

Quarterly Announcement 3/2018



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Summary of Group results

3U Group (IFRS)		3-months comparison		9-months comparison	
		July 1-September 30	2017	January 1-September 30	2017
		2018	2017	2018	2017
Sales	(in EUR million)	12.36	14.16	35.21	35.57
EBITDA (earnings before interest, taxes and amortisation)	(in EUR million)	1.30	2.41	5.72	5.18
EBIT (earnings before interest and taxes)	(in EUR million)	0.00	1.47	2.71	2.36
EBT (earnings before tax)	(in EUR million)	-0.21	1.20	2.09	1.51
Consolidated earnings	(in EUR million)	-0.20	0.55	1.96	0.78
Earnings per share total	(in EUR)	-0.01	0.02	0.06	0.02
Equity ratio	(in %)	54.48	49.02	54.48	49.02

Significant events in the quarter

• Growth of weclapp continues unabated

No participation in the 3U Group is developing as dynamically as weclapp. In the first nine months of the 2018 financial year, sales grew slightly higher than planned and increased by EUR 0.82 million compared to the first nine months of the 2017 financial year. It should be noted that in the current fiscal year, the focus is less on sales activities, but rather on the further expansion of the ERP system with its innovative technology, intuitive user guidance and the associated ever faster implementation at the customer. In the past, weclapp has made great efforts to present itself as an attractive employer and is now reaping the fruits of this, as can be seen from the pleasing increase in the number of employees.

weclapp succeeds in inspiring increasingly larger customers for its solutions. The appreciation weclapp also receives from the scientific side helps here immensely. For the third year in a row, weclapp recently won the ERP System of the Year award in the cloud-based ERP systems category.

By expanding the functionalities of the software and, above all, by increasing the number of employees, weclapp has created the conditions for exponential growth. We assume that in the coming years, the growth rate of sales, which was most recently around 60 %, will continue to increase significantly. Profitability will even develop disproportionately. weclapp is thus well on the way to achieving its ambitious goal of becoming one of the leading ERP systems in the cloud.

• Windpark Lüdersdorf II is not sold

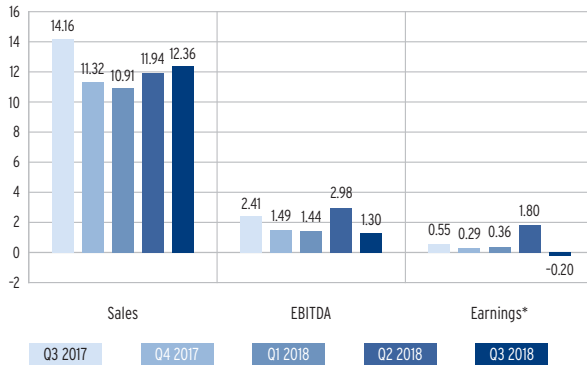
With the conclusion of the option agreement for the sale of the Windpark Lüdersdorf II with Green City AG in the 2017 financial year, the wind farm had to be shown separately as a disposal group in the balance sheet of 3U. In accordance with the regulations of IFRS, the assets are no longer to be depreciated as of this date.

Unexpectedly, 3U HOLDING AG was informed by Green City AG that it had not received the approval of the board for the acquisition of the wind farm and therefore will not sign the addendum to the option agreement on the sale of 100 % of the shares of Märkische Windkraft 110 GmbH & Co. KG (Windpark Lüdersdorf II). This invalidates the option and the Windpark remains in the portfolio of 3U HOLDING AG.

As a result of the abandonment of the intention to sell for the time being, the wind farm must now be reclassified, and the scheduled depreciations originally suspended must be made up. Accordingly, earnings for the second half of the year are burdened with "off-period" depreciation of around TEUR 300.

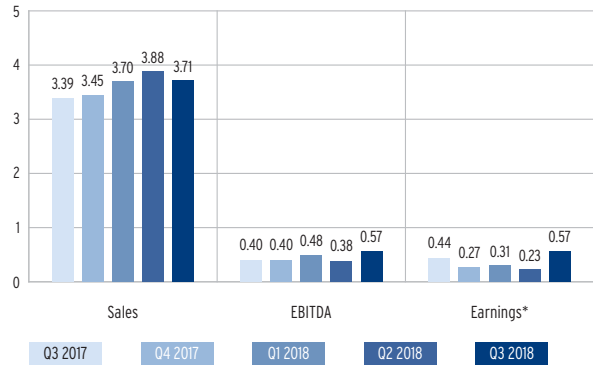
Earnings and financial position

Development (sales, EBITDA, earnings) – 3U Group in EUR million



*After share of non-controlling shareholders

Development (sales, EBITDA, earnings) – Segment ITC in EUR million



*Segment earnings before profit transfer and after share of non-controlling shareholders

Earnings

Group sales

At EUR 12.36 million in the third quarter of fiscal year 2018, consolidated sales are slightly higher than in the second quarter of 2018, but lower than in the third quarter of fiscal year 2017. However, sales of the third quarter of 2018 would have been around EUR 2.0 million higher than sales in the third quarter of 2017 without the sale of the wind farm in 2017. Sales in the segment Renewable Energies were well below planned sales for the quarter due to the weak wind conditions, while sales in the segments ITC and SHAC in the third quarter of 2018 exceeded our expectations for the quarter.

Due to the planned but not completed sale of Windpark Lüdersdorf II, other income in the third quarter in the segment Renewable Energies remained well below our expectations. This has also affected the gross profit accordingly. Likewise, the planned gross profit could not be achieved in the segment SHAC. However, the segment ITC and especially weclapp have developed positively. weclapp's sales of EUR 2.16 million in the first nine months of the 2018 financial year were higher than planned and increased by EUR 0.82 million compared to the first nine months of the 2017 financial year.

At EUR 18.43 million, gross profit was around EUR 0.88 million above the gross profit for the same period of the previous year.

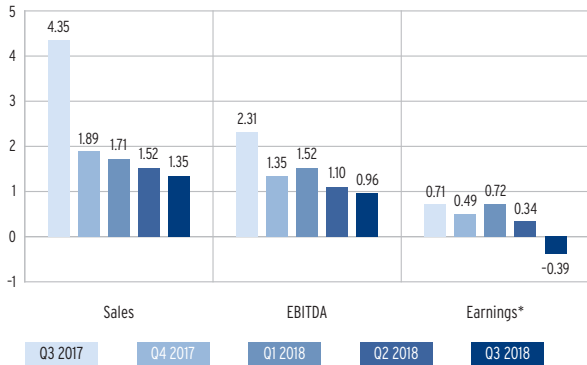
EBITDA

From the sale of the Windpark Lüdersdorf II, a one-time EBITDA contribution of around EUR 2.0 million was expected in the third quarter of the 2018 financial year. Compared to the third quarter of 2017, the proceeds from the sale of a wind farm are thus missing. This has led to a significant reduction in EBITDA compared to the same period of the previous year. In the segment ITC in particular, EBITDA was up on the first nine months. weclapp contributed to this with an EBITDA increase of EUR 0.5 million. In the first nine months of the 2018 financial year, weclapp achieved an EBITDA of EUR 0.7 million.

Group earnings

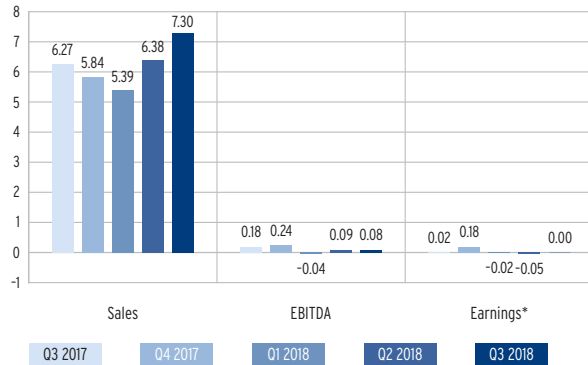
Group earnings in the third quarter of the 2018 financial year was negative at EUR 0.20 million, due in particular to the write-downs made for the Windpark Lüdersdorf II (around EUR 0.3 million). The significant reduction in borrowed capital within the 3U Group and the continuing low level of interest rates led to lower financing costs and thus to an improvement in Group earnings. Group earnings of EUR 1.96 million for the first nine months of the financial year 2018 was well above Group earnings for the same period of the previous year.

Development (sales, EBITDA, earnings) – Segment Renewable Energies in EUR million



*After share of non-controlling shareholders

Development (sales, EBITDA, earnings) – Segment SHAC in EUR million



*Segment earnings before profit transfer and after share of non-controlling shareholders

Financial position

Capital structure

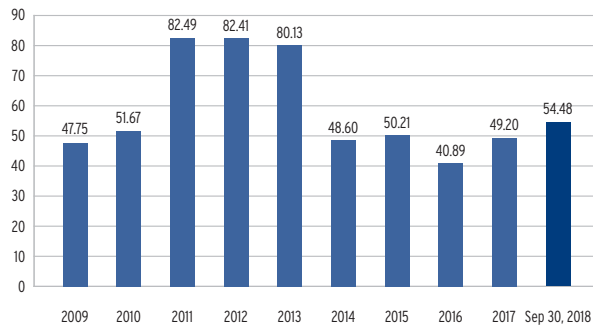
In the first nine months of the financial year 2018, the Group made investments totalling EUR 1.53 million. The sale of the property in Hanover resulted in a significant inflow of funds from investing activities amounting to EUR 8.38 million. In addition, the positive cash flow from operating activities contributed to an improvement in the capital structure. Part of the cash inflow from the sale of the property was used to repay the existing debt financing for the property. Especially this loan repayment and other scheduled loan repayments contributed to a negative cash flow from financing activities.

Compared to December 31, 2017, cash and cash equivalents increased by EUR 1.38 million from EUR 8.18 million to EUR 9.56 million as of September 30, 2018.

Earnings for the first nine months of fiscal year 2018 contributed to an increase in equity while distributions to shareholders reduced the Company's equity. 3U HOLDING AG continues to have a solid equity ratio. The increase in equity and the lower balance sheet total compared to December 31, 2017, led to a further rise in the equity ratio to 54.48 %.

Development equity ratio

(as of December 31 resp. September 30 in %)



Investments

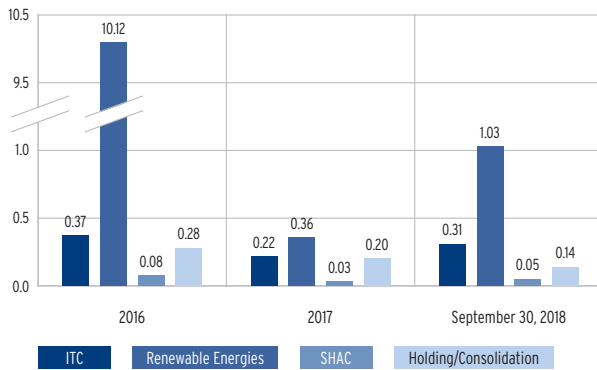
In the first nine months of the 2018 financial year, the Group made investments in intangible assets and property, plant and equipment as well as investment property in the amount of EUR 1.53 million (same period last year: EUR 0.52 million).

The segment ITC invested EUR 0.31 million. These mainly relate to investments in ITC hardware. In the segment Renewable Energies, investments amounting to EUR 1.03 million were made (acquisition of the wind farm Klostermoor). Investments of EUR 0.05 million in the segment SHAC mainly relate to investments in real estate. Investments of the holding also amounted to EUR 0.14 million.

For the financial year 2018, originally investments in the amount of approximately EUR 22.26 million were expected in the existing business areas. Of this, EUR 0.40 million were to be invested in the segment ITC, EUR 20.00 million in the segment Renewable Energies, EUR 0.07 million in the segment SHAC and EUR 1.79 million in the holding company.

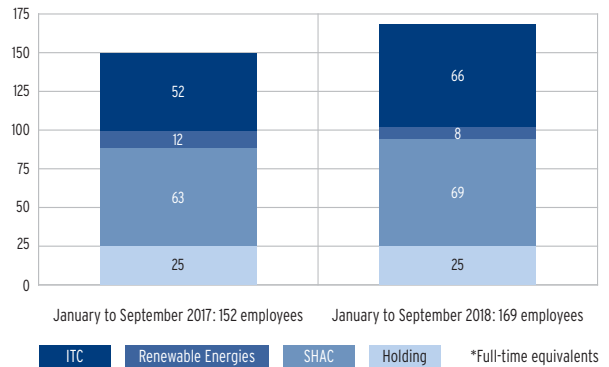
However, it is currently not foreseeable that the planned further investments in the segment Renewable Energies can be made this year.

Development of investments in EUR million



Staff*

The 3U Group had 172 employees as of the balance sheet date (previous year: 152). The annual average was 169 (previous year: 152). This increase is primarily due to the significant increase in the number of employees at weclapp, which will continue in the future. The average number of employees is broken down as follows:



Events after the reporting period

- **Windpark Lüdersdorf II remains in the 3U investment portfolio for the time being**

The two contractual parties 3U HOLDING AG and Green City AG (formerly Green City Energy AG) assumed that the Windpark Lüdersdorf II wind farm would switch owners, as determined in the September 2017 option agreement.

Unexpectedly, 3U HOLDING AG was informed by Green City AG on October 8, 2018 that it had not received a committee approval for the acquisition of the wind farm and therefore would not sign the addendum to the option agreement for the sale of 100 % of the business shares of Märkische Windkraft 110 GmbH & Co. KG (Windpark Lüdersdorf II). This invalidates the option and the Windpark Lüdersdorf II remains in the portfolio of 3U HOLDING AG.

The 3U Group would have achieved a one-off EBITDA contribution of around EUR 2.0 million in the current financial year from the transaction. As a result of the wind farm remaining in the portfolio of the 3U Group, it will now receive annual EBITDA contributions over the planned term, which, when discounted, will exceed the aforementioned single premium.

- **Forecast for the financial year 2018 lowered**

Due to the lack of sales proceeds, however, the forecast, which was increased during the financial year, falls back to the original forecast for the current financial year.

Outlook

The forecast for the current financial year was updated on October 9, 2018, after which the Management Board expects the following key figures:

3U Group (IFRS)		Current forecast of the Group key figures 2018	Previous forecast (from April 20, 2018) of the Group key figures 2018
Sales	(in EUR million)	46.0–50.0	46.0–50.0
EBITDA (earnings before interest, taxes and amortisation)	(in EUR million)	6.5–8.0	8.0–9.5
Consolidated earnings	(in EUR million)	1.0–2.0	2.5–3.5

Consolidated statement of financial position

Assets – 3U Group (in TEUR)	Sep 30, 2018	Dec 31, 2017
Non-current assets	48,923	48,268
Intangible assets	2,187	1,623
Property, plant and equipment	41,124	37,292
Investment property	3,509	7,462
Other financial assets	144	144
Investments accounted for using the equity method	15	13
Deferred tax assets	1,635	1,459
Other non-current assets	309	275
Current assets	27,082	22,813
Inventories	6,899	5,947
Trade receivables	4,095	4,288
Receivables from income tax refunds	339	380
Other current assets	2,420	929
Cash and cash equivalents	13,329	11,269
Assets held for sale	0	10,157
Total assets	76,005	81,238

Shareholders' equity and liabilities – 3U Group (in TEUR)	Sep 30, 2018	Dec 31, 2017
Shareholders' equity	41,404	39,966
Issued capital (conditional capital TEUR 3,531 / December 31, 2017: TEUR 3,531)	35,314	35,314
Own shares	-2,184	-2,184
Capital reserve	10,345	10,345
Retained earnings	-844	-844
Total other comprehensive income	0	0
Profit/loss carried forward	-2,122	-2,522
Consolidated earnings	1,957	1,065
Total shareholders' equity attributable to the shareholders of 3U HOLDING AG	42,466	41,174
Non-controlling interests	-1,062	-1,208
Non-current provisions and liabilities	22,638	16,812
Non-current provisions	1,050	716
Non-current financial liabilities due to banks	20,519	14,947
Deferred tax liabilities	848	938
Other non-current liabilities	221	211
Current provisions and liabilities	11,963	15,647
Current provisions	233	320
Current income tax liabilities	343	623
Current financial liabilities	3,545	7,069
Trade payables	3,506	3,124
Other current liabilities	4,336	4,511
Liabilities from disposal groups	0	8,813
Total shareholders' equity and liabilities	76,005	81,238

Consolidated statement of income

3U Group (in TEUR)	Quarterly report		9-months report	
	July 1-September 30 2018	2017	January 1-September 30 2018	2017
Sales	12,362	14,159	35,206	35,571
Other income	1,059	838	3,806	1,333
Changes of half-finished and finished services	89	-1,287	498	-831
Other capitalised services	39	0	39	0
Costs of materials	-7,805	-6,625	-21,122	-18,527
Gross profit or loss	5,744	7,085	18,427	17,546
Staff costs	-2,624	-2,370	-7,609	-7,106
Other operating expenses	-1,822	-2,301	-5,102	-5,256
EBITDA	1,298	2,414	5,716	5,184
Depreciation and amortisation	-1,310	-945	-3,007	-2,829
EBIT	-12	1,469	2,709	2,355
Income shares in companies that are accounted for using the equity method	-1	0	3	0
Other financial result	-194	-265	-624	-843
EBT	-207	1,204	2,088	1,512
Income tax expenses	62	-594	31	-628
Earnings before non-controlling interests	-145	610	2,119	884
Earnings for the period	-145	610	2,119	884
Of which attributable to non-controlling interests	57	57	162	105
Thereof consolidated earnings	-202	553	1,957	779
Earnings per share total	-0.01	0.02	0.06	0.02

Shortened statement of cash flows

3U Group (in TEUR)	Jan 1-Sep 30 2018	Jan 1-Sep 30 2017
Cash flow	1,591	-3,061
Cash flows from operating activities	496	1,994
Cash flows from investing activities	8,379	-489
Cash flows from financing activities	-7,284	-4,566
Change of restrictions in cash and cash equivalents	-679	1,129
Consolidation-related changes	0	-330
Thereof previously disclosed as assets held for sale	469	0
Total change in cash and cash equivalents	1,381	-2,262
Cash and cash equivalents at beginning of period	8,175	7,328
Cash and cash equivalents at end of period	9,556	5,066

Segment information

Segment reporting 2018 January 1-September 30, 2018 (in TEUR)	ITC	Renewable Energies	SHAC	Subtotal	Holding/ Consolida- tion	Group
Total sales	13,229	4,698	30,431	48,358	260	48,618
Intercompany sales (intra-segment sales)	-1,942	-108	-11,362	-13,412	0	-13,412
Segment sales/Group sales	11,287	4,590	19,069	34,946	260	35,206
Other income	458	680	183	1,321	2,485	3,806
Change in inventory	0	518	-20	498	0	498
Other capitalised services	22	0	0	22	17	39
Costs of materials	-6,272	-341	-14,621	-21,234	112	-21,122
Gross profit or loss	5,495	5,447	4,611	15,553	2,874	18,427
Staff costs	-2,651	-372	-2,393	-5,416	-2,193	-7,609
Other operating expense	-1,416	-1,496	-2,090	-5,002	-100	-5,102
EBITDA	1,428	3,579	128	5,135	581	5,716
Depreciation	-287	-2,056	-83	-2,426	-581	-3,007
EBIT	1,141	1,523	45	2,709	0	2,709
Financial result*	-23	-776	-49	-848	227	-621
Profit/loss of companies recognised at equity	0	0	0	0	3	3
Other financial result	-23	-776	-49	-848	224	-624
Income tax	149	-75	-43	31	0	31
Earnings for the period*	1,267	672	-47	1,892	227	2,119
Of which attributable to non-controlling interests	149	-7	20	162	0	162
Segment earnings*/Group earnings	1,118	679	-67	1,730	227	1,957

*Before earnings transfer

Segment reporting 2017 January 1-September 30, 2017 (in TEUR)	ITC	Renewable Energies	SHAC	Subtotal	Holding/ Consolida- tion	Group
Total sales	11,573	7,889	28,527	47,989	357	48,346
Intercompany sales (intra-segment sales)	-1,921	-32	-10,822	-12,775	0	-12,775
Segment sales/Group sales	9,652	7,857	17,705	35,214	357	35,571
Other income	321	739	149	1,209	124	1,333
Change in inventory	0	-825	-6	-831	0	-831
Other capitalised services	0	0	0	0	0	0
Costs of materials	-5,106	-252	-13,205	-18,563	36	-18,527
Gross profit or loss	4,867	7,519	4,643	17,029	517	17,546
Staff costs	-2,341	-434	-2,211	-4,986	-2,120	-7,106
Other operating expense	-1,232	-2,204	-2,014	-5,450	194	-5,256
EBITDA	1,294	4,881	418	6,593	-1,409	5,184
Depreciation	-270	-1,859	-79	-2,208	-621	-2,829
EBIT	1,024	3,022	339	4,385	-2,030	2,355
Financial result*	-38	-971	-35	-1,044	201	-843
Profit/loss of companies recognised at equity	0	0	0	0	0	0
Other financial result	-38	-971	-35	-1,044	201	-843
Income tax	166	-693	-102	-629	1	-628
Earnings for the period*	1,152	1,358	202	2,712	-1,828	884
Of which attributable to non-controlling interests	37	0	68	105	0	105
Segment earnings*/Group earnings	1,115	1,358	134	2,607	-1,828	779

*Before earnings transfer

3U Group*

3U HOLDING AG		
ITC	Renewable Energies	SHAC
010017 Telecom GmbH Marburg, Germany	3U ENERGY AG Marburg, Germany	ClimaLevel Energiesysteme GmbH Cologne, Germany
3U TELECOM GmbH Marburg, Germany	3U ENERGY PE GmbH Kloster Lehnin, Germany	Immowerker GmbH Marburg, Germany
3U TELECOM GmbH Vienna, Austria	3U Euro Energy Systems GmbH Marburg, Germany	PELIA Gebäudesysteme GmbH Montabaur, Germany
Discount Telecom S&V GmbH Marburg, Germany	Märkische Windkraft 110 GmbH & Co. KG Kloster Lehnin, Germany	Selfio GmbH Linz am Rhein, Germany
Exacor GmbH Marburg, Germany	Repowering Sachsen-Anhalt GmbH Marburg, Germany	
fon4U Telecom GmbH Marburg, Germany	Solarpark Adelebsen GmbH Adelebsen, Germany	
LineCall Telecom GmbH Marburg, Germany	Windpark Klostermoor GmbH & Co. Betriebs-KG Kirchroth, Germany	
OneTel Telecommunication GmbH Marburg, Germany	Windpark Langendorf GmbH & Co. KG Marburg, Germany	
RISIMA Consulting GmbH Marburg, Germany	Windpark Langendorf Verwaltungsgesellschaft mbH Marburg, Germany	
weclapp GmbH Marburg, Germany		

* Consolidated subsidiaries as of September 30, 2018

Financial calendar

- **Participation Eigenkapitalforum (Frankfurt)**
November 26-28, 2018
- **Publication of the 2018 Annual Report**
March 25, 2019
- **Publication of quarterly announcement 1/2019**
May 15, 2019
- **Annual General Meeting 2019**
May 23, 2019
- **Publication of half year report 2019**
August 14, 2019
- **Publication of quarterly announcement 3/2019**
November 7, 2019

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