THIRD QUARTER 2018 REPORT

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INTERIM MANAGEMENT REPORT

Successful Realization of Asset Values

- On 31 October 2018, exceet completed the sale of its portfolio company AEMtec GmbH (Germany), containing the Group's micro- and optoelectronics activities. The sales price amounted to EUR 86.0 million and was paid with the completion of the transaction.
- 9M 2018 Group Net Sales on a continued basis at EUR 31.1 million, minus 0.9% compared to prior year. Organic Growth Rate on a continued basis[1)] 9M 2018: plus 3.6% (9M 2017: minus 8.2%).
- 9M 2018 Group EBITDA on a continued basis[1)] at EUR 3.6 million (9M 2017: EUR 0.8 million), up 328.2% versus 9M 2017, reaching 11.5% of Net Sales. 9M Group Net Result at minus EUR 0.1 million (9M 2017: minus EUR 0.02 million) due to a negative non-cash currency result of EUR 0.9 million out of the valuation of the cash position.
- On 30 September 2018 on a continued basis: Order Backlog[1)] at EUR 11.2 million; Cash at EUR 47.6 million, Net Cash[1)] at EUR 24.7 million and Equity Ratio[1)] at 62.3%
- On 25 September 2018, exceet signed an agreement to sell its Romanian electronic development activities (exceet Medtec Romania S.R.L.) to the management. The company developed mainly projects for the sold business activities of exceet and accounted for EUR 0.2 million of third party Net Sales and an EBITDA of EUR 0.1 million in the full year of 2017.

On 25 September 2018, exceet signed an agreement to sell its portfolio company AEMtec GmbH (Germany), containing the Group's micro- and optoelectronics activities. These activities are part of exceet's business segment Electronic Components, Modules & Systems (ECMS) and include the operations in Berlin (Germany). At the same day exceet signed another agreement to sell its Romanian electronic development company exceet Medtec Romania S.R.L. to the management. As a consequence, the Group's IFRS reporting will be split into "Continued Operations" and "Discontinued Operations" as of Q3 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 – AEMtec GmbH, exceet Medtec Romania S.R.L. and the exceet electronic activities until 30 July 2018). Any outlook given will be for the entire group on a continued basis.

1) See note 21 "Alternative Performance Measures (APM)" Pages 36 - 39

Financial Performance

Continued Operations

The continued operations consist of the printed circuit boards (PCB) activities within the ECMS segment and the entire ESS segment which is focussing on Industrial Internet of Things (IIoT) secure connectivity. Locations are in Germany and Switzerland.

(in EUR 1,000)	3rd Quarter 2018	3rd Quarter 2017		January - September 2018	January - September 2017	
Net Sales	10,120	10,011	+ 1.1%	31,115	31,385	- 0.9%
Organic Growth Rate			+ 1.8%			+ 3.6%
EBITDA	1,628	416	+ 291.3%	3,563	832	+ 328.2%
in % of Net Sales	16.1%	4.2%		11.5%	2.7%	
Result of the period before currency exchange differences	595	1,496	n.a.	914	1,281	n.a.
in % of Net Sales	5.9%	14.9%		2.9%	4.1%	
Currency exchange differences	(921)	(1,022)		(978)	(1,301)	
Result of the period	(326)	474	n.a.	(64)	(20)	n.a.

The increased operational profit 2018 is mainly caused by higher efficiency allowed to reduce the personnel costs by EUR 2.2 million. EUR 1.2 million were realized in the ECMS segment and EUR 1.0 million within ESS. In addition some benefits were realized out of a cost optimal product mix. The currency exchange differences have almost no impact on the Euro cash position.

Discontinued Operations (exceet electronic activities (till 30 July 2018), AEMtec GmbH and exceet Medtec Romania S.R.L.)

(in EUR 1,000)	3rd Quarter 2018	3rd Quarter 2017		January - September 2018	January - September 2017	
Net Sales	18,330	27,612	- 33.6%	75,711	77,360	- 2.1%
Organic Growth Rate			- 33.6%			- 1.4%
EBITDA	(1,161)	3,068	- 137.8%	4,599	7,154	- 35.7%
in % of Net Sales	(6.3%)	11.1%		6.1%	9.2%	
Result of the period before impairment charges	(1,338)	1,221	n.a.	1,024	2,065	n.a.
in % of Net Sales	(7.3%)	4.4%		1.4%	2.7%	
Impairment charges	(329)	0		(1,829)	(10,681)	
Result of the period	(1,667)	1,221	n.a.	(805)	(8,616)	n.a.

Q3 2018 is including EUR 2.5 million (9M 2018: EUR 2.7 million) for transaction costs related to the sale of the discontinued operations.

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.

As of 30 September 2018 ECMS accounts on a Total Group Basis for 93.7% of group sales and realized external Net Sales of EUR 100.1 million (9M 2017: EUR 101.3 million).

Continued Operations ECMS

The continued operations of the ECMS segment, consisting of the PCB activities, realized Net Sales of EUR 24.4 million (9M 2017: EUR 24.0 million), which is an increase by 1.7%. The EBITDA amounted to EUR 6.3 million (9M 2017: EUR 4.5 million) resulting in an EBITDA Margin of 25.8% (9M 2017: 18.8%). Adjusted for currency Net Sales amounted to EUR 25.5 million and reflect an increase of 5.9%.

The continued ECMS activities are on a satisfying level and were able to meet the management's business expectations set earlier this year thanks to the higher volumes ordered by existing but also new customers. During the last quarter, exceet was able to win several new projects in the attractive market of hearing aid devices. The market for hearing aids represents a stable growing segment within the healthcare market and offers favorable business conditions for exceet as functionality and miniaturization are the main growth drivers there. Both can be realized with innovative PCB architectures, a field on which exceet is constantly putting high emphasis. The continued optimization of the production processes and additional technology driven investments will enable exceet to maintain a market-leading position.

Discontinued Operations

The discontinued operations 2018 of the ECMS segment are consisting of

- the activities of exceet electronics (1 January 2018 till 30 July 2018),
- AEMtec GmbH (1 January 2018 till 30 September 2018) and
- the Romanian activities (1 January 2018 till 30 September 2018).

These activities decreased their net sales by minus 2.1% to EUR 75.7 million (9M 2017: EUR 77.4 million) due to the deconsolidation of the exceet electronics activities with the completion of the transaction on 30 July 2018. The EBITDA [1)] reached EUR 4.6 million (9M 2017: EUR 7.2 million), reflecting an EBITDA Margin of 6.1% (9M 2017: 9.2%). The net sales and EBITDA figures for 2018 and 2017 do not show comparisons on a like-for-like basis as 2018 includes only seven months of the exceet electronic activities (completed on 30 July 2018).

The business development was primarily driven by the high demand for microprocessor related product suites, customer-specific product bundles like control units and displays as well as micro- and optoelectronic solutions. Another factor supporting the overall favourable business trend was again the close customer relationships, which are characterized by a sustainable development support for the customer.

exceet Secure Solutions (ESS)

For the first nine months of 2018, the ESS segment contributed 6.3% to group sales (Total Group Basis). ESS generated external revenues of EUR 6.7 million after EUR 7.2 million in the corresponding period of 2017 (minus 7.4%). The EBITDA for the first nine months amounted to minus EUR 0.6 million (9M 2017: minus EUR 1.6 million).

In the field of industrial 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 important project for a service provider for large area monitoring of construction sites. The monitoring is executed by video capture and camera (CCTV) tracking at day and night under harshest environmental conditions. The ESS solution guarantees a secure communication and offers an optimal and easy monitoring as well as a cost reduction of up to 80% on the customer's side.

1) See note 21 "Alternative Performance Measures (APM)" Pages 36 - 39

Together with NEXIONA and Tech Data, ESS introduced one of the currently securest gateways into the market. This partnership with ESS, as a specialist in large-scale cryptography and security technologies and NEXIONA, an IoT middleware software company, represents a technology cooperation to introduce a highly secure edge gateway aiming at those customers who require the highest level of security with a 100% complete control of their data. The gateway will be able to manage local data and its connectivity with the corporate network and is based on the modular product suite "exceet connect". The USPs of "exceet connect" consist of a programmable secure element, an integrated protection from hardware to cloud, readiness out of the box and prospective security with future updates.

Group Balance Sheet Positions

As of 30 September 2018, the total assets of exceet Group amounted to EUR 122.6 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 20.6 million (31.12.2017: EUR 50.9 million) and decreased by EUR 30.3 million of which EUR 17.0 million are related to the sold non-current assets of the exceet electronics activities and EUR 12.4 million to the reclassification as assets held for sale (micro- and optoelectronic activities, Romanian development activities). On a continued basis the non-current assets decreased slightly by EUR 0.4 million. The total position includes tangible assets of EUR 9.1 million (31.12.2017: EUR 26.5 million), intangible assets of EUR 11.0 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 101.9 million, compared to restated EUR 79.3 million at year-end 2017. The Position includes EUR 43.0 million out of the reclassification of assets held for sale (micro- and optoelectronic activities, Romanian development activities). Thereof EUR 12.4 million from non-current assets, EUR 8.9 million from inventories, EUR 10.2 million from trade receivables, EUR 11.0 million from cash and EUR 0.5 million from other current assets. The increase of the current assets of the continued business from EUR 25.4 million as of 31 December 2017 to EUR 58.9 million includes EUR 32.2 million from cash - thereof EUR 29.7 million out of the sale of the exceet electronics activities - EUR 0.5 million from inventories, EUR 0.3 million from trade receivables and EUR 0.5 million net from other current assets.

At the end of the reporting period, exceet Group's equity amounted to EUR 76.4 million, against restated EUR 74.7 million as of 31 December 2017. This represents an improved equity ratio of 62.3% (31.12.2017: 57.4%).

The non-current liabilities increased by EUR 7.5 million from EUR 16.9 million at year-end of 2017 to EUR 24.4 million. The increase includes EUR 5.4 million out of the reclassification of liabilities held for sale (micro- and optoelectronic activities, Romanian development 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 0.6 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 0.2 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 29.8 million to EUR 8.8 million as of 30 September 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 0.6 million, the accrued expenses increased by EUR 3.6 million – including EUR 2.4 million accrued transaction costs for the discontinued operations - and EUR 13.0 million were allocated to liabilities directly associated with assets classified as held for sale (thereof EUR 5.4 million from non-current liabilities).

1) See note 21 "Alternative Performance Measures (APM)" Pages 36 - 39

Cash Development and Net Debt

The cash and cash equivalents amounted as of 30 September 2018 to EUR 58.6 million (31.12.2017: EUR 29.0 million). The increase of EUR 29.6 million is mainly caused by the generated cash out of the sale of the exceet electronics activities with EUR 29.7 million an increase out of operating activities of EUR 1.7 million, capital expenditures of EUR 2.2 million repayments for financial lease of EUR 0.6 million and an effect of exchange rate gains of EUR 1.3 million.

The 9M 2018 operating cash flow of EUR 1.7 million (9M 2017: inflow EUR 2.7 million) consisted of EUR 4.5 million investments into the net working capital (mainly inventories), net tax payments of EUR 1.6 million, interest payments of EUR 0.4 million and the cash inflow out of operations with EUR 8.3 million. The Net Cash position[1)] as of 30 September 2018 amounts to EUR 24.7 million (31.12.2017: net debt EUR 7.2 million).

The cash position of the continued operations as of 30 September 2018 amounted to EUR 47.6 million.

Employees

Continued Operations

As of 30 September 2018, the Group employed 235 employees (Headcount) (30.09.2017: 258) or 214 full-time equivalents (FTE) (30.09.2017: 234). 56 (30.09.2017: 70) were employed in Germany, 157 (30.09.2017: 163) in Switzerland and 1 (30.09.2017: 1) in the USA.

Discontinued Operations

The discontinued operations employed as of 30 September 2018 204 employees (Headcount) (30.09.2017: 444) or 196 full-time equivalents (FTE) (30.09.2017: 408). 184 (30.09.2017: 254) were employed in Germany, 0 (30.09.2017: 84) in Austria, 12 (30.09.2017: 15) in Romania and 0 (30.09.2017: 55) in Switzerland.

The exceet electronics activities are not included anymore, as this transaction was completed on 30 July 2018.

Capital Market Environment and Share Price Performance

The actual OECD world economic growth forecasts show again downward revisions for 2018 and 2019 as already experienced in the May outlook. The worldwide growth is now seen at 3.7% for 2018 and 2019 primarily due to a slowdown of global trade growth. For the Eurozone, the OECD reduced its growth assumptions to 2.0% for 2018 and to 1.9% for 2019. Apart from the protracting trade conflict between the United States and China several issues have dampened the exuberant confidence late last year. Exports and production related economic data had been partially disappointing and latest sentiment surveys have been stronger than before reflecting pending uncertainties: the possibility of a hard Brexit and the prospects of quicker rising interest rates that coincide with a substantially risen global debt. But economic activities still show a healthy overall level. In Germany construction and private consumption are booming and in the US, the industrial sector shows strength due to public infrastructure spending and corporate tax cuts. For the US, the OECD forecasts growth of 2.9% this year followed by 2.7% next year. For the leading Asian economy, China, the OECD is expecting economic growth of 6.7% in the current year followed by 6.4% in 2019 despite trade uncertainties.

Monetary policy in the US continues its gradual tightening course. The Federal Reserve Board raised the Fed Funds target rate by another 25 basis points to a range of 2.00-2.25% on 27 September 2018. After three interest rate hikes in 2018 to date, market expectations see four further steps until the end of 2019. The European Central Bank (ECB) is expected not to start raising interest rates before summer 2019 - although Eurozone inflation has picked up above 2% in Q3 2018. But the core inflation rate, excluding volatile energy prices that have been soaring this year, remains subdued (1.3% in September 2018). The Quantitative Easing (QE) program may fade out by the end of the year and give further indications of a cautiously more restrictive monetary policy in the Eurozone.

1) See note 21 "Alternative Performance Measures (APM)" Pages 36 - 39

Equity markets generally performed well in Q3 2018, except the German Dax which lost 0.5% and the Eurostoxx 50 which also ended the quarter almost flat (+0.1%). This left the two markets with a 9M performance close to their first half-year performance (-5.2% and -3.0% respectively). On the other hand, the Dow Jones Industrial Average Index, which had been slightly negative (-2.0%) in H1, added 9.3% in Q3 2018 to end the entire 9 months in 2018 with a price appreciation of 7.0%. The Swiss market measured by the SMI showed a similar pattern of movement. After -8.2% in H1 2018 the index recovered by +5.6% in Q3 to end the reporting period – still negative – with -3.1%. The technology driven Nasdaq Composite (9M performance: +16.8%) and TecDax (9M performance: +11.2%) continued to show a strong resistance against any of the widespread economic concerns.

Shares of exceet showed an outstanding performance in the 9M reporting period reflecting a revaluation of the Group's market value by 49.2%. The stock price added another 17.9% in Q3 2018 after a strong performance of 26.5% in H1 2018. Based on a share price of Euro 6.25 on 30 September 2018, the market value of the group amounts to roughly EUR 125.0 million of which EUR 105.0 million is covered by an expected net cash position due to the reported sale of the exceet electronics activities (EE) and AEMtec GmbH. Furthermore, improving operational data of the continued businesses of the group are strengthening market confidence. The cumulative trading volume in Q3 2018 amounted to 255,360 shares after 127,811 shares in Q2 2018 and 181,351 shares in Q1 2018.

The actual Hauck & Aufhäuser research update about exceet shows a share price target of Euro 7.50.

Opportunities and Risk Report

The statements provided in the Annual Report 2017 on the opportunities and risks of the business model remain unchanged excepted for the following point:

Currency Risk

With the sale of material investments of the Group, the foreign currency exposure is only limited mitigated by balancing currency needs among the group companies. The Group is exposed to foreign exchange risks especially with regard to Swiss francs, US dollars and Euros held in a company with Swiss francs as functional currency. The cash held in Euros after the sale of several activities of the Swiss holding company is increasing the foreign exchange risk out of the balance sheet valuation significantly but has no cash impact.

Significant Events and Actions

exceet signed a contract on 25 September with Mellifera Neunundzwanzigste Beteiligungsgesellschaft mbH to sell its subsidiary AEMtec GmbH. The buyer is controlled by capiton V GmbH & Co. KG, a fund of the private equity firm capiton. The micro- and optoelectronics business AEMtec GmbH, headquartered in Berlin, is part of exceet's business segment "Electronic Components, Modules & Systems (ECMS)". This transaction was closed on 31 October 2018 with the clearance by the appropriate cartel authorities. The final sales price amounts to EUR 86.0 million.

On 25 September 2018, exceet signed in addition an agreement to sell its company exceet Medtec Romania S.R.L. to the management. The company developed mainly projects for the sold business activities of exceet and accounts for EUR 0.2 million of third party sales in the full year of 2017. The completion of this transaction is expected at the end of Q4 2018 and the sales price will be below EUR 0.1 million.

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

Outlook

After the sale of several business activities out of exceet's ECMS business segment, the Group's continued operations consist of the printed circuit board (PCB) activities and the Germany based exceet Secure Solutions (ESS) segment in its shape as before. Based on the last fiscal year, the consolidated annual turnover of ECMS and ESS in their current structure accounts for EUR 42.4 million. For this year, the management is confident to achieve on a like-for-like basis further top line growth for the combined businesses and a visible lift of the Group's EBITDA Margin [1)] versus previous reporting periods. The overhead cost position of the Group, which has been constantly subject to adaption processes - parallel to the downsizing of the operational segments - will be reduced to the essential structures of a listed company. Further savings therefore should be regarded as limited. Referring to the calculation of the net result of the Group in upcoming reporting periods, fluctuations of the EUR/CHF exchange rate might generate non-cash valuation changes of exceet's substantial Euro cash position out of the sale of portfolio companies as the functional currency of the Swiss holding is the Swiss Franc. According to IFRS, those fluctuation effects at reference dates must be taken into account within the Profit & Loss Statement. This accounting effect has no significance for the evaluation of the profitability and thus the intrinsic value of the Group, which is defined by the strength of the operational units and the net cash position itself.

The proceeds of the asset sales will be utilized to optimize the value of exceet's activities. 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. This includes the further development and strengthening of the existing activities and as well possible acquisitions of companies operating in structurally growing industries within sectors as healthcare, software and technology. exceet is currently in the process to work on the details of the group strategy. It is intended to give more detailed information to the public on the German Eigenkapitalforum on 28 November 2018 in Frankfurt/M. (Germany).

Grevenmacher, 5 November 2018

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

1) See note 21 "Alternative Performance Measures (APM)" Pages 36 - 39

INTERIM FINANCIAL STATEMENTS
(CONDENSED & CONSOLIDATED)

INTERIM BALANCE SHEET (CONSOLIDATED)

(in EUR 1,000)	unaudited 30 September 2018	restated / unaudited 31 December 2017	audited 31 December 2017
ASSETS			
Non-current assets			
Tangible assets	9,083	26,528	26,528
Intangible assets [1)]	11,046	22,770	22,770
Deferred tax assets	507	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	20,636	50,915	50,915
Current assets			
Inventories	4,216	29,380	30,033
Trade receivables, net	5,237	17,366	17,366
Contract assets	1,016	1,072	0
Other current receivables	487	1,262	1,262
Current income tax receivables	0	617	617
Accrued income and prepaid expenses	293	603	603
Cash and cash equivalents	47,637	28,965	28,965
	58,886	79,265	78,846
Assets classified as held for sale [2)]	43,039	0	0
Total current assets	101,925	79,265	78,846
Total assets	122,561	130,180	129,761
EQUITY			
Share capital	312	312	312
Reserves	76,049	74,415	74,056
Equity attributable to Shareholders of the parent company	76,361	74,727	74,368
Total equity	76,361	74,727	74,368
LIABILITIES			
Non-current liabilities			
Borrowings [3)]	22,277	8,385	8,385
Retirement benefit obligations	1,407	5,051	5,051
Deferred tax liabilities	568	1,696	1,636
Provisions for other liabilities and charges	123	643	643
Other non-current liabilities	0	1,121	1,121
Total non-current liabilities	24,375	16,896	16,836
Current liabilities			
Trade payables	779	9,686	9,686
Contract liabilities	357	445	0
Other current liabilities	522	2,039	2,039
Accrued expenses and deferred income	5,885	5,568	6,013
Current income tax liabilities	609	863	863
Borrowings [3)]	644	19,832	19,832
Provisions for other liabilities and charges	0	124	124
	8,796	38,557	38,557
Liabilities directly associated with assets classified as held for sale [2)]	13,029	0	0
Total current liabilities	21,825	38,557	38,557
Total liabilities	46,200	55,453	55,393
Total equity and liabilities	122,561	130,180	129,761

1) Incl. Goodwill of EUR 7,220 (31.12.2017: EUR 12,688)
2) Please see note 17 "Discontinued operations"
3) Net cash for continued operations amount to EUR 24,716 (31.12.2017: Net debt EUR 7,179) based on third party borrowings EUR 22,921 (31.12.2017: EUR 22,612) less cash and cash equivalents of EUR 47,637 (31.12.2017: EUR 15,433)

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

INTERIM INCOME STATEMENT (CONSOLIDATED)

	3 months		9 months	
	unaudited	unaudited	unaudited	unaudited
(in EUR 1,000)	01.07. - 30.09.2018	01.07. - 30.09.2017	01.01. - 30.09.2018	01.01. - 30.09.2017
Revenue	10,120	10,011	31,115	31,385
Cost of sales	(7,382)	(8,397)	(24,065)	(26,579)
Gross profit	**2,738**	**1,614**	**7,050**	**4,806**
Gross profit margin	*27.1%*	*16.1%*	*22.7%*	*15.3%*
Distribution costs	(913)	(905)	(2,515)	(3,208)
Administrative expenses	(957)	(1,055)	(3,106)	(3,038)
Other operating expenses [1]	0	0	0	(70)
Other operating income	32	6	61	63
Operating result (EBIT) [2]	**900**	**(340)**	**1,490**	**(1,447)**
EBIT margin	*8.9%*	*(3.4%)*	*4.8%*	*(4.6%)*
Financial income	376	1,091	1,350	1,775
Financial expenses	(1,449)	(131)	(2,618)	(705)
Changes in fair value in financial instruments	0	0	0	0
Financial result, net	**(1,073)**	**960**	**(1,268)**	**1,070**
Profit/(Loss) before income tax	**(173)**	**620**	**222**	**(377)**
Income tax expense	(153)	(146)	(286)	357
Profit/(Loss) from continuing operations	**(326)**	**474**	**(64)**	**(20)**
Profit/(Loss) margin	*(3.2%)*	*4.7%*	*(0.2%)*	*(0.1%)*
Profit/(Loss) from discontinued operations	**(1,667)**	**1,221**	**(805)**	**(8,616)**
Profit/(Loss) for the period	**(1,993)**	**1,695**	**(869)**	**(8,636)**
Profit/(Loss) margin	*(19.7%)*	*16.9%*	*(2.8%)*	*(27.5%)*
PROFIT/(LOSS) ATTRIBUTABLE TO:				
Shareholders of the parent company	(1,993)	1,695	(869)	(8,636)
EARNINGS PER SHARE IN EURO FROM CONTINUED OPERATIONS (BASIC = DILUTIVE)				
Class A shares	(0.02)	0.02	0.00	0.00
EARNINGS PER SHARE IN EURO FROM DISCONTINUED OPERATIONS (BASIC = DILUTIVE)				
Class A shares	(0.08)	0.06	(0.04)	(0.43)
EARNINGS PER SHARE IN EURO ON TOTAL GROUP BASIS (BASIC = DILUTIVE)				
Class A shares	(0.10)	0.08	(0.04)	(0.43)
CONTINUED OPERATIONS				
Operating result (EBIT)	900	(340)	1,490	(1,447)
Impairment charges	0	0	0	70
	900	(340)	1,490	(1,377)
Depreciation and amortization	728	756	2,073	2,209
Operating result before depreciation, amortization and impairment charges (EBITDA) [3]	**1,628**	**416**	**3,563**	**832**
EBITDA margin	*16.1%*	*4.2%*	*11.5%*	*2.7%*

1) Impairment charges 9M 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		9 months	
	unaudited	unaudited	unaudited	unaudited
(in EUR 1,000)	01.07. - 30.09.2018	01.07. - 30.09.2017	01.01. - 30.09.2018	01.01. - 30.09.2017
Profit/(Loss) for the period	(1,993)	1,695	(869)	(8,636)
Items not to be reclassified to profit and loss:				
Remeasurements of defined benefit obligation	(323)	1,298	1,736	1,853
Deferred tax effect on remeasurements of defined benefit obligation	35	(172)	(233)	(249)
Items not to be reclassified to profit and loss	(288)	1,126	1,503	1,604
Items to be reclassified to profit and loss:				
Reclassification of foreign currency translation reserve	(295)		(295)	
Currency translation differences	962	(1,604)	1,295	(2,166)
Items to be reclassified to profit and loss	667	(1,604)	1,000	(2,166)
Total comprehensive income for the period	(1,614)	1,217	1,634	(9,198)
Attributable to:				
Shareholders of the parent company	(1,614)	1,217	1,634	(9,198)
Total comprehensive income for the period attributable to the Shareholders of the company				
Continued operations	(266)	(760)	1,779	(2,466)
Discontinued operations	(1,348)	1,977	(145)	(6,732)
Total comprehensive income for the period	(1,614)	1,217	1,634	(9,198)

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. - 30.09.2018	unaudited 01.01. - 30.09.2017
Profit/(Loss) before income tax	1,243	(7,643)
Amortization on intangible assets	1,592	2,172
Impairment on intangible assets	1,829	10,751
Depreciation on tangible assets	3,151	3,590
(Gains)/Losses on disposal of assets	(28)	(22)
Change of provisions	973	58
Adjustments to retirement benefit obligations/prepaid costs	307	21
Financial (income)/expenses	(822)	490
Other non-cash (income)/expenses	17	208
Operating net cash before changes in net working capital	8,262	9,625
Changes to net working capital		
- inventories	(5,876)	(3,604)
- receivables	(4,437)	(4,083)
- accrued income and prepaid expenses	(1,616)	(222)
- liabilities	2,802	1,775
- provisions for other liabilities and charges	(10)	(18)
- accrued expenses and deferred income	4,619	925
Tax received (prior periods)	448	1,060
Tax paid	(2,055)	(2,263)
Interest received	54	30
Interest paid	(474)	(514)
Cashflows from operating activities [2]	1,717	2,711
Divestment of subsidiaries, net of cash disposed	29,673	0
Purchase of tangible assets	(2,238)	(1,821)
Sale of tangible assets	119	22
Purchase of intangible assets	(153)	(637)
Cashflows from investing activities	27,401	(2,436)
Increase of borrowings	448	719
Repayments of borrowings	(555)	(5,278)
Proceeds/(Repayments) of other non-current liabilities	(61)	(56)
Proceeds from finance lease prepayments	0	475
Payments of finance lease liabilities	(597)	(676)
Cashflows from financing activities	(765)	(4,816)
Net changes in cash and cash equivalents	28,353	(4,541)
Cash and cash equivalents at the beginning of the period	28,965	30,874
Net changes in cash and cash equivalents	28,353	(4,541)
Effect of exchange rate gains/(losses)	1,327	(1,214)
Cash and cash equivalents at the end of the period [3]	58,645	25,119

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 (858) (9M 2017: EUR (32)) based on cash flow from operations of EUR 1,717 (9M 2017: EUR 2,711) minus net capital expenditure (adjusted for finance lease) of EUR 2,575 (9M 2017: EUR 2,743)
3) Includes EUR 11,008 which is included in "Assets classified as held for sale" in the balance sheet as of 30 September 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					(869)		(869)
Other comprehensive income:							
Remeasurements of defined benefit obligations					1,736		1,736
Deferred tax effect on remeasurements					(233)		(233)
Recycling of currency translation difference to the P&L						(295)	(295)
Currency translation differences						1,295	1,295
Total other comprehensive income for the period	0	0	0	0	1,503	1,000	2,503
Total comprehensive income for the period	0	0	0	0	634	1,000	1,634
BALANCES AT 30 SEPTEMBER 2018	312	65,485	(4,525)	0	(8,470)	23,559	76,361

BALANCES AT 31 DECEMBER 2016	312	65,485	(4,525)	202	(2,945)	25,613	84,142
Profit/(Loss) for the period					(8,636)		(8,636)
Other comprehensive income:							
Remeasurements of defined benefit obligations					1,853		1,853
Deferred tax effect on remeasurements					(249)		(249)
Currency translation differences						(2,166)	(2,166)
Total other comprehensive income for the period	0	0	0	0	1,604	(2,166)	(562)
Total comprehensive income for the period	0	0	0	0	(7,032)	(2,166)	(9,198)
Reclassification Share based payment IFRS 2 to retained earnings				(202)	202		0
Total other equity effects	0	0	0	(202)	202	0	0
BALANCES AT 30 SEPTEMBER 2017	312	65,485	(4,525)	0	(9,775)	23,447	74,944

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).

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 the customers. The products and services of the ECMS segment are aimed primarily at customers in the sectors of healthcare and industrial. On 30 July 2018 the Group concluded the sale of its "exceet electronics activities" and with contracts signed on 25 September 2018 exceet agreed to sell the entities of AEMtec GmbH and exceet Medtec Romania S.R.L who were part of the ECMS segment.

The ESS segment 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) operates with its entities in Switzerland, Germany, Luxembourg 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".

As consequence of the divestment of entities, the Group's IFRS reporting will be split into "Continued operations" and "Discontinued operations".

This condensed consolidated interim financial information is unaudited and was approved for issue by the Board of Directors on 5 November 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 3 (Amendment) "Definition of a Business" – IASB date 1 January 2020 - 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 and EU effective date: 1 January 2019

- 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 not 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 nine months ended 30 September 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", as well as AEMtec GmbH and exceet Medtec Romania S.R.L. 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 September 2018:

	30 September 2018	Average 01.01. - 30.09.2018	31 December 2017	30 September 2017	Average 01.01. - 30.09.2017
1 CHF	0.88	0.86	0.85	0.87	0.91
1 USD	0.86	0.84	0.83	0.85	0.90

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 SEPTEMBER 2018				
Assets as per balance sheet				
Financial assets at fair value through profit or loss	0			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 demand 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 represents quoted prices (unadjusted) in active markets for identical assets or liabilities.

Due to the implementation of IFRS 9, financial assets at fair value through profit or loss of EUR 9 were presented 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 September 2018	audited 31 December 2017
CARRYING AMOUNT		
Bank borrowings	21,828	7,231
Finance lease liabilities	449	1,154
Total	22,277	8,385
FAIR VALUE		
Bank borrowings	23,126	7,762
Finance lease liabilities	449	1,154
Total	23,575	8,916

The carrying value less impairment provision of trade receivables and payables is 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 EUR 303 fixed assets through finance lease arrangements during the first nine months of 2018 (9M 2017: EUR 795).

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 nine months ended September 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. - 30.09.2018 (in EUR 1,000)	ECMS	ESS	Corporate and others	Eliminations	Continued Operations
Revenue from sale of electronic components	24,311	5,222	0		29,533
Revenue from sale of services	81	1,501	0		1,582
External revenue	24,392	6,723	0	0	31,115
Inter-segment revenue	0	0	0		0
Total revenue	24,392	6,723	0	0	31,115
EBIT	4,726	(1,035)	(2,201)	0	1,490
EBIT Margin	*19.4%*	*(15.4%)*			*4.8%*
Financial income	390	3	1,015	(58)	1,350
Financial expenses	(500)	(70)	(2,106)	58	(2,618)
Financial result, net	(110)	(67)	(1,091)	0	(1,268)
Profit/(Loss) before income tax	4,616	(1,102)	(3,292)	0	222
Income tax	(621)	334	1		(286)
Profit/(Loss) for the period	3,995	(768)	(3,291)	0	(64)
Capital expenditure tangible assets	930	32	9		971
Capital expenditure intangible assets	40	3	0		43
Depreciation tangible assets	(1,395)	(70)	(15)		(1,480)
Amortization intangible assets	(170)	(382)	(41)		(593)

1) No Impairment charges for the period 01.01. – 30.09.2018

01.01. - 30.09.2017 (in EUR 1,000)	ECMS	ESS	Corporate and others	Eliminations	Continued Operations
Revenue from sale of electronic components	23,957	6,274	0		30,231
Revenue from sale of services	28	969	157		1,154
External revenue	23,985	7,243	157	0	31,385
Inter-segment revenue	0	0	0		0
Total revenue	23,985	7,243	157	0	31,385
EBIT	2,775	(2,111)	(2,111)	0	(1,447)
EBIT Margin	*11.6%*	*(29.1%)*			*(4.6%)*
Financial income	188	0	1,661	(74)	1,775
Financial expenses	(340)	(68)	(371)	74	(705)
Financial result, net	(152)	(68)	1,290	0	1,070
Profit/(Loss) before income tax	2,623	(2,179)	(821)	0	(377)
Income tax	(263)	408	212		357
Profit/(Loss) for the period	2,360	(1,771)	(609)	0	(20)
Capital expenditure tangible assets	884	22	4		910
Capital expenditure intangible assets	1	556	0		557
Depreciation tangible assets	(1,549)	(87)	(15)		(1,651)
Amortization intangible assets	(178)	(333)	(47)		(558)
Impairment intangible assets	0	(70)	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 SEPTEMBER 2018 (UNAUDITED)				
Tangible assets	8,877	183	23	9,083
Intangible assets	5,211	5,793	42	11,046
Other non-current assets	0	507	0	507
Non-current assets	14,088	6,483	65	20,636
Current assets	18,724	1,549	38,613	58,886
Liabilities	9,357	1,419	22,395	33,171
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 SEPTEMBER 2017 (UNAUDITED)				
Tangible assets	9,420	232	35	9,687
Intangible assets	5,329	6,935	99	12,363
Other non-current assets	43	421	375	839
Non-current assets	14,792	7,588	509	22,889
Current assets	11,918	2,384	9,470	23,772
Liabilities	10,020	2,114	19,667	31,801

7 Financial result

The financial result includes a non-cash loss of EUR 85 (9M 2017: Gain of EUR 68) 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 511 (9M 2017: EUR 465; full year 2017: EUR 1,314). 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 September 2018	31 December 2017
Trade accounts receivable, gross - due from third parties	5,282	5,002
Provision for impairment	(45)	(31)
Total	5,237	4,971

As of 30 September 2018 trade receivables of EUR 50 (31.12.2017: EUR 48) were partially impaired. The amount of total provisions for these receivables at risk amounts to EUR 45 (31.12.2017: EUR 31), 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 September 2018 is based on the loss from continued operations attributable to the owners of the parent of EUR 64 for nine months 2018 (9M 2017: Loss of EUR 20) 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. - 30.09.2018	unaudited 01.01. - 30.09.2017
Profit/(Loss) for continued operations for the year (EUR 1,000) attributable to equity holders of the Company	Class A Shares	(64)	(20)
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	0.00	0.00

Basic earnings per share discontinued operations

The calculation of basic EPS at 30 September 2018 is based on the loss from discontinued operations attributable to the owners of the parent of EUR 805 for nine months 2018 (9M 2017: Loss of EUR 8,616) 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. - 30.09.2018	unaudited 01.01. - 30.09.2017
Profit/(Loss) for discontinued operations for the year (EUR 1,000) attributable to equity holders of the Company	Class A Shares	(805)	(8,616)
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	(0.04)	(0.43)

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 September 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 nine months ended 30 September 2018.

13 Borrowings

Borrowings are as follows:

(in EUR 1,000)	unaudited 30 September 2018	audited 31 December 2017
NON-CURRENT		
Bank borrowings	21,828	7,231
Finance lease liabilities	449	1,154
Total non-current borrowings	22,277	8,385
CURRENT		
Bank borrowings	0	19,034
Finance lease liabilities	644	798
Total current borrowings	644	19,832
Total borrowings	22,921	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 23.0 million (EUR 19.9 million), whereof CHF 21.5 million (EUR 19.0 million) are used. At the same time the associated loan facilities for the Swiss operational subsidiary with a line of credit in the amount of CHF 9.0 million (EUR 8.0 million) have also been signed with a duration period of five years. Due to the new duration period, bank borrowings of EUR 19.0 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 nine months ended 30 September 2018 there were EUR 287 impact from return on plan assets (9M 2017: EUR 1,285), EUR (491) (9M 2017: none) impact from measurements of the defined benefit obligation arising from changes in economic assumptions (discount rates) and EUR (218) impact arising from experience (9M 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 318 from related parties in the nine months of 2018 (9M 2017: EUR 61).

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 (extract) (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		60	55,453
Total equity and liabilities	129,761	0	419	130,180

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 assets 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.

17.1 Divestment of Subsidiaries

(in EUR 1,000)	01.01. - 30.09.2018	01.01. - 30.09.2017	Date of deconsolidation
CASH FLOW FROM DIVESTMENT, NET OF CASH DISPOSED			
Cash inflow on divestment of exceet electronics activities	29,673		30.07.2018
Total	**29,673**	**0**	
TRANSACTION COSTS DIRECTLY RECOGNIZED IN THE INCOME STATEMENT UNDER DISCONTINUED OPERATIONS			
exceet electronics activities divestment	366		
Total	**366**	**0**	

exceet electronics activities

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".

The Group signed on 29 June 2018 a contract to sell its "exceet electronics activities". This transaction was completed on 30 July 2018. The final sales prices was EUR 30.8 million.

Based on the signed contract with the buyer as of 29 June 2018 and based on the at that time carrying value of "exceet electronics activities" an impairment of EUR 1,500 was recognized within Goodwill. With the completion of the transaction and taking into account the business development until the closing date the carrying value of the "exceet electronics activities" amounted finally to EUR 29,826, resulting in a gain of disposal of EUR 945.

As of 30 July 2018, the "exceet electronics activities" and the corresponding intercompany loans held within the Group were sold with effect on the same date. The financial information relating for the period to the date of disposal is set below.

(in EUR 1,000)	
DISPOSAL CONSIDERATION	
Consideration received	30,771
Carrying amount of net assets disposed	(29,826)
Gain on Disposal before reclassification of foreign currency translation reserve	**945**
Reclassification of foreign currency translation reserve	295
Gain on Disposal	**1,240**

The carrying amount of assets and liabilities as at the date of sale (30 July 2018) were:

(in EUR 1,000)	
CARRYING VALUE	
Cash and cash equivalents	1,098
Tangible assets	5,132
Intangible assets	8,809
Inventory	22,468
Trade receivables (including allowance)	7,213
Other receivables (current & non-current)	809
Accrued income and deferred expenses	224
Trade payables	(6,827)
Other liabilities (current & non-current)	(1,151)
Borrowings (current & non-current)	(2,606)
Accrued expenses and deferred income	(2,441)
Retirement benefit obligation	(699)
Provisions	(1,459)
Current income tax liability	(744)
Net assets disposed	**29,826**

(in EUR 1,000)	
Consideration settled in cash	30,771
Cash and cash equivalents in subsidiaries disposed	(1,098)
Cash inflow on divestment, net of cash	**29,673**

At 31 December 2017 the following assets and liabilities have been classified as held for sale.

(in EUR 1,000)	31 December 2017
Assets classified as held for sale	
Tangible assets	5,103
Intangible assets [1)]	11,161
Deferred tax assets	737
Other non-current receivables	9
Inventories	19,019
Trade receivables, net	5,161
Contract assets	222
Other current receivables	783
Current income tax receivables	0
Accrued income and prepaid expenses	69
Cash and cash equivalents	3,778
Total assets classified as held for sale	**46,042**
Liabilities direclty associated with assets classified as held for sale	
Borrowings [2)]	2,285
Retirement benefit obligations	1,835
Deferred tax liabilities	1,081
Provisions for other liabilities and charges	490
Other non-current liabilities	214
Trade payables	4,582
Other current liabilities	1,444
Accrued expenses and deferred income	1,808
Current income tax liabilities	605
Total liabilities directly associated with assets classified as held for sale	**14,344**

1) Incl. Goodwill of EUR 5,617
2) Net debt for discontinued operations amount to EUR 1,493 based on third party borrowings EUR 2,285 less cash and cash equivalents of EUR 3,779

The financial performance of the discontinued operations for the first nine months of 2018 and 2017 is included within the discontinued operations table.

17.2 Discontinued Operations held for Sale

AEMtec GmbH

On 25 September 2018 the Group signed a contract with a third party buyer to sell its subsidiary AEMtec GmbH, Berlin for a price of approximately EUR 86.0 million. The transaction was completed on 31 October 2018 after clearance by the appropriate cartel authorities and fulfillment of other contractual issues.

The assets and liabilities as of 30 September 2018 of this entity have therefore been classified as held for sale and are presented in the table regarding Discontinued Operations below. The financial performance of the entity for the first nine months of 2018 and 2017 is also presented below in the table regarding Discontinued Operations.

exceet Medtec Romania S.R.L.

On 25 September 2018 the Group signed an agreement to sell its entity exceet Medtec Romania S.R.L. to the management.

The assets and liabilities as of 30 September 2018 of this entity have therefore been classified as held for sale and are presented in the table regarding Discontinued Operations below. The financial performance of the entity for the first nine months of 2018 and 2017 is also presented below in the table regarding Discontinued Operations. Based on the agreed sales price an impairment of EUR 329 has been recognized within the carrying value of the entity.

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

(in EUR 1,000)	AEMtec GmbH	exceet Medtec Romania S.R.L.	30 September 2018	AEMtec GmbH	exceet Medtec Romania S.R.L.	31 December 2017
Assets classified as held for sale						
Tangible assets	11,914	0	11,914	12,131	2	12,133
Intangible assets	169	0	169	184	3	187
Deferred tax assets	330	0	330	496	0	496
Other non-current receivables	0	0	0	0	0	0
Inventories	8,856	0	8,856	6,662	0	6,662
Trade receivables, net	10,176	57	10,233	7,185	49	7,234
Other current receivables	214	23	237	296	19	315
Current income tax receivables	0	0	0	609	8	617
Accrued income and prepaid expenses	292	0	292	256	14	270
Cash and cash equivalents	10,665	343	11,008	9,456	298	9,754
Total assets classified as held for sale	42,616	423	43,039	37,275	393	37,668
Liabilities direclty associated with assets classified as held for sale						
Borrowings [1]	3,264	0	3,264	3,320	0	3,320
Retirement benefit obligations	1,609	0	1,609	1,641	0	1,641
Provisions for other liabilities and charges	151	318	469	154	0	154
Other non-current liabilities	855	0	855	907	0	907
Trade payables	3,984	34	4,018	3,765	0	3,765
Other current liabilities	229	65	294	170	55	225
Accrued expenses and deferred income	2,158	5	2,163	1,499	0	1,499
Current income tax liabilities	356	1	357	0	0	0
Total liabilities directly associated with assets classified as held for sale	12,606	423	13,029	11,456	55	11,511

1) Net cash for discontinued operations amount to EUR 6,434 (31.12.2017: net cash EUR 7,927) based on third party borrowings EUR 3,264 (31.12.2017: EUR 5,605) less cash and cash equivalents of EUR 11,008 (31.12.2017: EUR 13,532)

The financial performance of the discontinued operations for the first nine months of 2018 and 2017 is as follows:

(in EUR 1,000)	exceet electronics [1]	AEMtec GmbH	3 months 01.07. - 30.09.2018 exceet Medtec Romania S.R.L.	Eliminations	Discontinued Operations
FINANCIAL PERFORMANCE					
Revenue	5,459	13,015	138	(282)	18,330
Expenses	(6,891)	(13,346)	(211)	282	(20,166)
Fair value adjustment - Impairment of Goodwill	0	0	(329)		(329)
Profit / (Loss) before income tax	(1,432)	(331)	(402)		(2,165)
Income tax	(103)	(638)	(1)		(742)
Profit / (Loss) from discontinued operations	**(1,535)**	**(969)**	**(403)**		**(2,907)**
Profit / (Loss) on Disposal of discontinued operations	1,240				1,240
Profit / (Loss) from discontinued operations	(295)	(969)	(403)		(1,667)
Remeasurement of defined benefit obligation (net of tax)	149				149
Currency translation differences	275	(96)	(9)		170
Comprehensive income from discontinued operations	129	(1,065)	(412)		(1,348)
PROFIT/(LOSS) ATTRIBUTABLE TO:					
Shareholders of the parent company					(1,667)
EARNINGS PER SHARE IN EURO FROM DISCONTINUED OPERATIONS (BASIC = DILUTIVE)					
Class A shares					(0.08)
CASH FLOW INFORMATION					
Net Cash inflow / (outflow) from operating activities	20	2,051	122		2,193
Net Cash inflow / (outflow) from investing activities	(1,144)	(56)	(2)		(1,202)
Net Cash inflow / (outflow) from financing activities	(89)	(154)	0		(243)
Net increase / (decrease) in cash generated by discontinued operations	**(1,213)**	**1,841**	**120**		**748**

1) Financial performance for exceet electronics until 30 July 2018

(in EUR 1,000)	exceet electronics	AEMtec GmbH	3 months 01.07. - 30.09.2017 exceet Medtec Romania S.R.L.	Eliminations	Discontinued Operations
FINANCIAL PERFORMANCE					
Revenue	14,500	13,427	203	(518)	27,612
Expenses	(14,961)	(11,055)	(217)	518	(25,715)
Fair value adjustment - Impairment of Goodwill	0	0	0		0
Profit / (Loss) before income tax	(461)	2,372	(14)		1,897
Income tax	8	(688)	4		(676)
Profit / (Loss) from discontinued operations	**(453)**	**1,684**	**(10)**		**1,221**
Profit / (Loss) on Disposal of discontinued operations					
Profit / (Loss) from discontinued operations	(453)	1,684	(10)		1,221
Remeasurement of defined benefit obligation (net of tax)	342				342
Currency translation differences	186	209	19		414
Comprehensive income from discontinued operations	75	1,893	9		1,977
PROFIT/(LOSS) ATTRIBUTABLE TO:					
Shareholders of the parent company					1,221
EARNINGS PER SHARE IN EURO FROM DISCONTINUED OPERATIONS (BASIC = DILUTIVE)					
Class A shares					0.06
CASH FLOW INFORMATION					
Net Cash inflow / (outflow) from operating activities	(819)	2,725	(23)		1,883
Net Cash inflow / (outflow) from investing activities	(147)	(47)	(2)		(196)
Net Cash inflow / (outflow) from financing activities	538	(111)	0		427
Net increase / (decrease) in cash generated by discontinued operations	**(428)**	**2,567**	**(25)**		**2,114**

(in EUR 1,000)	exceet electronics [1]	AEMtec GmbH	9 months 01.01. - 30.09.2018 exceet Medtec Romania S.R.L.	Eliminations	Discontinued Operations
FINANCIAL PERFORMANCE					
External revenue	37,511	38,893	625	(1,318)	75,711
Expenses	(39,582)	(35,183)	(654)	1,318	(74,101)
Fair value adjustment - Impairment of Goodwill	(1,500)	0	(329)		(1,829)
Profit / (Loss) before income tax	(3,571)	3,710	(358)		(219)
Income tax	(9)	(1,811)	(6)		(1,826)
Profit / (Loss) from discontinued operations	**(3,580)**	**1,899**	**(364)**		**(2,045)**
Profit / (Loss) on Disposal of discontinued operations	1,240				1,240
Profit / (Loss) from discontinued operations	(2,340)	1,899	(364)		(805)
Remeasurement of defined benefit obligation (net of tax)	1,063	50			1,113
Currency translation differences	(295)	(145)	(13)		(453)
Comprehensive income from discontinued operations	(1,572)	1,804	(377)		(145)
PROFIT/(LOSS) ATTRIBUTABLE TO:					
Shareholders of the parent company					(805)
EARNINGS PER SHARE IN EURO FROM DISCONTINUED OPERATIONS (BASIC = DILUTIVE)					
Class A shares					(0.04)
CASH FLOW INFORMATION					
Net Cash inflow / (outflow) from operating activities	(1,621)	2,393	47		819
Net Cash inflow / (outflow) from investing activities	(1,574)	(773)	(2)		(2,349)
Net Cash inflow / (outflow) from financing activities	(432)	(411)	0		(843)
Net increase / (decrease) in cash generated by discontinued operations	**(3,627)**	**1,209**	**45**		**(2,373)**

1) Financial performance for exceet electronics until 30 July 2018

(in EUR 1,000)	exceet electronics	AEMtec GmbH	9 months 01.01. - 30.09.2017 exceet Medtec Romania S.R.L.	Eliminations	Discontinued Operations
FINANCIAL PERFORMANCE					
External revenue	41,420	36,949	683	(1,692)	77,360
Expenses	(44,085)	(30,927)	(625)	1,692	(73,945)
Fair value adjustment - Impairment of Goodwill	(10,681)	0			(10,681)
Profit / (Loss) before income tax	(13,346)	6,022	58		(7,266)
Income tax	381	(1,726)	(5)		(1,350)
Profit / (Loss) from discontinued operations	**(12,965)**	**4,296**	**53**		**(8,616)**
Profit / (Loss) on Disposal of discontinued operations					
Profit / (Loss) from discontinued operations	(12,965)	4,296	53		(8,616)
Remeasurement of defined benefit obligation (net of tax)	485				485
Currency translation differences	1,083	290	26		1,399
Comprehensive income from discontinued operations	(11,397)	4,586	79		(6,732)
PROFIT/(LOSS) ATTRIBUTABLE TO:					
Shareholders of the parent company					(8,616)
EARNINGS PER SHARE IN EURO FROM DISCONTINUED OPERATIONS (BASIC = DILUTIVE)					
Class A shares					(0.43)
CASH FLOW INFORMATION					
Net Cash inflow / (outflow) from operating activities	(2,074)	4,884	(41)		2,769
Net Cash inflow / (outflow) from investing activities	(406)	(889)	(3)		(1,298)
Net Cash inflow / (outflow) from financing activities	1,378	(390)	(137)		851
Net increase / (decrease) in cash generated by discontinued operations	**(1,102)**	**3,605**	**(181)**		**2,322**

18 Additional information

Group Financials (incl. discontinued operations)

The following numbers have been prepared under the assumption that AEMtec GmbH and exceet Medtec Romania S.R.L. are regarded as continued operations on 30 September 2018. The "exceet electronics activities" are included until the date of the completed sale as of 30 July 2018. 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 September 2018	restated 31 December 2017
ASSETS		
Non-current assets		
Tangible assets	20,997	26,528
Intangible assets [1]	11,215	22,770
Deferred tax assets	837	1,233
Financial assets at fair value through profit or loss	0	9
Financial assets at amortized costs	0	375
Total non-current assets	33,049	50,915
Current assets		
Inventories	13,072	29,380
Trade receivables, net	15,470	17,366
Contract assets	1,016	1,072
Other current receivables	724	1,262
Current income tax receivables	0	617
Accrued income and prepaid expenses	585	603
Cash and cash equivalents	58,645	28,965
Total current assets	89,512	79,265
Total assets	122,561	130,180
EQUITY		
Share capital	312	312
Reserves	76,049	74,415
Equity attributable to Shareholders of the parent company	76,361	74,727
Total equity	76,361	74,727
LIABILITIES		
Non-current liabilities		
Borrowings [2]	25,095	8,385
Retirement benefit obligations	3,016	5,051
Deferred tax liabilities	568	1,696
Provisions for other liabilities and charges	274	643
Other non-current liabilities	855	1,121
Total non-current liabilities	29,808	16,896
Current liabilities		
Trade payables	4,797	9,686
Contract liabilities	357	445
Other current liabilities	816	2,039
Accrued expenses and deferred income	8,366	5,568
Current income tax liabilities	966	863
Borrowings [2]	1,090	19,832
Provisions for other liabilities and charges	0	124
Total current liabilities	16,392	38,557
Total liabilities	46,200	55,453
Total equity and liabilities	122,561	130,180

1) Incl. Goodwill of EUR 7,220 (31.12.2017: EUR 12,688)
2) Net cash amount to EUR 32,460 (31.12.2017: net cash EUR 748) based on third party borrowings EUR 26,185 (31.12.2017: EUR 28,217) less cash and cash equivalents of EUR 58,645 (31.12.2017: EUR 28,965)

Interim income statement (consolidated) on Total Group Basis

(in EUR 1,000)	3 months unaudited 01.07.- 30.09.2018	 unaudited 01.07.- 30.09.2017	9 months unaudited 01.01.- 30.09.2018	 unaudited 01.01.- 30.09.2017
Revenue	28,450	37,623	106,826	108,745
Cost of sales	(22,233)	(32,095)	(88,721)	(94,231)
Gross profit	**6,217**	**5,528**	**18,105**	**14,514**
Gross profit margin	*21.9%*	*14.7%*	*16.9%*	*13.3%*
Distribution costs	(1,538)	(2,076)	(5,378)	(6,986)
Administrative expenses	(5,704)	(1,964)	(9,656)	(5,689)
Other operating expenses [1]	(329)	0	(1,829)	(10,751)
Other operating income	123	119	348	385
Operating result (EBIT) [2]	**(1,231)**	**1,607**	**1,590**	**(8,527)**
EBIT margin	*(4.3%)*	*4.3%*	*1.5%*	*(7.8%)*
Financial income	1,764	1,442	3,572	2,282
Financial expenses	(1,631)	(532)	(3,919)	(1,398)
Changes in fair value in financial instruments	0	0	0	0
Financial result, net	**133**	**910**	**(347)**	**884**
Profit/(Loss) before income tax	**(1,098)**	**2,517**	**1,243**	**(7,643)**
Income tax expense	(895)	(822)	(2,112)	(993)
Profit/(Loss) for the period	**(1,993)**	**1,695**	**(869)**	**(8,636)**
Profit/(Loss) margin	*(7.0%)*	*4.5%*	*(0.8%)*	*(7.9%)*
PROFIT/(LOSS) ATTRIBUTABLE TO:				
Shareholders of the parent company	(1,993)	1,695	(869)	(8,636)
EARNINGS PER SHARE IN EURO (BASIC = DILUTIVE)				
Class A shares	(0.10)	0.08	(0.04)	(0.43)
Operating result (EBIT)	(1,231)	1,607	1,590	(8,527)
Depreciation, amortization and impairment charges	1,698	1,879	6,572	16,513
Operating result before depreciation, amortization and impairment charges (EBITDA) [3]	**467**	**3,486**	**8,162**	**7,986**
EBITDA margin	*1.6%*	*9.3%*	*7.6%*	*7.3%*

1) Incl. Impairment charges of EUR 1,829 (9M 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 31 October 2018 the sale of AEMtec GmbH has been completed. The final sales price agreed amount to EUR 86.0 million. Due to timing constraints in preparing the local close between the closing date and this report, October 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 September 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%
exceet USA, Inc.	USA	2015	ECMS	Sales	USD 10	100%	100%
exceet Secure Solutions GmbH [3][4][5]	GER	2011	ESS	Development & Sales	EUR 1,000,000	100%	100%
Lucom GmbH Elektrokomponenten und Systeme [6]	GER	2014	ESS	Development & Services	EUR 26,000	100%	100%
DISCONTINUED OPERATIONS							
AEMtec GmbH	GER	2008	ECMS	Manufacturing & Sales	EUR 2,250,000	100%	100%
exceet Medtec Romania S.R.L. [7]	ROU	2014	ECMS	Development	RON 1,000	100%	100%
exceet electronics AG [8][9][14]	SUI	2006	ECMS	Manufacturing & Sales	CHF 1,000,000	100%	100%
exceet electronics GesmbH [10][11][12][14]	AUT	2011	ECMS	Manufacturing & Sales	EUR 54,000	100%	100%
exceet electronics GmbH [13][14]	GER	2012	ECMS	Development & Sales	EUR 102,150	100%	100%
exceet Austria GmbH [14]	AUT	2011	C&O	Holding	EUR 35,000	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 Secure Solutions AG (former: AuthentiDate International AG) has been renamed by 13.8.2014
4) exceet Secure Solutions AG and exceet Secure Solutions Deutschland GmbH have been merged on 15 August 2016 retroactively as per 1 January 2016
5) exceet Secure Solutions GmbH (former: exceet Secure Solutions AG) has been renamed by 6.10.2016
6) exceet Secure Solutions GmbH holds 100% of the share capital of Lucom GmbH Elektrokomponenten und Systeme
7) exceet Medtec Romania S.R.L. (former: Valtronic Technologies Romania S.R.L.) was renamed by 20.6.2014
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
14) Divested as of 30.7.2018

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)	9M 2018	9M 2017	Reference
Operating result (EBIT)	1,590	(8,527)	Note 18
Depreciation tangible assets	3,151	3,590	Note 18
Amortisation intangible assets	1,592	2,172	Note 18
Impairment intangible assets (incl. Goodwill)	1,829	10,751	Note 18
EBITDA Total Group Basis	**8,162**	**7,986**	

Continued operations

(in EUR 1,000)	9M 2018	9M 2017	Reference
Operating result (EBIT)	1,490	(1,447)	Consolidated Income Statement
Depreciation tangible assets	1,480	1,651	Note 6
Amortisation intangible assets	593	558	Note 6
Impairment intangible assets (incl. Goodwill)	0	70	Note 6
EBITDA continued operations	**3,563**	**832**	

Discontinued operations

(in EUR 1,000)	9M 2018	9M 2017	Reference
EBITDA Total Group Basis	8,162	7,986	Note 21
EBITDA continued operations	3,563	832	Note 21
EBITDA discontinued operations	**4,599**	**7,154**	

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)	9M 2018	9M 2017	Reference
Revenue	106,826	108,745	Note 18
EBITDA	8,162	7,986	Note 18
EBITDA Margin Total Group Basis	**7.6%**	**7.3%**	

Continued operations

(in EUR 1,000)	9M 2018	9M 2017	Reference
Revenue	31,115	31,385	Consolidated Income Statement
EBITDA	3,563	832	Note 21
EBITDA Margin continued operations	**11.5%**	**2.7%**	

Discontinued operations

(in EUR 1,000)	9M 2018	9M 2017	Reference
Revenue	75,711	77,360	Note 17.2
EBITDA	4,599	7,154	Note 21
EBITDA Margin discontinued operations	**6.1%**	**9.2%**	

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)	9M 2018	9M 2017	Reference
Revenue	106,826	108,745	Note 18
Impact of the exchange rates on revenues	1,938	29	
Revenue from acquisitions of companies	0	0	
Revenue for organic growth calculation	**108,764**	**108,774**	
Prior year comparable revenue	108,745	99,815	Note 18
Organic growth Total Group Basis	**0.0%**	**9.0%**	

Continued operations

(in EUR 1,000)	9M 2018	9M 2017	Reference
Revenue	31,115	31,385	Consolidated Income Statement
Impact of the exchange rates on revenues	1,404	16	
Revenue from acquisitions of companies	0	0	
Revenue for organic growth calculation	**32,519**	**31,401**	
Prior year comparable revenue	31,385	34,197	Consolidated Income Statement
Organic growth continued operations	**3.6%**	**(8.2%)**	

Discontinued operations

(in EUR 1,000)	9M 2018	9M 2017	Reference
Revenue	75,711	77,360	Note 17.2
Impact of the exchange rates on revenues	533	13	
Revenue from acquisitions of companies	0	0	
Revenue for organic growth calculation	**76,244**	**77,373**	
Prior year comparable revenue	77,360	65,618	Note 17.2
Organic growth discontinued operations	**-1.4%**	**17.9%**	

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 September	**11,178**	**15,518**	

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	31,115	31,385	Consolidated Income Statement
Order backlog 30 September (prior year)	15,518	13,098	
Revenue (last 12 months)	42,131	42,518	Revenue from 01.10. until 30.09.
Order backlog prior year adjustment/FX effects	440	2,466	
Order backlog 30 September (reporting year)	11,178	15,518	
Orders received during the period	38,231	47,404	
Book-to-Bill Ratio	**0.91**	**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 September 2018 1)	31 December 2017 1)	Reference
Inventories	4,216	3,699	Consolidated Balance Sheet
Trade receivables	5,237	4,971	Consolidated Balance Sheet
Trade payables	779	1,339	Consolidated Balance Sheet
Operating Net Working Capital	**8,674**	**7,331**	

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 September 2018		Reference
Current assets classified as held for sale	43,039		Consolidated Balance Sheet
Liabilities directly associated with assets classified as held for sale	13,029		Consolidated Balance Sheet
Assets held for sale, net	**30,010**		

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 September 2018	31 December 2017	Reference
Bank borrowings (current and non-current)	24,488	26,265	
Finance lease (current and non-current)	1,697	1,952	
Total borrowings (current and non-current)	26,185	28,217	Note 18
Less: cash and cash equivalents	(58,645)	(28,965)	Note 18
Net (Cash)/Debt Total Group Basis	**(32,460)**	**(748)**	

Continued operations

(in EUR 1,000)	30 September 2018	31 December 2017	Reference
Bank borrowings (current and non-current)	21,828	21,108	
Finance lease (current and non-current)	1,093	1,504	
Total borrowings (current and non-current)	22,921	22,612	Consolidated Balance Sheet
Less: cash and cash equivalents	(47,637)	(15,433)	Consolidated Balance Sheet
Net (Cash)/Debt continued operations	**(24,716)**	**7,179**	

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 September 2018 1)	31 December 2017 1)	Reference
Total Assets	122,561	130,180	Consolidated Balance Sheet
Total Equity	76,361	74,727	Consolidated Balance Sheet
Equity Ratio	**62.3%**	**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 September 2018	30 September 2017	Reference
Cash flow from operating activities	1,717	2,711	Consolidated Cash Flow
Net capital expenditures 1)	(2,575)	(2,743)	
Free cash flow Total Group Basis	**(858)**	**(32)**	

1) Including cash from disposal of assets EUR 119 (9M 2017: EUR 22) and purchase through leasing EUR 303 (9M 2017: EUR 795)

Continued operations

(in EUR 1,000)	30 September 2018	30 September 2017	Reference
Cash flow from operating activities	898	(58)	
Net capital expenditures 1)	(1,014)	(1,445)	Note 6
Free cash flow continued operations	**(116)**	**(1,503)**	

1) Including cash from disposal of assets EUR -3 (9M 2017: EUR 22) and purchase through leasing EUR 0 (9M 2017: EUR 795)

Discontinued operations

(in EUR 1,000)	30 September 2018	30 September 2017	Reference
Cash flow from operating activities	819	2,769	Note 17.2
Net capital expenditures 1)	(1,561)	(1,298)	
Free cash flow discontinued operations	**(742)**	**1,471**	

1) Including cash from disposal of assets EUR 122 (9M 2017: EUR 0) and purchase through leasing EUR 303 (9M 2017: EUR 0)