

Company presentation

April 2015



Scherzer & Co.

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2. Investments

3. Portfolio

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Executive Summary

Scherzer & Co. AG

Scherzer & Co. AG is a Cologne, Germany-based investment holding company whose object is to pursue long-term capital appreciation for its shareholders through investments that are both safety-oriented and opportunistic.

From safety-oriented aspects investments are undertaken in takeover bid/squeeze-out stocks and value stocks where the market price appears underpinned on the downside. Price-stabilising features may be a “natural floor” in the case of structural measures, either announced or in progress, or excellent balance sheet and earnings quality in the case of value stocks.

It also invests in companies offering enhanced opportunity potential at predictable risk, focusing especially on select growth companies with a sustainable business model. However, the market is also analysed for special situations that can offer attractive risk-reward profiles for diverse reasons. In addition, the company gladly seizes upon opportunities to participate in promising capital measures or secondary placings.



Scherzer & Co. AG

Mission Statement

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- As mid-term target, to build an investment portfolio with equity financing of at least EUR 100 million.
 - To establish the company as one of the top quoted investment holding companies in the area of special situations and corporate actions.
 - The position of the company as a relevant partner for transactions in the area of special situations.
 - To achieve sustained capital appreciation.
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Investments

Investment universe

We primarily analyse investment in regions under German jurisdiction.

We believe that most market valuations are different. But due to human irrationality, valuations are occasionally incorrect, creating investment opportunities on the market.

We aim to use these opportunities on a focused portfolio. A company's market capitalization or listing on an index are of rather minor importance. We also do not focus in any one sector. Any plausible and convincing business model is of potential interest for us.

Such investment opportunities usually occur in the following three categories, which is why Scherzer & Co. AG focuses in them:

Unknown

- 500-1000 shares without coverage
 - Microcaps
 - No interest in investor relations
 - Illiquid trade
-

Unloved

- Business model is misconceived
 - Unpopular sector
 - Restructuring scenario
 - Earnings power is misconceived
-

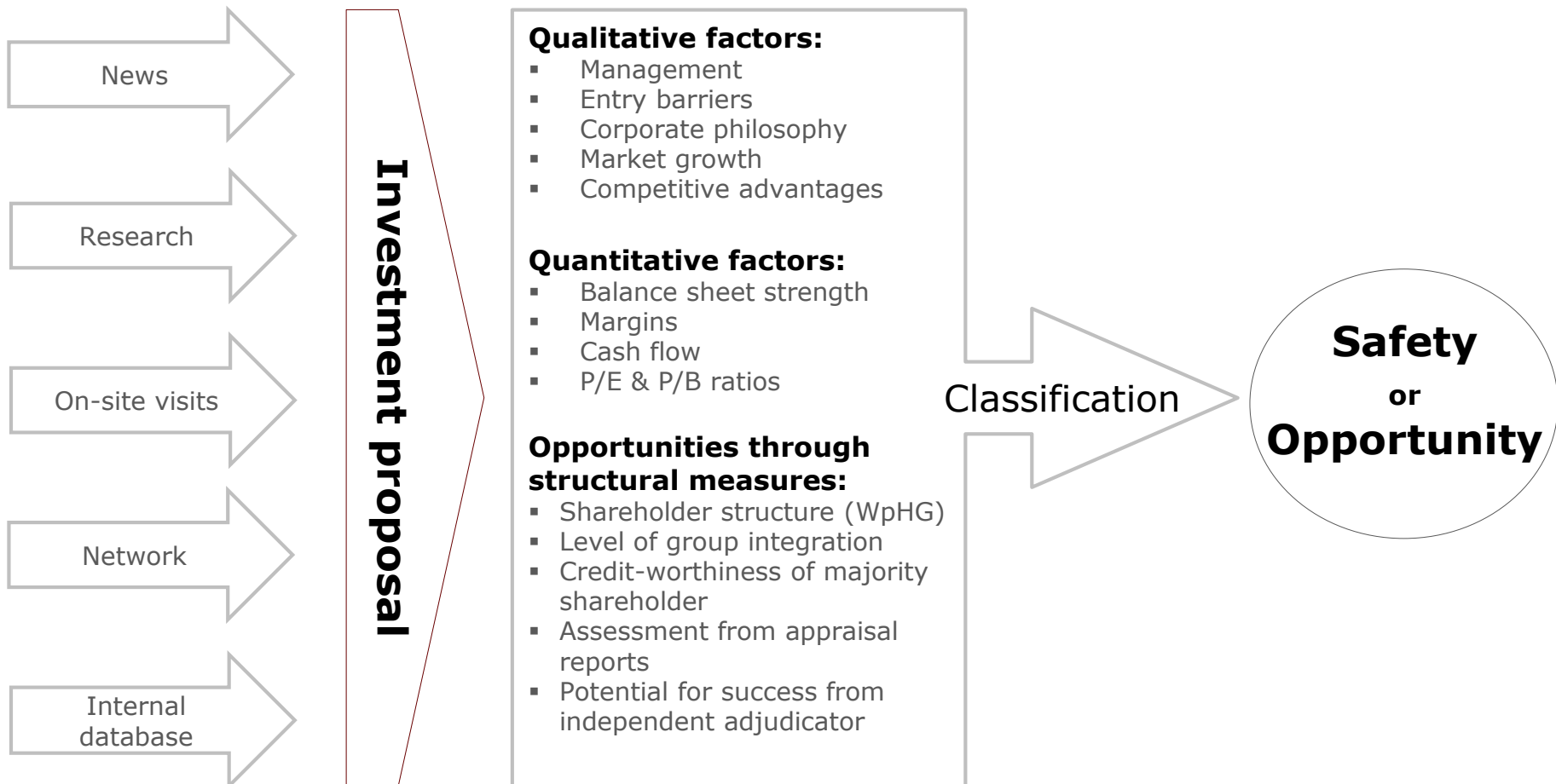
Special situation

- Takeover situation
 - Squeeze-out seems likely
 - Affiliation agreement seems likely
 - Capital measures
 - Reorientation
-



Investments

Process of selection





Investments

Safety & Opportunity

Risk-reduced capital appreciation while the same time seizing upon interesting capital market opportunities

Safety

- Investments with a natural „Floor“
- Special balance sheet quality:
Net cash position;
little/no debt;
share price (significantly) below book price
- Strong and/or strategic principal shareholder
- Special earnings quality:
sustained, positive earnings;
as far as possible non-cyclical business;
dividend continuity;
sustained free cash flows

Opportunity

- Investments in sustainable business models with appropriate growth potential
- Special situations
- Seizing upon opportunity potential presented by capital measures (restructuring, recapitalization, growth financials)
- Participating in corporate realignments



Investments Opportunity

Biotest AG



Biotest is a provider of pharmaceutical and biotherapeutic medications. In the plasma-protein segment, Biotest develops and markets active agents produced on the basis of human blood plasma. In the biotherapeutic segment, Biotest promotes the clinical development of monoclonal antibodies, among others for rheumatism and solid tumour indications. Biotest employs about 2,100 people worldwide.

- The Biotest Group raised its sales level in 2014 to EUR 582 million, the equivalent of a rise of 16.2% on the previous year (EUR 500.8 million).
- Due to early R&D costs, the planned capacity expansion at its Dreieich site as well as low-margin business in crisis regions, the Biotest Group's EBIT at EUR 53.4 million lies at the same level as last year (EUR 53.8 million).
- Business trends continue to be assessed as positive. In various different studies and development work Biotest was able to make important progress.

WKN: 522 720 (common shares)

Sector: Pharmaceuticals

Market capitalisation: ~ EUR 1.38 billion

Largest shareholder: OGEL GmbH 50.03%

Common shares, 100% wide spread
advantages



Investments Safety

Homag Group AG



The Homag Group is worldwide the leading manufacturer of machinery and plants for the forest products industry. Homag Group has a presence in more than 100 countries in the business sectors of machinery and cells, factory plants and services with an estimated world market share of 28 percent.

- Dürr Technologies GmbH, a 100% subsidiary of Dürr AG, in an initial takeover bid in July 2014 offered EUR 26.35 per Homag share and with the share pool of the shareholders' group holds 77.9% of the voting rights.
- The general shareholders' meeting of the HOMAG Group consented on 5 March 2015 to a control and profit transfer agreement with Dürr Technologies GmbH as controlling company.
- The agreement provides for a buyout price of EUR 31.56 per HOMAG share plus a guarantee dividend of EUR 1.01 net per HOMAG share.

WKN: 529 720

Sector: Machine tools

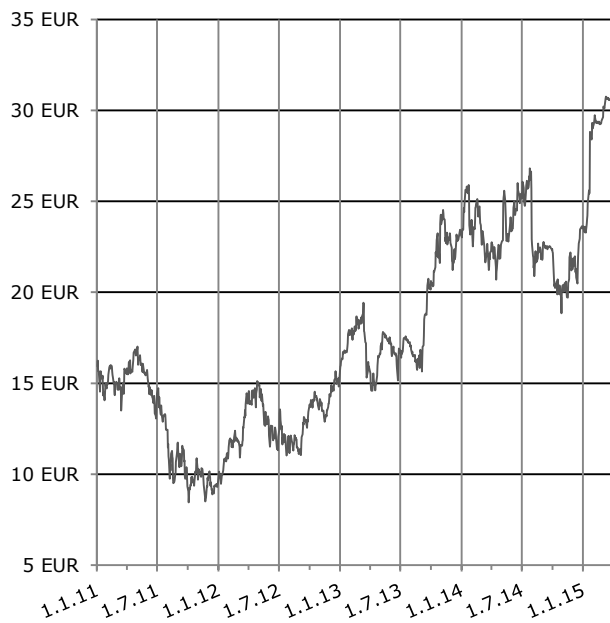
Market capitalisation: ~ EUR 564 million

Largest shareholder: 52.9% Dürr Technologies GmbH, 25.05% Schuler-Klessmann-Dürr shareholders' group



Investments Safety

DMG Mori Seiki AG



The DMG Mori Seiki Group (formerly Gildemeister AG) is a leading worldwide manufacturer of machine tools and provides innovative services for the entire life cycle of the machinery. With more than 7,000 employees at a total of 145 marketing and service sites the group has since 2013 had a worldwide presence with the DMG Mori trademark.

- In January 2015 the Japanese company DMG Mori Seiki Co. made a takeover bid of EUR 27.50 per share for their German cooperation partner.
- In a further bidding round, the Japanese raised the price to EUR 30 and on 9/03/2015 finally to EUR 30.55 per share.
- At the same time, the minimum acceptance threshold was lowered from 50% to 40%. But acquiring shares outside of the stock market the threshold was exceeded even the before bid deadline ran out.
- On 30/02/2015 the activist hedgefund Elliott Asset Management (USA) reported that it had passed the 5%-threshold on 22/01/2015 and at that time held a voting rights share of 5.55% in the company.

WKN: 587 800

Sector: Machine tools

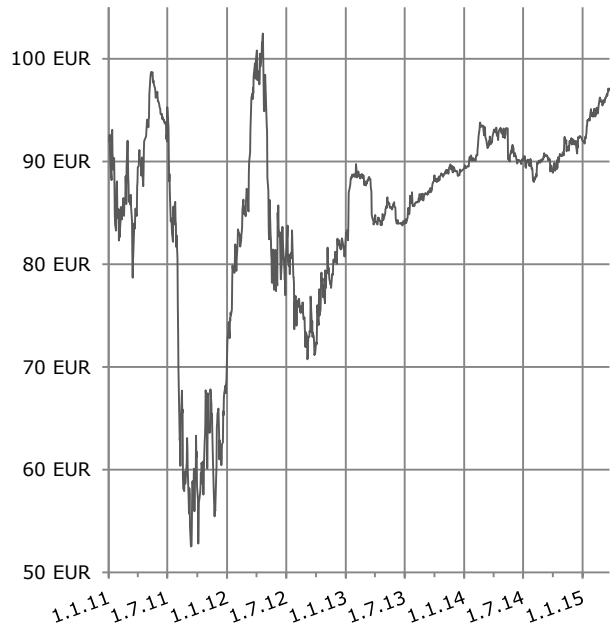
Market capitalisation: ~ EUR 2.35 billion

Largest shareholder: >40% DMG Mori Seiki Co. (JPN), 5.55% Elliot Asset Management (USA)



Investments Safety

MAN SE



The MAN Group is one of Europe's leading utility vehicle, motor and machine tool companies with annual sales of about EUR 14.3 billion and employs about 55,900 people worldwide. MAN is a producer of lorries, busses, diesel engines, turbo machines as well as special transmissions and holds leading market positions in all company sectors.

- In Truck & Bus GmbH the VW Group currently holds more than 75% of the registered capital.
- At the annual shareholders' meeting on 6/06/2013 a control and profit agreement was adopted with Volkswagen AG.
- In connection with these structural measures, a cash settlement offer of EUR 80.89 per common and preferred share as well as an annual compensation payment currently at EUR 3.07 net per common or preferred share was set.

WKN: 593 700, 593 703

Sector: Machine tools

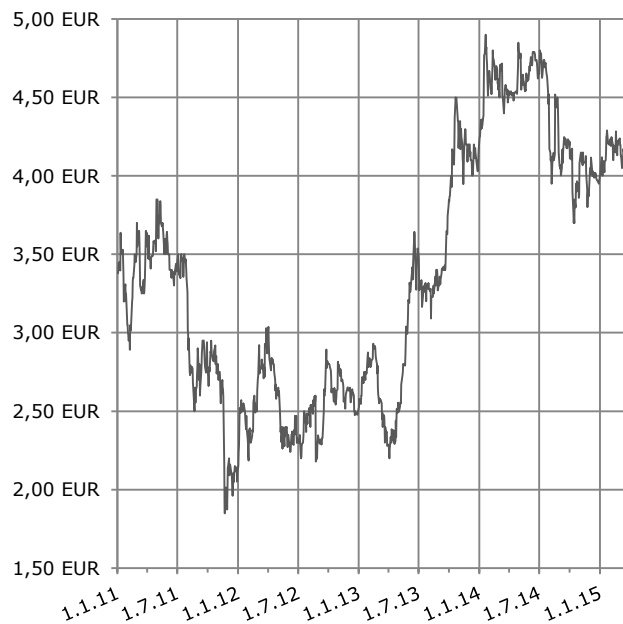
Market capitalisation: ~ EUR 14.31 billion

Largest shareholder: 75.28% Volkswagen AG



Investments Opportunity

Francotyp-Postalia Holding AG



WKN: FPH 900

Sector: Specialised machine tools

Market capitalisation: ~ EUR 68 million

Largest shareholder: 10.3% Klaus Röhrig,
3.02% Scherzer & Co. AG

Francotyp-Postalia is the first multi-channel provider for letter communication. With 11 subsidiaries it supplies all products and services for physical and electronic letter communication. Physical letter communication's product range includes, in addition to franking and enveloping machines, also services like pickup of business mail. In electronic letter communication, FP provides innovative outsourcing solutions from optimisation of inhouse processes in written communication to legally binding fully electronic letters, De-Mail.

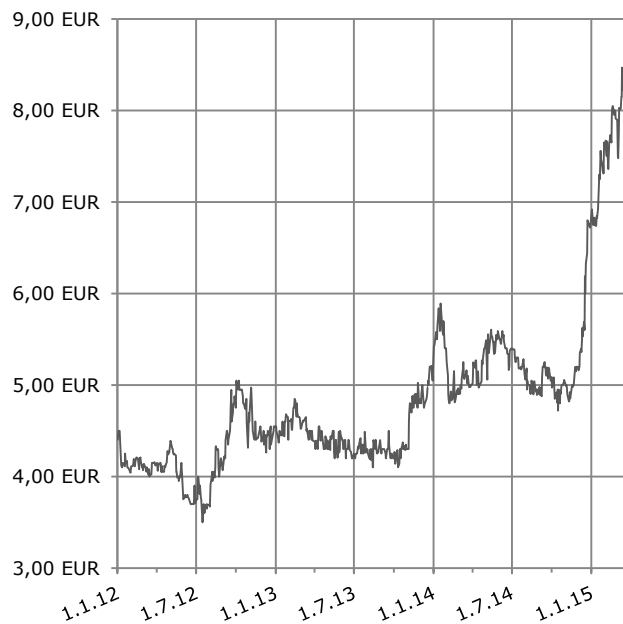
- Francotyp-Postalia AG consistently continues to tread its path, initiated in 2009, of continuous cost and process optimisation. Exemplary in this context was the relocation to Berlin completed at the end of 2014 from its previous site in Birkenwerder. This alone is expected to save one million euro in rent, starting in 2015.
- Also encouraging is the re-evaluation of so-called tele-postage money (restricted cash) made possible since August 2014. Financially, this provides the company with further room to manoeuvre.
- The shareholders' meeting will be recommended a doubled dividend in the amount of EUR 0.16.



Investments

Safety

Fair Value REIT-AG



Fair Value REIT-AG is a real estate investment trust focusing on ownership and management of commercial real estate in German regional centres.

- Fair Value REIT-AG, according to preliminary figures, raised its EBIT in 2014 by 12% to EUR 5.6 million. The company significantly improved its preliminary consolidated financial results by EUR 4.9 million to a net loss of EUR 0.3 million (last year: EUR - 5.2 million).
- German REITs have a statutorily required dividend quota of 90%. The dividend forecast for 2014 at EUR 0.25 per share has recently been confirmed.
- As of 31/12/2014 the company had a balance-sheet net asset value of EUR 8.9 per share in circulation.
- Ex TAG boss Rolf Elgeti in February 2015 reported a voting rights share of 29.98% in Fair Value REIT-AG. He has also been appointed to the company's supervisory board and intends to help promote the budgeted growth targets.

WKN: A0M W97

Sector: Real estate

Market capitalisation: ~ EUR 79 million

Largest shareholder: 29.98% Obotritia
Capital KGaA (Rolf Elgeti),
3.06% Scherzer & Co. AG

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Portfolio

10 largest equity positions*

1.	MAN SE, common stocks	WKN 593 700	** 8,57 %	Safety
2.	W&W Wüstenrot und Württ. AG ¹	WKN 805 100	6,87 %	Opportunity
3.	GK Software AG ¹	WKN 757 142	6,55 %	Opportunity
4.	Biotest AG, common stocks ¹	WKN 522 720	6,48 %	Opportunity
5.	Allerthal-Werke AG ¹	WKN 503 420	5,05 %	Safety
6.	MAN SE, preferred stocks	WKN 593 703	4,43 %	Safety
7.	InVision AG	WKN 585 969	4,32 %	Opportunity
8.	Mobotix AG ¹	WKN 521 830	3,10 %	Opportunity
9.	Fair Value REIT-AG ¹	WKN A0M W97	3,02 %	Safety
10.	Lotto24 AG ¹	WKN LTT 024	2,89 %	Opportunity
	Summe:		51,28 %	

* In order to portfolio size based on share prices as of 31 March 2015

** percentage of the total portfolio

¹ summed up current/non-current assets



Portfolio News

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- In March 2015 Scherzer & Co AG acquired a share of 0.33% of the registered capital in W&W Wüstenrot und Württembergische AG.
 - In connection with the voluntary cash offer of W&W, the holdings in shares in Württembergische Lebensversicherung AG were sold off to the extent possible.
 - Arrow Central Europe Holding Munich GmbH on 23 March 2015 lowered the acceptance threshold for its takeover offer for shares in Data Modul AG from 75% to 50%. Scherzer & Co. AG currently holds more than 2% of Data Modul shares.
 - The current value of Scherzer & Co. AG's portfolio currently amounts to EUR 1.94 per share. Based on a share price of EUR 1.64, Scherzer & Co. AG is quoted down approximately 15.46% on the asset value as of 31 March 2015, taking into account its liabilities. It should be noted that the calculated value is not derived from audited financial statements. The portfolio valuation does not take into account improvement rights and taxes.
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Portfolio

Subsequent improvement volume

An interesting corollary of investments in takeover bid/squeeze-out stocks are the successive, significant volumes of subsequent improvement rights (additional settlement claims). They represent potential claims arising from court arbitration awards sought in the wake of structural measures at listed companies.

The volume tendered as of 31 March 2015 is approximately **EUR 94.4 million**.

The subsequent improvement rights are not carried on the balance sheet.

Scherzer & Co. AG's tendered volume amounts to in excess of **EUR 111 million** if the improvement rights of Allerthal-Werke AG and RM Rheiner Management AG – attributable to the company on account of its participation of some 25% in each – are taken into account.

In March of 2015, shares in ALBA SE were submitted in connection with the intercompany as well as having shares in Augusta Technologie AG bought out in the wake of the squeeze-out.

Without any positive contribution to profits from the minority shareholder proceedings, improvement rights of D&S Europe AG (squeeze-out) as well as of Mobilcom AG (merger with freenet AG) were written off.



Portfolio

Selected projekt completions

Colonia Real Estate AG	Disposed in January 2015
WMF AG	Disposed in September 2014
IBS excell.collab.manufact. AG	Disposed in January 2014
Pironet NDH AG	Disposed in September & December 2013
Generali Deutschland Holding AG	Disposed in July 2013
hotel.de AG	Disposed in December 2012
Andreae-Noris Zahn AG	Blockdeal in June 2012
Pixelpark AG	Disposed in March 2012
Repower Systems S.E.	Squeeze-out completed in October 2011
buch.de internetstores AG	Blockdeal in March 2011
SAF Simulation Analysis & Forecasting AG	Blockdeal in March 2011

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Financials

Balance sheet figures

		31/12/2014	31/12/2013
Securities classified as non-current assets	EUR '000	24,205	21,051
Securities classified as non-current assets	EUR '000	46,731	47,801
Total assets	EUR '000	71,973	69,942
Shareholders' equity	EUR '000	47,403	43,627
Subscribed equity	EUR '000	29,940	29,940
Bank liabilities	EUR '000	22,735	24,028
Equity ratio	%	65.86	62.38



Financials

Income statement

		01/01-31/12/14	01/01/-31/12/13
Profit on ordinary activities	EUR '000	3,900	6,552
Net income	EUR '000	3,776	5,975
Earnings per share	EUR	0.13	0.20
Dividend recommendation	EUR	0.05	-



Financials

Income statement

		01/01/-31/12./14	01/01/-31/12/13
Realized gains	EUR '000	10,910	8,842
Realized losses	EUR '000	3,559	1,679
Other operating expenses	EUR '000	98	976
Dividend income	EUR '000	1,622	937
Other interest and similar income	EUR '000	142	243



Financials

Income statement

		01/01/-31/12/14	01/01/-31/12/13
Wages and salaries	EUR '000	532	430
Write-downs	EUR '000	7	6
Other operating expenses	EUR '000	448	416
Write-downs to fair value at reporting date	EUR '000	3,822	1,441
Interest and similar expenses	EUR '000	480	451
Taxes on income	EUR '000	124	577



Financials

Share / NAV performance

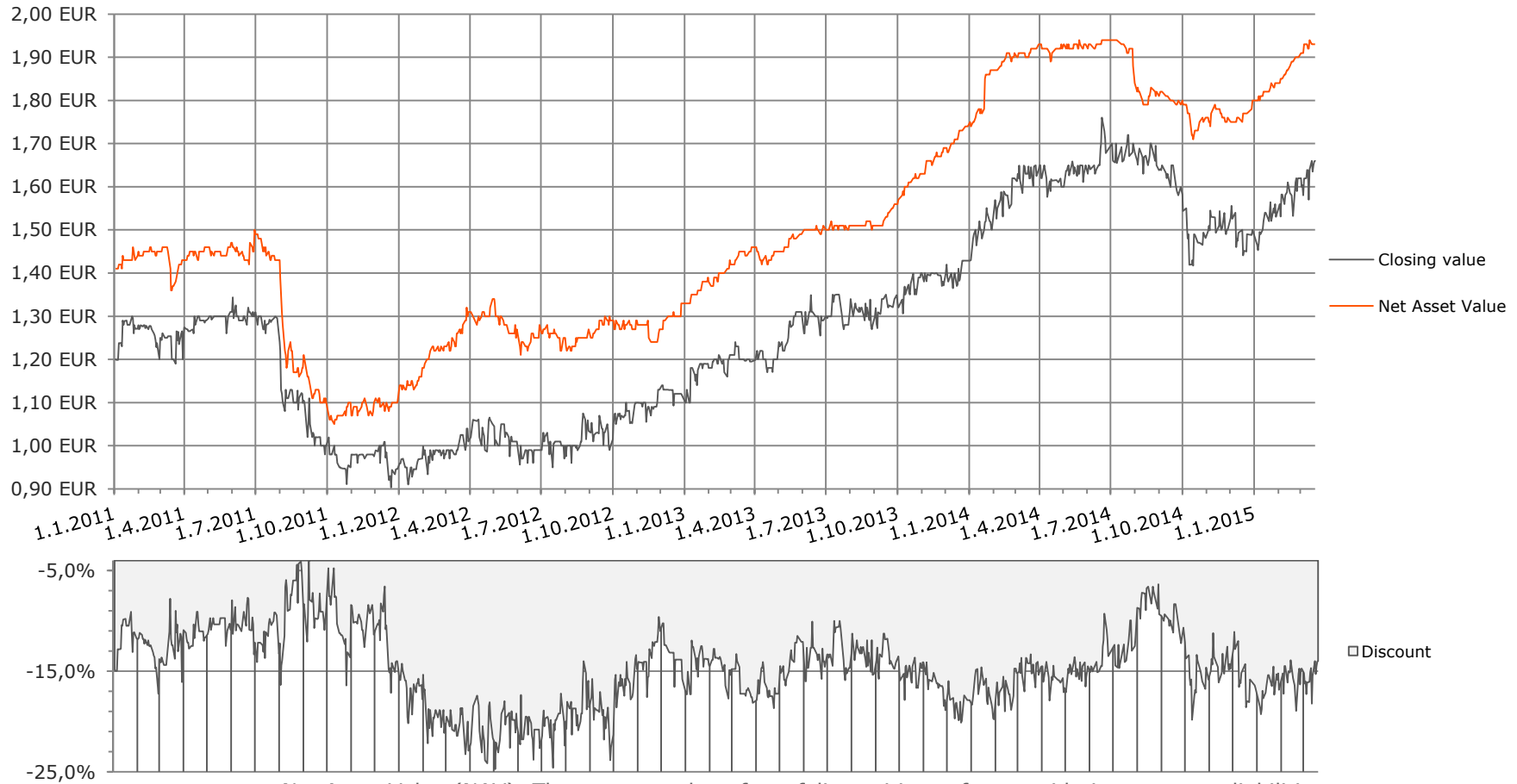
		2015	2014	2013	2012
Market capitalisation (31/03/2015)	EUR '000	49,102	44,910	42,784	33,533
Peak / low	EUR	1.66/ 1.45	1.82/ 1.40	1.49/ 1.10	1.15/ 0.89
Closing value (31/03/2015)	EUR	1.64	1.50	1.4290	1.1200
Share performance (31/03/2015)		+9.33%	+4.97%	+27.59%	+18.39%
NAV performance (31/03/2015)		+7.78%	+3.45%	+30.83%	+14.65%

Net Asset Value (NAV): The present value of portfolio positions after considering company liabilities (subsequent improvement rights and any tax incurred are not included in the portfolio valuation)



Financials

Share / NAV performance



Net Asset Value (NAV): The present value of portfolio positions after considering company liabilities (subsequent improvement rights and any tax incurred are not included in the portfolio valuation)

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Summary Listing

Subscribed capital:	EUR 29,940,000.00, divided into 29,940,000 no-par value shares
Stock exchange:	Frankfurt Stock Exchange Entry Standard, OTC Market Berlin, Düsseldorf and Stuttgart Exchanges, Xetra, Tradegate
Ticker symbol:	PZS
Reuters:	PZSG.DE (Xetra), PZSG.F (Frankfurt), PZSG.TG (Tradegate) PZSG.BE (Berlin), PZSG.D (Düsseldorf), PZSG.SG (Stuttgart)
Bloomberg:	PZS
Research:	Solventis Wertpapierhandelsbank GmbH Oddo Seydler Bank AG GSC Research GmbH
Designated Sponsor:	Oddo Seydler Bank AG
WKN / ISIN:	694 280 / DE 000 694 280 8
Shareholders:	Majority held by unstitutional investors, >400 private shareholders



Summary

Organizational bodies

Management

Dr. Georg Issels

Managing Director of Scherzer & Co. AG, since 2002

Managing Director of RM Rheiner Management AG, since 2008

Hans Peter Neuroth

Managing Director of Scherzer & Co. AG, since 2013

Managing Director of RM Rheiner Management AG, since 2010

Supervisory Board

Dr. Stephan Göckeler
Vorsitzender

Lawyer

Partner in the law firm Flick Gocke Schaumburg
Bonn, Frankfurt, Berlin and Munich

Rolf Hauschildt
stellv. Vorsitzender

Investor

Managing Director of VM Value Management GmbH
Düsseldorf

Dr. Dirk Rüttgers

Asset Manager

Managing Director of Silvius Dornier Holding GmbH & Co. KG
Munich



Summary

Contact / Financial calendar

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Commercial Register:
Cologne District Court,
Reg.No. HRB 56235

Financial calendar 2015:

09. March 2015: Supervisory Board Meeting

18. May 2015: Annual General Meeting

18. May 2015: Supervisory Board Meeting

25. September 2015: Supervisory Board Meeting

03. December 2015: Supervisory Board Meeting



Summary Disclaimer

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