FIRST HALF-YEAR 2019 REPORT

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

INTERIM MANAGEMENT REPORT

- 6M 2019 Group Net Sales at EUR 22.4 million, plus 6.9% compared to prior year. FX Adjusted Growth Rate[1)] for 6M 2019: plus 3.9% (6M 2018: 4.8%).
- 6M 2019 Group EBITDA[1)] at EUR 3.3 million (6M 2018: EUR 2.0 million), up 61.5% versus 6M 2018, reaching 14.6% of Net Sales. 6M 2019 Group Net Result at minus EUR 0.3 million (6M 2018: EUR 1.1 million) due to a negative non-cash currency effect of EUR 1.4 million out of the valuation of the EUR cash position held in a Swiss entity.
- On 30 June 2019: Order Backlog[1)] at EUR 11.1 million; Cash at EUR 113.4 million, Net Cash[1)] at EUR 109.9 million and Equity Ratio[1)] at 89.8%
- Ongoing Process of evaluating additional investment opportunities, either to strengthen the existing businesses or to broaden the range of strategic interests.

Financial Performance

In the course of the fiscal year 2018, 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 15 "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 Switzerland, Germany, USA and Luxembourg.

	First Half-Year		
(in EUR 1,000)	2019	2018	
Net Sales	22,439	20,995	+ 6.9%
Organic Growth Rate [1)]			+ 3.9%
EBITDA [1)]	3,268	2,024	+ 61.5%
in % of Net Sales	*14.6%*	*9.6%*	
Result for the period	(295)	347	n.a.
Currency exchange differences (non-cash)	1,435	57	
Result for the period before currency exchange differences	1,140	404	+ 182.2%
in % of Net Sales	*5.1%*	*1.9%*	

1) See note 18 "Alternative Performance Measures (APM)" Pages 25 - 27

The 6M 2019 performance shows two different quarters. A strong first quarter 2019, reflecting a buoyant demand for exceet's technological edge, followed by a weaker Q2 2019 – compared to Q1 2019 – influenced by the intra-year volatility out of the short-term progression of demand from exceet's customers and the product mix (higher share of lower priced PCB's). The operational profit (EBITDA) improved from 9.6% in H1 2018 to 14.6% for H1 2019 despite the time consuming substantial projects within the healthcare segment for establishing the ultra-high density technology and the building extension in Küssnacht. In the current structure of the Group, the operational result is leveraged to the Group's top line performance due to the cost-stringency of the organization. As already reported in Q1 2019, an optimal product cost mix and a sustainable sales improvement of the software segment are keys for the further realization of benefits. The Book-to-Bill Ratio[1)] as of 30 June 2019 amounts to 0.96 (30.06.2018: 0.95).

The net result of minus EUR 0.3 million included a negative non-cash foreign currency effect of EUR 1.4 million (6M 2018: EUR 0.1 million) and other financial costs in the amount of EUR 0.4 million (6M 2018: EUR 0.2 million). Before the non-cash currency exchange differences, the net result of the continued operations amounts to EUR 1.1 million (plus 182.2% versus H1 2018) and marks a net margin of 5.1%. The non-cash foreign currency effect is caused by the substantial amount of cash received in Euro 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 H1 2019 performance of the segment was driven by typical small to medium size production characteristics. Q2 2019 underlines that the sizes of series in general are limited and can experience visible volatility on a quarterly basis due to the short-term progression of demand of the customers and the product mix with increased volumes for lower priced PCB's. This is reflected in the increase of the produced PCB's by over 32% to 10.3 million pieces in H1 2019 compared to the first half-year 2018.

The segment realized Net Sales of EUR 17.6 million (6M 2018: EUR 16.4 million) representing 78.6% of Group sales and an increase by 7.8%. The EBITDA amounted to EUR 4.6 million (6M 2018: EUR 3.9 million) resulting in an EBITDA Margin of 26.2% (6M 2018: 24.1%). Adjusted for currency effects, Net Sales amounted to EUR 17.0 million and increased by 3.6%.

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 six months of 2019, the segment contributed 21.4% to Group sales. The segment generated external revenues of EUR 4.8 million after EUR 4.6 million in the corresponding period of 2018 (plus 3.5%). The EBITDA for the first six months 2019 amounted to minus EUR 0.3 million (6M 2018: minus EUR 0.5 million).

1) See note 18 "Alternative Performance Measures (APM)" Pages 25 - 27

The segment continued its efforts to improve the visibility of its competences and know-how on fairs and expert events, in order to extend the existing partner network, to raise market awareness and to launch exceet's expertise in secure edge computing applications in the markets. 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. exceet's offering is ready for use, supports services and solutions even where no permanent network connection is available and has various levels of security from certificate based authentication - also available with two-factor-authentication - to a passwordless system (using mobile apps with smartcard authentications). These services are offered as well as "secure edge computing as a service" and first projects are already realised in Q2 2019.

As of 30 June 2019, the segment has more than 91,000 routers in the market – plus 15% compared to 30 June 2018.

Group Balance Sheet Positions

As of 30 June 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 23.3 million (31.12.2018: EUR 20.7 million) and increased by EUR 2.6 million of which EUR 1.6 million are related to the implementation of IFRS 16 «Leases» (see exceet Interim Financial Statements note 14 "Changes in accounting policies"). The position includes tangible assets of EUR 8.8 million (31.12.2018: EUR 9.3 million), intangible assets of EUR 10.6 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). 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 3.1 million as per 30 June 2019.

Current assets amounted to EUR 125.4 million, compared to EUR 123.5 million at year-end 2018. The increase of the current assets of EUR 1.9 million is mainly driven by EUR 0.9 million from trade receivables and inventories due to the increase of net sales, EUR 0.8 million from accruals and EUR 0.2 million from cash.

At the end of the reporting period, exceet Group's equity amounted to EUR 133.5 million, against EUR 131.5 million as of 31 December 2018. This represents an equity ratio of 89.8% (31.12.2018: 91.2%).

The non-current liabilities increased by EUR 0.6 million from EUR 6.7 million at year-end of 2018 to EUR 7.3 million. The increase included EUR 1.3 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 0.2 million caused by financial lease liability payments and stronger Swiss Francs. The retirement benefit obligations according to the actual actuarial calculation amounted to EUR 2.1 million (31.12.2018: EUR 2.6 million). The decrease is reflecting the actual good level of returns on the underlying assets.

The increase of the current liabilities by EUR 1.8 million to EUR 7.8 million as of 30 June 2019 (31.12.2018: EUR 6.0 million) included EUR 0.9 million from the trade payables due to the higher level of sales and EUR 0.7 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 30 June 2019 to EUR 113.4 million (31.12.2018: EUR 113.2 million). The increase of EUR 0.2 million is mainly caused by the generated cash out of operating activities of EUR 2.5 million, capital expenditures of EUR 2.0 million (thereof EUR 1.1 million out of the ongoing building extension in Küssnacht), repayments for financial lease of EUR 0.4 million and an effect of exchange rate gains of EUR 0.1 million.

1) See note 18 "Alternative Performance Measures (APM)" Pages 25 - 27

The generated 6M 2019 operating cash flow of EUR 2.5 million (6M 2018: EUR 0.2 million – comparable continued operations EUR 1.5 million) consisted of EUR 0.2 million out of a reduction of the net working capital , net tax payments of EUR 0.8 million and some interest payments below EUR 0.1 million. The Net Cash position[1)] as of 30 June 2019 amounts to EUR 109.9 million (31.12.2018: net cash EUR 109.4 million).

Employees

As of 30 June 2019, the Group employed 229 employees (Headcount) (30.06.2018: 236) or 210 full-time equivalents (FTE) (30.06.2018: 213). 157 (30.06.2018: 156) were employed in Switzerland, 52 (30.06.2018: 56) in Germany, and 1 (30.06.2018: 1) in the USA.

Capital Market Environment and Share Price Performance

In the course of the second quarter 2019, fears of a longer lasting period of world economic weakness solidified as various sentiment and activity indicators deteriorated. The trade negotiations between China and the US, which have only recently been resumed after a break, remain the predominant economic issue alongside continuing Brexit concerns, fresh confrontations in the gulf region and perpetual budget differences between the EU and Italy. Much-noticed US labour market data were unexpectedly strong in June 2019, after a pronounced dip in May 2019, while consumer confidence data in June 2019 have been breaking below the previous low levels since 2017. Contrarily, the Purchasing Managers Index is still in an expansionary range. In an environment of mixed but deteriorating economic data, analysts are focussing on the probability of a US recession in 2020, dependent on their assumptions regarding the progression of global trade issues. US Government bonds seem to be pricing-in the risk of a recession, as yields are approaching the lows of 2017 at around 2%. In Germany, latest data for the Ifo-Index are suggesting a possible Gross Domestic Product (GDP) contraction in Q2 2019. German core industries like automotive and machinery are suffering from a lower production and are preparing for short-time work as new order intakes showed a pronounced weakness this spring. This in turn could harm consumer sentiment and private consumption in the upcoming months.

Monetary policy is widely expected to become expansive again on the background of weaker growth prospects. But observers are divided with regard to the speed and decisiveness of rate cuts. On the one hand, US growth forecasts for Q2 2019 have been lowered to around 2.0%, on the other hand, the US labour market seems to remain rather robust having generated employment growth for 105 consecutive months in a row. Some observers expect the Fed to take action on interest rates based on possibly weakening data for the Purchasing Managers Index. The European Central Bank (ECB) recently gave hints to possible expansive monetary measures as the inflation target of 2.0% gets out of sight while exports and industrial production remain on subdued levels. Eurozone inflation reached merely 1.2% in May 2019 and the ECB's projection for the entire year 2019 meanwhile amounts to just 1.3%.

In contrast, equity markets performed well in H1 2019 due to the expectation of an economic recovery in the second half of the year and driven by fresh hopes for interest rate cuts. In Q2 2019 German stocks, as measured by the DAX and the TecDAX, added 7.6% each to reach the same first half-year performance of 17.4%. The Dow Jones Index ended the first six months with a total price appreciation of 14.0% while the Nasdaq Composite gained 20.7%. The EuroStoxx 50 added 16.0% and Swiss equities summarized in the SMI index gained, like the German market, 17.4%.

Q2 2019 trading in exceet shares amounted to a volume of 187,906 shares on the Xetra trading platform. In the absence of a specific corporate news flow, exceet's share price fluctuated within the same narrow range as in Q1 2019. After having lost Euro 0.40 from Euro 6.40 to Euro 6.00 in Q1 2019, the share price recovered on exactly the same scale back to Euro 6.40 at the end of Q2 2019, soon after followed by a further price appreciation even beyond the Euro 7.00 level on an intraday basis on the background of a significant director's dealings purchase transaction out of the environment of exceet's majority shareholder. Markets have been interpreting this as a sign of strong confidence in the business model of exceet. Trading in exceet shares generally showed a low correlation to overall market movements after the revaluation of the Group in 2018, which had been lifting the share price by more than 50% on its fundamental prospects.

1) See note 18 "Alternative Performance Measures (APM)" Pages 25 - 27

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:

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 30 June 2019 that would require adjustment of assets or liabilities or a disclosure.

Outlook

After an exceptionally strong operative performance in Q1 2019 followed by the expected slowdown of Group sales in Q2 2019, exceet reached an overall top line growth of 6.9% for the first half year. This result is broadly in line with the sales outlook given in the last quarterly report. For the time being, it should be considered that growth and corporate earnings concerns have increased significantly within a short period of time recently, while overall visibility for the second half of the year has decreased substantially. exceet's project oriented customers are acting in an even more cautious manner and at sight. The Group's H1 2019 operative profitability on the EBITDA level has improved significantly versus one year ago to almost 15%, but – as indicated earlier - it also shows volatility from quarter to quarter. Margin volatility could continue dependent on the Group's further sales performance.

exceet will stick to its communicated strategy to develop its current operative units further. 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 availability of perpetual capital of about EUR 113.4 million allows exceet to respond flexibly, immediately and with a partnership approach to possible opportunities. Targeted industries remain structurally growing markets like healthcare, software and technology.

Grevenmacher, 6 August 2019

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

1) See note 18 "Alternative Performance Measures (APM)" Pages 25 - 27

INTERIM FINANCIAL STATEMENTS
(CONDENSED & CONSOLIDATED)

INTERIM BALANCE SHEET (CONSOLIDATED)

(in EUR 1,000)	unaudited 30 June 2019	audited 31 December 2018
ASSETS		
Non-current assets		
Tangible assets	8,760	9,295
Right-of-use assets	3,134	0
Intangible assets [1]	10,585	10,843
Deferred tax assets	817	599
Total non-current assets	**23,296**	**20,737**
Current assets		
Inventories	3,586	3,872
Trade receivables, net	5,319	3,458
Contract assets	1,579	1,819
Other current receivables	383	873
Accrued income and prepaid expenses	1,091	276
Cash and cash equivalents	113,416	113,188
Total current assets	**125,374**	**123,486**
Total assets	**148,670**	**144,223**
EQUITY		
Share capital	312	312
Reserves	133,185	131,168
Equity attributable to Shareholders of the parent company	**133,497**	**131,480**
Total equity	**133,497**	**131,480**
LIABILITIES		
Non-current liabilities		
Borrowings [2]	3,002	3,242
Lease liabilities	1,290	0
Retirement benefit obligations	2,134	2,627
Deferred tax liabilities	597	526
Provisions for other liabilities and charges	317	326
Total non-current liabilities	**7,340**	**6,721**
Current liabilities		
Trade payables	1,985	1,051
Contract liabilities	1,125	411
Other current liabilities	609	364
Accrued expenses and deferred income	2,508	2,570
Current income tax liabilities	218	594
Borrowings [2]	557	548
Lease liabilities	340	0
Provisions for other liabilities and charges	491	484
Total current liabilities	**7,833**	**6,022**
Total liabilities	**15,173**	**12,743**
Total equity and liabilities	**148,670**	**144,223**

1) Incl. Goodwill of EUR 7,306 (31.12.2018: EUR 7,239)
2) Net cash amounts to EUR 109,857 (31.12.2018: Net cash EUR 109,398) based on cash and cash equivalents EUR 113,416 (31.12.2018: EUR 113,188) less third party borrowings EUR 3,559 (31.12.2018: EUR 3,790)

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

INTERIM INCOME STATEMENT (CONSOLIDATED)

(in EUR 1,000)	3 months unaudited 01.04. - 30.06.2019	unaudited 01.04. - 30.06.2018	6 months unaudited 01.01. - 30.06.2019	unaudited 01.01. - 30.06.2018
Revenue	10,539	10,842	22,439	20,995
Cost of sales	(8,389)	(8,589)	(17,042)	(16,749)
Gross profit	**2,150**	**2,253**	**5,397**	**4,246**
Gross profit margin	*20.4%*	*20.8%*	*24.1%*	*20.2%*
Distribution costs	(801)	(716)	(1,650)	(1,608)
Administrative expenses	(988)	(938)	(2,038)	(1,988)
Other operating income	6	4	40	29
Operating result (EBIT) [1]	**367**	**603**	**1,749**	**679**
EBIT margin	*3.5%*	*5.6%*	*7.8%*	*3.2%*
Financial income	2,486	527	3,852	981
Financial expenses	(3,371)	(687)	(5,658)	(1,180)
Financial result, net	**(885)**	**(160)**	**(1,806)**	**(199)**
Profit/(Loss) before income tax	**(518)**	**443**	**(57)**	**480**
Income tax expense	(28)	(99)	(238)	(133)
Profit/(Loss) from continuing operations	**(546)**	**344**	**(295)**	**347**
Profit/(Loss) margin	*(5.2%)*	*3.2%*	*(1.3%)*	*1.7%*
Profit/(Loss) from discontinued operations	**0**	**(29)**	**0**	**777**
Profit/(Loss) for the period	**(546)**	**315**	**(295)**	**1,124**
Profit/(Loss) margin	*(5.2%)*	*2.9%*	*(1.3%)*	*5.4%*
PROFIT/(LOSS) ATTRIBUTABLE TO:				
Shareholders of the parent company	(546)	315	(295)	1,124
EARNINGS PER SHARE IN EURO FROM CONTINUED OPERATIONS (BASIC = DILUTIVE)				
Class A shares	(0.03)	0.02	(0.01)	0.02
EARNINGS PER SHARE IN EURO FROM DISCONTINUED OPERATIONS (BASIC = DILUTIVE)				
Class A shares	n/a	(0.00)	n/a	0.04
EARNINGS PER SHARE IN EURO ON TOTAL GROUP BASIS (BASIC = DILUTIVE)				
Class A shares	(0.03)	0.02	(0.01)	0.06
CONTINUED OPERATIONS				
Operating result (EBIT)	367	603	1,749	679
Depreciation and amortization	768	672	1,519	1,345
Operating result before depreciation, amortization and impairment charges (EBITDA) [2]	**1,135**	**1,275**	**3,268**	**2,024**
EBITDA margin	*10.8%*	*11.8%*	*14.6%*	*9.6%*

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)

	3 months		6 months	
	unaudited	unaudited	unaudited	unaudited
(in EUR 1,000)	01.04. - 30.06.2019	01.04. - 30.06.2018	01.01. - 30.06.2019	01.01. - 30.06.2018
Profit/(Loss) for the period	(546)	315	(295)	1,124
Items not to be reclassified to profit and loss:				
Remeasurements of defined benefit obligation	502	2,416	622	2,059
Deferred tax effect on remeasurements of defined benefit obligation	(65)	(316)	(81)	(268)
Items not to be reclassified to profit and loss	437	2,100	541	1,791
Items to be reclassified to profit and loss:				
Currency translation differences	879	514	1,889	333
Items to be reclassified to profit and loss	879	514	1,889	333
Total comprehensive income for the period	770	2,929	2,135	3,248
Attributable to:				
Shareholders of the parent company	770	2,929	2,135	3,248
Total comprehensive income for the period attributable to the Shareholders of the company:				
Continued operations	770	1,729	2,135	1,397
Discontinued operations	0	1,200	0	1,851
Total comprehensive income for the period	770	2,929	2,135	3,248

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. - 30.06.2019	unaudited [1] 01.01. - 30.06.2018
Profit/(Loss) before income tax	(57)	2,341
Amortization on intangible assets	398	1,242
Impairment on intangible assets	0	1,500
Depreciation on tangible assets	542	2,132
Depreciation on right-of-use assets	579	0
(Gains)/Losses on disposal of assets	1	(28)
Change of provisions	(12)	5
Adjustments to retirement benefit obligations/prepaid costs	89	201
Financial (income)/expenses	69	311
Other non-cash (income)/expenses	1,579	(180)
Operating net cash before changes in net working capital	3,188	7,524
Changes to net working capital		
- inventories	227	(3,602)
- receivables	(1,281)	(6,030)
- accrued income and prepaid expenses	(549)	(2,168)
- liabilities	1,151	4,107
- provisions for other liabilities and charges	0	(60)
- accrued expenses and deferred income	624	1,900
Tax received (prior periods)	0	448
Tax paid	(822)	(1,591)
Interest received	21	29
Interest paid	(80)	(396)
Cashflows from operating activities [2]	2,479	161
Purchase of tangible assets	(1,936)	(1,857)
Sale of tangible assets	0	119
Purchase of intangible assets	(63)	(134)
Cashflows from investing activities	(1,999)	(1,872)
Proceeds of borrowings	0	377
Repayments of borrowings	0	(319)
Repayments of other non-current liabilitities	0	(43)
Payments of finance lease liabilities	(442)	(388)
Cashflows from financing activities	(442)	(373)
Net changes in cash and cash equivalents	38	(2,084)
Cash and cash equivalents at the beginning of the period	113,188	28,965
Net changes in cash and cash equivalents	38	(2,084)
Effect of exchange rate gains/(losses)	190	188
Cash and cash equivalents at the end of the period	113,416	27,069

1) The cash flow statement for H1 2018 is presented including cash effects from discontinued operations, as well as assets and liabilities held for sale. Please refer to note 15 "Discontinued Operations" for cash flow from discontinued operations.
2) Free cash flow amounts to EUR 480 (H1 2018: EUR 810) based on cash flow from operations of EUR 2,479 less net capital expenditure of EUR 1,999.

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				(295)		(295)
Other comprehensive income:						
Remeasurements of defined benefit obligation				622		622
Deferred tax effect on remeasurements of defined benefit obligation				(81)		(81)
Currency translation differences					1,889	1,889
Total other comprehensive income for the period	0	0	0	541	1,889	2,430
Total comprehensive income for the period	0	0	0	246	1,889	2,135
BALANCES AT 30 JUNE 2019	312	65,485	(4,525)	43,984	28,241	133,497
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				1,124		1,124
Other comprehensive income:						
Remeasurements of defined benefit obligation				2,059		2,059
Deferred tax effect on remeasurements of defined benefit obligation				(268)		(268)
Currency translation differences					333	333
Total other comprehensive income for the period	0	0	0	1,791	333	2,124
Total comprehensive income for the period	0	0	0	2,915	333	3,248
BALANCES AT 30 JUNE 2018	312	65,485	(4,525)	(6,187)	22,892	77,977

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 17 "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 (79% of Sales H1 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 its 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 (21% of Sales H1 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 15 "Discontinued Operations".

This condensed consolidated interim financial information is unaudited and was approved for issue by the Board of Directors on 6 August 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 — "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 14 "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 six months ended 30 June 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 30 June 2019:

	30 June 2019	Average 01.01. - 30.06.2019	31 December 2018	30 June 2018	Average 01.01. - 30.06.2018
1 CHF	0.90	0.89	0.89	0.86	0.85
1 USD	0.88	0.89	0.87	0.86	0.83

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 the expenses by function 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 30 June 2019, the Group has no assets or liabilities at fair value.

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 30 June 2019	audited 31 December 2018
CARRYING AMOUNT		
Bank borrowings	2,882	2,840
Finance lease liabilities	120	402
Total	3,002	3,242
FAIR VALUE		
Bank borrowings	2,946	2,912
Finance lease liabilities	120	402
Total	3,066	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 Segment information

The Group has two main business segments, Healthcare and Software (incl. IoT), 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 first half-year 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. - 30.06.2019 (in EUR 1,000)	Healthcare	Software (incl. IoT)	Corporate and others	Eliminations	Total Group
Revenue from sale of electronic components	17,568	3,954	0		21,522
Revenue from sale of services	68	849	0		917
External revenue	17,636	4,803	0		22,439
Inter-segment revenue	0	0	0	0	0
Total revenue	17,636	4,803	0	0	22,439
EBITDA	4,615	(270)	(1,077)	0	3,268
EBITDA Margin	*26.2%*	*(5.6%)*			*14.6%*
Depreciation, amortization and impairment	(1,038)	(436)	(45)	0	(1,519)
EBIT	3,577	(706)	(1,122)	0	1,749
EBIT Margin	*20.3%*	*(14.7%)*			*7.8%*
Financial income	251	0	3,635	(34)	3,852
Financial expenses	(351)	(69)	(5,272)	34	(5,658)
Financial result, net	(100)	(69)	(1,637)	0	(1,806)
Profit/(Loss) before income tax	3,477	(775)	(2,759)	0	(57)
Income tax	(478)	240	0	0	(238)
Profit/(Loss) for the period	2,999	(535)	(2,759)	0	(295)
Capital expenditure tangible assets	1,923	13	0		1,936
Capital expenditure intangible assets	63	0	0		63
Depreciation tangible assets	(496)	(38)	(8)		(542)
Depreciation right-of-use assets	(424)	(118)	(37)		(579)
Amortization intangible assets	(118)	(280)	0		(398)

01.01. - 30.06.2018 (in EUR 1,000)	Healthcare	Software (incl. IoT)	Corporate and others	Eliminations	Total Group
Revenue from sale of electronic components	16,309	3,618	0		19,927
Revenue from sale of services	44	1,024	0		1,068
External revenue	16,353	4,642	0		20,995
Inter-segment revenue	0	0	0	0	0
Total revenue	16,353	4,642	0	0	20,995
EBITDA	3,947	(513)	(1,410)	0	2,024
EBITDA Margin	*24.1%*	*(11.1%)*			*9.6%*
Depreciation, amortization and impairment	(1,008)	(300)	(37)	0	(1,345)
EBIT	2,939	(813)	(1,447)	0	679
EBIT Margin	*18.0%*	*(17.5%)*			*3.2%*
Financial income	312	1	707	(39)	981
Financial expenses	(334)	(40)	(845)	39	(1,180)
Financial result, net	(22)	(39)	(138)	0	(199)
Profit/(Loss) before income tax	2,917	(852)	(1,585)	0	480
Income tax	(385)	252	0	0	(133)
Profit/(Loss) for the period	2,532	(600)	(1,585)	0	347
Capital expenditure tangible assets	659	12	7		678
Capital expenditure intangible assets	44	3	0		47
Depreciation tangible assets	(896)	(47)	(10)		(953)
Depreciation right-of-use asset	0	0	0		0
Amortization intangible assets	(112)	(253)	(27)		(392)

Assets and liabilities by segment

(in EUR 1,000)	Healthcare	Software (incl. IoT)	Corporate and others	Total Group
BALANCES AT 30 JUNE 2019 (UNAUDITED)				
Tangible assets	8,588	160	12	8,760
Right-of-use assets	1,763	1,004	367	3,134
Intangible assets	5,199	5,386	0	10,585
Other non-current assets	26	791	0	817
Non-current assets	15,576	7,341	379	23,296
Current assets	18,221	2,546	104,607	125,374
Liabilities	10,279	3,473	1,421	15,173
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

Disaggregation of revenue

The Group generated revenue in its following main markets:

(in EUR 1,000)	01.01.-30.06.2019	01.01.-30.06.2018
Health	16,256	14,109
Industry	6,183	6,886
Total	**22,439**	**20,995**

6 Financial result

The financial result includes a non-cash loss of EUR 31 (H1 2018: EUR 95) related to the revaluation of Euro-loans given by the Swiss holding to finance the other group companies and a loss of EUR 1,435 (H1 2018: EUR 57) in relation to the valuation of the Euro cash-positions held by the Swiss-franc holding company.

EUR 49 of finance expense are interest costs in relation to right-of-use asset.

7 Development costs

The position "cost of sales" in the consolidated income statement includes development costs in the amount of EUR 463 (H1 2018: EUR 354; 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.

8 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.

9 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 30 June 2019 is based on the loss attributable to the owners of the parent of EUR 295 for H1 2019 (H1 2018: gain of EUR 347) and the weighted average number of ordinary shares outstanding of 20,073,695 Class A Shares. For the same period in the previous year the notional weighted average numbers of ordinary shares outstanding were 20,073,695 Class A Shares.

	unaudited 01.01. - 30.06.2019	unaudited 01.01. - 30.06.2018
Profit/(Loss) for the year (EUR 1,000) attributable to equity holders of the Company	(295)	347
Weighted average number of ordinary shares outstanding	20,073,695	20,073,695
Basic earnings/(loss) per share (Euro/share)	(0.01)	0.02

Dilutive earnings per share

Diluted EPS are calculated by increasing the average number of shares outstanding by the total number of potential shares arising from potential option rights. As per 30 June 2019 the Group has no option rights outstanding, therefore no dilutive impact on the EPS is possible.

10 Dividends

No dividends were paid during the first half-year of 2019.

11 Borrowings

(in EUR 1,000)	unaudited 30 June 2019	audited 31 December 2018
NON-CURRENT		
Bank borrowings	2,882	2,840
Finance lease liabilities	120	402
Total non-current borrowings	3,002	3,242
CURRENT		
Finance lease liabilities	557	548
Total current borrowings	557	548
Total borrowings	3,559	3,790

12 Retirement benefit obligation

The impact from return on plan assets amounted for H1 2019 to EUR 2,535 (H1 2018: minus EUR 364 continued operations and minus EUR 424 for discontinued operations). EUR 1,913 impact (H1 2018: EUR 888 continued operations and EUR 1,105 for discontinued operations) from measurements of the defined benefit obligation arising from changes in economic assumptions (discount rates). Movements in H1 2018 of EUR 394 for continued operations and EUR 459 for discontinued operations arose for remeasurements arising from experience.

13 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 half-year of 2019 in the amount of EUR 126 (H1 2018: EUR 26).

14 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 January 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 16 "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 have 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				27	27
Currency translation differences	5	205		1	211
As of 30 June 2019	2,933	11,812	15	91	14,851
ACCUMULATED DEPRECIATION					
As of 1 January 2019	(1,365)	(9,558)	(10)	(29)	(10,962)
Additions	(153)	(413)	(2)	(13)	(581)
Currency translation differences	(2)	(172)			(174)
As of 30 June 2019	(1,520)	(10,143)	(12)	(42)	(11,717)
Net book value as of 1 January 2019	1,563	2,049	5	34	3,651
Net book value as of 30 June 2019	1,413	1,669	3	49	3,134

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 agreed 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 financial year 2018, 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 or 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.

15 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 30 June 2018, only the exceet electronics activities have been reclassified as discontinued operations, but for comparison purposes for the period ending as of 30 June 2019, also AEMtec GmbH and exceet Medtec Romania SRL activities are now displayed as discontinued operations as follows:

(in EUR 1,000)	exceet electronics	AEMtec GmbH	3 months 01.04. - 30.06.2018 exceet Medtec Romania S.R.L.	Eliminations	Discontinued Operations
FINANCIAL PERFORMANCE					
Revenue	16,103	13,595	284	(456)	29,526
Expenses	(16,739)	(10,972)	(207)	456	(27,462)
Fair value adjustment - Impairment of Goodwill	(1,500)	0	0		(1,500)
Profit / (Loss) before income tax	(2,136)	2,623	77		564
Income tax	121	(711)	(3)		(593)
Profit / (Loss) from discontinued operations	**(2,015)**	**1,912**	**74**		**(29)**
Remeasurement of defined benefit obligation (net of tax)	1,009	50	0		1,059
Currency translation differences	170	0	0		170
Comprehensive income from discontinued operations	(836)	1,962	74		1,200
PROFIT/(LOSS) ATTRIBUTABLE TO:					
Shareholders of the parent company					(29)
EARNINGS PER SHARE IN EURO FROM DISCONTINUED OPERATIONS (BASIC = DILUTIVE)					
Class A shares					(0.00)
CASH FLOW INFORMATION					
Net Cash inflow / (outflow) from operating activities	(376)	1,077	15		716
Net Cash inflow / (outflow) from investing activities	(195)	(376)	0		(571)
Net Cash inflow / (outflow) from financing activities	(116)	(140)	0		(256)
Net increase / (decrease) in cash generated by discontinued operations	**(687)**	**561**	**15**		**(111)**

(in EUR 1,000)	exceet electronics	AEMtec GmbH	6 months 01.01. - 30.06.2018 exceet Medtec Romania S.R.L.	Eliminations	Discontinued Operations
FINANCIAL PERFORMANCE					
Revenue	31,993	25,687	487	(786)	57,381
Expenses	(32,869)	(21,494)	(443)	786	(54,020)
Fair value adjustment - Impairment of Goodwill	(1,500)	0	0		(1,500)
Profit / (Loss) before income tax	(2,376)	4,193	44		1,861
Income tax	94	(1,173)	(5)		(1,084)
Profit / (Loss) from discontinued operations	**(2,282)**	**3,020**	**39**		**777**
Remeasurement of defined benefit obligation (net of tax)	914	50	0		964
Currency translation differences	110	0	0		110
Comprehensive income from discontinued operations	(1,258)	3,070	39		1,851
PROFIT/(LOSS) ATTRIBUTABLE TO:					
Shareholders of the parent company					777
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	(1,641)	342	(75)		(1,374)
Net Cash inflow / (outflow) from investing activities	(427)	(720)	0		(1,147)
Net Cash inflow / (outflow) from financing activities	(343)	(257)	0		(600)
Net increase / (decrease) in cash generated by discontinued operations	**(2,411)**	**(635)**	**(75)**		**(3,121)**

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.

16 Events occurring after the reporting period

There were no events since the balance sheet date on 30 June 2019 that would require adjustment of assets or liabilities or a disclosure.

17 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/.

18 Alternative Performance Measures

18.1 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)	H1 2019	H1 2018	Reference
Operating result (EBIT)	1,749	679	Consolidated Income Statement
Depreciation on tangible assets	542	953	Note 5
Depreciation on right-of-use assets	579	0	Note 5
Amortisation on intangible assets	398	392	Note 5
EBITDA	**3,268**	**2,024**	

18.2 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)	H1 2019	H1 2018	Reference
Revenue	22,439	20,995	Consolidated Income Statement
EBITDA	3,268	2,024	Note 18.1
EBITDA Margin	**14.6%**	**9.6%**	

18.3 FX ADJUSTED GROWTH RATE

FX adjusted growth is the growth rate calculated excluding impact from changes in exchange rates during the reporting period. The FX adjusted growth rate aims at evaluating the performance of the Group without considering currency fluctuations. The FX adjusted growth rate replaces the organic growth rate, as the Group has no current acquisitions.

(in EUR 1,000)	H1 2019	H1 2018	Reference
Revenue	22,439	20,995	Consolidated Income Statement
Impact of the exchange rates on revenues	616	(1,395)	
Revenue for organic growth calculation	**21,823**	**22,390**	
Prior year comparable revenue	20,995	21,374	Consolidated Income Statement
Organic growth	**3.9%**	**4.8%**	

18.4 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)	30 June 2019	30 June 2018	Reference
Order Backlog	**11,127**	**11,772**	

18.5 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)	30 June 2019	30 June 2018	Reference
Revenue	22,439	20,995	Consolidated Income Statement
Order backlog 30 June (prior year)	11,772	12,968	
Revenue (last 12 months)	42,980	41,917	Revenue from 01.07. until 30.06.
Order backlog prior year adjustment/FX effects	(1,105)	(977)	
Order backlog 30 June (reporting year)	11,127	11,772	Note 18.4
Orders received during the period	41,230	39,744	
Book-to-Bill Ratio	**0.96**	**0.95**	

18.6 OPERATING NET WORKING CAPITAL

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

(in EUR 1,000)	30 June 2019	31 December 2018	Reference
Inventories	3,586	3,872	Consolidated Balance Sheet
Trade receivables	5,319	3,458	Consolidated Balance Sheet
Trade payables	(1,985)	(1,051)	Consolidated Balance Sheet
Operating Net Working Capital	**6,920**	**6,279**	

18.7 NET CASH

Net Cash 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)	30 June 2019	31 December 2018	Reference
Bank borrowings (current and non-current)	(2,882)	(2,840)	Note 11
Finance lease (current and non-current)	(677)	(950)	Note 11
Total borrowings (current and non-current)	(3,559)	(3,790)	Consolidated Balance Sheet
Less: cash and cash equivalents	113,416	113,188	Consolidated Balance Sheet
Net Cash	**109,857**	**109,398**	

18.8 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)	30 June 2019	31 December 2018	Reference
Total Assets	148,670	144,223	Consolidated Balance Sheet
Total Equity	133,497	131,480	Consolidated Balance Sheet
Equity Ratio	**89.8%**	**91.2%**	

18.9 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)	30 June 2019	30 June 2018 [1)]	Reference
Cash flow from operating activities	2,479	1,535	Consolidated Cash Flow
Net capital expenditures	(1,999)	(725)	Note 5
Free cash flow	**480**	**810**	

1) Based on continued operations (excluding discontinued operations)

19 Responsibility statement

In accordance with article 4(2) of the Luxembourg law of 11 January 2008 *relative aux obligations de transparence concernant l'information sur les émetteurs dont les valeurs mobilières sont admises à la négociation sur un marché réglementé* (the "Transparency Law") the undersigned confirm that to the best of their knowledge, the condensed set of financial statements covering the six months period ended 30 June 2019, which has been prepared in accordance with the applicable set of the accounting standard IFRS as adopted by the EU, gives a true and fair view of the assets, liabilities, financial position and profit and loss of the Company and the undertakings included in the consolidation taken as a whole as required under article 4(3) of the Transparency Law.

Furthermore, the undersigned confirm that to the best of their knowledge, the interim management report covering the six months period ended 30 June 2019 includes a fair review of important events that have occurred during the first six month of the current financial year, and their impact on the condensed set of financial statements, together with a description of the principal risks and uncertainties for the remaining six months of the current financial year.

Grevenmacher, 6 August 2019

Board of Directors
exceet Group SE