

Evercel

Good afternoon.

It is my pleasure to speak with you today with an update on the Evercel business, which is in the best shape it has been.

In particular, I would like to share further information about the acquisition of ZAGG, which we closed last week.

We have been working on this opportunity for much of the past year. We are excited about this acquisition and believe it will create significant value for Evercel shareholders in the coming years.

Let me start by telling you more about ZAGG. As you likely know already, ZAGG is a leader in mobile phone accessories. Most new mobile phone handsets are sold in physical retail stores and if you walk into a Verizon or T Mobile or Best Buy or ATT retail store and buy a new phone, there is a good chance that you also bought something from ZAGG such as an Invisible Shield screen protector, a Gear4 phone case, or a mophie external battery pack. ZAGG products are available around the world and sold online, but the majority of the company's sales are in the US at physical wireless and retail stores.

During the many months we spent diligencing the opportunity, we spoke to almost all of the company's main retail partners and consistently heard high praise of the company's products. These retail customers point to continuous innovation around the product which has led to and will continue to lead the industry. And we heard great reviews on the experience and professionalism these retail partners receive from Zagg. It came out in our detailed research that this is a company of people who understand how to work with and serve their retail customers. The company has brands that resonate with consumers and importantly are trusted by consumers, in part because of the quality of the product and in part because of the exceptional service it provides to its customers.

With the launch of the wave of handset upgrade cycle associated with the current launch of 5G spectrum, we see a number of attractive tailwinds for the business and the company's main screen protection business correlates strongly with the sale of new mobile phone handsets.

For those of you who read the proxy ZAGG filed, you recognize that taking ZAGG private was a very long and arduous experience. We were successful in acquiring the business in part through perseverance in what was a highly competitive process that took many unexpected twists and turns along the way. To share a bit about the deal itself, Evercel led an investor group in acquiring 100% of what was an independently publicly traded company Zagg for about \$200 M in equity and net debt. Evercel invested approximately \$36m of the approximately \$70m of equity and will own just over 50% of the voting shares of the company. To be able to consummate the transaction, we brought in other equity investors alongside for the remaining equity. These other investors are aligned with our vision and are excited to play a role as

minority owners in helping to drive success. We financed the transaction with approximately \$67 M of senior debt through an asset backed line and approximately \$75m of junior debt. This \$142m of total debt has a blended interest rate of <6%, and we expect to be able to pay it off with cash flow from the business.

The business generated about \$50 million in adjusted EBITDA during a difficult Covid year. We believe that our strategy will unlock meaningful value for Evercel shareholders by shifting how Zagg aligns itself internally, positions for future growth, and manages its financials. Specifically, we believe that by aligning the business around each powerful brand and segment (Halo + Mophie in power, Invisible Shield and Gear4 in phone protection, and the ancillary products of iFrogz and Zagg keyboards) that the business will be able to drive greater success and focus. We also see opportunities for growth by continuing to achieve strong growth in the online channel. There are selective international markets under consideration. And, we believe that deepening relationships with their key customers (beyond what they are already doing) can position the company to continue to expand their leadership position. The company's CEO and management team will remain in place.

Evercel has been very selective in taking on and consummating new investments, in part as we are extraordinarily hands-on with the companies we have acquired. We see a lot of similarities between our investment in Printronix and our investment in Zagg in terms of the playbook and investment thesis. Further, like with Printronix, we believe our hands-on approach to driving success through a focus on cash generation, a focus on the most profitable aspects of the business, and alignment with management will lead Zagg to be a successful investment as well. As we did with Printronix, simplifying the business where possible and keeping the management team focused on long-term cash generation coupled with a thoughtful, and measured approach toward investments should reap strong returns for Evercel shareholders.

Printronix

While the main purpose of today's call was to focus on ZAGG, I want to switch gears and also provide a brief update on the two other businesses Evercel owns, as well as on Evercel itself. First on Printronix: As a reminder, Evercel invested \$18m for 80.1% of the company back in 2013. Evercel has generated a return of nearly 3x its investment in cash plus in addition continues to own the 80.1% of the business originally purchased. Printronix is debt-free and continues to generate healthy cash-flow. Covid presented some challenges to the Printronix business this past year, as large companies and governments temporarily paused or cut back on their capital expenditures. Printronix had expected many large orders that did not materialize, but we believe the demand continues to exist as Printronix's product provides a much needed solution for its customers. In addition to being the only solution in its segment of line matrix printing anywhere in the world except for Japan now, Printronix has a very attractive business model selling high margin consumables, spare parts and service to its installed base of printers around the world.

We brought on a new CFO this week to replace our recently departed CFO, Mark Tobin, who decided to pursue other opportunities. I wish to thank Mark for his relentless and tireless work both on Printronix and on the Evercel audit process over the past four years.

Current Technologies

On Current Technologies, while the revenue of the business is currently not material to Evercel's consolidated financials, we remain enthusiastic about the potential and the decision to make the

investment. Current is founded and run by an extremely talented entrepreneur who is constantly iterating to find new and better ways to build the business, as is the mark of any great entrepreneur. As a reminder, we invested approximately \$3m both in buying the asset out of a larger company and then funding the balance sheet. You can read more about Current's technology platform for influencer marketing at Current.tech.

Evercel

And finally a few words regarding Evercel overall.

As a reminder, Evercel's investments are comprised primarily of a) its 80% ownership of Printronix, b) its \$36m investment this week in ZAGG and c) the investment in Current.tech. Evercel also still has approximately \$15m in cash on the balance sheet.

With the continued success of the investment in Printronix, last year's successful exit of the investment in SharpSpring, our continued enthusiasm for the potential of Current.tech, and the recent potentially transformative acquisition of ZAGG, Evercel is in the best shape it has been.

The cash harvested from the investments in Printronix and SharpSpring have enabled us to fund this investment in ZAGG. Similarly, our stock price has increased roughly 4x since our investment in Printronix as a result of the success of these investments. We are focused everyday in creating the long term value for all Evercel shareholders. We expect success from the investment in ZAGG to drive great value for Evercel shareholders who will be rewarded from this investment.

I want to conclude by previewing that we plan to announce in the coming weeks the addition of two new members of the Board of Directors. One of the new directors is a successful tech industry entrepreneur, executive and investor. The other new director is a recently retired senior partner at one of the large global accounting firms where he ran the transaction services group, advising companies on M&A transactions. Both of these individuals are eminently qualified and will undoubtedly be great additions to the Evercel Board.

Evercel is well positioned today for continued growth and we have a shared interest in the success of Evercel through a higher stock price. I know part of that is continued cash flow and success from Printronix and part of that certainly is success for Zagg.

We understand the challenges of not being registered poses for liquidity and the clear benefits that would come from registration. When we were smaller, registration was too cost prohibitive and time consuming and it would end up destroying (not creating) value for Evercel shareholders. It did not make sense to spend well over \$1m per year. As the company gets larger as additional value is created by our investments, the Board will continue to evaluate the benefits and costs associated with registration.

Right now, we have to focus on unlocking the value at Zagg and ensure the success of this acquisition, but

I wish to thank our shareholders for your continued support as we continue to work to make Evercel and even more valuable company.