.1 million, with operating margin improving to 11.1%, compared to 9.0% in 2020.
- Net profit came in at €18.3 million in 2021 (€ 2.82 per share), compared to €13.8 million in 2020 (€ 2.13 per share). The dividend for the 2021 financial year has been set at € 3,00.
- Added value per FTE grew to € 180,000 in 2020 (€ 169,000 in 2020).
- Financial results are in line with the financial objectives towards 2025, unveiled during the Capital Markets Day on 17 March 2021. These objectives include a revenue that is developing towards annual high-single-digit autonomous growth and an operating (EBIT) margin that grows towards 15%.
- Despite disruptions in the supply chain and an increasing shortage of talented new employees, further growth in revenue is expected in 2022.

/ Consolidated income statement

(€ x 1,000)

	2021	2020
Revenue	207,012	189,916
Cost of goods sold	-67,687	-64,818
Added value	139,325	125,098
Personnel costs	-83,317	-74,376
Amortisation	-1,039	-1,115
Depreciation	-8,450	-8,022
Other operating costs	-23,447	-24,466
Operating costs	-116,253	-107,979
Operating result	23,072	17,119
Net financing result	-321	-239
Result before taxation	22,751	16,880
Taxation	-4,467	-3,129
Result for the financial year	18,284	13,751
Profit attributable to shareholders of Nedap N.V.	18,284	13,751

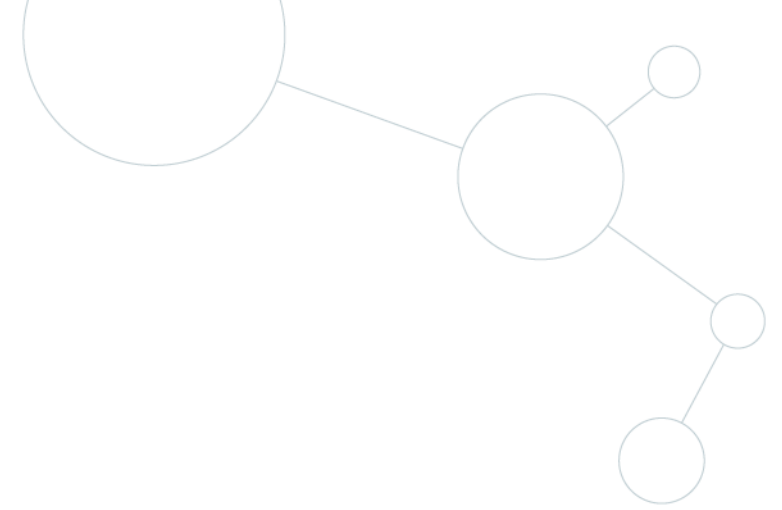
/ Consolidated balance sheet

(€ x 1,000)

Assets	2021	2020
Fixed assets		
Intangible fixed assets	1,806	2,211
Tangible fixed assets	39,393	38,031
Deferred tax assets	1,365	990
	42,564	41,232
Current assets		
Inventories	23,466	23,062
Trade and other receivables	35,866	29,093
Cash and cash equivalents	29,615	25,689
	88,947	77,844
Total assets	131,511	119,076

Equity and liabilities	2021	2020
Shareholders' equity	80,306	73,253
Non-current liabilities		
Borrowings	14,000	14,030
Provisions	1,059	1,074
Other non-current liabilities	2,363	2,332
	17,422	17,436
Current liabilities		
Borrowings	-	80
Provisions	1,160	1,515
Trade and other payables	32,623	26,792
	33,783	28,387
Total equity and liabilities	131,511	119,076

/ Financial calendar



2022

7 April	Trading update Q1 2022
12 April	Annual General Meeting
14 April	Ex-dividend date
19 April	Record date
25 April	Dividend payment date
21 July	Half-yearly results 2022
20 October	Trading update Q3 2022

Appendix



/ History of Nedap

Evolving from hardware manufacturer to provider of scalable and proprietary propositions

1929

N.V. Nederlandsche Apparatenfabriek “Nedap” is established in the former medical Dutch Cocaine Factory in Amsterdam



1947

Opening of brand-new factory in Groenlo. At the same time Nedap gets a listing on the stock exchange in Amsterdam



1940

Developing, producing and marketing Nedap branded products



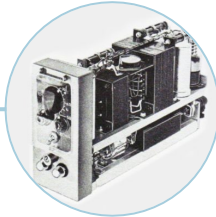
1950

Nedap quickly becomes one of the global specialists in the development of electronics



1973

Nedap starts developing RFID technology as one of the global pioneers in the early 70's



1993

The start of business units. More freedom of decision and responsibility for its employees



2000

Nedap made the switch from a hardware- to a software-oriented technology company



2003

The first application of High Frequency RFID technology



2010

The Stichting Medewerkerparticipatie Nedap is established. Nedap employees can own a piece of the company



2018

Nedap completed the transition to current asset light business model and strategy



/ Overview business units

Business units	Size*	Market (focus)	Solutions	Competitive position	Growth driver	Market
Healthcare	> 15%	Long term care providers	ONS Electronic Health Record cloud solution for administrative, logistic and care processes at care providers	<ul style="list-style-type: none"> • #1 in elderly care • #1 in disabled care • Entrant in mental healthcare 	<ul style="list-style-type: none"> • Entering new verticals • Urgence for budget control at customers 	NL
Identification Systems	< 15%	(Local) Governments and larger companies in parking, industry and security	Readers Vehicle identification and vehicle access control solutions	<ul style="list-style-type: none"> • Global leader in identification of vehicles 	<ul style="list-style-type: none"> • Scaling-up 	Global
Light Controls	< 15%	General industries, water treatment companies and retail	UV Power electronics and control systems for curing and disinfection	<ul style="list-style-type: none"> • #1 in high-power UV power supplies 	<ul style="list-style-type: none"> • Regulation in ballast water treatment 	Global
Livestock Management	> 15%	Management of cows and pigs	Dairy, Pigs Automation of livestock management processes based on identification of individual animals	<ul style="list-style-type: none"> • #1 in dairy farming sensors • #1 in pig feeding/sensing farming systems 	<ul style="list-style-type: none"> • Animal welfare • Increase in scale of farming business • Increased demand in animal proteins 	Global
Retail	> 15%	International fashion and food retailers	EAS RF, EAS RFID, iD Cloud RFID solutions for optimised inventory management, simplified shop processes and prevention of shrinkage	<ul style="list-style-type: none"> • Top-3 player in anti-shop lifting solutions • Leading position in shop based stock management 	<ul style="list-style-type: none"> • Omni-channel retailing • Expansion in the Americas 	Global
Security Management	< 15%	Larger companies, financial institutions and governments	Aeos Solutions for access control and security systems	<ul style="list-style-type: none"> • Top-3 player 	<ul style="list-style-type: none"> • Leveraging solution across key-clients globally 	Global
Staffing Solutions	< 15%	Logistics and production companies	Flux Digitised timesheet processing, planning and employee scheduling	<ul style="list-style-type: none"> • Largest independent solution 	<ul style="list-style-type: none"> • Complexity of supply and demand of work and workforce 	NL

*In % of revenue over past 3 years

/ 5-Year financial history

Key figures (in millions of euros or as a percentage)	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017
Revenue	207,0	189,9	191,5	191,4	182,2
Revenue growth	9%	-1%	0%	5%	12%
Recurring revenue	58,5	50,7	44,6	37,2	30,9
Recurring revenue as % of revenue	28%	27%	23%	19%	17%
Added value as % of revenue	67%	66%	63%	62%	62%
Added value per FTE (x € 1,000)	180	169	173	179	172
Operating profit excl. one-off items	23,1	17,1	17,5	19,4	15,9
Operating profit as % of revenue excl. one-off items	11%	9%	9%	10%	9%
Profit for the financial year	18,3	13,8	24,1	17,1	28,0
Return on invested capital (ROIC)	36%	28%	25%	25%	22%
Net debt/EBITDA	-0,5	-0,4	-0,2	0,6	0,6
Solvency	61%	62%	61%	56%	55%
Per share (x € 1)					
Earnings	2,82	2,13	3,74	2,66	4,21
Earnings excl. one-off items	2,82	2,13	3,74	2,66	2,02
Dividend	3,00	4,50 *	- *	2,50	2,50
Dividend yield	4,8%	8,8%	0%	6,0%	5,6%
Dividend pay-out ratio	106%	211%	0%	94%	59%

* The dividend over 2020 includes an interim dividend following a previous decision to withdraw the dividend proposal over 2019