

PRESS RELEASE

Regulated information

4 December 2015 - Embargo until 18:00

Capital increase with preferential subscription rights decided

The offer

The Board of Directors of Connect Group NV has decided to convene a general assembly to decide on a capital increase with preferential subscription rights (the **Preferential Right**) for a minimum amount of EUR 3 million through the issue of new shares at a subscription price of EUR 0.30 per share (including share premium) (the **Subscription Price**). The exact amount of the capital increase will be determined at a later date by the Connect Group Board of Directors.

Holders of Preferential Rights are entitled to subscribe to the new shares at the Subscription Price during the subscription period.

The planned Connect Group capital increase is to take place before 30 April 2016.

Commitments from major shareholders

The two major shareholders, QuaeroQ CVBA and Huub Baren BVBA (or an associated person) have undertaken, under certain conditions, to (i) each subscribe to the capital increase in accordance with their proportional share, and (ii) take up any part of the capital increase not subscribed to, up to a maximum amount totalling EUR 1.5 million each (including their proportional share mentioned under (i)).

Prospectus

Connect Group NV will prepare a prospectus which, after approval by the FSMA, will be published as part of the public offering of the new shares (the **Prospectus**). The prospectus will be available in Dutch.

Miscellaneous

More details on the planned capital increase will be announced by Connect Group NV in due course via a press release.

Investments in the new shares and Preferential Rights hold substantial risks, including the loss of part of or the entire investment. Any decision to invest in Connect Group NV securities should be based on a thorough study of the Prospectus and the risk factors listed therein.

There will be no sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

Dominique Moorkens, chairman of the Board of Directors:

"Connect Group has just gone through a difficult period. During the second half of 2014, sales to certain customers dropped significantly, leading to the group making a loss. At the end of 2014, we launched the measures necessary to cut back costs and return to profitability. This restructuring took longer than expected, meaning that the first half of 2015 similarly ended with a loss. On preparing the results for the first half of 2015, the Board of Directors decided to write off the remaining goodwill totalling EUR 4.5 million. Though this write-off has no impact on the company's cash-flow, it leads to a substantial loss on paper.

Thanks to the already taken restructuring measures we are happy to state that we will present a positive operating result for the second half of 2015. Sales are forecast to be at the same level as the first half (approx. EUR 58 million). The measures taken have led to the above-mentioned reductions in costs.

During the restructuring period the company was always able to gain the necessary loans from its banks to meet all its payment obligations within the specified deadlines. The company has no payment arrears and the existing credit facilities are sufficient to meet its payment obligations.

Taking account of customer expectations and in consultation with its bankers, the Board of Directors nevertheless decided that its solvency was insufficient to gain the confidence of the market (customers and suppliers). For that reason, the key shareholders were asked whether they were willing to subscribe to a capital increase of at least EUR 3 million. Their reaction was positive.

Under current plans, the capital increase will serve to give the company the necessary credit facilities for future projects. In addition to the minimum commitment of a number of shareholders to subscribe to a total of EUR 3 million under certain conditions, we have made arrangements with our bankers to postpone the repayment of EUR 3 million in long-term debt for 18 months. The two commitments make a minimum of EUR 6 million extra credit available to the company, allowing it to execute new customer projects or to take advantage of more favourable payment terms from suppliers. Through the capital increase, the company's solvency is also enhanced from 20 to 25 percent.

The transaction will be officially announced in the first quarter of 2016, allowing the company to properly inform investors of the transaction on the basis of the 2015 figures."

Connect Group

Connect Group is a leading certified supplier of technology, production systems, printed circuit boards and cable assembly services for industry. Connect Group develops products to user specifications from the concept stage onwards with optimal production, price and quality results. Connect Group references include Alstom, ASML, Atlas Copco, Faiveley, Transics, Nedap, Fabricom and Atos. The company currently employs around 1,500 people in various facilities in Europe. The company's shares are traded on NYSE Euronext Brussels: CONN (www.euronext.com).

Updated financial calendar

Announcement of the annual results 2015

18 February 2016

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