

# INTERIM STATEMENT

## Q3 2018

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# BUSINESS PERFORMANCE OF SNP SCHNEIDER-NEUREITHER & PARTNER SE FOR THE PERIOD FROM JANUARY 1 TO SEPTEMBER 30, 2018

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## SIGNIFICANT EVENTS IN THE THIRD QUARTER OF 2018

### Anticipated Capital Increase

Based on a decision of the Board of Directors, the company announced on August 28, 2018, that it was initiating preparations for a capital increase in the fourth quarter of 2018 and accordingly to issue up to 1.127 bearer shares from authorized capital.

### Expansion of the Management Structure

Since July 2018, Dr. Uwe Schwellbach has assumed the position of SNP SE's Chief Financial Officer (CFO) and is responsible for Finance and Human Resources. He holds a doctorate in business administration and has long-standing expertise in leadership positions in the commercial area. In the past, he has supported several rapidly growing organizations, adjusted their financial structures for growth and professionalized them. On September 21, 2018, Dr. Uwe Schwellbach was appointed Managing Director. As a result, the expanded body of Managing Directors now consists of Dr. Andreas Schneider-Neureither, CEO, and Dr. Uwe Schwellbach, CFO.

### Program to Increase Profitability and Competitiveness

In the second half of 2018, an internally and globally oriented program to improve cost efficiency and to increase liquidity was launched in order to adjust the internal structures and processes to reflect current events at the rapidly growing Group. In particular, the goal is to optimize liquidity and improve cost structures by increasingly concentrating on free cash flow. The released liquidity will be used for necessary investments, to increase the liquidity reserve and for the repayment of liabilities.

## FINANCIAL POSITION AND FINANCIAL PERFORMANCE

### Revenue Performance

In the third quarter, the SNP Group achieved the strongest quarterly revenue of the current fiscal year, at € 33.7 million. This development was driven by higher software and cloud revenue compared to the previous quarters. After strong growth in the 2017 fiscal year, the SNP Group increased its total revenue in a nine-month comparison: In the first nine months of 2018, Group revenue amounted to € 98.8 million; this represents an increase of € 17.7 million, or 21.9%, year over year.

### Organic and Inorganic Allocation of Revenue

The initial consolidations of Innoplexia GmbH (May 1, 2017), SNP Poland (previously the BCC Group, May 1, 2017), the Adepcon Group (August 1, 2017) and ERST GmbH (October 1, 2017) had a material impact on revenue growth in the nine-month figures. Inorganic growth amounted to € 18.5 million. This represents growth of approximately 23%. This contrasts with a slight organic revenue decline of € -0.8 million, or approximately -1%.

### Revenue Distribution by Region

In the DACH region (Germany, Austria and Switzerland), the SNP Group generated revenue in the amount of € 48.3 million (previous year: € 44.4 million) in the first nine months of 2018. This corresponds to a share of total revenue of approximately 49% (previous year: 55%). The increasing share of revenue outside of the DACH region is attributable to the continued successful internationalization strategy of the SNP Group.

Through SNP Poland, the Poland region contributed € 15.2 million (previous year, since May 2017: € 9.1 million), or around 15%, of total revenue in the first nine

months of 2018. Through the Adepcon Group, the South America region provided a revenue contribution of € 13.6 million (previous year since August 2017: € 6.0 million); this represents a revenue share of approximately 14%. The sales contribution of the North America region of € 11.3 million is at the level of the previous year (previous year: € 11.3 million). In the first nine months of the year, the USA contributed approximately 11% of total revenue (previous year: 14%). The U.K. region contributed € 5.2 million, unchanged from the previous year; this corresponds to a revenue share of approximately 5%. The Asia region similarly contributed 5% of revenue with € 5.2 million (previous year: € 5.0 million).

### Revenue Distribution by Business Segment

On the segment side, the **Professional Services division**, which primarily includes consulting services, contributed € 78.3 million (previous year: € 67.2 million) to revenue in the first nine months of the reporting year. This corresponds to an overall revenue share of 79.3% and represents a year-over-year increase of € 11.1 million, or 16.6%. While the inorganic portion of the company's revenue growth amounted to € 13.8 million (+20.5%), organic revenue development was negative at € -2.6 million, or -3.9%.

Revenue of € 20.5 million (previous year: € 13.9 million) came from the **Software division (incl. maintenance) and cloud**. This corresponds to a year-over-year increase of € 6.6 million, or 47.7%. Of this, € 4.7 million relate to inorganic growth and € 1.9 million to organic growth. In this business segment, licensing and cloud fees have increased by € 3.4 million, or 32.0%, to € 14.1 million (previous year: € 10.7 million); maintenance fees have increased disproportionately strongly, by € 3.1 million, or 100.7%, to € 6.3 million (previous year: € 3.2 million).

Revenue was increased significantly with high-margin SNP in-house products in the software and cloud division to € 13.2 million (previous year: € 10.2 million). In the same period, revenue in the amount of € 7.3 million (previous year: € 3.7 million) was registered with third-party products.

The SNP Transformation Backbone® with SAP LT remained the largest revenue driver in the in-house products division in the period under review. Including maintenance, this product contributed € 7.7 million (previous year: € 5.0 million) to business segment revenue.

The standard software SNP Data Provisioning and Masking generated revenue of € 1.9 million (previous year: € 1.7 million) during the reporting period.

The SNP Interface Scanner contributed revenue of € 0.9 million during the reporting period (previous year: € 1.1 million).

### Revenue Recognition According to IFRS 15

In the period up to December 31, 2017, revenue from project licenses within the scope of multi-component contracts was recognized on the basis of a specific date, as of the conclusion of the contract and delivery of the software. Upon the application of IFRS 15, from January 1, 2018, this revenue will be realized in accordance with the progress of the project, over the duration of the project.

In the first nine months of 2018, € 2.7 million was generated as a result of this changeover through projects that began before January 1, 2018. At the same time, projects that began after January 1, 2018, only generated € 2.4 million in accordance with IFRS 15. According to IAS 18 (old standard), this € 3.8 million amount would have been fully recognized in the revenue figure. The changeover to IFRS 15 in the reporting period has thus resulted in a net effect of € 1.3 million.

*For further information, please see the notes to the consolidated financial statements 2017 on pages 93 ff. of the 2017 Annual Report.*

In € million	9M 2018	9M 2017	Q3 2018	Q3 2017
Order entry	98.7	95.0	31.5	37.4
Order backlog	61.4	62.2	61.4	62.2
Revenue	98.8	81.0	33.7	33.0
EBITDA (Non-IFRS, adjusted for exchange rate effects)	0.8	1.8	2.5	0.6
EBITDA (IFRS)	0.5	-0.5	4.0	0.1
EBIT (Non-IFRS, adjusted for exchange rate effects)	-1.7	0.0	1.9	0.0
EBIT (IFRS)	-3.2	-2.6	2.9	-0.7

### Order Backlog and Order Entry

Order entry as of September 30, 2018, totaled € 98.7 million, approximately 4% above the comparable amount in the previous year (€ 95.0 million). The order backlog as of September 30, 2018, was € 61.4 million; this corresponds to a slight decrease of approximately 1% from the comparable previous year's figure of € 62.2 million.

### Earnings Position

The earnings performance in the third quarter of 2018 improved significantly compared to both the first two quarters of 2018. While the results in the first half of 2018 were negative, reflecting relatively low capacity utilization and the effect of one-time costs in the low million-euro range, positive contributions to earnings were achieved again in the third quarter both in terms of EBIT (IFRS and non-IFRS) and EBITDA (IFRS and non-IFRS). This earnings performance was driven by significantly higher license sales with SNP in-house products. In addition, SNP was able to achieve a positive one-time effect of € 2.0 million (partial reversal of purchase price

liabilities), which was recorded under other operating income; this one-time effect is not considered in the non-IFRS figures.

To improve the comparability of the company on the capital market, SNP SE is also reporting non-IFRS performance indicators at the Group level. These adjusted performance indicators are not determined on the basis of IFRS accounting standards and are therefore non-IFRS performance indicators. Along with the previously cited one-time effect from the partial reversal of purchase price liabilities, our disclosures do not take into account the following expenses (non-IFRS):

- Acquisition-related expenses: amortization of identified intangible assets acquired through company acquisitions; incidental acquisition costs
- Expenses associated with SNP Schneider-Neureither & Partner AG's change of legal form to become a European stock corporation (Societas Europaea/SE)
- Restructuring expenses

In € million	JAN-SEPT 2018				JAN-SEPT 2017			
	IFRS	Adaption	Currency impact	Non-IFRS, adjusted for exchange rate effects	IFRS	Adaption	Currency impact	Non-IFRS, adjusted for exchange rate effects
Revenue	98.8	0.0	0.0	98.8	81.0	0.0	0.0	81.0
Other operating income	4.2	-2.0	-1.5	0.8	0.7	0.0	-0.1	0.6
Cost of material	-16.5	0.0	0.0	-16.5	-12.5	0.0	0.0	-12.5
Personnel costs	-63.6	2.1	0.0	-61.5	-49.0	0.0	0.0	-49.0
Other operating expenses	-21.8	0.0	1.6	-20.2	-20.3	0.9	1.5	-17.9
Impairments on receivables and contract-based assets	-0.2	0.0	0.0	-0.2	0.0	0.0	0.0	0.0
Other taxes	-0.4	0.0	0.0	-0.4	-0.3	0.0	0.0	-0.3
<b>EBITDA</b>	<b>0.5</b>	<b>0.1</b>	<b>0.2</b>	<b>0.8</b>	<b>-0.5</b>	<b>0.9</b>	<b>1.4</b>	<b>1.8</b>
Depreciation	-3.7	1.2	0.0	-2.5	-2.1	0.3	0.0	-1.8
<b>EBIT</b>	<b>-3.2</b>	<b>1.3</b>	<b>0.2</b>	<b>-1.7</b>	<b>-2.6</b>	<b>1.2</b>	<b>1.4</b>	<b>0.0</b>

In the third quarter of 2018, SNP SE achieved an EBITDA figure (IFRS) of € 4.0 million (previous year: € 0.1 million) and an EBITDA figure (non-IFRS; adjusted for exchange rate effects) of € 2.5 million (previous year: € 0.6 million). In the first nine months of the year, SNP achieved an EBITDA figure (IFRS) of € 0.5 million (previous year: € -0.5 million) and an EBITDA figure (non-IFRS; adjusted for exchange rate effects) of € 0.8 million (previous year: € 1.8 million).

The EBITDA margin (IFRS) in the third quarter of 2018 is thus 12.0% (previous year: 0.3%); the EBITDA margin (non-IFRS; adjusted for exchange rate effects) is 7.5% (previous year: 1.9%). In the nine-month period, the EBITDA margin (IFRS) amounted to 0.5% (previous year: -0.6%), the EBITDA margin (non-IFRS; adjusted for exchange rate effects) was 0.8% (previous year: 2.3%).

In the third quarter of 2018, the EBIT figure (IFRS) amounted to € 2.9 million (previous year: € -0.7 million) and the EBIT figure (non-IFRS; adjusted for exchange rate effects) to € 1.9 million (previous year: € 0.0 million). In the first nine months of 2018, the EBIT figure (IFRS) came to € -3.2 million (previous year: € -2.6 million) and the EBIT figure (non-IFRS; adjusted for exchange rate effects) to € -1.7 million (previous year: € 0.0 million).

In the first nine months of 2018, expenses (IFRS) increased particularly strongly relative to largely inorganic revenue growth. Personnel expenses increased during the reporting period by € 14.5 million to € 63.6 million. This represents an increase of 29.7%. After adjusting for acquisitions, there remains an increase of € 4.6 million, or 9.3%. € 2.1 million is attributable to restructuring measures that were implemented gradually in all Group areas during the reporting period. The remaining cost increases reflect the organic growth in the Group's workforce as well as salary increases. As of September 30, 2018, the Group had 1,324 employees (previous year: 1,319).

Costs of purchased services and the cost of materials increased by € 4.0 million from the previous year, to € 16.5 million. This development is exclusively attributable to acquisition effects since the companies acquired in the previous year, SNP Poland and Adepcon, operate with a relatively high material usage ratio. Adjusted for acquisitions, there remains a decline of € 1.8 million in the costs of purchased services and the cost of materials.

Depreciation and amortization increased by € 1.6 million year-over-year to € 3.7 million. Of this, € 0.9 million is attributable to intangible assets capitalized for the first time due to disposals, while an amount of € 0.3 million is attributable to acquisition effects.

Other operating expenses increased by € 1.5 million to € 21.8 million, of which approximately € 3 million are related to acquisitions. Adjusted for acquisition effects, cost savings of € 1.5 million have thus been realized.

Other operating income increased by € 3.5 million to € 4.2 million. The increase in other operating income is primarily attributable to the partial reversal of variable purchase price components in connection with the acquisition of the Adepcon Group, for € 2.0 million, as well as higher exchange rate gains. The partial reversal of variable purchase price components was due to the reduction in expected sales (in USD) in the coming years as a result of the significant drop in the exchange rate value of the Argentine peso in the third quarter. Revenue is an essential metric for the determination of the variable purchase price, which was then similarly adjusted.

Since the other financial expenses of € 0.9 million were only offset by immaterial financial income, there was a net financial result of € -0.8 million (previous year: € -1.0 million), which constitutes earnings before taxes of € -4.0 million (previous year: € -3.6 million). With income tax income of € 0.5 million (previous year: € 0.5 million), a net loss of € -3.5 million (previous year: € -3.1 million) was recorded in the first nine months of the 2018. This corresponds to a net margin of -3.5% (previous year: -3.8%). Accordingly, diluted and basic earnings per share amounted to € -0.60 (previous year: € -0.59).

### Net Assets

In accordance with the adopted transition options under IFRS 15, prior periods have not been adjusted in line with the new accounting and measurement method. The following comments on the net asset position and the financial position therefore separately indicate the effect that would have resulted if the prior periods had been adjusted.

In comparison with December 31, 2017, the balance sheet total has mainly decreased by € 30.8 million (by € 29.7 million if the prior periods had been adjusted) to € 123.0 million due to the payment of short-term pur-

chase price installments in connection with the previous company acquisitions as well as the settlement of employee-related other nonfinancial liabilities.

The decline on the asset side of the balance sheet is mainly attributable to current assets. Current assets decreased by € 24.4 million (by € 22.2 million if the prior periods had been adjusted) to € 54.2 million. This decline is primarily attributable to the € 17.3 million decrease in cash and cash equivalents which was chiefly due to the settlement of current liabilities. Trade receivables and other receivables, including POC-related receivables, decreased by € 7.7 million (by € 5.5 million if the prior periods had been adjusted) to € 34.2 million.

Noncurrent assets decreased in comparison with December 31, 2017, by € 6.4 million to € 68.8 million (by € 7.5 million if the prior periods had been adjusted). This decline is primarily attributable to the exchange rate-related decrease in goodwill, particularly the reduction of goodwill for ADP Consultores S.R.L. due to the drop in the exchange rate value of the Argentine peso. Goodwill accounts for € 49.8 million (December 31, 2017: € 56.1 million).

### Financial Position

On the equity and liabilities side, current liabilities decreased from € 40.5 million as of December 31, 2017 (€ 41.9 million if the prior periods had been adjusted) to € 30.2 million as of September 30, 2018. This change is mainly attributable to the decline in financial liabilities by € 6.1 million, trade payables and other liabilities, including POC-related liabilities, by € 2.6 million (by € 4.0 million if the prior periods had been adjusted) and in other nonfinancial liabilities by € 1.8 million. Financial liabilities mainly decreased due to the payment of purchase price installments in connection with company acquisitions; other nonfinancial liabilities decreased, in particular, due to the settlement of employee-related liabilities.

Noncurrent liabilities declined by € 6.0 million, from € 53.2 million to € 47.1 million, compared to December 31, 2017. The decline is primarily attributable to the reclassification of a purchase price liability from noncurrent to current. Financial liabilities continued to account for the largest share of noncurrent liabilities, in the amount of € 44.3 million. Of this amount, € 39.7 million relates to liabilities in connection with the issuance of borrower's note loans, € 4.0 million to purchase price liabilities in connection with company acquisitions and € 0.6 million to other financial liabilities.

The equity of the Group declined in the first nine months of 2018 from € 60.1 million (€ 57.5 million if the prior periods had been adjusted) to € 45.7 million. Subscribed capital, capital reserves and treasury shares remained unchanged. Retained earnings decreased by € 7.1 million (by € 4.6 million if the prior periods had been adjusted) to € -4.9 million. Of this amount, € -3.3 million resulted from the loss for the year and € -2.8 million from the first-time application of IFRS 15 as of January 1, 2018. The first-time application of IFRS 9 as of January 1, 2018, has resulted in an effect of € +0.2 million. An additional € -1.3 million relates to the acquisition of minority interests. Other reserves decreased by € 7.2 million to € -8.9 million due to the adjustment item for foreign currency translation. Due to the decrease in equity combined with a simultaneous reduction in total assets to € 123.0 million as of September 30, 2018 (December 31, 2017: € 153.8 million; € 152.7 million if the prior periods had been adjusted), the equity ratio declined from 39.1% (with a 37.7% increase if the prior periods had been adjusted) to 37.1%.

In the previous year, SNP made changes to its reporting that did not have any effect on equity. These changes are outlined below. In the period up to and including September 30, 2017, as a rule, the company classified and categorized trade receivables and trade payables as current. This reporting format meant that current assets and current liabilities were reported as too high. In addition, rent-free periods were reclassified from current deferred income to trade payables and other liabilities. Licenses held for resale were reclassified from trade receivables and other receivables to inventories. Finally, the noncurrent portions of the prepaid expenses item were reclassified from current assets to noncurrent assets.

In € thousand	09/30/2017	10/01/2016
Current assets	-1,079	-177
Noncurrent assets	1,079	177
<b>Total assets</b>	<b>0</b>	<b>0</b>
Current liabilities	-7,111	-2,024
Noncurrent liabilities	7,111	2,024
<b>Total liabilities</b>	<b>0</b>	<b>0</b>
<b>Net effect on equity</b>	<b>0</b>	<b>0</b>

### Overview of Cash Flow

The negative operating cash flow in the amount of € -3.7 million (previous year: € -10.9 million) in the first nine months of 2018 is mainly attributable to the loss for the year (€ -3.5 million). On the other hand, depreci-

ation and amortization (€ 3.7 million) and the reduction in trade receivables and other current and noncurrent assets (€ 5.3 million) have had an increasing effect. This contrasts with a reduction in trade payables, other provisions, tax liabilities and other liabilities (€ 7.0 million). By way of correction of the result for the period, other cash revenues/expenses (€ -2.2 million) have likewise resulted in a reduction in the cash flow from operating activities. This item mainly comprises the effects resulting from the posting of deferred taxes.

The negative cash flow from investing activities in the amount of € -11.8 million (previous year: € -31.7 million) is mainly attributable to payments for purchase price installments in connection with company acquisitions in previous years (€ 9.4 million) as well as for investments in property, plant and equipment (€ 2.6 million) and in intangible assets (€ 0.2 million). This contrasts with proceeds from the disposal of intangible assets and property, plant and equipment in the amount of € 0.3 million.

Negative cash flow from financing activities of € -1.1 million (previous year: positive cash flow of € 44.4 million) resulted from the repayment of loans.

The effects of changes in foreign exchange rates on cash and bank balances have resulted in an impact of € -0.6 million (previous year: € -0.4 million).

Overall cash flow during the reporting period came to € -17.3 million (previous year: € +1.4 million). Taking into account the changes presented here, the level of cash and cash equivalents decreased to € 16.6 million as of September 30, 2018. As of December 31, 2017, cash and cash equivalents amounted to € 33.9 million.

## Employees

As of September 30, 2018, the number of employees of the SNP Group decreased to 1,324; as of December 31, 2017, they totaled 1,341 employees. The employees included 2 Managing Directors (as of December 31, 2017: 2), 20 managers (as of December 31, 2017: 23) and 67 trainees, students and interns (as of December 31, 2017: 92). There were no employees in partial early retirement in the 2017 fiscal year (previous year: 0). The average number of employees during the reporting period was 1,298.

## Forecast

Due to a positive development of operative earnings in the third quarter of the current fiscal year, the company has slightly raised its earnings forecast for the full year of 2018: Accordingly, management expects an operating earnings margin (EBIT margin, IFRS) to be largely balanced instead of the previous one slightly in the negative single-digit percentage range. Moreover, SNP anticipates an EBITDA (IFRS, non-IFRS) figure for the year as a whole in the low- to mid-single-digit million range. The forecast for Group sales for the 2018 fiscal year remains unchanged between € 135 million and € 140 million.

An EBIT margin (IFRS and non-IFRS) in the positive single-digit percentage range is expected in the second half of the year. The EBIT (non-IFRS) figure is expected to be largely balanced for the year as a whole.

In addition, the SNP Group continues to pursue the prioritized mid-term goal of a structural increase in its profitability. The increased share of software license revenue in the total revenue and related economies of scale in particular will result in wider operating margins over the medium to long term. This is also supported by the worldwide program launched in the second half of 2018, which has the aim of further optimizing liquidity and increasing cost efficiency. Some measures, such as refined debtor and creditor management and cost optimization measures, have already been successfully introduced.

The development of operating earnings in the first half of 2018 was primarily affected by delays in project completions. This resulted in a temporarily lower level of capacity utilization in the field of Professional Services and, in particular, software license revenue from SNP in-house products, which fell short of expectations. In light of this, the company updated its forecasts for the development of the Group's revenue and financial performance for the 2018 fiscal year in July 2018.

Heidelberg, October 29, 2018

Managing Directors



Dr. Andreas Schneider-Neureither



Dr. Uwe Schwellbach

# CONSOLIDATED BALANCE SHEET

## AS OF SEPTEMBER 30, 2018

ASSETS			
In € thousand	Sept. 30, 2018	Dec. 31, 2017 <sup>1</sup>	adjusted Sept. 30, 2017
<b>Current assets</b>			
Cash and cash equivalents	16,569	33,877	33,348
Other financial assets	437	403	381
Trade receivables and other receivables	29,067	32,781	24,794
Receivables from POC (Percentage of Completion)	5,148	9,123	10,982
Inventories	371	371	371
Other non-financial assets	2,319	1,877	2,319
Tax receivables	292	182	557
	<b>54,203</b>	<b>78,614</b>	<b>72,752</b>
<b>Non-current assets</b>			
Goodwill	49,764	56,126	60,239
Intangible assets	8,250	10,887	6,520
Property, plant and equipment	6,115	5,187	4,838
Other financial assets	609	809	680
Investments accounted for under the equity method	0	0	21
Trade receivables and other receivables	135	270	1,012
Other non-financial assets	55	85	66
Deferred taxes	3,885	1,807	1,659
	<b>68,813</b>	<b>75,171</b>	<b>75,035</b>
	<b>123,016</b>	<b>153,785</b>	<b>147,787</b>
<b>EQUITY AND LIABILITIES</b>			
In € thousand	Sept. 30, 2018	Dec. 31, 2017 <sup>1</sup>	adjusted Sept. 30, 2017
<b>Current liabilities</b>			
Trade payables and other liabilities	7,447	11,437	8,119
Liabilities from POC (Percentage of Completion)	1,722	330	175
Tax liabilities	369	388	179
Financial liabilities	5,102	11,236	8,671
Other non-financial liabilities	14,653	16,448	14,473
Provisions	106	105	98
Deferred income	807	587	919
	<b>30,206</b>	<b>40,531</b>	<b>32,634</b>
<b>Non-current liabilities</b>			
Trade payables and other liabilities	111	580	599
Financial liabilities	44,284	49,487	52,578
Provisions for pensions	1,575	1,531	1,549
Deferred taxes	1,132	1,525	7
Deferred income	9	34	69
	<b>47,111</b>	<b>53,157</b>	<b>54,802</b>
<b>Equity</b>			
Subscribed capital	5,474	5,474	5,475
Capital reserve	54,260	54,260	54,260
Retained earnings	-4,948	2,181	1,563
Other components of the equity	-8,873	-1,678	-911
Treasury shares	-415	-415	-415
<b>Equity attributable to shareholders</b>	<b>45,498</b>	<b>59,822</b>	<b>59,972</b>
Non-controlling interests	201	275	379
	<b>45,699</b>	<b>60,097</b>	<b>60,351</b>
	<b>123,016</b>	<b>153,785</b>	<b>147,787</b>

<sup>1</sup> In accordance with the transition options that we have adopted under IFRS 15 and IFRS 9, prior periods have not been adjusted in line with the new accounting and measurement methods.



## CONSOLIDATED INCOME STATEMENT

FOR THE PERIOD FROM JANUARY 1 TO SEPTEMBER 30, 2018

In € thousand	Jan.–Sept. 2018	Jan.–Sept. 2017	3rd quarter 2018	3rd quarter 2017
<b>Revenue</b>	<b>98,772</b>	<b>81,039</b>	<b>33,727</b>	<b>33,011</b>
Professional Services	78,304	67,176	25,996	25,936
Cloud	2,147	0	1,158	0
Licenses	11,993	10,710	4,408	5,935
Maintenance	6,328	3,153	2,165	1,140
Capitalized own services	0	0	0	0
Other operating income	4,239	701	2,391	171
Cost of material	-16,531	-12,541	-6,050	-7,037
Personnel costs	-63,557	-49,015	-19,184	-18,849
Other operating expenses	-21,796	-20,310	-6,738	-7,156
Impairments on receivables and contract-based assets	-238	0	-13	0
Other taxes	-350	-337	-95	-32
<b>EBITDA</b>	<b>539</b>	<b>-463</b>	<b>4,038</b>	<b>108</b>
Depreciation and impairments on intangible assets and property, plant and equipment	-3,698	-2,127	-1,154	-843
<b>EBIT</b>	<b>-3,159</b>	<b>-2,590</b>	<b>2,884</b>	<b>-735</b>
Income from investments accounted for using the equity method	0	-1	0	0
Other financial income	45	26	14	19
Other financial expenses	-884	-1,002	-215	-237
<b>Net financial income</b>	<b>-839</b>	<b>-977</b>	<b>-201</b>	<b>-218</b>
<b>EBT</b>	<b>-3,998</b>	<b>-3,567</b>	<b>2,683</b>	<b>-953</b>
Income taxes	540	452	-771	-23
<b>Consolidated net loss / income</b>	<b>-3,458</b>	<b>-3,115</b>	<b>1,912</b>	<b>-976</b>
Thereof:				
Profit attributable to non-controlling shareholders	-149	-117	30	-12
Profit attributable to shareholders of SNP Schneider-Neureither & Partner SE	-3,309	-2,998	1,882	-964
<b>Earnings per share</b>	<b>€</b>	<b>€</b>	<b>€</b>	<b>€</b>
- Undiluted	-0,60	-0,59	0,35	-0,18
- Diluted	-0,60	-0,59	0,35	-0,18
<b>Weighted average number of shares</b>	<b>in thousands</b>	<b>in thousands</b>	<b>in thousands</b>	<b>in thousands</b>
- Undiluted	5,474	5,102	5,474	5,397
- Diluted	5,474	5,102	5,474	5,397

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD FROM JANUARY 1 TO SEPTEMBER 30, 2018

In € thousand	Jan.–Sept. 2018	Jan.–Sept. 2017	3rd quarter 2018	3rd quarter 2017
<b>Net income for the period</b>	<b>-3,458</b>	<b>-3,115</b>	<b>1,912</b>	<b>-976</b>
<b>Items that may be reclassified to profit or loss in the future</b>				
Currency translation differences	-7,186	-615	-2,115	-573
Deferred taxes on currency translation differences	0	0	0	0
	<b>-7,186</b>	<b>-615</b>	<b>-2,115</b>	<b>-573</b>
<b>Items that will not be reclassified to profit or loss</b>				
Change from the revaluation of defined benefit pension plans	0	0	0	0
Deferred taxes on revaluation of defined benefit pension plans	0	0	0	0
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Income and expenses directly recognized in equity</b>	<b>-7,186</b>	<b>-615</b>	<b>-2,115</b>	<b>-573</b>
<b>Total comprehensive income</b>	<b>-10,644</b>	<b>-3,730</b>	<b>-203</b>	<b>-1,549</b>
Profit attributable to non-controlling shareholders	-140	-117	-79	-12
<b>Profit attributable to shareholders of SNP Schneider-Neureither &amp; Partner SE in total comprehensive income</b>	<b>-10,504</b>	<b>-3,613</b>	<b>-156</b>	<b>-1,537</b>

## CONSOLIDATED CASH FLOW STATEMENT

FOR THE PERIOD FROM JANUARY 1 TO SEPTEMBER 30, 2018

In € thousand	Jan.–Sept. 2018	Jan.–Sept. 2017
<b>Profit after tax</b>	<b>-3,458</b>	<b>-3,115</b>
Depreciation	3,698	2,127
Change in provisions for pensions	44	30
Other non-cash income/expenses	-2,206	-1,648
Changes in trade receivables, other current assets, other non-current assets	5,266	-4,595
Changes in trade payables, other provisions, tax liabilities, other current liabilities	-7,055	-3,669
<b>Cash flow from operating activities (1)</b>	<b>-3,711</b>	<b>-10,870</b>
Payments for investments in property, plant and equipment	-2,602	-1,870
Payments for investments in intangible assets	-151	-2,128
Proceeds from disposals of intangible and tangible assets	326	91
Payments for the acquisition of consolidated companies and other business units	-9,395	-27,770
<b>Cash flow from investing activities (2)</b>	<b>-11,822</b>	<b>-31,677</b>
Dividend payments	0	-1,932
Proceeds from capital increase	0	18,293
Proceeds from loans	0	39,606
Payments on loans and other financial liabilities	-1,140	-11,575
<b>Cash flow from financing activities (3)</b>	<b>-1,140</b>	<b>44,392</b>
Changes in cash and cash equivalents due to foreign exchange rates (4)	-635	-411
<b>Cash change in cash and cash equivalents (1) + (2) + (3) + (4)</b>	<b>-17,308</b>	<b>1,434</b>
Cash and cash equivalents at the beginning of the fiscal year	33,877	31,914
<b>Cash and cash equivalents as of September 30</b>	<b>16,569</b>	<b>33,348</b>
<b>Composition of cash and cash equivalents:</b>		
Cash and cash equivalents	16,569	33,348
<b>Cash and cash equivalents as of September 30</b>	<b>16,569</b>	<b>33,348</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD FROM JANUARY 1, 2017 TO SEPTEMBER 30, 2018

In € thousand	Subscribed Capital	Capital reserve	Retained earnings
<b>As of Jan. 1, 2017</b>	<b>4,977</b>	<b>36,331</b>	<b>6,913</b>
Dividend payment			-1,932
Capital increase	498	17,929	
Change consolidation group			
Total comprehensive income			-2,998
Acquisition minorities			-420
<b>As of September 30, 2017</b>	<b>5,475</b>	<b>54,260</b>	<b>1,563</b>
Dividend payment			0
Capital increase	-1		
Change consolidation group			
Total comprehensive income			567
Acquisition minorities			50
<b>As of Dec. 31, 2017</b>	<b>5,474</b>	<b>54,260</b>	<b>2,180</b>
Adoption of IFRS 15			-2,833
Adoption of IFRS 9			269
<b>As of Jan. 01, 2018</b>	<b>5,474</b>	<b>54,260</b>	<b>-384</b>
Dividend payment			
Total comprehensive income			-3,309
Acquisition minorities			-1,255
<b>As of September 30, 2018</b>	<b>5,474</b>	<b>54,260</b>	<b>-4,948</b>

## Other components of equity

	Currency conversion	Revaluation of performance-oriented obligations	Other components of equity Total	Treasury shares	Shareholders of SNP SE attributable capital	Non-controlling shares	Total equity
	130	-426	-296	-415	47,510	1,064	48,574
			0		-1,932		-1,932
					18,427		18,427
			0		0	42	42
	-615	0	-615		-3,613	-117	-3,730
					-420	-610	-1,030
	-485	-426	-911	-415	59,972	379	60,351
					0		0
					-1		-1
			0		0	70	70
	-799	32	-767		-200	-123	-323
					50	-50	0
	-1,284	-394	-1,678	-415	59,821	276	60,097
			0		-2,833		-2,833
			0		269		269
	-1,284	-394	-1,678	-415	57,257	276	57,533
			0		0		0
	-7,195	0	-7,195		-10,504	-140	-10,644
					-1,255	65	-1,190
	-8,479	-394	-8,873	-415	45,498	201	45,699

## SEGMENT REPORTING

FOR THE PERIOD FROM JANUARY 1 TO SEPTEMBER 30, 2018

In € thousand	PROFESSIONAL SERVICES	SOFTWARE	TOTAL
<b>EBIT of the business segments</b>			
Jan.–Sept. 2018	-3,240	4,881	1,641
Margin	-4.1%	23.8%	1.7%
Jan.–Sept. 2017	514	287	801
Margin	0.8%	2.1%	1.0%
<b>External revenue</b>			
Jan.–Sept. 2018	78,304	20,468	98,772
Jan.–Sept. 2017	67,177	13,862	81,039
 <b>RECONCILIATION</b>			
In € thousand	<b>Jan.–Sept. 2018</b>	<b>Jan.–Sept. 2017</b>	
<b>Result</b>			
Total reportable segment	1,641	801	
Expenses not allocated to the segments	-4,800	-3,391	
<b>EBIT</b>	<b>-3,159</b>	<b>-2,590</b>	

## FINANCIAL CALENDER

January 31, 2019	Publication of the Preliminary Figures 2018
March 29, 2019	Publication of the Annual Report 2018
April 27, 2019	Publication of the Interim Statement for Quarter 1
June 6, 2019	Annual General Meeting 2019

All dates are provisional only.  
The current financial calendar can be consulted at:  
[www.snpgroup.com/eng/Investor-Relations/Financial-calendar](http://www.snpgroup.com/eng/Investor-Relations/Financial-calendar)

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This Interim Statement is also available in German. The legally binding document is the original German version, which shall prevail in any case of doubt.



