FIRST HALF-YEAR 2018 REPORT

exceet Group SE
17, rue de Flaxweiler
L-6776 Grevenmacher
Grand Duchy of Luxembourg

INTERIM MANAGEMENT REPORT

Intact Outlook: Visible Progress of Profits

- 6M 2018 group Net Sales (including the exceet electronics activities) at EUR 78.4 million (6M 2017: EUR 71.1 million), plus 10.2% compared to prior year; Organic Growth Rate[1] 6M 2018: plus 13.0% (6M 2017: plus 8.1%).
- 6M 2018 group EBITDA[1] (including the exceet electronic activities) at EUR 7.7 million (6M 2017: EUR 4.5 million), up 71.0% versus 6M 2017, reaching 9.8% of Net Sales. 6M group Net Profit (including the exceet electronics activities) at EUR 1.1 million (6M 2017: minus EUR 10.3 million).
- On 30 June 2018, Order Backlog[1] at EUR 51.3 million (plus EUR 4.3 million compared to 30 June 2017); Cash at EUR 25.7 million, Net Cash[1] at EUR 0.1 million and Equity Ratio[1] at 57.3%
- On 22 May 2018, exceet informed about its entry into a structured process to prepare a potential sale of its portfolio company AEMtec GmbH (Germany), containing the group's micro- and optoelectronics activities.
- On 30 July 2018, exceet completed the sale of its electronics business activities, out of the group's ECMS segment accounting for EUR 55.8 million of sales in the full year of 2017. The sales price amounted to EUR 30.8 million.

The Board of exceet Group SE decided on 29 June 2018 to sign an agreement to sell the exceet electronics activities (EE activities) of exceet. These activities are part of exceet's business segment Electronic Components, Modules & Systems (ECMS) and include the operating locations in Grossbettlingen (Germany), Ebbs (Austria) and Rotkreuz (Switzerland). As a consequence, the group's IFRS reporting will be split into "Continued Operations" and "Discontinued Operations" as of Q2 2018. In order to allow transparent comparisons with prior reporting periods note 18 of the Interim Financial Statements shows the Interim Balance Sheet and the Interim Income Statement in the previous presentation format (Total Group Basis including discontinued operations – EE activities). Any outlook given will be for the entire group in its current structure including the EE activities till the date of completion.

Financial Performance

Continued Operations

The continued operations consist of the activities mainly related to micro- and optoelectronics, printed circuit boards (PCB's) within the ECMS segment and the entire ESS segment. Locations are in Berlin, Düsseldorf and Fürth (all Germany), Küssnacht (Switzerland) and Bucharest (Romania).

	2 Quarter			1 Half-Year		
(in EUR 1,000)	2018	2017		2018	2017	
Net Sales	24,557	22,450	+ 9.4%	46,939	45,260	+ 3.7%
Organic Growth Rate			+ 12.6%			+ 7.1%
EBITDA	4,190	2,827	+ 48.2%	6,963	5,300	+ 31.4%
in % of Net Sales	17.1%	12.6%		14.8%	11.7%	
Profit for the period	2,053	1,523	+ 34.8%	3,169	2,413	+ 31.3%
in % of Net Sales	8.4%	6.8%		6.8%	5.3%	

1) See note 21 "Alternative Performance Measures (APM)" Pages 31 - 34

Discontinued Operations (EE activities)

(in EUR 1,000)	2 Quarter 2018	2017		1 Half-Year 2018	2017	
Net Sales	15,811	13,271	+ 19.1%	31,437	25,862	+ 21.6%
Organic Growth Rate			+ 20.8%			+ 23.4%
EBITDA	394	(237)	+ 266.2%	732	(800)	+ 191.5%
in % of Net Sales	2.5%	(1.8%)		2.3%	(3.1%)	
Loss for the period	(1,738)	(11,461)	n.a.	(2,045)	(12,744)	n.a.
in % of Net Sales	(11.0%)	(86.4%)		(6.5%)	(49.3%)	

The Loss of the first half-year 2018 includes value adjustments related to the classification as asset held for sale: EUR 1.5 million impairment charges.

Segment Reporting

Electronic Components, Modules & Systems (ECMS)

The ECMS segment develops and produces innovative, complex and integrated electronic products, with a focus on miniaturization, cost optimization and a high degree of customization to suit the needs of its customers. The segment covers the whole customer value chain from design and development through production to after sales services. ECMS addresses primarily the markets of medical & healthcare and industrial automation.

Including the exceet electronics activities, the segment accounts for 94.1% of group sales and increased its external Net Sales by 11.3% to EUR 73.8 million during the first half-year of 2018 (6M 2017: EUR 66.2 million).

Continued Operations ECMS

The ECMS segment without the EE activities realized Net Sales of EUR 42.7 million (6M 2017: EUR 40.4 million), which is an increase by 5.8%. The EBITDA amounted to EUR 8.9 million (6M 2017: EUR 7.7 million) resulting in an EBITDA Margin of 20.8% (6M 2017: 19.1%).

Ongoing efforts in the development of new projects paid by the customers and higher volumes ordered by existing customers in a positive market environment supported the continuation of the positive business development of the ECMS activities in line with the outlook given previously. The gain of new customers validated the strategic approach to invest into the wafer backend process and as well into the semi-additive process for PCB's. These processes are strengthening the technology portfolio and know-how of ECMS which allows a further broadening of the customer base.

The project to optimize the floor area and related production flows at the location in Küssnacht (Switzerland) has started. This project will be realized aside the running business and will last till the end of 2019.

1) See note 21 "Alternative Performance Measures (APM)" Pages 31 - 34

Discontinued Operations

The discontinued exceet electronics activities showed a good performance in the first half-year 2018 and increased its net sales by 21.6% to EUR 31.4 million (6M 2017: EUR 25.9 million). The EBITDA [1]reached EUR 0.7 million, compared to the prior year of minus EUR 0.8 million, reflecting an EBITDA Margin of 2.3% (6M 2017: minus 3.1%).

The positive business development is driven by the high demand for microprocessor related product suites as well as customer-specific product bundles like control units and displays. In this supportive market environment the sales team of the EE activities was able to win a growing number of projects and new customers. Other success factors are the long-term customer relationships with a sustainable development support for the customer and the favourable sales development of the operations in Ebbs. The good perspectives of the sales pipeline still offer an excellent outlook for the future, regarding revenue growth and margin development.

exceet Secure Solutions (ESS)

In H1 2018, the ESS segment contributed 5.9% to group sales (Total Group Basis). ESS generated external revenues of EUR 4.6 million after EUR 4.9 million in H1 2017 (minus 5.3%). The EBITDA for the first six months amounted to minus EUR 0.5 million versus minus EUR 1.3 million the year before.

In the field of industry routers and customized gateways, the demand for connected solutions regarding remote services is still on a high level. The segment was able to win an automotive supplier in Europe as customer for its light-grid systems. The light-grids monitor the contours of plastic shipping containers and boxes. This leads to significant shorter processing and commissioning times and reduces transport costs on the customer's side. Additionally, ESS was able to win new projects in the rising market of renewable energy production

Based on the modular product suite "exceet connect" ESS offer - together with its partner Interxion - end2end security solutions that protect edge- and fog-computing environments as well as computing centres and public clouds, by giving clients the proper level of data security for each and every digital use case. This makes the segment an innovator and source of support in developing secure Industry 4.0 environments. But the further business development in this sector continues from a still moderate level.

Group Balance Sheet Positions

As of 30 June 2018, the total assets of exceet Group amounted to EUR 136.1 million, compared to the restated EUR 130.2 million as of 31 December 2017 (see exceet Interim Financial Statements note 16).

The non-current assets amounted to EUR 33.0 million (31.12.2017: EUR 50.9 million) and decreased by EUR 18.0 million of which EUR 17.0 million are due to the reclassification as assets held for sale (EE activities). On a continued basis the non-current assets decreased slightly by EUR 1.0 million. The total position includes tangible assets of EUR 21.1 million (31.12.2017: EUR 26.5 million), intangible assets of EUR 11.3 million (31.12.2017: EUR 22.8 million) and other non-current assets of EUR 0.5 million (31.12.2017: EUR 1.6 million). The non-current assets include deferred tax assets of EUR 0.5 million (31.12.2017: EUR 1.2 million).

Current assets amounted to EUR 103.2 million, compared to restated EUR 79.3 million at year-end 2017. The Position includes EUR 46.7 million out of the reclassification of assets held for sale (EE activities). Thereof EUR 14.9 million from non-current assets, EUR 22.0 million from inventories, EUR 7.2 million from trade receivables, EUR 1.4 million from cash and EUR 1.2 million from other current assets. The increase of the current assets of the continued business from EUR 96.3 million as of 31 December 2017 to EUR 103.2 million includes EUR 1.1 million from inventories, EUR 4.5 million from trade receivables, EUR 0.5 million from cash and EUR 0.1 million net from other current assets.

1) See note 21 "Alternative Performance Measures (APM)" Pages 31 - 34

The substantial increase of the inventories and the trade receivables related to the continued business is due to the good level of sales and the preceding material purchases for projects in progress. However, the ongoing difficult procurement market with its shortage of electronic components and the related delay in finishing customer orders are substantial elements of this tendency to higher inventories. The only slightly higher cash and cash equivalents of EUR 25.7 million (31.12.2017: EUR 25.2 million) reflects the further increase of the Operating Net Working Capital[1)] from EUR 17.5 million to EUR 22.3 million despite the stronger net cash from the other operating activities.

At the end of the reporting period, exceet Group's equity amounted to EUR 78.0 million, against restated EUR 74.7 million as of 31 December 2017. This represents a stable equity ratio of 57.3% (31.12.2017: 57.4%).

The non-current liabilities increased by EUR 11.9 million from EUR 16.9 million at year-end of 2017 to EUR 28.8 million. The increase includes EUR 5.4 million out of the reclassification of liabilities held for sale (EE activities) to current liabilities. Further, EUR 18.4 million is related to the reclassification of the borrowings covered by the new main bank facility agreement from current liabilities. In addition borrowings were reduced by EUR 0.2 million caused by the weaker Swiss Francs. The adjustment of the retirement benefit obligations according to the actual actuarial calculation caused a decrease of the provision by EUR 0.8 million mainly caused by the higher returns on the plan assets and an increase of the discount rate related to the Swiss plan.

The decrease of the current liabilities by EUR 9.2 million to EUR 29.4 million as of 30 June 2018 (31.12.2017: EUR 38.6 million) includes the reclassification of borrowings of EUR 18.4 million from current liabilities to non-current liabilities as a new main bank facility agreement was signed in February 2018. The agreement has a duration period of five years till 28 February 2023. Further, the trade payables increased due to the higher level of sales by EUR 0.7 million, the accrued expenses increased by EUR 1.3 million and EUR 6.7 million were allocated to liabilities directly associated with assets classified as held for sale (thereof EUR 5.4 million from non-current liabilities).

Cash Development and Net Debt

The cash and cash equivalents amounted as of 30 June 2018 to EUR 25.7 million (31.12.2017: EUR 29.0 million). The change is caused by the reclassification of EUR 3.8 million to assets classified as held for sale (EE activities) and a slight increase out of the continued operations of EUR 0.5 million. The relative flat development reflect the further increase of the operating net working capital caused by the higher level of sales and material purchases for projects in progress especially driven by the actual shortage of electronic components on the global market.

The 6M 2018 cash outflow of EUR 1.7 million (6M 2017: outflow EUR 2.2 million) consisted of EUR 1.9 million for investments into tangible and intangible assets, investments into the net working capital of EUR 5.9 million, net tax payments of EUR 1.2 million, interest payments of EUR 0.4 million and the cash inflow out of operations with EUR 7.5 million. The Net Debt position [1)] as of 30 June 2018 amounts to EUR 0.7 million (31.12.2017: net cash EUR 0.7 million).

Employees

Continued Operations

As of 30 June 2018, the Group employed 437 employees (Headcount) (30.06.2017: 443) or 407 full-time equivalents (FTE) (30.06.2017: 412). 235 (30.06.2017: 229) were employed in Germany, 156 (30.06.2017: 169) in Switzerland, 15 (30.06.2017: 13) in Romania and 1 (30.06.2017: 1) in the USA.

Discontinued Operations (EE activities)

The EE activities as discontinued operations employed as of 30 June 2018 264 employees (Headcount) (30.06.2017: 250) or 237 full-time equivalents (FTE) (30.06.2017: 225). 94 (30.06.2017: 83) were employed in Germany, 89 (30.06.2017: 83) in Austria and 54 (30.06.2017: 59) in Switzerland.

1) See note 21 "Alternative Performance Measures (APM)" Pages 31 - 34

Capital Market Environment and Share Price Performance

The economic conditions in Germany and the Eurozone are still showing a healthy level of activities even if some economic data has been disappointing in the first half year and visibly dampened initially over-optimistic growth expectations. A quarterly comparison shows that the Q1 2018 growth rate halved to 0.3% in Germany and to 0.4% in the Eurozone. Particularly exports deteriorated while the construction sector and private consumption stayed supportive. A return to stronger growth in the course of Q2 2018 failed to materialize as the economic development was suffering from widening trade conflicts. This triggered several downward adjustments of growth estimates. The German economic institutes lowered their growth forecasts for 2018 from around 2.5% to below 2.0% while the German Bundesbank is actually forecasting 2.0% and the OECD 2.1%. For the Eurozone, the OECD is expecting a slightly higher growth rate of 2.2% in this year due to improvements in some European labor markets which are expected to generate higher private consumptions. For the world economic growth in 2018, the OECD estimates plus 3.8%. But declining copper prices and the significant narrowing of the spread between 10-year and 2-year US rates are sending out warning signals. Rising energy prices recently caused a pick-up of inflation in Germany (2.2% in May) and in the Eurozone (1.9% in May). Even if these rates are around the target level of 2% set by the European Central Bank (ECB) the European monetary policy is expected to follow a course that supports growth. A tightening of rates does not seem to be on the ECB’s agenda until the second half of 2019.

The Equity markets, which had been losing ground in the first quarter 2018, performed almost flat in the second quarter 2018 with the exception of the two technology-driven indices Nasdaq Composite and TecDAX. The Nasdaq Composite, which already gained 2.9% in Q1 2018, added further 6.3% in Q2 2018. The German TecDax was slightly down by 1.4% in Q1 2018 but recovered and gained 7.9% in Q2 2018. Among the broad market indices, the German DAX (minus 6.4% in Q1 2018) regained 1.7% in Q2 2018 while the Swiss market Index (SMI) stayed weak and lost another 1.5% in Q2 2018. The EuroStoxx 50, which showed some resilience in Q1 2018 (minus 4.1%) advanced by 1% in Q2 2018. Finally the Dow Jones Industrial Average (minus 2.5% in Q1 2018) closed Q2 2018 almost unchanged with a plus of 0.7%.

exceet shares started strongly into 2018 by reaching quickly their Q1-peak of Euro 5.75 which was also the highest price recorded for the entire first half year. From a reduced level of Euro 4.34 on 31 March 2018, the share price recovered lost terrain in Q2 and ended the first half-year at a price of Euro 5.30. The share price approached several times its January High and managed to hold its ground above the Euro 4.00 mark even in weak phases. The final performance amounts to an appreciation of 22.1% in Q2 2018 and by 26.5% for the total first half year 2018. The cumulative trading volume in Q2 2018 amounted to 127,811 shares after 181,351 shares in Q1 2018.

exceet’s valuation in the stock market is influenced by visibly improving fundamental data and operational achievements. But it is as well starting to reflect positive market expectations concerning the value-enhancing results of the group´s active portfolio management strategy carried forward by the board.

On 10 July 2018, Hauck & Aufhäuser has published a research update about exceet with an increased share price target of Euro 7.50 after Euro 6.00 before.

Opportunities and Risk Report

The statements provided in the Annual Report 2017 on the opportunities and risks of the business model remain unchanged.

Significant Events and Actions

exceet signed a contract on 29 June 2018 with the Austrian S&T Group to sell its exceet electronic activities. This transaction was closed on 30 July 2018 with the clearance by the appropriate cartel authorities of Germany and Austria. The final sales price amounts to EUR 30.8 million.

There were no other events since the balance sheet date on 30 June 2018 that would require adjustment of assets or liabilities or a disclosure.

Outlook

The management of exceet reiterates its outlook as given in the Annual Report 2017 and confirmed in the first quarterly report 2018. The group is confident to achieve at least the envisaged mid-single digit top line growth on a comparable basis and gain further visible progress in profitability as measured by the EBITDA Margin. The actual Order Backlog of the continued operations (on 30 June 2018 EUR 51.3 million) is supporting a generally optimistic view on the second half of the current year. As already mentioned in earlier reports, certain electronic material shortages and longer lead times for specific electronic components continue to have an impact on business conditions in the electronics industry and are potentially putting constraints on exceet to execute some customer orders in the agreed time. Finally the EBITDA Margin has entered a solid recovery process, but the project driven characteristics of exceet's business – as outlined several times before – can lead to a certain volatility of this figures on a quarterly basis.

The actual sale of the exceet electronics activities (completed on 30 July 2018) and the started sales process of its micro- and optoelectronic activities (announced on 22 May 2018) are part of exceet's targeted active portfolio management. The focus of the future capital allocation is to take opportunities of organic growth and acquisition prospects as well as the optimization of the shareholder value. Basic elements of this strategy are further investments in the development of the remaining electronic activities and the acquisition of technology driven companies notably within the healthcare market.

In the case of the potential sale of AEMtec GmbH, which contains the micro- and optoelectronic activities of the group, a broadly structured process has been initiated to create the pre-conditions for any possible transaction. But a decision as to whether and at which date a potential sale will take place has not yet been made.

Grevenmacher, 6 August 2018

exceet Group SE
The Board of Directors and the CEO / CFO

INTERIM FINANCIAL STATEMENTS
(CONDENSED & CONSOLIDATED)

INTERIM BALANCE SHEET (CONSOLIDATED)

(in EUR 1,000)	unaudited 30 June 2018	restated 31 December 2017	audited 31 December 2017
ASSETS			
Non-current assets			
Tangible assets	21,123	26,528	26,528
Intangible assets [1]	11,303	22,770	22,770
Deferred tax assets	525	1,233	1,233
Financial assets at fair value through profit or loss	0	9	0
Financial assets at amortized costs	0	375	0
Other financial investments	0	0	384
Total non-current assets	**32,951**	**50,915**	**50,915**
Current assets			
Inventories	11,485	29,380	30,033
Trade receivables, net	16,669	17,366	17,366
Contract assets	1,381	1,072	0
Other current receivables	426	1,262	1,262
Current income tax receivables	3	617	617
Accrued income and prepaid expenses	785	603	603
Cash and cash equivalents	25,697	28,965	28,965
	56,446	**79,265**	**78,846**
Assets classified as held for sale [2]	46,709	0	0
Total current assets	**103,155**	**79,265**	**78,846**
Total assets	**136,106**	**130,180**	**129,761**
EQUITY			
Share capital	312	312	312
Reserves	77,663	74,415	74,056
Equity attributable to Shareholders of the parent company	**77,975**	**74,727**	**74,368**
Total equity	**77,975**	**74,727**	**74,368**
LIABILITIES			
Non-current liabilities			
Borrowings [3]	24,615	8,385	8,385
Retirement benefit obligations	2,400	5,051	5,051
Deferred tax liabilities	596	1,696	1,636
Provisions for other liabilities and charges	276	643	643
Other non-current liabilities	872	1,121	1,121
Total non-current liabilities	**28,759**	**16,896**	**16,836**
Current liabilities			
Trade payables	5,817	9,686	9,686
Contract liabilities	439	445	0
Other current liabilities	269	2,039	2,039
Accrued expenses and deferred income	5,363	5,568	6,013
Current income tax liabilities	332	863	863
Borrowings [3]	1,053	19,832	19,832
Provisions for other liabilities and charges	0	124	124
	13,273	**38,557**	**38,557**
Liabilities directly associated with assets classified as held for sale [2]	16,099	0	0
Total current liabilities	**29,372**	**38,557**	**38,557**
Total liabilities	**58,131**	**55,453**	**55,393**
Total equity and liabilities	**136,106**	**130,180**	**129,761**

1) Incl. Goodwill of EUR 7,121 (31.12.2017: EUR 12,688)
2) Please see note 17 "Discontinued operations"
3) Net cash for continued operations amount to EUR 29 (31.12.2017: Net debt EUR 745) based on third party borrowings EUR 25,668 (31.12.2017: EUR 25,932) less cash and cash equivalents of EUR 25,697 (31.12.2017: EUR 25,187)

The accompanying notes are an integral part of the Interim Financial Statements (condensed & consolidated).

INTERIM INCOME STATEMENT (CONSOLIDATED)

	3 months		6 months	
	unaudited	unaudited	unaudited	unaudited
(in EUR 1,000)	01.04. - 30.06.2018	01.04. - 30.06.2017	01.01. - 30.06.2018	01.01. - 30.06.2017
Revenue	24,557	22,450	46,939	45,260
Cost of sales	(19,282)	(18,142)	(37,267)	(36,730)
Gross profit	**5,275**	**4,308**	**9,672**	**8,530**
Gross profit margin	*21.5%*	*19.2%*	*20.6%*	*18.8%*
Distribution costs	(1,171)	(1,632)	(2,521)	(3,215)
Administrative expenses	(1,107)	(1,107)	(2,574)	(2,520)
Other operating expenses [1]	0	(70)	0	(70)
Other operating income	66	76	151	157
Operating result (EBIT) [2]	**3,063**	**1,575**	**4,728**	**2,882**
EBIT margin	*12.5%*	*7.0%*	*10.1%*	*6.4%*
Financial income	519	535	1,022	725
Financial expenses	(716)	(233)	(1,270)	(650)
Changes in fair value in financial instruments	0	0	0	0
Financial result, net	**(197)**	**302**	**(248)**	**75**
Profit/(Loss) before income tax	**2,866**	**1,877**	**4,480**	**2,957**
Income tax expense	(813)	(354)	(1,311)	(544)
Profit/(Loss) from continuing operations	**2,053**	**1,523**	**3,169**	**2,413**
Profit/(Loss) margin	*8.4%*	*6.8%*	*6.8%*	*5.3%*
Profit/(Loss) from discontinued operations	**(1,738)**	**(11,461)**	**(2,045)**	**(12,744)**
Profit/(Loss) for the period	**315**	**(9,938)**	**1,124**	**(10,331)**
Profit/(Loss) margin	*1.3%*	*(44.3%)*	*2.4%*	*(22.8%)*
PROFIT/(LOSS) ATTRIBUTABLE TO:				
Shareholders of the parent company	315	(9,938)	1,124	(10,331)
EARNINGS PER SHARE IN EURO FROM CONTINUED OPERATIONS (BASIC = DILUTIVE)				
Class A shares	0.10	0.08	0.16	0.12
EARNINGS PER SHARE IN EURO FROM DISCONTINUED OPERATIONS (BASIC = DILUTIVE)				
Class A shares	(0.09)	(0.57)	(0.10)	(0.63)
EARNINGS PER SHARE IN EURO ON TOTAL GROUP BASIS (BASIC = DILUTIVE)				
Class A shares	0.02	(0.50)	0.06	(0.51)
CONTINUED OPERATIONS				
Operating result (EBIT)	3,063	1,575	4,728	2,882
Impairment charges	0	70	0	70
	3,063	1,645	4,728	2,952
Depreciation and amortization	1,127	1,182	2,235	2,348
Operating result before depreciation, amortization and impairment charges (EBITDA) [3]	**4,190**	**2,827**	**6,963**	**5,300**
EBITDA margin	*17.1%*	*12.6%*	*14.8%*	*11.7%*

1) Impairment charges of EUR 0 (H1 2017: EUR 70)
2) Earnings Before Interest and Taxes
3) Earnings Before Interest, Taxes, Depreciation and Amortization

The accompanying notes are an integral part of the Interim Financial Statements (condensed & consolidated).

INTERIM STATEMENT OF COMPREHENSIVE INCOME (CONSOLIDATED)

	3 months		6 months	
	unaudited	unaudited	unaudited	unaudited
(in EUR 1,000)	01.04. - 30.06.2018	01.04. - 30.06.2017	01.01. - 30.06.2018	01.01. - 30.06.2017
Profit/(Loss) for the period	**315**	**(9,938)**	**1,124**	**(10,331)**
Items not to be reclassified to profit and loss:				
Remeasurements of defined benefit obligation	2,416	(495)	2,059	555
Deferred tax effect on remeasurements of defined benefit obligation	(316)	64	(268)	(77)
Items not to be reclassified to profit and loss	**2,100**	**(431)**	**1,791**	**478**
Items to be reclassified to profit and loss:				
Currency translation differences	514	(707)	333	(562)
Items to be reclassified to profit and loss	**514**	**(707)**	**333**	**(562)**
Total comprehensive income for the period	**2,929**	**(11,076)**	**3,248**	**(10,415)**
Attributable to:				
Shareholders of the parent company	2,929	(11,076)	3,248	(10,415)
Total comprehensive income for the period attributable to the Shareholders of the company				
Continued operations	4,563	(542)	4,956	1,287
Discontinued operations	(1,634)	(10,534)	(1,708)	(11,702)
Total comprehensive income for the period	**2,929**	**(11,076)**	**3,248**	**(10,415)**

The accompanying notes are an integral part of the Interim Financial Statements (condensed & consolidated).

INTERIM STATEMENT OF CASH FLOWS (CONSOLIDATED) [1)]

(in EUR 1,000)	unaudited 01.01. - 30.06.2018	unaudited 01.01. - 30.06.2017
Profit/(Loss) before income tax	**2,341**	**(10,160)**
Amortization on intangible assets	1,242	1,514
Impairment on intangible assets	1,500	10,751
Depreciation on tangible assets	2,132	2,369
(Gains)/Losses on disposal of assets	(28)	(22)
Change of provisions	5	39
Adjustments to retirement benefit obligations/prepaid costs	201	(190)
Financial (income)/expenses	311	365
Other non-cash (income)/expenses	(180)	334
Operating net cash before changes in net working capital	**7,524**	**5,000**
Changes to net working capital		
- inventories	(3,602)	(4,139)
- receivables	(6,030)	(1,663)
- accrued income and prepaid expenses	(2,168)	(617)
- liabilities	4,107	2,321
- provisions for other liabilities and charges	(60)	(18)
- accrued expenses and deferred income	1,900	911
Tax received (prior periods)	448	273
Tax paid	(1,591)	(1,908)
Interest received	29	10
Interest paid	(396)	(319)
Cashflows from operating activities [2)]	**161**	**(149)**
Purchase of tangible assets	(1,857)	(1,294)
Sale of tangible assets	119	22
Purchase of intangible assets	(134)	(474)
Cashflows from investing activities	**(1,872)**	**(1,746)**
Increase of borrowings	377	678
Repayments of borrowings	(319)	(5,544)
Proceeds/(Repayments) of other non-current liabilities	(43)	(38)
Proceeds from finance lease prepayments	0	487
Payments of finance lease liabilities	(388)	(447)
Cashflows from financing activities	**(373)**	**(4,864)**
Net changes in cash and cash equivalents	**(2,084)**	**(6,759)**
Cash and cash equivalents at the beginning of the period	**28,965**	**30,874**
Net changes in cash and cash equivalents	(2,084)	(6,759)
Effect of exchange rate gains/(losses)	188	(333)
Cash and cash equivalents at the end of the period [3)]	**27,069**	**23,782**

1) The Cash flow statement is presented including movements from discontinued operations. Please refer to note 17 "Discontinued Operations" for the cash flow from discontinued operations
2) Free cash flow amounts to EUR (1,711) (H1 2017: EUR (2,216)) based on cash flow from operations of EUR 161 minus net capital expenditure (adjusted for finance lease) of EUR 1,872 (H1 2017: EUR 2,067)
3) Includes EUR 1,372 which is included in "Assets classified as held for sale" in the balance sheet as of 30 June 2018

The accompanying notes are an integral part of the Interim Financial Statements (condensed & consolidated).

INTERIM STATEMENT OF CHANGES IN EQUITY (CONSOLIDATED)

(in EUR 1,000)	Issued and paid-in share capital	Capital reserves	Treasury shares	Share-based payments IFRS 2	Retained earnings	Foreign currency transl. diff.	Total shareholders of the parent company
BALANCES AT 31 DECEMBER 2017	312	65,485	(4,525)	0	(9,463)	22,559	74,368
Change in accounting policies (IFRS 15)					359		359
BALANCES AT 1 JANUARY 2018	312	65,485	(4,525)	0	(9,104)	22,559	74,727
Profit/(Loss) for the period					1,124		1,124
Other comprehensive income:							
Remeasurements of defined benefit obligations					2,059		2,059
Deferred tax effect on remeasurements					(268)		(268)
Currency translation differences						333	333
Total other comprehensive income for the period	0	0	0	0	1,791	333	2,124
Total comprehensive income for the period	0	0	0	0	2,915	333	3,248
BALANCES AT 30 JUNE 2018	312	65,485	(4,525)	0	(6,189)	22,892	77,975
BALANCES AT 31 DECEMBER 2016	312	65,485	(4,525)	202	(2,945)	25,613	84,142
Profit/(Loss) for the period					(10,331)		(10,331)
Other comprehensive income:							
Remeasurements of defined benefit obligations					555		555
Deferred tax effect on remeasurements					(77)		(77)
Currency translation differences						(562)	(562)
Total other comprehensive income for the period	0	0	0	0	478	(562)	(84)
Total comprehensive income for the period	0	0	0	0	(9,853)	(562)	(10,415)
BALANCES AT 30 JUNE 2017	312	65,485	(4,525)	202	(12,798)	25,051	73,727

The accompanying notes are an integral part of the Interim Financial Statements (condensed & consolidated).

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONDENSED & CONSOLIDATED)

1 General information

exceet Group SE (the "Company"), is incorporated as a Société Européenne under the law of Luxembourg. The Company was incorporated on 9 October 2009 as Helikos SE and renamed to exceet Group SE on 27 July 2011. The registered office is at 17, rue de Flaxweiler, L-6776 Grevenmacher (Luxembourg). exceet Group SE is listed in the Prime Standard of the Frankfurt Stock Exchange (Frankfurter Wertpapierbörse) under the symbol "EXC".

The consolidated exceet Group SE (the "Group" or "exceet") includes all companies in which exceet Group SE, directly or indirectly, exercises control. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. All companies consolidated into the Group are disclosed in note 20 "List of consolidated subsidiaries of exceet Group SE".

exceet is a portfolio of technology companies specialized in the development and production of intelligent, complex and secure electronics of small and mid-size volumes. The Group provides highly sophisticated solutions and distinguishes itself through its technical skill set in embedded intelligent electronics with a leading position in the health and industrial markets.

The Group is structured in two business segments: Electronic Components Modules & Systems (ECMS) and exceet Secure Solutions (ESS). On 29 June 2018 exceet signed a contract with a third party to sell its "exceet electronics activities", which are part of the ECMS segment. As consequence, the Group's IFRS reporting will be split into "Continued operations" and "Discontinued operations".

The ECMS segment (90% of Sales H1 2018 on continued basis) develops and produces innovative, complex and integrated electronic products, with a focus on miniaturization, cost optimization and a high degree of customization to suit the needs of the customers. The products and services of the ECMS segment are aimed primarily at customers in the sectors of healthcare and industrial.

The ESS segment (10% of Sales H1 2018 on continued basis) is focused on secure connectivity mainly based on IT Security and industrial Internet of Things (IoT) projects and solutions. Within all IoT projects, the segment provides concept development, customer specific IoT hard- and software and especially process specific IT Security consulting, products and services. The segment also engages further in eHealth, eSignature and Hardware Security Module (HSM) related developments and sales activities.

exceet is mainly focusing on the markets in Europe, but is also active in the markets of USA and Asia-Pacific. The Group (continued and discontinued operations) consists of 13 legal entities with 10 locations in Austria, Germany, Luxembourg, Romania, Switzerland and the USA. This setup allows the Group to benefit from specific local advantages (e.g. customer proximity) and to apply a flexible production process necessary to fulfill the specific requirements of customers. For details on the legal entities please refer to note 20 "List of consolidated subsidiaries".

This condensed consolidated interim financial information is unaudited and was approved for issue by the Board of Directors on 6 August 2018.

2 Adoption of new and revised accounting standards

New and amended standards adopted by the Group

The following standards and amendments, issued by the International Accounting Standards Board ('IASB') and the IFRS Interpretations Committee and as adopted by the European Union (EU), that are effective for the first time in the current financial year and have been adopted by the Group.

The interim condensed consolidated financial statements have been prepared on the basis of the accounting policies, significant judgments, key assumptions and estimates as described on pages 33 to 50 of the consolidated financial statements of exceet Group SE 2017.

· IFRS 9	(New)	"Financial instruments" – IASB and EU effective date 1 January 2018
· IFRS 15	(New)	"Revenue from contracts with Customers" – IASB and EU effective date 1 January 2018
· IFRS 4	(Amendment)	"Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts" – IASB and EU effective date 1 January 2018
· IFRS 2	(Amendment)	"Share based payments" – IASB and EU effective date 1 January 2018
· IAS 40	(Amendment)	"Transfer of Investment Property" – IASB and EU effective date: 1 January 2018
· IFRIC 22	(Interpretation)	"Foreign Currency Translation and Advance Consideration" – IASB and EU effective date: 1 January 2018
· Annual improvement cycle 2014 - 2016		IASB and EU effective date: 1 January 2017/1 January 2018

For the details of adoption of IFRS 9 and IFRS 15 please refer to note 16 for further details.

New standards, amendments and interpretations not yet adopted by the Group

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2018 and have not been applied in preparing these interim condensed consolidated financial statements.

· IFRS 16	(New)	"Leases" – IASB and EU effective date 1 January 2019
· IFRS 17	(New)	"Insurance Contracts" – IASB effective date 1 January 2021 – EU endorsement outstanding
· IFRS 9	(Amendment)	"Prepayment Features with Negative Compensation" – IASB and EU effective date: 1 January 2019
· IAS 19	(Amendment)	"Plan Amendment, Curtailment or Settlement" – IASB effective date: 1 January 2019 – EU endorsement outstanding
· IAS 28	(Amendment)	"Long-term interests in Associates and Joint Ventures" – IASB effective date: 1 January 2019 – EU endorsement outstanding
· IFRIC 23	(Interpretation)	"Uncertainty over Income Tax Treatments" – IASB effective date: 1 January 2019 – EU endorsement outstanding

- Annual improvement cycle 2015 - 2017 — IASB effective date: 1 January 2019 – EU endorsement outstanding

The Group is in the process to assess the potential impacts of the above new standards and amendments to the existing standards and intends to adopt them no later than the effective endorsement date by the EU.

For IFRS 16 the Group is reviewing current leasing contracts to determine the application of IFRS 16. Some leasing contracts have been identified to be required to be accounted for under IFRS 16. The accounting treatment might lead on the balance sheet to an increase in assets, through the identification of "right-to-use assets" and an increase in leasing liabilities, Also costs are expected to shift away from the EBITDA -performance measure, as some operating lease costs will be replaced by depreciations of "right-to-use assets" within EBIT and interest costs. Performance measures like net debt, EBITDA margin and equity ratio will be impacted, although the Group currently expects this no to be material.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Financial Statements of the Group.

3 Basis of preparation

The interim condensed consolidated financial statements for the six months ended 30 June 2018, have been prepared in accordance with IAS 34, 'Interim financial reporting'.

Following the announcement of the signing of a contract to sell the "exceet electronics activities", the respective figures are shown as discontinued operations and certain 2017 figures have been restated in accordance with IFRS 5. The balance sheet and income statement without taking into account the split for discontinued operations can be seen in Note 18.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the annual financial statements for the year ended 31 December 2017, which have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU).

All figures presented should be read as in EUR 1,000, if not presented otherwise.

Use of estimates and judgments

The preparation of the interim condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these interim condensed consolidated financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2017.

The following exchange rates were relevant to the interim financial report as of 30 June 2018:

	30 June 2018	Average 01.01. - 30.06.2018	31 December 2017	30 June 2017	Average 01.01. - 30.06.2017
1 CHF	0.86	0.85	0.85	0.91	0.93
1 USD	0.86	0.83	0.83	0.88	0.92

Taxes on income in the interim periods are accrued using the local tax rate that would be applicable to expected total annual profit or loss.

Consolidated statement of comprehensive income

The interim consolidated statement of comprehensive income was prepared based on an accruals basis. The consolidated statement of comprehensive income has been presented by using "cost of sales" method.

Seasonality

Revenues and costs are not influenced by seasonal effects, but are impacted by the economic environment in the markets the Group is operating in.

4 Financial risk management and financial instruments

Financial risk factors

The Group's activities expose it to a variety of financial risks: market risks (including currency risk, fair value interest rate risk, cash flow interest rate risk, price risk), credit risk and liquidity risk.

The interim condensed financial statements do not include all financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the Group's consolidated financial statements for 2017. There have been no changes in any risk management policies since the year end.

Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, prices) or indirectly (that is, derived from prices)
Level 3: Inputs for the asset or liability that are not valued on observable market data (that are, unobservable inputs, for instance estimation and assumptions)

The following table presents the Group's assets that are measured at fair value. There are no liabilities measured at fair value.

(in EUR 1,000)	Level 1	Level 2	Level 3	Total
30 JUNE 2018				
Assets as per balance sheet				
Financial assets at fair value through profit or loss				0
Total	**0**	**0**	**0**	**0**
31 DECEMBER 2017 (restated)				
Assets as per balance sheet				
Financial assets at fair value through profit or loss	9			9
Total	**9**	**0**	**0**	**9**

The Group's accounting rules demands the recognition of transfers into or out of fair value hierarchy levels as of the date of the event or at the change in circumstances that caused the transfer. There were no transfers between the levels during the reporting period.

Level 1 represent quoted prices (unadjusted) in active markets for identical assets or liabilities.

Due to the implementation of IFRS 9, new financial assets at fair value through profit or loss of EUR 9 were recognized as per 31 December 2017.

Fair value of financial assets and liabilities measured at amortized costs

The fair values of non-current borrowings are as follows:

(in EUR 1,000)	unaudited 30 June 2018	audited 31 December 2017
CARRYING AMOUNT		
Bank borrowings	23,822	7,231
Finance lease liabilities	793	1,154
Total	**24,615**	**8,385**
FAIR VALUE		
Bank borrowings	25,372	7,762
Finance lease liabilities	793	1,154
Total	**26,165**	**8,916**

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

5 Additional information to the cash flow statement

The acquisition of tangible assets is mainly related to the purchase of production facilities and machinery. The Group purchased no fixed assets through finance lease arrangements during the first half-year 2018 (H1 2017: EUR 321).

Payments of finance lease liabilities represent payments of amortizations of current lease liabilities and prepayments for new lease liabilities in the current period.

6 Segment information

The Group has two main business segments, Electronic Components Modules & Systems (ECMS) and exceet Secure Solutions (ESS), representing different business activities. The segments are reported in a manner that is consistent with the internal reporting provided to the Group's Chief Operating Decision Maker – CEO/CFO. In addition, the Group has a third segment "Corporate and others" for reporting purposes, which only includes the investment companies. Companies of exceet Group SE, which have been subject to the reverse asset acquisition, have been assigned to the segment "Corporate and others".

The segment information for the first half-year 2018 and a reconciliation of EBIT to profit/(loss) for the period is provided as follows:

Income statement and capital expenditure by segment

01.01. - 30.06.2018 (in EUR 1,000)	ECMS	ESS	Corporate and others	Eliminations	Continued Operations
Revenue from sale of electronic components	37,770	3,618	0	0	41,388
Revenue from sale of services	4,527	1,024	0	0	5,551
External revenue	42,297	4,642	0	0	46,939
Inter-segment revenue	421	0	0	(421)	0
Total revenue	**42,718**	**4,642**	**0**	**(421)**	**46,939**
EBITDA	**8,890**	**(513)**	**(1,414)**	**0**	**6,963**
EBITDA Margin	*20.8%*	*(11.1%)*			*14.8%*
Depreciation, amortization and impairment [1]	(1,898)	(300)	(37)	0	(2,235)
EBIT	**6,992**	**(813)**	**(1,451)**	**0**	**4,728**
EBIT Margin	*16.4%*	*(17.5%)*			*10.1%*
Financial income	430	1	706	(115)	1,022
Financial expenses	(505)	(40)	(840)	115	(1,270)
Financial result, net	**(75)**	**(39)**	**(134)**	**0**	**(248)**
Profit/(Loss) before income tax	**6,917**	**(852)**	**(1,585)**	**0**	**4,480**
Income tax	(1,563)	252	0	0	(1,311)
Profit/(Loss) for the period	**5,354**	**(600)**	**(1,585)**	**0**	**3,169**
Capital expenditure tangible assets	1,486	12	7	0	1,505
Capital expenditure intangible assets	53	3	0	0	56
Depreciation tangible assets	(1,760)	(47)	(10)	0	(1,817)
Amortization intangible assets	(138)	(253)	(27)	0	(418)

1) No Impairment charges for the period 01.01. – 30.06.2018

01.01. - 30.06.2017 (in EUR 1,000)	ECMS	ESS	Corporate and others	Eliminations	Continued Operations
Revenue from sale of electronic components	36,492	4,297	0	0	40,789
Revenue from sale of services	3,867	604	0	0	4,471
External revenue	40,359	4,901	0	0	45,260
Inter-segment revenue	12	2	102	(116)	0
Total revenue	**40,371**	**4,903**	**102**	**(116)**	**45,260**
EBITDA	**7,712**	**(1,277)**	**(1,135)**	**0**	**5,300**
EBITDA Margin	*19.1%*	*(26.0%)*			*11.7%*
Depreciation, amortization and impairment [1]	(2,026)	(350)	(42)	0	(2,418)
EBIT	**5,686**	**(1,627)**	**(1,177)**	**0**	**2,882**
EBIT Margin	*14.1%*	*(33.2%)*			*6.4%*
Financial income	148	0	705	(128)	725
Financial expenses	(340)	(44)	(394)	128	(650)
Financial result, net	**(192)**	**(44)**	**311**	**0**	**75**
Profit/(Loss) before income tax	**5,494**	**(1,671)**	**(866)**	**0**	**2,957**
Income tax	(1,266)	548	174	0	(544)
Profit/(Loss) for the period	**4,228**	**(1,123)**	**(692)**	**0**	**2,413**
Capital expenditure tangible assets	1,387	12	0	0	1,399
Capital expenditure intangible assets	16	415	0	0	431
Depreciation tangible assets	(1,875)	(58)	(10)	0	(1,943)
Amortization intangible assets	(151)	(222)	(32)	0	(405)
Impairment intangible assets	0	(70)	0	0	(70)

1) Incl. Impairment charge of EUR 70 (ECMS EUR 0 / ESS EUR 70)

Assets and liabilities by segment

(in EUR 1,000)	ECMS	ESS	Corporate and others	Continued Operations
BALANCES AT 30 JUNE 2018 (UNAUDITED)				
Tangible assets	20,912	186	25	21,123
Intangible assets	5,326	5,922	55	11,303
Other non-current assets	171	354	0	525
Non-current assets	26,409	6,462	80	32,951
Current assets	45,368	2,131	8,947	56,446
Liabilities	20,877	2,037	19,118	42,032
BALANCES AT 31 DECEMBER 2017 (AUDITED)				
Tangible assets	26,279	221	28	26,528
Intangible assets	16,516	6,172	82	22,770
Other non-current assets	1,242	0	375	1,617
Non-current assets	44,037	6,393	485	50,915
Current assets	67,523	1,887	9,436	78,846
Liabilities	34,522	1,565	19,306	55,393
BALANCES AT 30 JUNE 2017 (UNAUDITED)				
Tangible assets	27,855	251	36	28,142
Intangible assets	19,527	6,905	119	26,551
Other non-current assets	1,461	523	750	2,734
Non-current assets	48,843	7,679	905	57,427
Current assets	65,994	2,422	11,167	79,583
Liabilities	40,461	2,169	20,653	63,283

7 Financial result

The financial result includes a non-cash loss of EUR 23 (H1 2017: Gain of EUR 201) related to the revaluation of Euro-loans given by the Swiss holding to finance the other group companies.

8 Development costs

The position "cost of sales" in the consolidated income statement includes development costs in the amount of EUR 2,293 (H1 2017: EUR 1,931; full year 2017: EUR 4,476). Development costs are mainly related to development projects for customers as well to products, process development and optimizations for the production.

9 Trade receivables, net

	unaudited	audited
(in EUR 1,000)	30 June 2018	31 December 2017
Trade accounts receivable, gross - due from third parties	17,040	17,883
Provision for impairment	(371)	(517)
Total	**16,669**	**17,366**

As of 30 June 2018 trade receivables of EUR 1,435 (31.12.2017: EUR 1,416) were partially impaired. The amount of total provisions for these receivables at risk amounts to EUR 371 (31.12.2017: EUR 517), as there is evidence that not all amounts due will be collected.

10 Equity

The issued share capital is set at 20,523,695 shares with a par value of Euro 0.0152, issued as Class A Shares ("Public Shares"), with 20,073,695 Class A Shares listed on the stock exchange and 450,000 own Class A Shares held by the Company (Treasury Shares). The Company's share capital amounts to Euro 311,960.16.

For further information regarding exceet's equity structure, please refer to the consolidated financial statements of exceet Group Consolidated Financial Statements 2017 note 13 "Equity" on pages 71 to 73.

11 Earnings per share

Earnings per share (EPS) is calculated by dividing the profit attributable to the ordinary shareholders of the parent company by the weighted average number of ordinary shares outstanding during the period excluding ordinary shares purchased by the Company and held as Treasury Shares.

Basic earnings per share continued operations

The calculation of basic EPS at 30 June 2018 is based on the profit from continued operations attributable to the owners of the parent of EUR 3,169 for six months 2018 (H1 2017: Gain of EUR 2,413) and the weighted average number of ordinary shares outstanding of 20,073,695 Class A Shares. For the same period in the previous year the notional weighted average numbers of ordinary shares outstanding were 20,073,695 Class A Shares.

		unaudited 01.01. - 30.06.2018	unaudited 01.01. - 30.06.2017
Profit/(Loss) for continued operations for the year (EUR 1,000) attributable to equity holders of the Company	Class A Shares	3,169	2,413
Weighted average number of ordinary shares outstanding	Class A Shares	20,073,695	20,073,695
Basic earnings/(loss) per share (Euro/share)	Class A Shares	0.16	0.12

Basic earnings per share discontinued operations

The calculation of basic EPS at 30 June 2018 is based on the loss from discontinued operations attributable to the owners of the parent of EUR 2,045 for six months 2018 (H1 2017: Loss of EUR 12,744) and the weighted average number of ordinary shares outstanding of 20,073,695 Class A Shares. For the same period in the previous year the notional weighted average numbers of ordinary shares outstanding were 20,073,695 Class A Shares.

		unaudited 01.01. - 30.06.2018	unaudited 01.01. - 30.06.2017
Profit/(Loss) for discontinued operations for the year (EUR 1,000) attributable to equity holders of the Company	Class A Shares	(2,045)	(12,744)
Weighted average number of ordinary shares outstanding	Class A Shares	20,073,695	20,073,695
Basic earnings/(loss) per share (Euro/share)	Class A Shares	(0.34)	(0.63)

Dilutive earnings per share

Diluted EPS are calculated by increasing the average number of shares outstanding by the total number of potential shares arising from potential option rights. As per 30 June 2018 the Group has no option rights outstanding, therefore no dilutive impact on the EPS is possible.

12 Dividends

No dividends were paid during the first half-year of 2018.

13 Borrowings

Borrowings are as follows:

(in EUR 1,000)	unaudited 30 June 2018	audited 31 December 2017
NON-CURRENT		
Bank borrowings	23,822	7,231
Finance lease liabilities	793	1,154
Total non-current borrowings	**24,615**	**8,385**
CURRENT		
Bank borrowings	268	19,034
Finance lease liabilities	785	798
Total current borrowings	**1,053**	**19,832**
Total borrowings	**25,668**	**28,217**

As of 8 February 2018 the Group entered into a new main bank credit facility agreement by continuing the same bank relationship. The agreement has a duration period of five years and is replacing the current main facility agreement which was ending by 28 February 2018. The main facility agreement continues to offer a possible maximal amount of CHF 23 million (EUR 19.9 million), whereof CHF 21.5 million (EUR 18.6 million) are used. At the same time the two associated loan facilities for the Swiss operational subsidiaries with a line of credit in the amount of CHF 10 million (EUR 8.6 million) have also been signed with a duration period of five years. Due to the new duration period, bank borrowings of EUR 18.6 million were reclassified form current to non-current borrowings.

The conditions for the new facility agreements remained in line with the previous facility agreement and contain general market conditions and requirements, including restrictions due to change of control or the bank having the right for an extraordinary termination with the consequence of immediate repayment of outstanding debt and payment of a prepayment penalty, if a certain leverage ratio (defined as net debt divided by EBITDA) was exceeded or certain operation measures were not met. Also in the case of a sale of assets the Group has the obligation to reduce the credit facility accordingly if there will be no similar reinvestment within the next 12 months and if the net proceeds exceed a threshold of currently about EUR 5 million.

14 Retirement benefit obligation

For the first half-year of 2018 there were EUR 788 impact from return on plan assets (H1 2017: EUR 555), EUR (1,992) (H1 2017: none) impact from measurements of the defined benefit obligation arising from changes in economic assumptions (discount rates) and EUR (855) impact arising from experience (H1 2017: none).

15 Ultimate controlling parties and related-party transactions

The Company has no ultimate controlling party.

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

The Group had legal charges in the amount of EUR 61 from related parties in the first half-year of 2018 (H1 2017: EUR 47).

16 Changes in accounting policies

The implementation of the new standards IFRS 9 ("Financial instruments") and IFRS 15 ("Contract with Customers") lead to changes in the accounting policy of the Group and financial statements had to be restated. The following table shows the adjustments recognized for each individual line item. Line items that were not affected by the changes have not been included; therefore the sub-totals and totals disclosed cannot be recalculated from the numbers provided. The adjustments are explained in more detail by standard below.

Balance Sheet (exctract) (in EUR 1,000)	originally presented 31 December 2017	Adjustment IFRS 9	Adjustment IFRS 15	restated 1 January 2018
ASSETS				
Non-current assets				
Financial assets at fair value through profit or loss	0	9		9
Financial assets at fair value at amortized costs	0	375		375
Other financial investments	384	(384)		0
Total non-current assets	**50,915**	**0**		**50,915**
Current assets				
Inventories	30,033		(653)	29,380
Contract assets	0		1,072	1,072
Total current assets	**78,846**		**419**	**79,265**
Total assets	**129,761**	**0**	**419**	**130,180**
EQUITY				
Reserves	74,056		359	74,415
Equity attributable to Shareholders of the parent company	**74,368**		**359**	**74,727**
LIABILITIES				
Current liabilities				
Contract liabilities	0		445	445
Accrued expenses and deferred income	6,013		(445)	5,568
Total current liabilities	**38,557**		**0**	**38,557**
Non-current liabilities				
Deferred tax liabilitites	1,636		60	1,696
Total non-current liabilitites	**16,836**		**60**	**16,896**
Total liabilities	**55,393**		**0**	**55,393**
Total equity and liabilities	**129,761**	**0**	**359**	**130,120**

Implementation of IFRS 9 ("Financial instruments")

Changes from Implementation of IFRS 9

As per 31 December 2017 the Group had financial assets in the amount of EUR 384, thereof EUR 375 represented a loan to exceet Card Austria GmbH, a former participation of the Group. This amount was reclassified to "Financial assets at amortized costs" and has been fully repaid by 31 March 2018. The remaining amount of EUR 9 represented a financial asset in connection to compensation in case of disposal of staff in exceet electronics GesmbH in Austria and has been reclassified to "Financial assets at fair value through profit or loss" for the first quarter and then reclassified to asset held for sale.

In regards to impairment of financial assets, the Group has different types of financial assets that are subject to IFRS 9's credit loss model:

- Trade receivables
- Contract assets

The Group was required to revise its impairment methodology under IFRS 9 for each of these classes of assets. As contract assets related to unbilled deliveries and have substantially the same loss characteristics as trade receivables for the same type of contract, the Group decided to use the same loss rates for both categories. The recognized impairment remained on the same level.

Relevant accounting policies adjustments IFRS 9

Classification and measurement of investments and other financial assets

From 1 January 2018, the Group classifies its financial assets in the following measurement categories:

- Financial assets at fair value through other comprehensive income (OCI)
- Financial assets at fair value through profit or loss (FVPL)
- Financial assets at amortized costs

The classification depends on the Groups business model for managing the financial assets and the contractual terms of the cash flows of the assets. The Group reclassifies debt investments when and only when its business model for managing those assets change.

For the initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not measured at fair value through profit or loss (FVPL), transaction costs. Transaction costs are costs only directly related to the acquisition of the financial asset. Transaction costs for financial assets carried at FVPL are expensed in profit or loss.

The subsequent measurement of the financial assets is based on the Group's policy for managing the asset and the related cash flow characteristics.

Financial assets at amortized costs represent assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. Interest rate income from these financial assets is included in financial income using the effective interest rate method. Any gain or loss arising on derecognition is recognized in profit or loss in financial income or expenses, together with foreign exchange gains and losses. Impairment losses are presented as financial expenses in the statement of profit or loss.

For financial assets at fair value through profit or loss a gain or loss is subsequently recognized in profit and loss and presented net within "Changes in fair value in financial instruments" within the financial result in the period in which it arises.

From 1 January 2018, the Group assess on a forward looking basis the expected credit losses associated with its debt instruments carried at amortized costs. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

Implementation of IFRS 15 ("Contract with customers")

Changes from Implementation of IFRS 15

The Group decided to adopt the standard using the cumulative approach, which means that the cumulative impact of the adoption concerning contracts not fulfilled as of 31 December 2017 will be recognized in retained earnings as of 1 January 2018 and that comparatives will not be restated.

Presentation of contract assets and contract liabilities

- Contract assets in the amount of EUR 1,072 have been recognized in relation to stock managed by exceet companies, (Vendor Managed Inventory (VMI)), which were previously presented within inventory (at costs, excluding margin), as the timing of transfer of control has been newly applied according the new standard.

- Contract liabilities in the amount of EUR 445 have been recognized in relation to prepayments of customers for IT service contracts, which were previously included within provisions for other liabilities.
- Within deferred tax liabilities a liability of EUR 60 had to be recognized in connection with the recognition of contract assets.

Relevant accounting policies adjustments IFRS 15

Revenue recognition for sale of electronics components

Revenue from the sale of electronic components is recorded as income at the time of delivery to the customer. Trade discounts are deducted, whereas accumulated experience is used to estimate and provide for the discounts, using the expected value method.

The Group typically sells its products through purchase orders under contracts that include fixed or determinable prices and that generally do not include a right of return or similar provisions or other significant post-delivery obligations. Delivery does not occur until products have been shipped to the specified location and the risks of obsolescence and loss have been transferred to the customer.

Revenue recognition for Services

The Group sells consulting, research and development services to its ECMS and ESS customers.

Research and development including the subsequent production and sale of electronic components are, depending on the contract and products, regarded as two performance obligations. Whereas the revenue for research and development are recognized based on agreed milestones. Milestones are agreed with the intention to closely match the work performed and the receipt and use of benefits by the customer.

Revenue from consulting services and research and development of software projects for customers are also recognized over time, based on agreed milestones. Milestones are agreed with the intention to closely match the work performed and the receipt and use of benefits by the customer.

Financing components

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

17 Discontinued Operations

The assets and liabilities of the discontinued operations classified as held for sale are measured at the lower of their carrying value and fair value less cost to sell and are presented separately in the balance sheet. Fair value less cost to sell has been determined based on the valuation of the expected business performance and the expected sales proceed from a third party buyer. This is a level 3 fair value measurement.

The discontinued operations "exceet electronics activities" consist of three separate cash generating units of the ECMS segment (exceet electronics GmbH, exceet electronics GesmbH, exceet electronics AG) and a holding company (exceet Austria GmbH) which was part of the Corporate & Other segment. For reporting purposes of discontinued operations, the companies have now been summarized into "exceet electronics activities".

Based on the signed contract with the buyer as of 29 June 2018 indicating a sales price of approximately EUR 30 to 31 million, the carrying value of "exceet electronics activities" was impaired by EUR 1,500 within Goodwill.

At 30 June 2018 the following assets and liabilities have been classified as held for sale.

(in EUR 1,000)	30 June 2018	31 December 2017
Assets classified as held for sale		
Tangible assets	5,143	5,103
Intangible assets [1]	8,956	11,161
Deferred tax assets	806	737
Other non-current receivables	9	9
Inventories	22,014	19,019
Trade receivables, net	7,184	5,161
Contract assets	392	222
Other current receivables	595	783
Current income tax receivables	0	0
Accrued income and prepaid expenses	238	69
Cash and cash equivalents	1,372	3,778
Total assets classified as held for sale	**46,709**	**46,042**
Liabilities direclty associated with assets classified as held for sale		
Borrowings [2]	2,100	2,285
Retirement benefit obligations	846	1,835
Deferred tax liabilities	785	1,081
Provisions for other liabilities and charges	437	490
Other non-current liabilities	206	214
Trade payables	7,170	4,582
Other current liabilities	1,756	1,444
Accrued expenses and deferred income	2,144	1,808
Current income tax liabilities	655	605
Total liabilities directly associated with assets classified as held for sale	**16,099**	**14,344**

1) Incl. Goodwill of EUR 4,138 (31.12.2017: EUR 5,617)
2) Net debt for discontinued operations amount to EUR 728 (31.12.2017: net cash EUR 1,493) based on third party borrowings EUR 2,100 (31.12.2017: EUR 2,285) less cash and cash equivalents of EUR 1,372 (31.12.2017: EUR 3,778)

The financial performance of the discontinued operations for the first half-year 2018 and 2017 is as follows:

	3 months		6 months	
(in EUR 1,000)	01.04. - 30.06.2018	01.04. - 30.06.2017	01.01. - 30.06.2018	01.01. - 30.06.2017
FINANCIAL PERFORMANCE				
External revenue	15,811	13,271	31,437	25,862
Expenses	(16,170)	(14,343)	(32,076)	(28,298)
Profit / (Loss) before fair value adjustment and income tax	(359)	(1,072)	(639)	(2,436)
Fair value adjustment - Impairment of Goodwill	(1,500)	(10,681)	(1,500)	(10,681)
Profit / (Loss) before income tax	(1,859)	(11,753)	(2,139)	(13,117)
Income tax	121	292	94	373
Profit / (Loss) from discontinued operations	**(1,738)**	**(11,461)**	**(2,045)**	**(12,744)**
Remeasurement of defined benefit obligation (net of tax)	1,009	(131)	914	144
Currency translation differences	(905)	1,058	(577)	898
Comprehensive income from discontinued operations	(1,634)	(10,534)	(1,708)	(11,702)
PROFIT/(LOSS) ATTRIBUTABLE TO:				
Shareholders of the parent company	(1,738)	(11,461)	(2,045)	(12,744)
EARNINGS PER SHARE IN EURO FROM DISCONTINUED OPERATIONS (BASIC = DILUTIVE)				
Class A shares	(0.09)	(0.57)	(0.10)	(0.63)
CASH FLOW INFORMATION				
Net Cash inflow / (outflow) from operating activities			(1,641)	(1,255)
Net Cash inflow / (outflow) from investing activities			(430)	(259)
Net Cash inflow / (outflow) from financing activities			(343)	840
Net increase / (decrease) in cash generated by discontinued operations			**(2,414)**	**(674)**

18 Additional information

Group Financials (incl. discontinued operations)

The following numbers have been prepared under the assumption that exceet electronics will be continued operations. These statements have been disclosed to provide additional information to the reader of the interim financial statements to compare the current numbers with prior years reported numbers and is not a requirement from IFRS endorsed by EU.

Interim balance sheet (consolidated) on Total Group Basis

(in EUR 1,000)	unaudited 30 June 2018	restated 31 December 2017
ASSETS		
Non-current assets		
Tangible assets	26,266	26,528
Intangible assets [1]	20,259	22,770
Deferred tax assets	1,331	1,233
Financial assets at fair value through profit or loss	9	9
Financial assets at amortized costs	0	375
Other financial investments	0	0
Total non-current assets	**47,865**	**50,915**
Current assets		
Inventories	33,499	29,380
Trade receivables, net	23,853	17,366
Contract assets	1,773	1,072
Other current receivables	1,021	1,262
Current income tax receivables	3	617
Accrued income and prepaid expenses	1,023	603
Cash and cash equivalents	27,069	28,965
Total current assets	**88,241**	**79,265**
Total assets	**136,106**	**130,180**
EQUITY		
Share capital	312	312
Reserves	77,663	74,415
Equity attributable to Shareholders of the parent company	**77,975**	**74,727**
Total equity	**77,975**	**74,727**
LIABILITIES		
Non-current liabilities		
Borrowings [2]	26,370	8,385
Retirement benefit obligations	3,246	5,051
Deferred tax liabilities	1,381	1,696
Provisions for other liabilities and charges	652	643
Other non-current liabilities	1,078	1,121
Total non-current liabilities	**32,727**	**16,896**
Current liabilities		
Trade payables	12,987	9,686
Contract liabilities	439	445
Other current liabilities	2,025	2,039
Accrued expenses and deferred income	7,507	5,568
Current income tax liabilities	987	863
Borrowings [2]	1,398	19,832
Provisions for other liabilities and charges	61	124
Total current liabilities	**25,404**	**38,557**
Total liabilities	**58,131**	**55,453**
Total equity and liabilities	**136,106**	**130,180**

1) Incl. Goodwill of EUR 11,259 (31.12.2017: EUR 12,688)
2) Net debt amount to EUR 699 (31.12.2017: net cash EUR 748) based on third party borrowings EUR 27,768 (31.12.2017: EUR 28,217) less cash and cash equivalents of EUR 28,965 (31.12.2017: EUR 27,069)

Interim income statement (consolidated) on Total Group Basis

(in EUR 1,000)	3 months unaudited 01.04. - 30.06.2018	unaudited 01.04. - 30.06.2017	6 months unaudited 01.01. - 30.06.2018	unaudited 01.01. - 30.06.2017
Revenue	40,368	35,721	78,376	71,122
Cost of sales	(33,848)	(31,119)	(66,488)	(62,136)
Gross profit	**6,520**	**4,602**	**11,888**	**8,986**
Gross profit margin	*16.2%*	*12.9%*	*15.2%*	*12.6%*
Distribution costs	(1,824)	(2,460)	(3,840)	(4,910)
Administrative expenses	(1,904)	(1,689)	(3,952)	(3,725)
Other operating expenses [1]	(1,500)	(10,751)	(1,500)	(10,751)
Other operating income	99	149	225	266
Operating result (EBIT) [2]	**1,391**	**(10,149)**	**2,821**	**(10,134)**
EBIT margin	*3.4%*	*(28.4%)*	*3.6%*	*(14.2%)*
Financial income	993	663	1,808	909
Financial expenses	(1,377)	(390)	(2,288)	(935)
Changes in fair value in financial instruments	0	0	0	0
Financial result, net	**(384)**	**273**	**(480)**	**(26)**
Profit/(Loss) before income tax	**1,007**	**(9,876)**	**2,341**	**(10,160)**
Income tax expense	(692)	(62)	(1,217)	(171)
Profit/(Loss) for the period	**315**	**(9,938)**	**1,124**	**(10,331)**
Profit/(Loss) margin	*0.8%*	*(27.8%)*	*1.4%*	*(14.5%)*
PROFIT/(LOSS) ATTRIBUTABLE TO:				
Shareholders of the parent company	315	(9,938)	1,124	(10,331)
EARNINGS PER SHARE IN EURO (BASIC = DILUTIVE)				
Class A shares	0.02	(0.50)	0.06	(0.51)
Operating result (EBIT)	1,391	(10,149)	2,821	(10,134)
Depreciation, amortization and impairment charges	3,193	12,739	4,874	14,634
Operating result before depreciation, amortization and impairment charges (EBITDA) [3]	**4,584**	**2,590**	**7,695**	**4,500**
EBITDA margin	*11.4%*	*7.3%*	*9.8%*	*6.3%*

1) Incl. Impairment charges of EUR 1,500 (H1 2017: EUR 10,751)
2) Earnings Before Interest and Taxes
3) Earnings Before Interest, Taxes, Depreciation and Amortization

19 Events occurring after the reporting period

On 30 July 2018 the sale of the "exceet electronics activities" has been completed, after the clearance from the relevant cartel authorities was received by the buyer. The final sales price agreed amount to EUR 30.8 million. Due to timing constraints between the closing date and this report, July 2018 transactions could not yet be included for the final valuation of the net assets disposed.

There were no other events since the balance sheet date on 30 June 2018 that would require adjustments of assets or liabilities or a disclosure.

20 List of consolidated subsidiaries of exceet Group SE

As of 1 July 2017 ECR AG, Rotkreuz (Switzerland) has been merged with exceet electronics AG, Rotkreuz (Switzerland) retroactively per 1 January 2017.

Company	Country	Year of acquisition [1]	Segment	Activity	Share Capital	Share in the capital	Share of the votes
CONTINUED OPERATIONS							
exceet Holding AG [2]	SUI	2011	C&O	Holding	CHF 100,000	100%	100%
exceet Group AG	SUI	2006	C&O	Holding & Services	CHF 25,528,040	100%	100%
GS Swiss PCB AG	SUI	2006	ECMS	Manufacturing & Sales	CHF 1,350,000	100%	100%
AEMtec GmbH	GER	2008	ECMS	Manufacturing & Sales	EUR 2,250,000	100%	100%
exceet Medtec Romania S.R.L. [3]	ROU	2014	ECMS	Development	RON 1,000	100%	100%
exceet USA, Inc.	USA	2015	ECMS	Sales	USD 10	100%	100%
exceet Secure Solutions GmbH [4][5][6]	GER	2011	ESS	Development & Sales	EUR 1,000,000	100%	100%
Lucom GmbH Elektrokomponenten und Systeme [7]	GER	2014	ESS	Development & Services	EUR 26,000	100%	100%
DISCONTINUED OPERATIONS							
exceet Austria GmbH	AUT	2011	C&O	Holding	EUR 35,000	100%	100%
exceet electronics AG [8][9]	SUI	2006	ECMS	Manufacturing & Sales	CHF 1,000,000	100%	100%
exceet electronics GesmbH [10][11][12]	AUT	2011	ECMS	Manufacturing & Sales	EUR 54,000	100%	100%
exceet electronics GmbH [13]	GER	2012	ECMS	Development & Sales	EUR 102,150	100%	100%

1) Year of acquisition refers to exceet Group AG point of view
2) exceet Holding AG (former: Helikos AG) was renamed by 9.5.2014
3) exceet Medtec Romania S.R.L. (former: Valtronic Technologies Romania S.R.L.) was renamed by 20.6.2014
4) exceet Secure Solutions AG (former: AuthentiDate International AG) has been renamed by 13.8.2014
5) exceet Secure Solutions AG and exceet Secure Solutions Deutschland GmbH have been merged on 15 August 2016 retroactively as per 1 January 2016
6) exceet Secure Solutions GmbH (former: exceet Secure Solutions AG) has been renamed by 6.10.2016
7) exceet Secure Solutions GmbH holds 100% of the share capital of Lucom GmbH Elektrokomponenten und Systeme
8) exceet electronics AG (former: Mikrap AG) was renamed by 30.12.2014
9) exceet electronics AG (former: Mikrap AG) and ECR AG have been merged as of 1 July 2017 retroactively by 1 January 2017
10) exceet electronics GesmbH (former: Contec Steuerungstechnik & Automation Gesellschaft m.b.H.) was renamed by 28.1.2015
11) exceet electronics GesmbH (former: Contec Steuerungstechnik & Automation Gesellschaft m.b.H.) and Inplastor GmbH have been merged in December 2014 retroactively as per 28.3.2014
12) exceet Austria GmbH holds 99.34% of the share capital of exceet electronics GesmbH and exceet Group AG 0.66% of the share capital of exceet electronics GesmbH
13) exceet electronics GmbH (former: as electronics GmbH) was renamed by 5.1.2015

For more operational company information please visit www.exceet.com/divisions/.

21 Alternative Performance Measures

21.1 EBITDA

Earnings before interest, taxes, depreciation and amortization (EBITDA) is calculated as operating result (EBIT) plus depreciation and impairments. EBITDA is an indicator of the operating profitability of the Group.

Total Group Basis

(in EUR 1,000)	H1 2018	H1 2017	Reference
Operating result (EBIT)	2,821	(10,134)	Note 18
Depreciation tangible assets	2,132	2,369	Note 18
Amortisation intangible assets	1,242	1,514	Note 18
Impairment intangible assets (incl. Goodwill)	1,500	10,751	Note 18
EBITDA Total Group Basis	**7,695**	**4,500**	

Continued operations

(in EUR 1,000)	H1 2018	H1 2017	Reference
Operating result (EBIT)	4,728	2,882	Consolidated Income Statement
Depreciation tangible assets	1,817	1,943	Note 6
Amortisation intangible assets	418	405	Note 6
Impairment intangible assets (incl. Goodwill)		70	Note 6
EBITDA continued operations	**6,963**	**5,300**	

Discontinued operations

(in EUR 1,000)	H1 2018	H1 2017	Reference
EBITDA Total Group Basis	7,695	4,500	Note 21
EBITDA continued operation	6,963	5,300	Note 21
EBITDA discontinued operations	**732**	**(800)**	

21.2 EBITDA MARGIN

EBITDA Margin represents EBITDA in % of net sales. EBITDA Margin is used as a normalised indicator of the operating profitability of the Group, comparable between different periods.

Total Group Basis

(in EUR 1,000)	H1 2018	H1 2017	Reference
Revenue	78,376	71,122	Note 18
EBITDA	7,695	4,500	Note 18
EBITDA Margin Total Group Basis	**9.8%**	**6.3%**	

Continued operations

(in EUR 1,000)	H1 2018	H1 2017	Reference
Revenue	46,939	45,260	Consolidated Income Statement
EBITDA	6,963	5,300	Note 21
EBITDA Margin continued operations	**14.8%**	**11.7%**	

Discontinued operations

(in EUR 1,000)	H1 2018	H1 2017	Reference
Revenue	31,437	25,862	Note 17
EBITDA	732	(800)	Note 21
EBITDA Margin discontinued operations	**2.3%**	**(3.1%)**	

21.3 ORGANIC GROWTH RATE

Organic growth is the growth rate calculated excluding impact from changes in exchange rates or acquisitions during the reporting period. Organic growth aims at evaluating the performance of the Group without considering non-organic factors, like acquisitions or currency fluctuations.

Total Group Basis

(in EUR 1,000)	H1 2018	H1 2017	Reference
Revenue	78,376	71,122	Note 18
Impact of the exchange rates on revenues	(2,004)	431	
Revenue from acquisitions of companies		0	
Revenue for organic growth calculation	**80,380**	**70,691**	
Prior year comparable revenue	71,122	65,424	Note 18
Organic growth Total Group Basis	**13.0%**	**8.1%**	

Continued operations

(in EUR 1,000)	H1 2018	H1 2017	Reference
Revenue	46,939	45,260	Consolidated Income Statement
Impact of the exchange rates on revenues	(1,533)	312	
Revenue from acquisitions of companies		0	
Revenue for organic growth calculation	**48,472**	**44,948**	
Prior year comparable revenue	45,260	41,488	Consolidated Income Statement
Organic growth continued operations	**7.1%**	**8.3%**	

Discontinued operations

(in EUR 1,000)	H1 2018	H1 2017	Reference
Revenue	31,437	25,862	Note 17
Impact of the exchange rates on revenues	(471)	119	
Revenue from acquisitions of companies		0	
Revenue for organic growth calculation	**31,908**	**25,743**	
Prior year comparable revenue	25,862	23,936	Note 17
Organic growth discontinued operations	**23.4%**	**7.5%**	

21.4 ORDER BACKLOG

Order Backlog shows the total of all not yet delivered customer orders at revenue value as at balance sheet date, to help to assess future revenue development.

(in EUR 1,000)	2018 [1)]	2017 [1)]	Reference
Order Backlog as per 30 June	**51,290**	**47,012**	

1) Based on continued operations (excluding discontinued operations)

21.5 BOOK-TO-BILL RATIO

Twelve months rolling Book-to-Bill Ratio is the ratio of orders received over the last twelve months to net sales over the last twelve months, to support the analysis of potential future growth.

(in EUR 1,000)	2018 1)	2017 1)	Reference
Revenue	46,939	45,260	Consolidated Income Statement
Order backlog 30 June (prior year)	47,012	39,059	
Revenue (last 12 months)	90,982	89,969	Revenue from 01.07. until 30.06.
Order backlog prior year adjustment/FX effects	(964)	2,045	
Order backlog 30 June (reporting year)	51,290	47,012	
Orders received during the period	94,296	99,967	
Book-to-Bill Ratio	**1.04**	**1.11**	

1) Based on continued operations (excluding discontinued operations)

21.6 OPERATING NET WORKING CAPITAL

Operating Net Working Capital is defined as the sum of inventories plus trade receivables minus trade payables. This values allows to assess the capital requirement of the Group.

(in EUR 1,000)	30 June 2018 1)	31 December 2017 1)	Reference
Inventories	11,485	10,361	Consolidated Balance Sheet
Trade receivables	16,669	12,205	Consolidated Balance Sheet
Trade payables	5,817	5,104	Consolidated Balance Sheet
Operating Net Working Capital	**22,337**	**17,462**	

1) Based on continued operations (excluding discontinued operations)

21.7 ASSETS HELD FOR SALE, NET

Asset held for Sale, net is the total of current asset classified as held for sale minus the liabilities directly associated with assets classified as held for sale.

(in EUR 1,000)	30 June 2018		
Current assets classified as held for sale	46,709		Consolidated Balance Sheet
Liabilities directly associated with assets classified as held for sale	16,099		Consolidated Balance Sheet
Assets held for sale, net	**30,610**		

21.8 NET (CASH)/DEBT

Net Debt is calculated as financial debt adjusted for cash and cash equivalents to assist in presenting the Group's financial capacities at balance sheet date.

Total Group Basis

(in EUR 1,000)	30 June 2018	31 December 2017	Reference
Bank borrowings (current and non-current)	26,190	26,265	
Finance lease (current and non-current)	1,578	1,952	
Total borrowings (current and non-current)	27,768	28,217	Note 18
Less: cash and cash equivalents	(27,069)	(28,965)	Note 18
Net (Cash)/Debt Total Group Basis	**699**	**(748)**	

Continued operations

(in EUR 1,000)	30 June 2018	31 December 2017	Reference
Bank borrowings (current and non-current)	24,090	23,980	
Finance lease (current and non-current)	1,578	1,952	
Total borrowings (current and non-current)	25,668	25,932	Consolidated Balance Sheet
Less: cash and cash equivalents	(25,697)	(25,187)	Consolidated Balance Sheet
Net (Cash)/Debt continued operations	**(29)**	**745**	

21.9 EQUITY RATIO

Equity Ratio is calculated as the ratio of total equity to total assets, representing the Group's financial leverage and stability.

(in EUR 1,000)	30 June 2018 1)	31 December 2017 1)	Reference
Total Assets	136,106	130,180	Consolidated Balance Sheet
Total Equity	77,975	74,727	Consolidated Balance Sheet
Equity Ratio	**57.3%**	**57.4%**	

1) Based on continued operations (excluding discontinued operations)

21.10 FREE CASH FLOW

Free cash flow is based on cash flow from operations minus net capital expenditure (adjusted for finance lease). This performance indicator represents the cash being generated by the Group after necessary capital expenditures to maintain and expand its asset base.

Total Group Basis

(in EUR 1,000)	30 June 2018	30 June 2017	Reference
Cash flow from operating activities	161	(149)	Consolidated Cash Flow
Net capital expenditures 1)	(1,872)	(2,067)	
Free cash flow Total Group Basis	**(1,711)**	**(2,216)**	

1) Including cash from disposal of assets EUR 119 (H1 2017: EUR 22) and purchase through leasing EUR 1'895 (H1 2017: EUR 321)

Continued operations

(in EUR 1,000)	30 June 2018	30 June 2017	Reference
Cash flow from operating activities	1,802	1,106	
Net capital expenditures 1)	(1,442)	(1,808)	Note 6
Free cash flow continued operations	**360**	**(702)**	

1) Including cash from disposal of assets EUR 119 (H1 2017: EUR 22)

Discontinued operations

(in EUR 1,000)	30 June 2018	30 June 2017	Reference
Cash flow from operating activities	(1,641)	(1,255)	Note 17
Net capital expenditures 1)	(430)	(259)	
Free cash flow discontinued operations	**(2,071)**	**(1,514)**	

1) Including cash from disposal of assets EUR 78 (H1 2017: EUR 43)

22 Responsibility statement

In accordance with article 4(2) of the Luxembourg law of 11 January 2008 *relative aux obligations de transparence concernant l'information sur les émetteurs dont les valeurs mobilières sont admises à la négociation sur un marché réglementé* (the "Transparency Law") the undersigned confirm that to the best of their knowledge, the condensed set of financial statements covering the six months period ended 30 June 2018, which has been prepared in accordance with the applicable set of the accounting standard IFRS as adopted by the EU, gives a true and fair view of the assets, liabilities, financial position and profit and loss of the Company and the undertakings included in the consolidation taken as a whole as required under article 4(3) of the Transparency Law.

Furthermore, the undersigned confirm that to the best of their knowledge, the interim management report covering the six months period ended 30 June 2018 includes a fair review of important events that have occurred during the first six month of the current financial year, and their impact on the condensed set of financial statements, together with a description of the principal risks and uncertainties for the remaining six months of the current financial year.

Grevenmacher, 6 August 2018

Board of Directors
exceet Group SE