Seluxit
brings the Internet of Things
to Nasdaq First North

Seluxit Connects Your Things to the Internet

The Internet of Things (IoT) is at the center of Seluxit's product. We connect physical products to the Internet. This gives our customers a strategic competitive advantage because it strengthens their relationship to their customers.

Seluxit was founded 12 years ago with the dream of creating the intelligent house; a house that not only makes daily life easier, but that also automatically reduces our energy usage. We have developed a comprehensive, technical platform that quickly, easily and at low cost can digitize companies' products, benefiting both them and their customers.

Throughout our history we have run a sound business while investing internally to ensure our technological leadership. Now we're going public on the Danish stock market to raise capital to further develop our company and our position among the technological leaders in IoT, a market expecting significant growth globally.

We'd like to invite you along for the journey.

Daniel Lux *CEO, Seluxit*

Segments and Customers

Since our founding, Seluxit has developed trail-blazing IoT solutions and helped companies with the digital transformation of their products. Instead of only selling a physical product, be it an electricity meter or a robotic lawn mower, our customers can now also offer a service that gives their product added value in the form of, for example, energy or water savings.

Several of Seluxit's current customers are well known international companies, with a yearly revenue of over a billion Euros.

Our customers include innogy, one of Germany's largest energy companies, as well as Gardena, which is a global leader of garden equipment. That means that Seluxit is contributing to millions of German households getting intelligent electricity meters that can automatically help reduce energy. It also means that some of the world's most advanced robotic lawn mowers, watering computers and soil humidity sensors speak with each other, automating and optimizing garden work for their owners.

Growth

The strategy for our next phase is to further build on Seluxit's technological position as well as intensify our sales efforts in the three business sectors; Smart Meter, Smart Home and Smart Machine. Seluxit has many years of experience and sees pursuing these business sectors as the most obvious growth opportunity.

A focused expansion at the rate that the market is now opening up for, requires further capital. The proceeds from our stock offering will ensure that Seluxit can continue product development while increasing and streamlining our sales activities, allowing us to follow our ambition to grow and continue to be a central global player for IoT solutions to the B2B market.

User friendliness, scalability and lowering costs are keywords for us, and make our ambitions realistic. We want to continue to be at the technological forefront of the IoT. We want to ensure that the dream of the intelligent home becomes a reality, with Seluxit as a leading player.
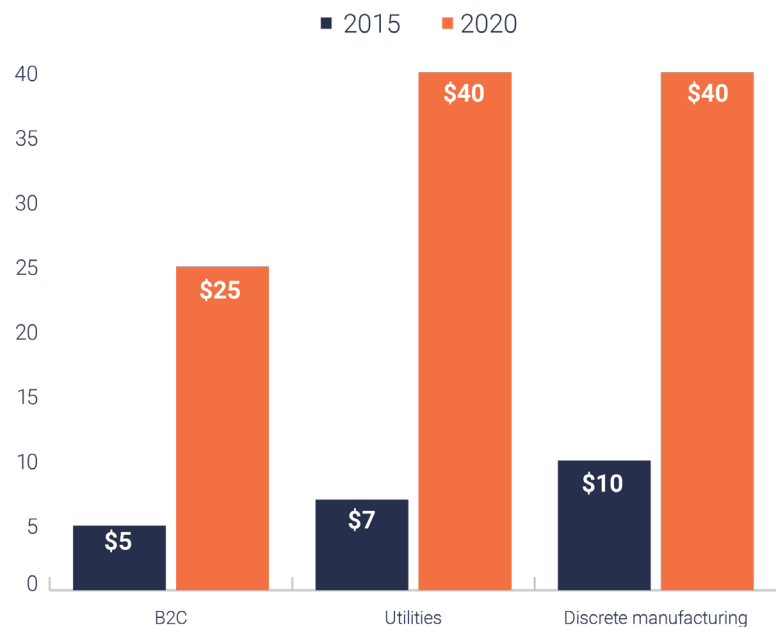
Internet of Things: an Explosive Growth Market

The Internet of Things is the technology that makes it possible to collect data and control a wide range of products with our smartphones.

The illustration below shows the expected growth from 2015 to 2020 across the 3 sectors, where Seluxit operates. B2C includes the Smart Home segment. Utilities includes the Smart Meter segment. Discrete manufacturing includes the Smart Machine segment. In the illustration below we see that all sectors are expected to make considerable investments in IoT. "Utilities" are expected to increase their investments in IoT nearly 6 fold in the period 2015-2020. [1]

IoT, Global Investments 2015 / 2020

USD, billions

■ 2015 ■ 2020

	2015	2020
B2C	$5	$25
Utilities	$7	$40
Discrete manufacturing	$10	$40

[1] https://www.plantservices.com/industrynews/2017/forbes-releases-iot-forecasts-for-2018-notes-84-growth-of-network-connections-in-manufacturing/

Internet of Things in a Nutshell

To put it simply, the "Internet of Things" (IoT) means that you can remote control your electronics from your mobile phone.

If you know Tesla's cars, or you've seen Facebook updates of your friends' runs, or have a printer on your network, then you already know the Internet of Things.

It's not only computers and smartphones that are connected to the Internet. Nowadays, just about all electronic devices can communicate with each other. That opens up for many possibilities to optimize our daily life. More and more companies are realizing this fact.

1. The Product

Together with our customer we develop the product and add connectivity

2. Data Collection

Securely collect encrypted data

3. Control

We ensure control of the product from a PC, tablet or smartphone

4. Insight

We facilitate further product development with new functions

5. Secure Operation

We ensure operations at a low and transparent price

Seluxit IoT

Seluxit's approach to IoT is that it should be as simple as possible for our customers and partners to get started. At the same time it should be flexible enough to easily allow for more advanced solutions to be built over time. Seluxit helps their customers all the way from the physical product to a market-ready solution.

Involved in the Whole Process

The key to Seluxit's success is our holistic, collaborative approach to IoT projects, between customers and vendors. Customers are experts in their own products, and Seluxit is an IoT expert. Seluxit feels that the best solution is always found through a close collaboration with our customers. Seluxit helps with knowledge about the potential of IoT to help the customer build a solid and scalable solution that can serve as a solid basis for future product and service development.

Almost all other IoT companies that we know develop specific solutions from job to job, customer to customer. One of our competitive advantages is that all of our solutions run on one core platform. That means that we already have 80% of the solution in place before a new customer comes in the door.

That gives our customers the security that their solution is continuously being monitored, maintained and further developed. At the same time, we lower our development costs and reduce the time that we need to develop a solution. That's why we're often able to develop a fully functioning prototype within 14 days.

Seluxit has three revenue streams:
Data on Seluxits IoT-platform
IoT Hardware & Licences on the products sold by our customers
Consultancy to help our customer to a quick market entry

The advantages for our customers on this business model are evident. The cost for data is directly related to the customer's sale. With licenced software, our customer get access to updates. With Seluxit consultancy, the risks are reduced and the market entry accelerated.

Uncompromising Security

GDPR, the EU's data protection regulation of the 25th of May, 2018, sharpens the requirements for companies with IoT offerings regarding the secure transmission and storing of large amounts of data.

Seluxit has from an early stage addressed this issue and has consequently had high focus on security and handling of data. This is one of the reasons that a number of large, international companies have chosen Seluxit as their IoT partner.
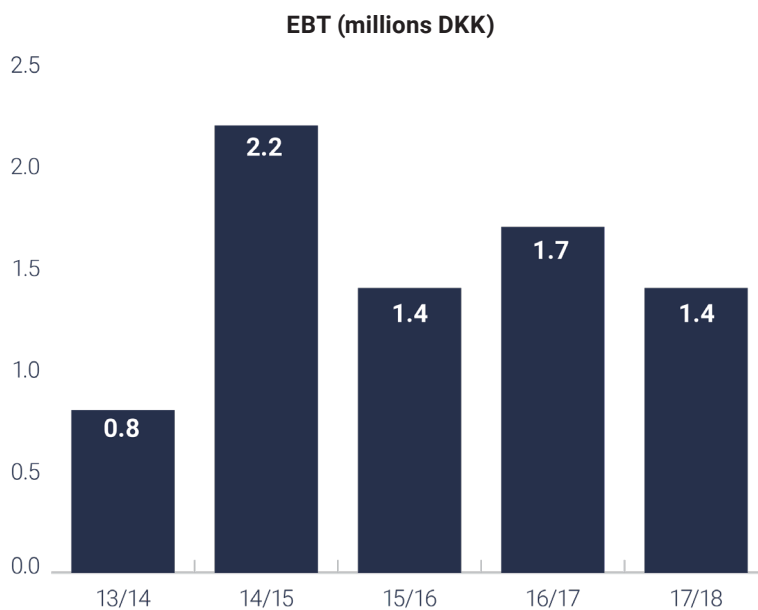
A Danish Success Story

Results and Milestones

Seluxit has had a focus on developing new technological solutions and has at the same time run a successful business since its founding in 2006.

EBT has the last five years been around DKK 1,5 million per year on average. For the 2017/18 financial year, the EBT shows a result of DKK 1,4 million.

EBT (millions DKK)

Year	EBT
13/14	0.8
14/15	2.2
15/16	1.4
16/17	1.7
17/18	1.4

Milestones in Seluxits History

2018
IPO on Nasdaq First North

2017
Cooperative agreement, Kärcher

2015
Cooperative agreement, Husqvarna Group

2013
EU projects Arrowhead and Cassting

2011
Cooperative agreement, RWE

2008
Collaboration with Danish Electricity Saving Trust (Elsparefonden)

2006
Founding in Aalborg

A Knowledge Company with Great Diversity

As an innovative, international company, not only does Seluxit value strong technical skills in its employees. Seluxit also exhibits a wide range of experiences and cultural backgrounds. At the main office in Aalborg we are 10 nationalities that speak 19 languages.

Through more than ten years, Seluxit has worked closely with leading educational institutions in Europe through EU projects. Our focus on innovation and eye for strong skills has meant securing a steady stream of qualified employees. Seluxit continues to have a big focus on offering an attractive work environment with exciting development jobs for competent talents. A large part of Seluxit's employees have already expressed interest in buying stocks in conjunction with the IPO.

Seluxit takes on the **whole** job.
From idea to development to operation.
That gives our customers a big advantage.

Customer References

Seluxit operates in three segments. What our customers have in common is that they all use the same core IoT platform and many of the same development resources, and therefore also share development costs.

Smart Meter:
The segment includes, for example, electricity, water and gas meters. Data collection can contribute to saving energy.

Smart Home:
The segment is made up of products that automate the home, which can be everything from smart lights to lawn mowers and includes coordinating the different devices.

Smart Machine:
The segment consists of optimizing industrial machines through digitization and IoT where detailed, real-time data collection can help streamline processes.

Smart Meter: Lowering Energy Usage

innogy is a subsidiary of Germany's second-largest utility company, RWE. innogy focuses on renew-able energy, energy distribution and retail sale. Seluxit's IoT protocol is today the core of a system that is in use at 1,5 million innogy customers in Germany. Seluxit's core technology is also central in a project that will deliver automatic meter reading for millions of electricity meters.

innogy SmartHome in operation since 2011
innogy Metering launch starts in 2018

Smart Home: Automation reduces consumption

Gardena is one of the leading brands for garden equipment and is present in 80 markeds around the world. Seluxit has developed an IoT solution for the Gardena Smart System, which is today on sale in 15 European countries.

Gardena Smart System In operation since 2016

Smart Machine: Mere sikker med IoT

Fremco is among the top 4 companies in the world, that has specialized in machines to blow fiber cables through tubes. Seluxit has delivered the IoT platform for the world's first fiber-blowing machine, which optimizes the process of blowing fiber cables in empty tubes.

Smart Fiber-Blowing Machine
Expected operation in 2019

> " With Seluxit, we get high quality on time and on budget. Great technological insight and innovative capabilities are a trademark of Seluxit. And they never compromise on the requirements for data security and operational stability that our customers demand. They make working with them simple. This is why Seluxit has been involved in one of our most exciting strategic metering projects since 2014. I like the uncomplicated manner we are cooperating with Seluxit very much. "

Gerhard Radtke
Leiter Bereich Innovationsmanagement und Produktentwicklung innogy Metering GmBH

Seluxit is delivering core technology to **millions** of Smart Meters in Germany.

“ 28 investors have already chosen to invest in Seluxit. Including Morten Lindblad, who states:

Seluxit clearly seems to be heading in the right direction, and they have the wind in their sails. Many large international companies will benefit greatly from the IoT solution Seluxit has developed and a listing on Nasdaq First North in Denmark is a strong step towards capitalizing on that potential. That's why I've invested in Seluxit and I want to take part in the trip. ”

Morten Lindblad
CEO Dataproces Group A/S

Global Growth

Seluxit has Products with Growth Potential and Customers with Growth Strategies

Smart Meter, Smart Home and Smart Machine are strategic growth areas for our customers. A range of products, based on Seluxit's IoT platform, have already been on the market for a number of years, meeting sales expectations. In the coming years our customers will introduce new IoT products as the market is expected to gain speed.

90% of our revenue is from export to the European market. Europe will therefore continue to be Seluxit's most important market. In addition, we are working on establishing ourselves on the Southeast Asian market.
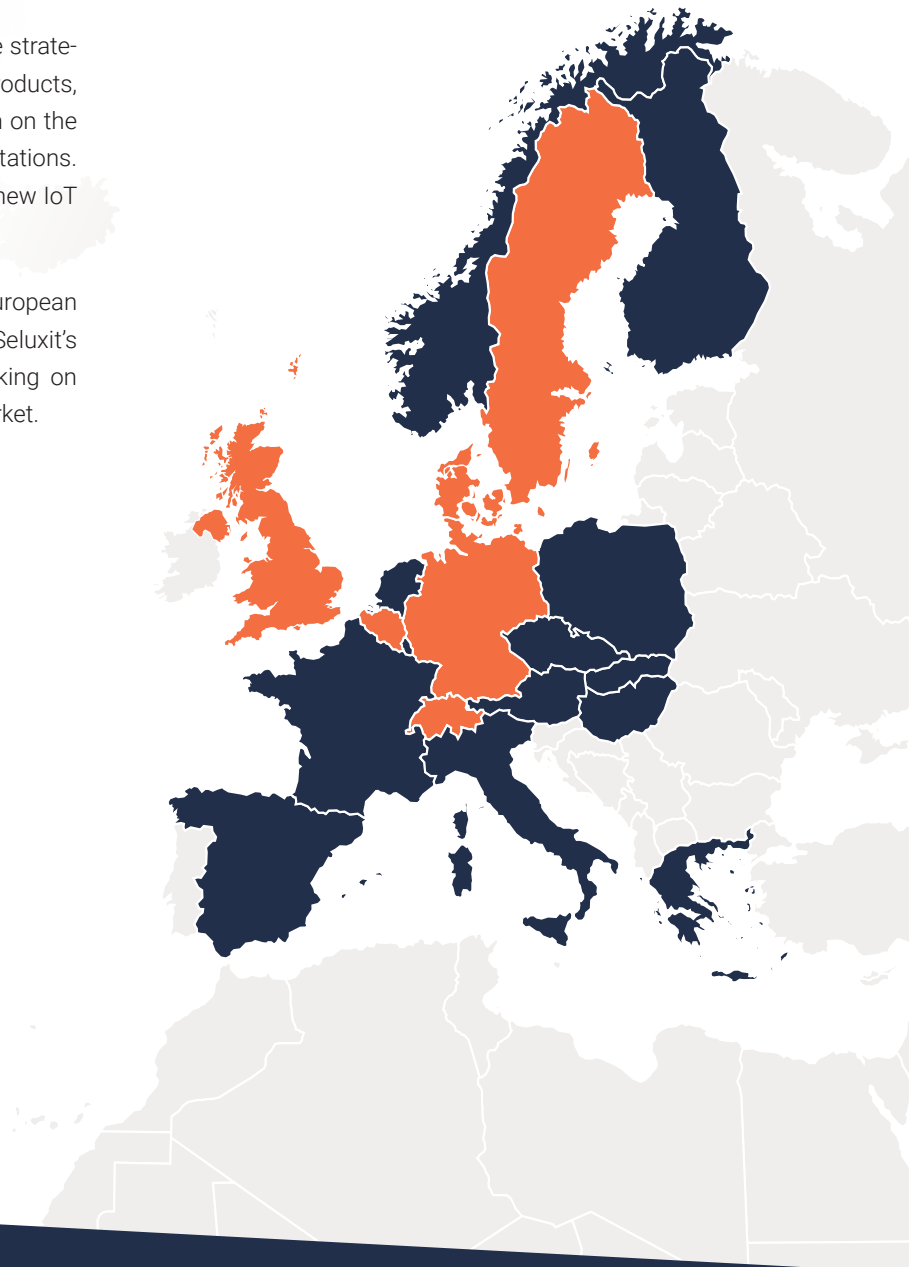
Legend

Countries where Seluxit's customers have headquarters

Countries with products using Seluxit technology

Competitive Price Model

Due to the enormous growth in the amount of data from IoT devices, the demand for better and cheaper ways to handle data traffic will increase dramatically.

Seluxit's price model is a volume-based price model, which is already well known in the telecom industry, where one pays a fixed price per month based on data usage.

Our pricing model minimizes the investment needed from our customers, thereby reducing the barrier of entry. This means that we have an offering that is attractive for wide range of potential customers.

For Seluxit, our pricing model means that a significant proportion of our income is dependent on our customers' products' success.
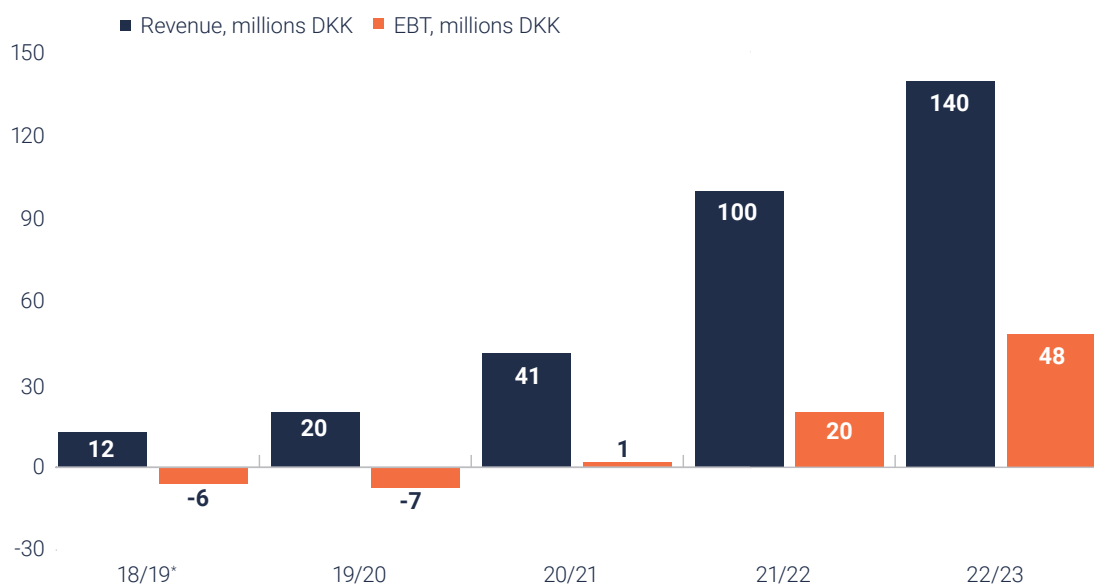
Use of funding from the IPO

At Seluxit, we have been developing our IoT platform since 2006, and today it is in its 4th generation. We have made a profit every year since our founding, and reinvested the profits continually to ensure our technological leadership.

The strategy for the next phase is to build on Seluxit's technological position and to intensify sales efforts in the segments where Seluxit sees the most obvious growth possibilities, ie., Smart Meter, Smart Home and Smart Machine. Geographically Seluxit will focus on Southeast Asia in addition to Europe. The background for this focus is that Seluxit already has customers in these areas and has received indications of interest from several potential new customers in two of the target segments.

A focused expansion, at the rate that the market is now opening up for, requires further capital. The proceeds from our stock offering will ensure that Seluxit can continue product development while increasing and streamlining sales activities, allowing us to follow our ambition to grow and continue to be a central global player for IoT solutions to the B2B market.

The results in the first three years after the IPO will be affected by the increased costs of sales activities and the expansion of the organization. This activity will lead to more customers, but we can typically expect a delay of a year or two from first contact to the customer's product coming on the market, and therefore Seluxit's bottom line, as our income is consumption based.

Expected Revenue and EBT

■ Revenue, millions DKK ■ EBT, millions DKK

	18/19*	19/20	20/21	21/22	22/23
Revenue	12	20	41	100	140
EBT	-6	-7	1	20	48

*Including exceptional costs for IPO

We have a common interest with our customers that their IoT products are a commercial success.

Because our price model is consumption based, our income is proportional to the number of devices that our customers sell.

> We need to be able to respond to market changes with corresponding technological developments.
> To do this with speed we build on expert knowledge and competence of technology partners with solid experience in their fields. As the IoT landscape changes, Seluxit's technological agility is key.

Pär Åström
President of the Gardena Division within the Husqvarna Group.

Management

Daniel Lux
CEO

Co-founder and co-owner since 2006

In his role as CEO, Daniel is responsible for business development, sales and organization.

Daniel has an extensive technical expertise and is especially engaged with critical IoT questions such as data security and how devices can work together. Daniel has a Masters in Computer Science with a focus in artificial intelligence. Daniel was born in Germany, educated in the Netherlands and has lived in Denmark since 2000. Daniel was earlier employed as a researcher at KPN Research, a software developer at LH Agro and Software manager at Liab ApS.

Morten Pagh Frederiksen
CTO

Co-founder and co-owner since 2006

Morten has in his role as CTO been responsible for electronics development, production, certification and supply-chain management.

Morten studied electronics at Sønderborg Teknikum and the University of Southern Denmark. Aside from a broad technical knowledge and fascination with electronics, Morten has particularly engaged with securing that the developed products live up to our customers' expectations, especially regarding maturity, quality and price. Morten was earlier employed as a test developer at Simrad and hardware developer at Liab Aps.

Board of Directors

Morten Lund
Chairman

Morten is an experienced entrepreneur and researcher, who has been a part of the startup, development and investment in a range of companies.

Morten is an Associate Professor at Aalborg University (AAU) and is the co-founder and leader of the Business Design Center. In addition Morten works as an advisor for a range of companies and organizations in the field of management and business development.

Morten Lund has a PhD in Business Model Design.

Anna Søndergaard
Board Member

Anna is both entrepreneur and company owner, who has since 2004 run her own company, Becksöndergaard ApS.

Becksöndergaard ApS was partially sold to the Swedish capital fund Valedo in 2014. Anna has since been a board member and on the management team of the company. Anna has earlier worked in the advertising agency Lowe Company as well as a management consultant (strategy) at McKinsey.

Mille Tram Lux
Board Member

Mille was previously Finanical Director for the Nordic region in Aalborg Portland of Cementir Group, as well as a board member at Aalborg Portland and Unicon Group.

Mille chose to discontinue her position at Aalborg Portland the 1st of August, 2018 to dedicate her time to the upcoming IPO of Seluxit A/S. Mille has earlier been in various positions in finance and business development at Aalborg Portland as well as a project finance manager at Telenor.

Tonny W. Frederiksen
Board Member

Tonny Walther Frederiksen, is CTO at Flonidan A/S in Horsens, where he has been a part of developing the company and use of Smart Meters.

Tonny has since Seluxit's founding been a board member. Tonny has worked on the development and production of wireless communication modules, smart grid applications, embedded systems, sensors and SCADA. Tonny has earlier worked for TDC Process A/S and Flex Products A/S as well as Partner Electrics A/S.

Time Schedule

IPO begins...22 October 2018, 00:01

IPO ends..2 November 2018, 23:59

Result of IPO made public...5 November 2018

First day of trading..9 November 2018

If you'd like to participate in Seluxit's growth journey, you will soon have the opportunity to become a shareholder. At www.seluxit.com/investors you can find additional information about Seluxit and see how you can purchase shares and participate in one of our investor meetings.

seluxit.com/investors/

Terms of the Offering of Shared:

The company offers a minimum of 2,340,426 and a maximum of 2,765,957 New Shares of nominal DKK 0.10 ("Offering"). The exact amount of new shares will be determined on the basis of book building. If there are not sufficient buyers for at least 2,340,426 shares offered, corresponding to a gross proceeds of DKK 22 million, or if prior to the expiry of the tendering period, significant events occurs which will make it inadvisable to complete the offer, the offer will not be completed. If the total number of shares subscribed exceeds the number of shares offered, a reduction will be made as follows: Subscription orders up to DKK 300,000 will be assigned 100%, if possible, and otherwise reduced proportionally. Subscription orders over DKK 300,000 are made by individual allocation (discretionary), as decided by the company's board of directors.

Delivery of drawing orders

A minimum of 400 shares must be subscribed, corresponding to DKK 3,760 per share per subscription order. The new shares can be subscribed by electronic submission of a subscription order via the investors bank, or by filling out the subscription form and submitting it to the investor's own bank. Ask your bank about and how to subscribe for shares. The Company Description, including the subscription form, can be downloaded on Seluxit's website. If you are not a Danish resident but an EU/EØS resident, and wish to subscribe for shares in Seluxit, you can do so through Nordnet Investment Bank (www.nordnet.dk).

Important Information

This brochure has been produced by Seluxit A/S ("The Company") only for the purpose of conveying information and is not a company description. Nobody should buy shares in the Company without being based on the contents of the company description, which was published on the 18 of October 2018, including possible changes or additions.

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