FIRST QUARTER 2019 REPORT

exceet Group SE
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INTERIM MANAGEMENT REPORT

- 3M 2019 Group Net Sales at EUR 11.9 million, plus 17.2% compared to prior year. Organic Growth Rate[1)] for 3M 2019: plus 14.3% (3M 2018: minus 0.8%).
- 3M 2019 Group EBITDA[1)] at EUR 2.1 million (3M 2018: EUR 0.7 million), up 184.8% versus 3M 2018, reaching 17.9% of Net Sales. 3M Group Net Result at EUR 0.3 million (3M 2018: EUR nil) due to a negative non-cash currency effect of EUR 0.8 million out of the valuation of the cash position.
- On 31 March 2019: Order Backlog[1)] at EUR 10.4 million; Cash at EUR 113.6 million, Net Cash[1)] at EUR 109.9 million and Equity Ratio[1)] at 89.2%
- exceet is in progress to expand and leverage its networks in the Healthcare-, MedTech- and Software-Industries for possibly upcoming additional investments.

Financial Performance

In the course of the last fiscal year, exceet signed several agreements to sell its portfolio companies exceet electronics, AEMtec GmbH (Germany) and exceet Medtec Romania S.R.L. These activities had been part of exceet's former business segment Electronic Components, Modules & Systems (ECMS). As a consequence, the Group's IFRS reporting had to be split into "Continued Operations" and "Discontinued Operations" as of Q3 2018 (see exceet Interim Financial Statements note 17 "Discontinued Operations").

The continued operations consist of the printed circuit boards (PCB) activities within the Healthcare segment (former ECMS segment) and the Software segment (former ESS segment), which is actually focussed on industrial internet of things (IoT) and secure connectivity. Currently, locations are in Germany and Switzerland.

	1st Quarter		
(in EUR 1,000)	2019	2018	
Net Sales	11,900	10,153	+ 17.2%
Organic Growth Rate			+ 14.3%
EBITDA	2,133	749	+ 184.8%
in % of Net Sales	*17.9%*	*7.4%*	
Result of the period	251	3	n.a.
Currency exchange differences	762	(9)	
Result of the period before currency exchange differences	1,013	(6)	n.a.
in % of Net Sales	*8.5%*	*(0.1%)*	

1) See note 20 "Alternative Performance Measures (APM)" Pages 25 - 27

Q1 2019 sales growth can be primarily attributed to a strong quarterly demand for miniaturized PCB's of the healthcare segment. The operational profit (EBITDA) almost tripled versus the corresponding period one year ago. This is mainly caused by a strong positive leverage out of higher net sales combined with a stable cost level. In addition some benefits were realized out of an optimal product cost mix.

The new IFRS 16 Standard «Leases» demands from lessees to recognize all leases on the balance sheet, unless the term is 12 months or less or the underlying asset has a low value (below Euro 5,000). In the consequence, the EBITDA for Q1 2019 increased by EUR 0.1 million as operating expenses for rent/leases were replaced by depreciation (mainly) and interest (see exceet Interim Financial Statements note 16 "Changes in accounting policies").

The net profit of EUR 0.3 million included a negative net foreign currency effect of EUR 0.8 million (3M 2018: nil) and interest cost in the amount of EUR 0.1 million (3M 2018: EUR 0.1 million). The foreign currency effect is non-cash. The main component of the foreign currency effect is the effect of EUR 0.8 million on the substantial amount of cash received with the sale of several activities in 2018 and now held in the Swiss holding company with the functional currency of Swiss francs. This effect is neutralized on balance sheet level via the equity position.

Segment Reporting

Healthcare

The segment is focused on the development and production of innovative and miniaturized printed circuit boards (PCB) in close cooperation with its customers for high-end electronic functionalities in healthcare and medtech devices, particularly in hearing aids, cochlear implants and other medtech implants. The hearing aids industry represents a stable growing segment within the healthcare market and offers favorable business conditions for the segment's competence and know-how in miniaturization with strong quality requirements. In many cases exceet's deliveries of innovative PCB architectures are crucial for the realization of the demanded features by the customers.

The segment realized Net Sales of EUR 9.2 million (3M 2018: EUR 7.8 million) representing 77.4% of Group sales and an increase by 17.6%. The EBITDA amounted to EUR 2.7 million (3M 2018: EUR 1.7 million) resulting in an EBITDA Margin of 29.5% (3M 2018: 21.7%). Adjusted for currency effects, Net Sales amounted to EUR 9.0 million and reflect an increase of 16.0%.

The exceptional good Q1 2019 performance of the segment was driven by typical small to medium size production characteristics. Sizes of series in general are limited and can experience visible hikes on a quarterly basis due to the short-term progression of demand of the customers.

Software

Secure connectivity in data-critical IT environments such as eHealth architectures and industrial internet of things (IoT) is the focus of this segment.

For the first three months of 2019, the segment contributed 22.6% to Group sales. The segment generated external revenues of EUR 2.7 million after EUR 2.3 million in the corresponding period of 2018 (plus 15.8%). The EBITDA for the first three months amounted to minus EUR 0.1 million (3M 2018: minus EUR 0.2 million).

In 2018, the segment started to increase its efforts to present its competences and know-how on fairs and expert events, in order to extend the existing partner network and to launch exceet's expertise in edge computing applications to the market. Edge computing follows the trend of decentralized data processing close to the device, allowing data computations to be available faster, network traffic to be reduced and pre-processed data to be sent to the cloud. Edge computing also supports solutions where no permanent network connection is available. However, market awareness for the segments competences and know-how is still limited and requires further measures going forward.

1) See note 20 "Alternative Performance Measures (APM)" Pages 25 - 27

Group Balance Sheet Positions

As of 31 March 2019, the total assets of exceet Group amounted to EUR 148.7 million, compared to the EUR 144.2 million as of 31 December 2018.

The non-current assets amounted to EUR 22.6 million (31.12.2018: EUR 20.7 million) and increased by EUR 1.9 million of which EUR 1.6 million are related to the implementation of IFRS 16 «Leases» (see exceet Interim Financial Statements note 16 "Changes in accounting policies"). The position includes tangible assets of EUR 7.6 million (31.12.2018: EUR 9.3 million), intangible assets of EUR 10.7 million (31.12.2018: EUR 10.8 million) and other non-current assets related to deferred tax assets of EUR 0.8 million (31.12.2018: EUR 0.6 million). Financial leasing related assets in the amount of EUR 2.0 million within the tangible assets as of 31 December 2018 were reclassified to tangible right-of-use assets due to the implementation of IFRS 16 in 2019. Therefore, tangible right-of-use assets amounted to EUR 3.4 million as per 31 March 2019.

Current assets amounted to EUR 126.2 million, compared to EUR 123.5 million at year-end 2018. The increase of the current assets of EUR 2.7 million includes mainly EUR 2.0 million from trade receivables due to the increase of net sales, EUR 0.4 million from accruals and EUR 0.3 million from cash.

At the end of the reporting period, exceet Group's equity amounted to EUR 132.7 million, against EUR 131.5 million as of 31 December 2018. This represents an equity ratio of 89.2% (31.12.2018: 91.2%).

The non-current liabilities increased by EUR 1.3 million from EUR 6.7 million at year-end of 2018 to EUR 8.0 million. The increase included EUR 1.4 million long-term lease liabilities out of right-of-use assets related to the implementation of IFRS 16. In addition borrowings were reduced by EUR 0.1 million caused by the weaker Swiss Francs. The retirement benefit obligations according to the actual actuarial calculation remained on nearly the same level as per year-end 2018.

The increase of the current liabilities by EUR 2.0 million to EUR 8.0 million as of 31 March 2019 (31.12.2018: EUR 6.0 million) included EUR 0.7 million from the trade payables due to the higher level of sales and EUR 0.4 million from accrued expenses. Furthermore EUR 0.5 million from accrued contract liabilities (long-term service agreements) and EUR 0.3 million for short-term lease liabilities out of right-of-use assets.

Cash Development and Net Cash

The cash and cash equivalents amounted as of 31 March 2019 to EUR 113.6 million (31.12.2018: EUR 113.2 million). The increase of EUR 0.4 million is mainly caused by the generated cash out of operating activities of EUR 1.1 million, capital expenditures of EUR 0.6 million, repayments for financial lease of EUR 0.2 million and an effect of exchange rate gains of EUR 0.1 million.

The 3M 2019 operating cash flow of EUR 0.4 million (3M 2018: inflow EUR 1.1 million) consisted of EUR 0.6 million investments into the net working capital (mainly receivables due to the higher level of sales), net tax payments of EUR 0.4 million and some interest payments below EUR 0.1 million. The Net Cash position[1)] as of 31 March 2019 amounts to EUR 109.9 million (31.12.2018: net cash EUR 109.4 million).

Employees

As of 31 March 2019, the Group employed 223 employees (Headcount) (31.03.2018: 234) or 205 full-time equivalents (FTE) (31.03.2018: 213). 154 (31.03.2018: 156) were employed in Switzerland, 50 (31.03.2018: 56) in Germany, and 1 (31.03.2018: 1) in the USA.

1) See note 20 "Alternative Performance Measures (APM)" Pages 25 - 27

Capital Market Environment and Share Price Performance

Having started into the year 2019 on a pessimistic economic tone, the overall prospects for world economic growth tended to deteriorate even further between January and March. Particularly, the Eurozone including Germany are expected to show a pronounced weakness this year. According to the latest forecasts by the Organisation for Economic Co-operation and Development (OECD), growth in the Eurozone will reach 1.0% (prior estimate 1.8%) while Germany is expected to grow even slower by 0.7% (prior estimate 1.6%). This forecast for Germany is broadly in line with the recent revisions by the major German economic institutes, whose growth estimates now range between 0.6% (Ifo-Institute) and 0.9% (RWI). In contrary for the US, the OECD is envisaging a growth figure of 2.6% (minus 0.1% versus the organization's preceding estimate) and for China, most economic observers see reasonable prospects for a soft landing of the economy due to the widespread conviction that monetary and fiscal stimulation measures carried out by the Chinese administration will cushion the negative impact of the persisting trade conflict. Optimistic assumptions see also the slowdown in Europe as temporarily and away from recession as the current weakness is primarily regarded as export-induced and limited to the industrial sector while domestic sectors like construction and private consumption are still in a healthy shape. Thus, the majority of observers see economic growth again between 1.5% and 2.0% for 2020. The timely finalization of the trade disputes between China and the US and the implementation of recession avoiding conditions for the upcoming Brexit are generally seen as a prerequisite for this positive scenario.

Monetary policy has been put on hold by the central banks in Europe and the US with the prospects of becoming expansive again dependent on the near-term economic progression. Recent inflation figures in the US have fallen to below 2% and in the Eurozone to below 1.5%. With the US labour market remaining in a robust condition, the Fed is not expected to lower rates immediately, but rate cuts and a fresh bond purchasing program are seen on the agenda in case of an undesired economic slowdown. Current reports see US growth for the first Quarter at 3.2%. US bond yields have fallen from above 3% to below 2.5% during the last months thus having produced a slightly inversed yield curve. In Germany, the 10-year government bond yield actually fluctuates around the zero percent line reflecting their safe heaven character in an economically difficult environment.

In Q4 2018, global equity markets had been anticipating exemplary the weak succeeding economic development. But from the beginning of the year stocks showed a surprisingly strong technical rebound until March, driven by hopes for an US/Chinese settlement in their trade dispute and a cyclically sensitive Brexit. The recovery widely ignored steadily weakening economic parameters and overall declining sales and earnings estimates by analysts for the industrial corporate sector. Among major equity market indices, the cyclical German DAX and TecDAX showed a visible but more cautious rebound than other markets with price appreciations of 9.2% and 9.0% respectively. The strongest performance was shown by economically sensitive technology shares in the US where the Nasdaq Composite added 16.5% while the Dow Jones Industrial Average rose by 11.2% - close to the performance of other European equity markets (EuroStoxx 50 +11.7%, Swiss Market Index +12.4%).

Trading in exceet shares recorded a volume of 112,727 shares on the Xetra trading platform in the first quarter. Between January and March the share price lost 6.3% from Euro 6.40 to Euro 6.00. As in the year before, the exceet share price performance did not show any correlation to general market movements. Due to the fundamental implications of the change of exceet's business model, exceet shares appreciated by 52.7% in 2018 and even added 2.4% in the final quarter of last year while equities worldwide suffered from heavy losses. The flattening of the share price at the level reached was achieved in the absence of further corporate news flows, apart from the publication of the full year results for 2018 which showed further operational improvements and a rising net cash position.

Opportunities and Risk Report

The statements provided in the Annual Report 2018 on the opportunities and risks of the business model remain unchanged excepted for the following point:

1) See note 20 "Alternative Performance Measures (APM)" Pages 25 - 27

Currency Risk

With the sale of material investments of the Group in 2018, 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

There were no events since the balance sheet date on 31 December 2018 that would require adjustment of assets or liabilities or a disclosure.

Outlook

As expected, exceet's continued operations started satisfactory into the financial year 2019 - despite currently widespread concerns referring to worldwide economic growth, trade and corporate earnings. The Group's sales improved by 17.2% versus one year ago and the operative profitability even extended its sound level regained in the course of the past quarters. The Healthcare segment is expected to profit from the successfully implemented streamlining and expansion measures at the location in Küssnacht (Switzerland). As indicated earlier, the Ultra High Density Technology enjoys a positive market attention and offers more design opportunities for the healthcare but also selected industrial markets. The Software segment with its IoT-activities, based in Germany and focussed on data security, will be concentrating on the continued development of "exceet connect" and other secure connectivity projects. These two segments are expected to achieve a combined mid-single digit top line growth in 2019. The Book-to-Bill ratio[1)] provides a reliable indicator for business prospects. A continuation of the exceptional strong level of net sales achieved by the healthcare segment in Q1 2019 is unlikely as overall market sentiment remains subdued and customers most probable will be acting again more cautiously and at sight.

As stated in the financial report 2018, exceet will stick to its communicated strategy to develop the PCB-activities and the software- and IoT-activities further. As of the beginning of the year, the management and exceet's main shareholder are jointly involved into an ongoing process of evaluating additional investment opportunities, either to strengthen the existing businesses or to broaden the range of strategic interests. The constant ability of the existing operations to generate free cash flows has improved the group's actual net cash position to EUR 109.9 million.

Future investments are intended to generate on average an increase of the Intrinsic Value of at least 15% annually. The availability of perpetual capital allows exceet to respond flexible and immediately with a partnership approach to upcoming opportunities. Targeted industries remain the structurally growing markets like healthcare, software or technology.

Grevenmacher, 30 April 2019

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

1) See note 20 "Alternative Performance Measures (APM)" Pages 25 - 27

INTERIM FINANCIAL STATEMENTS
(CONDENSED & CONSOLIDATED)

INTERIM BALANCE SHEET (CONSOLIDATED)

(in EUR 1,000)	unaudited 31 March 2019	audited 31 December 2018
ASSETS		
Non-current assets		
Tangible assets	7,643	9,295
Right-of-use assets	3,418	0
Intangible assets [1]	10,710	10,843
Deferred tax assets	809	599
Total non-current assets	**22,580**	**20,737**
Current assets		
Inventories	3,778	3,872
Trade receivables, net	5,462	3,458
Contract assets	1,953	1,819
Other current receivables	706	873
Accrued income and prepaid expenses	688	276
Cash and cash equivalents	113,565	113,188
Total current assets	**126,152**	**123,486**
Total assets	**148,732**	**144,223**
EQUITY		
Share capital	312	312
Reserves	132,415	131,168
Equity attributable to Shareholders of the parent company	**132,727**	**131,480**
Total equity	**132,727**	**131,480**
LIABILITIES		
Non-current liabilities		
Borrowings [2]	3,116	3,242
Lease liabilities	1,372	0
Retirement benefit obligations	2,584	2,627
Deferred tax liabilities	591	526
Provisions for other liabilities and charges	316	326
Total non-current liabilities	**7,979**	**6,721**
Current liabilities		
Trade payables	1,775	1,051
Contract liabilities	905	411
Other current liabilities	422	364
Accrued expenses and deferred income	3,032	2,570
Current income tax liabilities	514	594
Borrowings [2]	553	548
Lease liabilities	338	0
Provisions for other liabilities and charges	487	484
Total current liabilities	**8,026**	**6,022**
Total liabilities	**16,005**	**12,743**
Total equity and liabilities	**148,732**	**144,223**

1) Incl. Goodwill of EUR 7,275 (31.12.2018: EUR 7,239)
2) Net cash amount to EUR 109,896 (31.12.2018: Net cash EUR 109,398) based on third party borrowings EUR 3,669 (31.12.2018: EUR 3,790) less cash and cash equivalents of EUR 113,565 (31.12.2018: EUR 113,188)

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

INTERIM INCOME STATEMENT (CONSOLIDATED)

(in EUR 1,000)	unaudited 01.01. - 31.03.2019	unaudited 01.01. - 31.03.2018
Revenue	11,900	10,153
Cost of sales	(8,653)	(8,160)
Gross profit	**3,247**	**1,993**
Gross profit margin	*27.3%*	*19.6%*
Distribution costs	(849)	(892)
Administrative expenses	(1,050)	(1,050)
Other operating income	34	25
Operating result (EBIT) [1]	**1,382**	**76**
EBIT margin	*11.6%*	*0.7%*
Financial income	1,366	454
Financial expenses	(2,287)	(493)
Financial result, net	**(921)**	**(39)**
Profit/(Loss) before income tax	**461**	**37**
Income tax expense	(210)	(34)
Profit/(Loss) for the period	**251**	**3**
Profit/(Loss) margin	*2.1%*	*0.0%*
Profit/(Loss) from discontinued operations	**0**	**806**
Profit/(Loss) for the period	**251**	**809**
Profit/(Loss) margin	*2.1%*	*8.0%*
PROFIT/(LOSS) ATTRIBUTABLE TO:		
Shareholders of the parent company	251	809
EARNINGS PER SHARE IN EURO FROM CONTINUED OPERATIONS (BASIC = DILUTIVE)		
Class A shares	0.01	0.00
EARNINGS PER SHARE IN EURO FROM DISCONTINUED OPERATIONS (BASIC = DILUTIVE)		
Class A shares	n/a	0.04
EARNINGS PER SHARE IN EURO ON TOTAL GROUP BASIS (BASIC = DILUTIVE)		
Class A shares	0.01	0.04
Operating result (EBIT)	1,382	76
Depreciation and amortization	751	673
Operating result before depreciation, amortization and impairment charges (EBITDA) [2]	2,133	749
EBITDA margin	*17.9%*	*7.4%*

1) Earnings Before Interest and Taxes
2) 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)

(in EUR 1,000)	unaudited 01.01. - 31.03.2019	unaudited 01.01. - 31.03.2018
Profit/(Loss) for the period	251	809
Items not to be reclassified to profit and loss:		
Remeasurements of defined benefit obligation	120	(357)
Deferred tax effect on remeasurements of defined benefit obligation	(16)	48
Items not to be reclassified to profit and loss	104	(309)
Items to be reclassified to profit and loss:		
Currency translation differences	1,010	(181)
Items to be reclassified to profit and loss	1,010	(181)
Total comprehensive income for the period	1,365	319
Attributable to:		
Shareholders of the parent company	1,365	319
Minority interests	0	0
Total comprehensive income for the period attributable to the Shareholders of the company		
Continued operations	1,365	(332)
Discontinued operations	0	651
Total comprehensive income for the period	1,365	319

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

INTERIM STATEMENT OF CASH FLOWS (CONSOLIDATED)

(in EUR 1,000)	unaudited 01.01. - 31.03.2019	unaudited 01.01. - 31.03.2018
Profit/(Loss) before income tax	**461**	**37**
Amortization on intangible assets	196	198
Depreciation on tangible assets	270	475
Depreciation on right-of-use assets	285	0
Change of provisions	(12)	0
Adjustments to retirement benefit obligations/prepaid costs	51	70
Financial (income)/expenses	37	77
Other non-cash (income)/expenses	899	126
Operating net cash before changes in net working capital	**2,187**	**983**
Changes to net working capital		
- inventories	7	(98)
- receivables	(1,768)	162
- accrued income and prepaid expenses	(528)	(188)
- liabilities	765	(462)
- accrued expenses and deferred income	936	1,197
Tax paid	(411)	(311)
Interest received	8	6
Interest paid	(36)	(155)
Cashflows from operating activities [1]	**1,160**	**1,134**
Purchase of tangible assets	(619)	(341)
Purchase of intangible assets	(22)	(33)
Cashflows from investing activities	**(641)**	**(374)**
Proceeds of borrowings	0	532
Payments of finance lease liabilities	(248)	(149)
Cashflows from financing activities	**(248)**	**383**
Net changes in cash and cash equivalents	**271**	**1,143**
Cash and cash equivalents at the beginning of the period	**113,188**	**15,589**
Net changes in cash and cash equivalents	271	1,143
Effect of exchange rate gains/(losses)	106	(112)
Cash and cash equivalents at the end of the period	**113,565**	**16,620**

1) Free cash flow amounts to EUR 519 (3M 2018: EUR 780) based on cash flow from operations of EUR 1,160 less net capital expenditure of EUR 641.

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	Retained earnings	Foreign currency transl. diff.	Total shareholders of the parent company
BALANCES AT 31 DECEMBER 2018	312	65,485	(4,525)	43,856	26,352	131,480
Change in accounting policies (IFRS 16), net of tax				(118)		(118)
BALANCES AT 1 JANUARY 2019	312	65,485	(4,525)	43,738	26,352	131,362
Profit/(Loss) for the period				251		251
Other comprehensive income:						
Remeasurements of defined benefit obligations				120		120
Deferred tax effect on remeasurements				(16)		(16)
Currency translation differences					1,010	1,010
Total other comprehensive income for the period	0	0	0	104	1,010	1,114
Total comprehensive income for the period	0	0	0	355	1,010	1,365
BALANCES AT 31 MARCH 2019	312	65,485	(4,525)	44,093	27,362	132,727
BALANCES AT 31 DECEMBER 2017	312	65,485	(4,525)	(9,463)	22,559	74,368
Change in accounting policies (IFRS 15)				361		361
BALANCES AT 1 JANUARY 2018	312	65,485	(4,525)	(9,102)	22,559	74,729
Profit/(Loss) for the period				809		809
Other comprehensive income:						
Remeasurements of defined benefit obligations				(357)		(357)
Deferred tax effect on remeasurements				48		48
Currency translation differences					(181)	(181)
Total other comprehensive income for the period	0	0	0	(309)	(181)	(490)
Total comprehensive income for the period	0	0	0	500	(181)	319
BALANCES AT 31 MARCH 2018	312	65,485	(4,525)	(8,602)	22,378	75,048

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 (hereafter the "Company") is a company incorporated as a Société Européenne under the law of Luxembourg and listed on the regulated Frankfurt Stock Exchange (WKN: A0YF5P / ISIN: LU0472835155) in the Prime Standard segment. The Company's purpose is to invest in structurally growing industries like healthcare, software and technology. 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.

The consolidated exceet Group SE (the "Group" or "exceet") is a portfolio of technology companies specialized in the development and production of complex electronics for small and mid-sized volumes and software. The Group provides highly sophisticated solutions and distinguishes itself through its technical skill set with a strong position in the healthcare and industrial markets. The overall six locations are located in Switzerland, Germany, Luxembourg and the USA. All companies consolidated into the Group are disclosed in note 19 "List of consolidated subsidiaries of exceet Group SE".

To reflect the actual business, the Group decided to rename its segments as of 1 January 2019. The segments are Healthcare (former Electronic Components Modules & Systems (ECMS)) and Software (former exceet Secure Solutions (ESS)).

The Healthcare segment (77% of Sales Q1 2019) is focused on the development and production of innovative and miniaturized Printed Circuit Boards (PCBs) in close cooperation with its customers for high-end electronic functionalities in healthcare and medtech devices, particularly in hearing aids, cochlear implants and other medtech implants. The hearing aid industry represents a stable growing segment within the healthcare market and offers favorable business conditions for ECMS's competences and know-how in miniaturization with strong quality requirements. In many cases, innovative PCB architectures are crucial for the realization of the demanded features by our customers.

The Software segment (23% of Sales Q1 2019) offers secure connectivity mainly based on IT Security and industrial internet of things (IoT) projects and solutions.

The Group refocused its activities in 2018 and sold several entitites of the formerly named ECMS segment, this included the exceet electronics activities with operating locations in Germany, Austria and Switzerland, its micro- and optoelectronics activities in Germany and its electronics development company in Romania. Therefore, the Group's IFRS reporting for 2019 does only show "Continued Operations" as prior year comparisons and comments and comparisons are made on basis of continued operations. Information about the entities categorized as "Discontinued Operations" are disclosed in note 17 "Discontinued Operations".

This condensed consolidated interim financial information is unaudited and was approved for issue by the Board of Directors on 30 April 2019.

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), 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 36 to 55 of the exceet Group consolidated financial statements 2018.

- IFRS 16 (New) "Leases" – IASB and EU effective date 1 January 2019
- Annual improvement cycle 2015 - 2017 IASB and EU effective date 1 January 2019

For the details of the adoption of IFRS 16 please refer to note 16 "Changes in accounting policy" 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 2019 and have not been applied in preparing these interim condensed consolidated financial statements.

- IFRS 3 (Amendment) "Definition of a Business" – IASB effective date: 1 January 2020 – EU endorsement outstanding
- IAS 1 / IAS 8 (Amendment) "Definition of Material" – IASB effective date: 1 January 2020 – EU endorsement outstanding
- Amendments to the References to the Conceptual Framework in IFRS Standards IASB effective date 1 January 2020 – 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 not later than the effective endorsement date by the EU.

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 three months ended 31 March 2019, have been prepared in accordance with IAS 34, "Interim financial reporting".

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 2018, 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 2018.

The following exchange rates were relevant to the interim financial report as of 31 March 2019:

	31 March 2019	Average 01.01. - 31.03.2019	31 December 2018	31 March 2018	Average 01.01. - 31.03.2018
1 CHF	0.89	0.88	0.89	0.85	0.86
1 USD	0.88	0.89	0.87	0.81	0.81

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 2018. There have been no changes in any risk management policies since the year end.

Fair value estimation

The Group defined the different levels of fair value 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)

As per 31 March 2019, the Group has no assets or liabilities at fair value.

Within discontinued operations, a financial asset at fair value of EUR 9 had been recognized as per 31 March 2018, this asset was disposed as per 31 July 2018.

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

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 31 March 2019	audited 31 December 2018
CARRYING AMOUNT		
Bank borrowings	2,862	2,840
Finance lease liabilities	254	402
Total	3,116	3,242
FAIR VALUE		
Bank borrowings	2,933	2,912
Finance lease liabilities	254	402
Total	3,187	3,314

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

5 Additional information to the cash flow statement

The acquisition of tangible assets is mainly related to the purchase of production facilities and machinery. The Group purchased no fixed assets through finance lease arrangements during the first three months of 2019 (3M 2018: EUR 0).

Payments of lease liabilities represent payments for amortizations of current financial lease liabilities, prepayments for new financial lease liabilities in the current period and lease payments for right-of-use assets, now recognized according IFRS 16 within the balance sheet.

6 Segment information

The Group has two main business segments, Healthcare (former Electronic Components Modules & Systems (ECMS)) and Software (former 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.

The segment information for the three months ended 31 March 2019 and a reconciliation of EBIT to profit/(loss) for the period is provided as follows:

Income statement and capital expenditure by segment

01.01. - 31.03.2019 (in EUR 1,000)	Healthcare	Software	Corporate and others	Eliminations	Total Group
Revenue from sale of electronic components	9,177	2,228	0	0	11,405
Revenue from sale of services	34	461	0	0	495
External revenue	9,211	2,689	0	0	11,900
Inter-segment revenue	0	0	0	0	0
Total revenue	**9,211**	**2,689**	**0**	**0**	**11,900**
EBITDA	**2,718**	**(72)**	**(513)**	**0**	**2,133**
EBITDA Margin	*29.5%*	*(2.7%)*			*17.9%*
Depreciation, amortization and impairment	(513)	(216)	(22)	0	(751)
EBIT	**2,205**	**(288)**	**(535)**	**0**	**1,382**
EBIT Margin	*23.9%*	*(10.7%)*			*11.6%*
Financial income	89	0	1,294	(17)	1,366
Financial expenses	(108)	(35)	(2,161)	17	(2,287)
Financial result, net	**(19)**	**(35)**	**(867)**	**0**	**(921)**
Profit/(Loss) before income tax	**2,186**	**(323)**	**(1,402)**	**0**	**461**
Income tax	(310)	100	0	0	(210)
Profit/(Loss) for the period	**1,876**	**(223)**	**(1,402)**	**0**	**251**
Capital expenditure tangible assets	610	9		0	619
Capital expenditure intangible assets	22	0	0	0	22
Depreciation tangible assets	(246)	(20)	(4)	0	(270)
Depreciation right-of-use assets	(210)	(57)	(18)	0	(285)
Amortization intangible assets	(57)	(139)	0	0	(196)

01.01. - 31.03.2018 (in EUR 1,000)	Healthcare	Software	Corporate and others	Eliminations	Total Group
Revenue from sale of electronic components	7,809	1,753	0	0	9,562
Revenue from sale of services	22	569	0	0	591
External revenue	7,831	2,322	0	0	10,153
Inter-segment revenue	0	0	0	0	0
Total revenue	**7,831**	**2,322**	**0**	**0**	**10,153**
EBITDA	**1,701**	**(247)**	**(705)**	**0**	**749**
EBITDA Margin	*21.7%*	*(10.6%)*			*7.4%*
Depreciation, amortization and impairment	(503)	(150)	(20)	0	(673)
EBIT	**1,198**	**(397)**	**(725)**	**0**	**76**
EBIT Margin	*15.3%*	*(17.1%)*			*0.7%*
Financial income	132	0	341	(19)	454
Financial expenses	(206)	(20)	(286)	19	(493)
Financial result, net	**(74)**	**(20)**	**55**	**0**	**(39)**
Profit/(Loss) before income tax	**1,124**	**(417)**	**(670)**	**0**	**37**
Income tax	(153)	119	0	0	(34)
Profit/(Loss) for the period	**971**	**(298)**	**(670)**	**0**	**3**
Capital expenditure tangible assets	328	6	7	0	341
Capital expenditure intangible assets	30	3	0	0	33
Depreciation tangible assets	(447)	(22)	(6)	0	(475)
Depreciation right-of-use asset	0	0	0		0
Amortization intangible assets	(56)	(128)	(14)	0	(198)

Assets and liabilities by segment

(in EUR 1,000)	Healthcare	Software	Corporate and others	Total Group
BALANCES AT 31 MARCH 2019 (UNAUDITED)				
Tangible assets	7,453	175	15	7,643
Right-of-use assets	1,968	1,064	386	3,418
Intangible assets	5,183	5,527	0	10,710
Other non-current assets	78	731	0	809
Non-current assets	14,682	7,497	401	22,580
Current assets	18,394	2,207	105,551	126,152
Liabilities	11,240	2,997	1,768	16,005
BALANCES AT 31 DECEMBER 2018 (AUDITED)				
Tangible assets	9,090	186	19	9,295
Intangible assets	5,177	5,666	0	10,843
Other non-current assets	78	521	0	599
Non-current assets	14,345	6,373	19	20,737
Current assets	15,410	2,224	105,852	123,486
Liabilities	9,952	1,250	1,541	12,743
BALANCES AT 31 MARCH 2018 (UNAUDITED)				
Tangible assets	8,870	205	29	9,104
Intangible assets	5,108	6,047	68	11,223
Other non-current assets	0	136	0	136
Non-current assets	13,978	6,388	97	20,463
Current assets	16,042	2,138	8,492	26,672
Liabilities	9,458	1,773	19,463	30,694

Disagreggation of revenue

The Group generated revenue in its two main markets Health and Industry as follows:

(in EUR 1,000)	01.01.-31.03.2019	01.01.-31.03.2018
Health	8,812	7,153
Industry	3,088	3,000
Total	**11,900**	**10,153**

7 Financial result

The financial result includes a non-cash loss of EUR 16 (3M 2018: Gain of EUR 58) related to the revaluation of Euro-loans given by the Swiss holding to finance the other group companies.

EUR 15 of finance expense are interest costs in relation to right-of-use asset.

8 Development costs

The position "cost of sales" in the consolidated income statement includes development costs in the amount of EUR 212 (3M 2018: EUR 219; full year 2018: EUR 676). 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

(in EUR 1,000)	unaudited 31 March 2019	audited 31 December 2018
Trade accounts receivable, gross - due from third parties	5,471	3,468
Provision for impairment	(9)	(10)
Total	**5,462**	**3,458**

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 exceet Group Consolidated Financial Statements 2018 note 14 "Equity" on pages 79 to 80.

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

The calculation of basic EPS at 31 March 2019 is based on the profit attributable to the owners of the parent of EUR 251 for three months 2019 (3M 2018: EUR 809) 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. - 31.03.2019	unaudited 01.01. - 31.03.2018
Profit/(Loss) for the year (EUR 1,000) attributable to equity holders of the Company	Class A Shares	251	809
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	0.01	0.04

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 31 March 2019 the Group has no option rights outstanding, therefore no dilutive impact on the EPS is possible.

12 Dividends

No dividends were paid during the three months ended 31 March 2019.

13 Borrowings

Borrowings are as follows:

(in EUR 1,000)	unaudited 31 March 2019	audited 31 December 2018
NON-CURRENT		
Bank borrowings	2,862	2,840
Finance lease liabilities	254	402
Total non-current borrowings	3,116	3,242
CURRENT		
Bank borrowings	0	0
Finance lease liabilities	553	548
Total current borrowings	553	548
Total borrowings	3,669	3,790

14 Retirement benefit obligation

For the three months of 2019 there were EUR 1,920 impact from return on plan assets (3M 2018: minus EUR 246 continued operations and minus EUR 111 for discontinued operations) and EUR 1,800 impact (3M 2018: none) from measurements of the defined benefit obligation arising from changes in economic assumptions (discount rates).

15 Ultimate controlling parties and related-party transactions

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 from related parties in the first three months of 2019 in the amount of EUR 65 (3M 2018: EUR 0).

16 Changes in accounting policies

The implementation of the new standard IFRS 16 ("Leases") lead to changes in the accounting policy of the Group.

The Group has adopted IFRS 16 retrospectively from 1 January 2019, but has not restated comparatives for the 2018 reporting period, as permitted under the specific transitional provision in the standard. The reclassifications and adjustments arising from the new leasing rules are therefore recognized in the opening balance sheet on 1 Januar 2019.

Adjustments recognized on adoption of IFRS 16

On adoption of IFRS 16, the Group recognized lease liabilities in relation to leases which had previously been classified as "operating leases" according to IFRS 17 "Leases". These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2019. The incremental borrowing rates applied were 1.1% for the Swiss entities and 6.0% for the German and Luxembourg entities.

For leases previously classified as finance leases the Group recognized the carrying amount of the lease asset and lease liability immediately before transition as the carrying amount of the right-of-use asset and the lease liability at the date of initial application.

Lease liability

For the year ending 31 December 2018, operating lease liabilities in the amount of EUR 1,550 had been disclosed, these included low value and short term lease liabilities in the amount of EUR 20. Calculating the liabilities of the remaining contracts to be recognized according to IFRS 16 by using the incremental borrowing rate of the lessee, resulted in liabilities of EUR 1,763. With finance lease liabilities of EUR 950 recognized as at 31 December 2018, total lease liabilities of EUR 2,713 have been recognized as per 1 January 2019 as follows:

(in EUR 1,000)	1 January 2019
Current lease liabilities	329
Non-current lease liabilities	1,434
Total	**1,763**

Right-of-use asset

The associated right-of-use assets for operating leases were measured on a retrospective basis as if the new standard had always been applied. The recognized right-of-use assets related to the following type of assets:

(in EUR 1,000)	Land & building	Production facilities & machinery	Equipment	Vehicles	Total
AQUISITION COSTS					
As of 1 January 2019	2,928	11,607	15	63	14,613
Additions				26	26
Currency translation differences	0	149	0	1	150
As of 31 March 2019	2,928	11,756	15	90	14,789
ACCUMULATED DEPRECIATION					
As of 1 January 2019	(1,365)	(9,558)	(10)	(29)	(10,962)
Additions	(75)	(205)	(1)	(3)	(284)
Currency translation differences	(1)	(124)			(125)
As of 31 March 2019	(1,441)	(9,887)	(11)	(32)	(11,371)
Net book value as of 1 January 2019	1,563	2,049	5	34	3,651
Net book value as of 31 March 2019	1,487	1,869	4	58	3,418

The change in accounting policy affected the following items in the balance sheet on 1 January 2019:

- Tangible assets – decrease by EUR 2,049
- Right-of-use assets – increase by EUR 3,651
- Deferred tax assets – increase by EUR 43
- Lease liabilities – increase by EUR 1,763

The net impact on retained earnings on 1 January 2019 was a decrease of EUR 118.

In applying IFRS 16 for the first time, the Group has used the following practical expedients permitted by the standard:

- The presentation of operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short term lease.
- The exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application.
- The use of hindsight in determine the lease term where the contract contains options to extend or terminate the lease.

Relevant accounting policies adjustments IFRS 16

The Group leases various offices, equipment and cars. Rental contracts are typically made for fixed periods of 5 years, but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased property assets may not be used as security for borrowing purposes.

Until the 2018 financial year, leases of property, plant and equipment were classified as either finance or operating leases. Payments made under operating leases were charged to profit or loss on a straight-line basis over the period of the lease.

From 1 January 2019, leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leases asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable
- Variable lease payments that are based on an index or rate

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at costs comprising the amount of the initial measurement of lease liability.

Payments associated with short-term leases (lease term of 12 month or less) and leases of low-value assets (below Euro 5,000) are recognized on a straight-line basis as an expense in profit or loss.

17 Discontinued operations

The Group disposed several of its entities over the course of the year 2018:

- exceet electronics activities comprising the entities exceet electronics GmbH (Grossbettlingen, Germany), exceet electronics GesmbH (Ebbs, Austria), exceet electronics AG (Rotkreuz, Switzerland) and exceet Austria GmbH (Ebbs, Austria) were disposed as of 31 July 2018

- AEMtec GmbH (Berlin, Germany) was disposed as of 30 October 2018

- exceet Medtec Romania SRL (Bucharest, Romania) was disposed as of 28 November 2018

As of 31 March 2018, these entities had not been reclassified as discontinued operations, but for comparison purposes for the period ending as of 31 March 2019, these activities are now displayed as discontinued operations as follows:

	3 months 01.01. - 31.03.2018				
(in EUR 1,000)	exceet electronics	AEMtec GmbH	exceet Medtec Romania S.R.L.	Eliminations	Discontinued Operations
FINANCIAL PERFORMANCE					
Revenue	15,890	12,092	203	(330)	27,855
Expenses	(16,130)	(10,522)	(236)	330	(26,558)
Fair value adjustment - Impairment of Goodwill	0	0	0		0
Profit / (Loss) before income tax	(240)	1,570	(33)		1,297
Income tax	(27)	(462)	(2)		(491)
Profit / (Loss) from discontinued operations	**(267)**	**1,108**	**(35)**		**806**
Remeasurement of defined benefit obligation (net of tax)	(95)	0	0		(95)
Currency translation differences	(60)	0	0		(60)
Comprehensive income from discontinued operations	(422)	1,108	(35)		651
PROFIT/(LOSS) ATTRIBUTABLE TO:					
Shareholders of the parent company					806
EARNINGS PER SHARE IN EURO FROM DISCONTINUED OPERATIONS (BASIC = DILUTIVE)					0.04
Class A shares					
CASH FLOW INFORMATION					
Net Cash inflow / (outflow) from operating activities	(1,265)	(735)	(90)		(2,090)
Net Cash inflow / (outflow) from investing activities	(232)	(344)	0		(576)
Net Cash inflow / (outflow) from financing activities	(227)	(117)	0		(344)
Net increase / (decrease) in cash generated by discontinued operations	**(1,724)**	**(1,196)**	**(90)**		**(3,010)**

For further information regarding the disposal of these entities, please refer to Note 29 "Discontinued operations" on pages 102 to 107 in the exceet Group consolidated financial statements 2018.

18 Events occurring after the reporting period

There were no events since the balance sheet date on 31 March 2019 that would require adjustment of assets or liabilities or a disclosure.

19 List of consolidated subsidiaries of exceet Group SE

Company	Country	Year of acquisition [1]	Segment	Activity	Share Capital	Share in the capital	Share of the votes
CONTINUED OPERATIONS							
exceet Holding S.à r.l. [2][3]	LUX	2011	C&O	Holding	EUR 30,000	100%	100%
exceet Group AG	SUI	2006	C&O	Holding & Services	CHF 25,528,040	100%	100%
GS Swiss PCB AG	SUI	2006	Healthcare	Manufacturing & Sales	CHF 1,350,000	100%	100%
exceet USA, Inc.	USA	2015	Healthcare	Sales	USD 10	100%	100%
exceet Secure Solutions GmbH [4][5][6]	GER	2011	Software	Development & Sales	EUR 1,000,000	100%	100%
Lucom GmbH Elektrokomponenten und Systeme [7]	GER	2014	Software	Development & Services	EUR 26,000	100%	100%
DISCONTINUED OPERATIONS							
exceet Austria GmbH [15]	AUT	2011		Holding	EUR 35,000	100%	100%
exceet electronics AG [8][9][15]	SUI	2006		Manufacturing & Sales	CHF 1,000,000	100%	100%
exceet electronics GesmbH [10][11][12][15]	AUT	2011		Manufacturing & Sales	EUR 54,000	100%	100%
exceet electronics GmbH [13][15]	GER	2012		Development & Sales	EUR 102,150	100%	100%
AEMtec GmbH [16]	GER	2008		Manufacturing & Sales	EUR 2,250,000	100%	100%
exceet Medtec Romania S.R.L. [14][17]	ROU	2014		Development	RON 1,000	100%	100%

1) Year of acquisition refers to exceet Group AG point of view
2) exceet Holding AG (former: Helikos AG) was renamed by 09.05.2014
3) exceet Holding S.à r.l. (former: exceet Holding AG) has been renamed by 02.10.2018
4) exceet Secure Solutions AG (former: AuthentiDate International AG) has been renamed by 13.08.2014
5) exceet Secure Solutions AG and exceet Secure Solutions Deutschland GmbH have been merged on 15.08.2016 retroactively as per 01.01.2016
6) exceet Secure Solutions GmbH (former: exceet Secure Solutions AG) has been renamed by 06.10.2016
7) exceet Secure Solutions GmbH holds 100% of the share capital of Lucom GmbH Elektrokomponenten und Systeme
8) exceet electronics AG (former: Mikrap AG) was renamed by 30.12.2014
9) exceet electronics AG (former: Mikrap AG) have been merged as of 01.07.2017 retroactively as per 01.01.2017
10) exceet electronics GesmbH (former: Contec Steuerungstechnik & Automation Gesellschaft m.b.H.) was renamed by 28.01.2015
11) exceet electronics GesmbH (former: Contec Steuerungstechnik & Automation Gesellschaft m.b.H.) and Inplastor GmbH have been merged in December 2014 retroactively as per 28.03.2014
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 05.01.2015
14) exceet Medtec Romania S.R.L. (former: Valtronic Technologies Romania S.R.L.) was renamed by 20.06.2014
15) Divested as of 30.7.2018
16) Divested as of 31.10.2018
17) Divested as of 22.11.2018

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

20 Alternative Performance Measures

20.1 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.

(in EUR 1,000)	Q1 2019	Q1 2018	Reference
Operating result (EBIT)	1,382	76	Consolidated Income Statement
Depreciation on tangible assets	270	475	Note 6
Depreciation on right-of-use assets	285	0	Note 6
Amortisation on intangible assets	196	198	Note 6
EBITDA	**2,133**	**749**	

20.2 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.

(in EUR 1,000)	Q1 2019	Q1 2018	Reference
Revenue	11,900	10,153	Consolidated Income Statement
EBITDA	2,133	749	Note 20
EBITDA Margin	**17.9%**	**7.4%**	

20.3 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.

(in EUR 1,000)	Q1 2019	Q1 2018	Reference
Revenue	11,900	10,153	Consolidated Income Statement
Impact of the exchange rates on revenues	292	(739)	
Revenue from acquisitions of companies	0	0	
Revenue for organic growth calculation	**11,608**	**10,892**	
Prior year comparable revenue	10,153	10,975	Consolidated Income Statement
Organic growth	**14.3%**	**(0.8%)**	

20.4 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)	2019	2018	Reference
Order Backlog as per 31 March	**10,387**	**11,650**	

20.5 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)	2019	2018	Reference
Revenue	11,900	10,153	Consolidated Income Statement
Order backlog 31 March (prior year)	11,650	12,549	
Revenue (last 12 months)	43,282	41,429	Revenue from 01.04. until 31.03.
Order backlog prior year adjustment/FX effects	(1,215)	(1,261)	
Order backlog 31 March (reporting year)	10,387	11,650	
Orders received during the period	40,804	39,269	
Book-to-Bill Ratio	**0.94**	**0.95**	

20.6 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)	31 March 2019	31 December 2018	Reference
Inventories	3,778	3,872	Consolidated Balance Sheet
Trade receivables	5,462	3,458	Consolidated Balance Sheet
Trade payables	(1,775)	(1,051)	Consolidated Balance Sheet
Operating Net Working Capital	**7,465**	**6,279**	

20.7 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.

(in EUR 1,000)	31 March 2019	31 December 2018	Reference
Bank borrowings (current and non-current)	2,862	2,840	
Finance lease (current and non-current)	807	950	
Total borrowings (current and non-current)	3,669	3,790	Consolidated Balance Sheet
Less: cash and cash equivalents	(113,565)	(113,188)	Consolidated Balance Sheet
Net (Cash)/Debt	**(109,896)**	**(109,398)**	

20.8 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)	31 March 2019	31 December 2018	Reference
Total Assets	148,732	144,223	Consolidated Balance Sheet
Total Equity	132,727	131,480	Consolidated Balance Sheet
Equity Ratio	**89.2%**	**91.2%**	

20.9 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.

(in EUR 1,000)	31 March 2019	31 March 2018	Reference
Cash flow from operating activities	1,160	1,134	Consolidated Cash Flow
Net capital expenditures	(641)	(374)	Note 6
Free cash flow	**519**	**760**	