

## secunet Security Networks AG

### Quarterly Group Statement, 31 March 2018

#### Group sales and EBIT

In the period from January to March 2018, secunet Group achieved revenue of 27.2 million euros. When compared to the revenue during the same period of the previous year (24.7 million euros), this represents an increase of 10% or 2.5 million euros, which results from growth both in the product (trade goods, licenses, maintenance and support) and service business (consulting).

secunet Group achieved earnings before interest and taxes (EBIT) of 2.5 million euros in the first three months of 2018. Compared to the EBIT in the same reporting period of the previous year (0.9 million euros), this corresponds to an improvement of 1.6 million euros, or 173%. The positive trend in earnings is largely due to the increase in product sales.

#### Segment reporting

secunet Security Networks AG focusses its business on the target group of public sector clients, which includes public authorities in Germany, and international and national organisations outside Germany. They are supported by the Public Sector business unit; its product portfolio includes High Security solutions connected with the SINA product family and automatic border control systems, as well as IT security solutions and consulting. Sales in the Public Sector business unit increased by 16% or 3.3 million euros year on year, from 20.3 million euros in the period from January to March 2017 to 23.6 million euros in the reporting period. This means that the Public Sector business unit contributed 87% to Group sales (previous year: 82%). EBIT in the Public Sector business unit improved from 1.6 million euros during the first three months of 2017 to 2.8 million euros during the same period of the current year.

13% of Group revenue (previous year: 18%) was generated in the Business Sector business unit. The Business Sector business unit provides IT security consulting and solutions for companies in the private sector. It specialises in solutions for the automotive industry and for providers in the field of critical infrastructures (including utilities). The relevant employees' capacity was tied up with continued extensive work in developing the secunet health connector, and as a result this business unit's EBIT for the period from January to March 2018 was 3.6 million euros, compared with 4.4 million euros in the previous year. The EBIT changed from -0.7 million euros in the previous year to -0.3 million euros in the first three months of 2018.

#### Cash flow and liquid assets

8.6 million euros in cash and cash equivalents were disbursed during the first three months of the 2018 financial year, compared to 17.4 million euros during the previous year. The reduced outflow of liquid resources is primarily due to improved earnings before taxes, as well as the decline in working capital.

Cash holdings therefore amounted to 54.3 million euros on 31 March 2018, compared with 62.9 million euros on 31 December 2017.

**Order book**

As at March 31, 2018, the secunet Security Networks AG order book in accordance with IFRS was 60.4 million euros, compared with 70.5 million euros as at the previous year's reporting date, and 57.7 million euros at year-end 2017.

**Outlook**

The Management Board's assessment of business development in the current year, 2018, remains unchanged: secunet is very well positioned in the IT security growth market. The procurement of major public authority clients for secunet in Germany also continues to be affected by the provisional budget management. In this context, the Management Board continues to expect sales and EBIT to come in slightly below the previous year's record figures.

Essen, 3 May 2018

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**Forward-looking statements**

*This Interim Communication contains statements regarding the future performance of secunet Security Networks AG, as well as economic and political developments. These statements are opinions that we have formed based on the information currently available to us. Should the assumptions on which these statements are based not be applicable or should further risks arise, the actual results may deviate from the results currently expected. We cannot therefore offer any guarantee as to the accuracy of these statements.*

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