



Quarterly Group Statement Q3/2017

AIXTRON

Interim consolidated financial statements for the nine months ended September 30, 2017

Key Financials

| (in EUR million) | 9M/2017 | | | 9M/2016 | 9M/2017 Adjusted vs. 9M/2016 Actual (%) |
|--------------------------------|----------|------------|--------|---------|--|
| | Adjusted | Adjustment | Actual | Actual | |
| Order intake | 193.0 | -4.9 | 197.9 | 164.6 | 17 |
| Order backlog (Equipment only) | 99.2 | | 99.2 | 104.0 | -5 |
| Revenues | 171.7 | -4.6 | 176.3 | 106.6 | 61 |
| Gross Margin | 50.8 | -2.2 | 53.0 | 26.9 | 89 |
| % | 30 | | 30 | 25 | 5 pp |
| EBIT | -8.2 | 11.3 | -19.5 | -29.3 | 72 |
| % | -5 | | -11 | -27 | 22 pp |
| Net result | -9.3 | 11.3 | -20.6 | -30.4 | 69 |
| % | -5 | | -12 | -28 | 23 pp |
| EPS (EUR) | -0.08 | -0.10 | -0.18 | -0.27 | 70 |
| Free cash flow* | 48.5 | | 48.5 | -38.0 | 228 |

* Operating CF + Investing CF + Changes in Cash Deposits

| (in EUR million) | Q3/2017 | | | Q2/2017 | | | +/-** (%) |
|--------------------------------|----------|------------|--------|----------|---------------|--------|--------------|
| | Adjusted | Adjustment | Actual | Adjusted | Restructuring | Actual | |
| Order intake | 64.5 | -4.9 | 69.4 | 66.6 | | 66.6 | -3 |
| Order backlog (Equipment only) | 99.2 | | 99.2 | 93.4 | | 93.4 | 6 |
| Revenues | 57.6 | -4.6 | 62.2 | 60.6 | | 60.6 | -5 |
| Gross Margin | 20.1 | -4.6 | 24.7 | 16.0 | 1.3 | 14.7 | 26 |
| % | 35 | -5 pp | 40 | 26 | | 24 | 9 pp |
| EBIT | 1.4 | -3.2 | 4.6 | -3.6 | 7.7 | -11.3 | 139 |
| % | 2 | -5 pp | 7 | -6 | | -19 | 8 pp |
| Net result | 1.1 | -3.2 | 4.3 | -3.7 | 7.7 | -11.4 | 130 |
| % | 2 | -5 pp | 7 | -6 | | -19 | 8 pp |
| EPS (EUR) | 0.01 | -0.03 | 0.04 | -0.03 | -0.07 | -0.10 | 133 |
| Free cash flow* | 8.2 | | 8.2 | 7.0 | | 7.0 | 17 |

* Operating CF + Investing CF + Changes in Cash Deposits

** Q3/2017 adjusted vs. Q2/2017 adjusted

Please refer to Additional Disclosures "8. Restructuring costs" in this report for further information on restructuring and adjusted costs.

2017 Order Intake Guidance Raised / CFIUS Approves Sale of Memory Product Line / 2017 EBIT at Break-Even / Positive EBIT Achieved in Q3/2017

Due to the continuing demand for MOCVD equipment for the production of Red-Orange-Yellow (“ROY”) and specialty LEDs, Vertical Cavity Surface Emitting Lasers (“VCSEL”) and other laser applications as well as power electronics, Management increases the 2017 order guidance to EUR 240m-250m (excluding memory business from the expected date of closing). Management refines the revenue guidance to EUR 220m-230m (excluding memory business from the expected date of closing).

On October 23, 2017, the Committee on Foreign Investment in the United States (“CFIUS”) approved the sale of AIXTRON’s ALD/CVD memory product line to Eugene Technology (South Korea). Management expects the transaction to be closed during 2017.

Due to the above mentioned continuing demand for MOCVD equipment and due to an anticipated successful sale of AIXTRON’s memory business, Management expects to achieve EBIT break-even for the full year 2017 and reiterates that it will generate a positive free cash flow in 2017.

Results in Q3/2017 include EUR 1.4m of restructuring charges as well as revenues and profit of EUR 4.6m from shipments made in prior years but where payment had in the past been regarded as unlikely, both of which are non-recurring. The adjusted results in Q3/2017 exclude these items.

Q3/2017 revenues were stable and order intake in Q3/2017 has improved (year-on-year and quarter-on-quarter). The adjusted gross margin in Q3/2017 improved to 35% due to a more favorable product mix and despite an unfavorable US-Dollar/Euro exchange rate compared to the first half of this year. Adjusted operating expenses in Q3/2017 of EUR 18.7m were 5% lower compared to Q2/2017 (Q2/2017 adjusted: 19.6m; Q3/2017 reported: EUR 20.1m). In Q3/2017, AIXTRON achieved an adjusted EBIT of EUR 1.4m (Q3/2017 reported EBIT: EUR 4.6m).

Key Balance Sheet Data

| In EUR million | September 30, 2017 | December 31, 2016 |
|---------------------------------|-----------------------|----------------------|
| Inventories | 40.2 | 54.2 |
| Advance payments from customers | 41.7 | 26.1 |
| Trade receivables | 21.1 | 60.2 |
| Trade payables | 13.1 | 14.6 |
| Cash | 203.9 | 160.1 |
| Equity | 342.2 | 369.7 |
| Equity ratio | 81% | 85% |

Key Share Data

| In EUR | 9M/2017 | 9M/2016 |
|--|-------------|-------------|
| Closing Price (end of period) | 11.39 | 5.41 |
| Period High Price | 11.44 | 5.72 |
| Period Low Price | 3.15 | 2.95 |
| Number of shares issued (end of period) | 112,807,630 | 112,789,030 |
| Market capitalization (end of period), million EUR | 1,284.9 | 610.2 |

*Trading on NASDAQ ended on December 30, 2016, trading on the OTC Pink Market ended on July 18, 2017.

Table of Contents

| | |
|--|-----------|
| Key Financials | 1 |
| Key Balance Sheet Data | 2 |
| Key Share Data | 2 |
| Interim Management Report | 5 |
| 1. Business Activity and Strategy | 5 |
| 2. Business Performance and Key Developments | 5 |
| 2.1. Development of Orders | 5 |
| 2.2. Exchange Rate Development of the US Dollar | 5 |
| 2.3. Development of Revenues | 6 |
| 2.4. Development of Results (Highlights) | 7 |
| 3. Financial Position and Net Assets (Highlights) | 8 |
| 3.1 Assets | 8 |
| 3.2. Equity and Liabilities | 8 |
| 4. Cash Flow | 8 |
| 5. Opportunities and Risks | 9 |
| 6. Outlook | 9 |
| Interim Financial Statements | 10 |
| 1. Consolidated Income Statement* | 10 |
| 2. Consolidated Statement of other Comprehensive Income* | 10 |
| 3. Consolidated Balance Sheet* | 11 |
| 4. Consolidated Statement of Cash Flows* | 12 |
| 5. Consolidated Statement of Changes in Equity* | 13 |
| Additional Disclosures | 14 |
| 1. Accounting Policies | 14 |
| 2. Segment Reporting | 14 |
| 3. Stock Option Plans | 14 |
| 4. Employees | 15 |
| 5. Management | 15 |
| 6. Related Party Transactions | 15 |
| 7. Sale of ALD/CVD Memory Product line | 16 |
| 8. Restructuring costs | 16 |
| 9. APEVA – subsidiary for AIXTRON's OLED business | 17 |
| 10. Post-Balance Sheet Date Events | 17 |

Forward-Looking Statements

This document may contain forward-looking statements regarding the business, results of operations, financial condition and earnings outlook of AIXTRON. These statements may be identified by words such as “may”, “will”, “expect”, “anticipate”, “contemplate”, “intend”, “plan”, “believe”, “continue” and “estimate” and variations of such words or similar expressions. These forward-looking statements are based on our current assessments, expectations and assumptions, of which many are beyond control of AIXTRON, and are subject to risks and uncertainties. You should not place undue reliance on these forward-looking statements. Should these risks or uncertainties materialize, or should underlying expectations not occur or assumptions prove incorrect, actual results, performance or achievements of AIXTRON may materially vary from those described explicitly or implicitly in the relevant forward-looking statement. This could result from a variety of factors, such as actual customer orders received by AIXTRON, the level of demand for deposition technology in the market, the timing of final acceptance of products by customers, the condition of financial markets and access to financing for AIXTRON, general conditions in the market for deposition plants and macroeconomic conditions, cancellations, rescheduling or delays in product shipments, production capacity constraints, extended sales and qualification cycles, difficulties in the production process, the general development in the semi-conductor industry, increased competition, fluctuations in exchange rates, availability of public funding, fluctuations and/or changes in interest rates, delays in developing and marketing new products, a deterioration of the general economic situation and any other factors discussed in any reports or other announcements, in particular in the chapter Risks in the Annual Report, filed by AIXTRON. Any forward-looking statements contained in this document are based on current expectations and projections of the executive board based on information available the date hereof. AIXTRON undertakes no obligation to revise or update any forward-looking statements as a result of new information, future events or otherwise, unless expressly required to do so by law.

This document is an English language translation of a document in German language. In case of discrepancies, the German language document shall prevail and shall be the valid version.

Our registered trademarks: AIXACT®, AIXTRON®, Atomic Level SolutionS®, Close Coupled Showerhead®, CRIUS®, Gas Foil Rotation®, Optacap™, OVPD®, Planetary Reactor®, PVPD®, TriJet®

This financial report should be read in conjunction with the interim financial statements and the additional disclosures included elsewhere in this report.

Due to rounding, numbers presented throughout this report may not add up precisely to the totals indicated and percentages may not precisely reflect the absolute figures for the same reason.

Interim Management Report

1. Business Activity and Strategy

AIXTRON's business activity and strategy are described in detail in section „1. Business Activity and Strategy“ of its 2017 Half-Year Group Financial Report. The Report is publicly available for download on the Company's website at <http://www.aixtron.com/en/investors/financial-reports/>.

2. Business Performance and Key Developments

2.1. Development of Orders

| Orders (in EUR million) | 9M/2017 | 9M/2016 | +/- m EUR | % |
|-------------------------------------|---------|---------|-----------|----|
| Order intake incl. Spares & Service | 197.9 | 164.6 | 33.3 | 20 |
| Order backlog (equipment only) | 99.2 | 104.0 | -4.8 | -5 |

In Q3/2017, **order intake** was up 4% in a quarterly sequential comparison to EUR 69.4m (Q2/2017: EUR 66.6m; Q3/2017 adjusted: EUR 64.5m). Orders include a non-recurring positive effect in the amount of EUR 4.9m from shipments made in prior years as previously described. Vertical Cavity Surface Emitting Lasers ("VCSEL") and other laser applications as well as specialty LEDs continued to generate demand for AIXTRON's Planetary® MOCVD systems. Year-on-year, order intake was stable (Q3/2016: EUR 69.0m; Q3/2017 adjusted: 64.4m).

2.2. Exchange Rate Development of the US Dollar

The average exchange rate used by AIXTRON to translate income and expenses denominated in US dollars in the first nine months of 2017 was 1.11 USD/EUR (Q1/2017: 1.07 USD/EUR; Q2/2017: 1.09 USD/EUR; Q3/2017: 1.17 USD/EUR) compared to 1.11 USD/EUR in the same period of the previous year. Thus, compared to the previous year, the average US dollar exchange rate remained stable. As of September 30, 2017, the US dollar was significantly weaker at 1.18 USD/EUR compared to the previous year's closing price of 1.06 USD/EUR.

2.3. Development of Revenues

Total revenues recorded during the third quarter of 2017 were EUR 62.2m, up 21% compared to the same period last year (Q3/2016: EUR 51.2m). This year-on-year development was supported by demand for MOCVD equipment to produce Red-Orange-Yellow ("ROY") and specialty LEDs, Vertical Cavity Surface Emitting Lasers ("VCSEL") and other laser applications as well as power electronics and equipment for memory applications. Q3/2017 revenues include non-recurring positive effects of EUR 4.6m from shipments made in prior years (Q3/2017 adjusted: EUR 57.6m). Excluding the EUR 4.6m and currency effects, compared with the previous quarter (Q2/2017: EUR 60.6m), Q3/2017 revenues were stable. In the first nine months of 2017, total revenues at EUR 176.3m were up 65% compared to the previous year (9M/2016: EUR 106.6m). 9M/2017 adjusted revenues were EUR 171.7m.

Equipment revenues in Q3/2017 were EUR 51.1m, representing 82% of the total Q3/2017 revenues. Compared to the same quarter last year, equipment revenues increased (Q3/2016: EUR 40.6m or 79%; Q2/2017: EUR 50.9m or 84%) due to the reasons mentioned above. EUR 11.1m or 18% of total revenues were generated by the sale of spares and service in Q3/2017, an increase of 14% compared to the previous quarter (Q3/2016: EUR 10.6m; Q2/2017: EUR 9.7m).

| Revenues by Equipment, Spares & Service | 9M/2017 | | 9M/2016 | | +/- | |
|--|--------------|------------|--------------|------------|-------------|-----------|
| | m EUR | % | m EUR | % | m EUR | % |
| Equipment revenues | 145.4 | 82 | 77.2 | 72 | 68.2 | 88 |
| Revenues from service, spare parts, etc. | 30.9 | 18 | 29.4 | 28 | 1.5 | 5 |
| Total | 176.3 | 100 | 106.6 | 100 | 69.7 | 65 |

| Revenues by Region | 9M/2017 | | 9M/2016 | | +/- | |
|--------------------|--------------|------------|--------------|------------|-------------|-----------|
| | m EUR | % | m EUR | % | m EUR | % |
| Asia | 133.0 | 75 | 67.1 | 63 | 65.9 | 98 |
| Europe | 22.2 | 13 | 17.7 | 17 | 4.5 | 25 |
| Americas | 21.1 | 12 | 21.8 | 20 | -0.7 | -3 |
| Total | 176.3 | 100 | 106.6 | 100 | 69.7 | 65 |

2.4. Development of Results (Highlights)

| Cost Structure | 9M/2017 | | 9M/2016 | | +/- | |
|---|--------------|-------------|-------------|-----------|-------------|-----------|
| | m EUR | % Rev. | m EUR | % Rev. | m EUR | % |
| Cost of sales | 123.3 | 70 | 79.7 | 75 | 43.6 | 55 |
| Gross profit | 53.0 | 30 | 26.9 | 25 | 26.1 | 97 |
| Operating costs | 72.5 | 41.3 | 56.2 | 53 | 16.3 | 29 |
| Selling expenses | 7.9 | 4 | 9.0 | 8 | -1.1 | -12 |
| General and administration expenses | 14.5 | 8 | 12.1 | 11 | 2.4 | 20 |
| Research and development costs | 52.3 | 30 | 39.6 | 37 | 12.7 | 33 |
| Net other operating (income) and expenses | (2.2) | -1 | (4.5) | -4 | -2.2 | 49 |

Cost of sales in Q3/2017 was EUR 37.5m or 60% of revenues. Compared to Q3/2016, cost of sales as a percentage of revenues decreased by 7 percentage points (Q3/2016: EUR 34.2m, 67%; Q2/2017: EUR 45.9m, 76%). Compared to Q2/2017, the quarterly improvement in cost of sales as a percentage of revenues was mainly due to a better product mix, supported by the previously described non-recurring item and was achieved despite the weaker US dollar against the Euro. The higher volume of sales in 9M/2017 compared with 9M/2016 leads to a reduced influence of fixed costs within gross profit and is the main reason for the reduction in cost of sales as a percentage of revenues.

Q3/2017 reported **gross profit** and **gross margin** were EUR 24.7m and 40% (Q3/2017 adjusted: EUR 20.1m and 35%; Q3/2016: EUR 16.9m and 33%; Q2/2017: EUR 14.7m and 24%).

Operating costs in Q3/2017 were stable year-on-year at EUR 20.2m and include non-recurring items of EUR 1.4m due to restructuring activities (Q3/2017 adjusted: EUR 18.7m; Q3/2016: EUR 20.4m; Q2/2017 adjusted: EUR 19.6m). Operating costs in 9M/2017 include restructuring costs totaling EUR 13.6m.

Research & Development (R&D) expenses were EUR 12.8m (Q3/2016: EUR 13.6m; Q2/2017 adjusted: EUR 14.7m).

| Key R&D Information | 9M/2017 | 9M/2016 | +/- |
|--|---------|---------|--------|
| R&D expenses (in EUR million) | 41.6* | 39.6 | 5 |
| R&D expenses, % of sales | 24* | 37 | -13 pp |
| R&D employees (period average) | 248 | 252 | -2 |
| R&D employees, % of total headcount (period average) | 36 | 35 | 1 pp |

* Before write downs in H1/2017 of EUR 10.6m

Net other operating income and expenses in Q3/2017 resulted in an income of EUR 0.5m (Q3/2016: EUR 0.3m income; Q2/2017: EUR 1.5m income) mainly due to R&D grants.

Operating result (EBIT) improved year-on-year from EUR -3.4m in Q3/2016 to EUR 4.6m in Q3/2017 including non-recurring items totaling 3.2m (Q3/2017 adjusted: EUR 1.4m; Q2/2017 adjusted: EUR -3.6m). In the first nine months 2017, EBIT was EUR -19.5m and included non-recurring items totaling 11.3m (9M/2017 adjusted: EUR -8.2m; 9M/2016: EUR -29.3m).

The Company's **net result** in Q3/2017 amounted to EUR 4.3m (Q3/2017 adjusted: EUR 1.1m; Q3/2016: EUR -3.8m; Q2/2017: EUR -11.4m; Q2/2017 adjusted: EUR -3.7m; 9M/2017: EUR -20.6m; 9M/2017 adjusted: EUR -9.3m; 9M/2016: EUR -30.4m).

3. Financial Position and Net Assets (Highlights)

The Company did not have any **bank borrowings** as of September 30, 2017 or December 31, 2016.

3.1 Assets

Cash and cash equivalents (including cash deposits with a maturity of more than three months) increased to EUR 203.9m as of September 30, 2017. Compared to EUR 160.1m as of December 31, 2016, the difference of EUR 43.8m reflecting the operational performance in combination with a reduction of trade receivables and an increase of advance payments from customers.

Trade receivables amounted to EUR 21.1m as of September 30, 2017, compared to EUR 60.2m as of December 31, 2016, representing 31 days sales outstanding.

Inventories, including raw materials, unfinished and finished goods, decreased to EUR 40.2m as per September 30, 2017 (December 31, 2016: EUR 54.2m) reflecting shipments of AIX R6 tools from inventory in H1/2017.

On May 25, 2017, AIXTRON, Inc. entered into an agreement for the sale of the assets of its ALD and CVD memory product line, mainly based at AIXTRON, Inc. in California to Eugene Technology Inc.

CFIUS issued the approval for this sale on October 23, 2017. Management expects the transaction to be closed during 2017.

Please refer to Additional Disclosures "7. Sale of ALD/CVD Memory Product line" in this report for further information on assets classified as held for sale.

3.2. Equity and Liabilities

Total equity as of September 30, 2017 decreased to EUR 342.2m compared to EUR 369.7m as of December 31, 2016 mainly due to the period's net loss and exchange rate effects. The equity ratio was 81% as of September 30, 2017 (85% as of December 31, 2016).

Advance payments from customers increased to EUR 41.7m as of September 30, 2017 compared to EUR 26.1m as of December 31, 2016.

4. Cash Flow

In the first nine months of 2017, the company reported a positive operating cash flow of EUR 56.5m compared with EUR -35.0m in the same period on 2016.

5. Opportunities and Risks

AIXTRON expects the following market trends and opportunities in the relevant end user markets could possibly have a positive effect on future business:

Short Term

- Increasing emergence of compound semiconductor based laser devices such as VCSELs for sensors in automotive and mobile applications.
- Increasing emergence of compound semiconductor based laser devices for ultrafast Telecom and Datacom infrastructure and data center applications.
- Increasing adoption of LEDs and specialty LEDs (in particular Red-Orange-Yellow, IR or UV) for Sensor, Fine Pitch Display and other applications.
- Increased emergence of wide band gap SiC based devices for energy efficient power management in automotive, consumer electronics and mobile applications.

Mid- to Long-Term

- Increased emergence of wide band gap GaN based devices for energy efficient power management and communications in automotive, consumer electronics and mobile applications.
- Increasing emergence of compound semiconductor based sensor devices for autonomous driving.
- Development of new wide band gap applications such as RF and System-on-Chip with integrated power management.
- Progress in the development of large area OLED displays requiring efficient deposition technologies such as OVPD.
- Increased development activity for specialized compound solar cell applications.
- Development of applications using Carbon Nanostructures (Carbon Nanotubes, Carbon Nanowires, Graphene, 2D-Materials).
- Development of alternative LED applications such as Visual Light Communication technology or Micro-LED Displays.

A description of the Opportunities and Risks of the Company can be found in the chapter „Opportunities and Risk Report“ of the Annual Report 2016 which is publicly available for download on the Company's website at <http://www.aixtron.com/en/investors/financial-reports/>.

CFIUS issued the approval to sell AIXTRON's memory business to Eugene Technology on October 23, 2017. Management expects to complete the sale during Q4/2017, which is considered to be a transactional risk.

The Company generates a significant portion of its revenues in currencies other than the Euro. As a result, further weakening of the US dollar to the Euro will negatively affect the Company's business and may negatively affect the business of AIXTRON's customers and suppliers.

During the first nine months of 2017, AIXTRON Management was not aware of any further significant additions or changes in the risks as described in the 2016 Annual Report referred to above.

6. Outlook

Following the 9M/2017 results, internal assessments and excluding memory business related orders and revenues from the expected date of closing, AIXTRON increases the 2017 order guidance to EUR 240–250m (at the prevailing budget rate of EUR/USD 1.10) and refines the revenue guidance to EUR 220–230m (both from EUR 210–230m previously).

Due to an anticipated successful sale of the ALD/CVD memory product line to Eugene Technology which is expected to be closed during 2017, Management expects to achieve EBIT break-even for fiscal year 2017.

AIXTRON continues to execute restructuring measures as well as to seek partnerships for its OLED business in order to return to profitability in 2018.

Interim Financial Statements

1. Consolidated Income Statement*

*unaudited

| <i>in EUR thousands</i> | 9M/2017 | 9M/2016 | +/- |
|---|----------------|----------------|---------------|
| Revenues | 176,330 | 106,639 | 69,691 |
| Cost of sales | 123,318 | 79,723 | 43,595 |
| Gross profit | 53,012 | 26,916 | 26,096 |
| Selling expenses | 7,944 | 8,983 | -1,039 |
| General administration expenses | 14,536 | 12,130 | 2,406 |
| Research and development costs | 52,266 | 39,577 | 12,689 |
| Other operating income | 3,420 | 5,699 | -2,279 |
| Other operating expenses | 1,182 | 1,232 | -50 |
| Operating result | -19,496 | -29,307 | 9,811 |
| Finance income | 487 | 413 | 74 |
| Finance expense | 25 | 1 | 24 |
| Net finance income | 462 | 412 | 50 |
| Result before taxes | -19,034 | -28,895 | 9,861 |
| Taxes on income | 1,606 | 1,483 | 123 |
| Profit/loss attributable to the equity holders of AIXTRON SE (after taxes) | -20,640 | -30,378 | 9,738 |
| Basic earnings per share (EUR) | -0.18 | -0.27 | 0.09 |
| Diluted earnings per share (EUR) | -0.18 | -0.27 | 0.09 |

2. Consolidated Statement of other Comprehensive Income*

*unaudited

| <i>in EUR thousands</i> | 9M/2017 | 9M/2016 | +/- |
|---|----------------|----------------|--------------|
| Profit or Loss | -20,640 | -30,378 | 9,738 |
| Reclassification of currency translation differences on liquidation of subsidiary | 0 | -1,569 | 1,569 |
| Currency translation adjustment | -7,437 | -7,086 | -351 |
| Other comprehensive income | -7,437 | -7,086 | -351 |
| Total comprehensive income attributable to equity holders of AIXTRON SE | -28,077 | -37,464 | 9,387 |

3. Consolidated Balance Sheet*

*unaudited

| <i>in EUR thousands</i> | Sep. 30, 2017 | Dec. 31, 2016 |
|---|----------------------|----------------------|
| Assets | | |
| Property, plant and equipment | 63,995 | 74,157 |
| Goodwill | 71,054 | 74,563 |
| Other intangible assets | 1,814 | 5,426 |
| Other non-current assets | 446 | 544 |
| Deferred tax assets | 1,489 | 1,817 |
| Total non-current assets | 138,798 | 156,507 |
| Inventories | 40,170 | 54,204 |
| Trade receivables less allowance kEUR 1,201 (2016: kEUR 1,292) | 21,063 | 60,221 |
| Current tax receivables | 327 | 446 |
| Other current assets | 4,446 | 4,804 |
| Financial assets | 27,797 | 40,021 |
| Cash and cash equivalents | 176,075 | 120,031 |
| Assets classified as held for sale | 15,417 | 0 |
| Total current assets | 285,295 | 279,727 |
| Total assets | 424,093 | 436,234 |
| Liabilities and shareholders' equity | | |
| Subscribed capital | | |
| Number of shares: 111,660,678 (2016: 111,657,153) | 111,661 | 111,657 |
| Additional paid-in capital | 373,996 | 373,452 |
| Retained earnings | -145,951 | -125,528 |
| Income and expenses recognised in equity | 2,506 | 10,160 |
| Total shareholders' equity | 342,212 | 369,741 |
| Other non-current liabilities | 254 | 2,008 |
| Other non-current accruals and provisions | 1,468 | 2,169 |
| Total non-current liabilities | 1,722 | 4,177 |
| Trade payables | 13,130 | 14,593 |
| Advance payments from customers | 41,728 | 26,146 |
| Other current provisions | 17,679 | 16,117 |
| Other current liabilities | 2,933 | 2,358 |
| Current tax liabilities | 3,505 | 3,102 |
| Liabilities directly associated with assets classified as held for sale | 1,184 | 0 |
| Total current liabilities | 80,159 | 62,316 |
| Total liabilities | 81,881 | 66,493 |
| Total liabilities and shareholders' equity | 424,093 | 436,234 |

4. Consolidated Statement of Cash Flows*

*unaudited

in EUR thousands

| | 9M/2017 | 9M/2016 | +/- |
|--|----------------|----------------|----------------|
| Cash flow from operating activities | | | |
| Net income for the period (after taxes) | -20,640 | -30,378 | 9,738 |
| Reconciliation between profit and cash flow from operating activities | | | |
| Expense from share-based payments | 544 | 551 | -7 |
| Depreciation and amortization expense | 16,037 | 8,953 | 7,084 |
| Net result from disposal of property, plant and equipment | -84 | -6 | -78 |
| Deferred income taxes | 258 | 345 | -87 |
| Change in | | | |
| Inventories | 5,870 | -9,315 | 15,185 |
| Trade receivables | 37,823 | -4,788 | 42,611 |
| Other assets | -952 | 657 | -1,609 |
| Trade payables | -614 | 3,067 | -3,681 |
| Provisions and other liabilities | 4,306 | -21,605 | 25,911 |
| Non-current liabilities | -2,378 | -553 | -1,825 |
| Advance payments from customers | 16,338 | 18,074 | -1,736 |
| Cash flow from operating activities | 56,508 | -34,998 | 91,506 |
| Cash flow from investing activities | | | |
| Cash outflow from acquisitions | 0 | -4,183 | 4,183 |
| Capital expenditures in property, plant and equipment | -7,681 | -2,651 | -5,030 |
| Capital expenditures in intangible assets | -855 | -389 | -466 |
| Proceeds from disposal of fixed assets | 552 | 5 | 547 |
| Bank deposits with a maturity of more than 90 days | 11,670 | 46,555 | -34,885 |
| Cash flow from investing activities | 3,686 | 39,337 | -35,651 |
| Cash flow from financing activities | | | |
| Own shares acquired | 0 | 0 | 0 |
| Proceeds from issue of equity shares | 15 | 280 | -265 |
| Cash flow from financing activities | 15 | 280 | -265 |
| Effect of changes in exchange rates on cash and cash equivalents | -4,165 | -3,522 | -643 |
| Net change in cash and cash equivalents | 56,044 | 1,097 | 54,947 |
| Cash and cash equivalents at the beginning of the period | 120,031 | 116,305 | 3,726 |
| Cash and cash equivalents at the end of the period | 176,075 | 117,402 | 58,673 |
| Interest received | 379 | 194 | 185 |
| Income taxes paid | -870 | -755 | -115 |
| Income taxes received | 647 | 1,795 | -1,148 |

5. Consolidated Statement of Changes in Equity*

*unaudited

| | Subscribed capital under IFRS | Additional paid-in-capital | Income and expense recognized directly in equity | | Shareholders' equity attributable to the owners of AIXTRON SE |
|--------------------------------|-------------------------------|----------------------------|--|--|---|
| | | | Currency translation | Retained Earnings/ Accumulated deficit | |
| | | | | | Total |
| Balance at January 1, 2017 | 111,657 | 373,452 | 10,160 | -125,528 | 369,741 |
| Share based payments | | 533 | | | 533 |
| Transactions with shareholders | | | | | |
| Own shares acquired | | | | | 0 |
| New shares issued | 4 | 11 | | | 15 |
| Net income for the period | | | | -20,640 | -20,640 |
| Other comprehensive income | | | -7,654 | 217 | -7,437 |
| Total comprehensive income | | | -7,654 | -20,423 | -28,077 |
| Balance at September 30, 2017 | 111,661 | 373,996 | 2,506 | -145,951 | 342,212 |

| | Subscribed capital under IFRS | Additional paid-in-capital | Income and expense recognized directly in equity | | Shareholders' equity attributable to the owners of AIXTRON SE |
|---|-------------------------------|----------------------------|--|--|---|
| | | | Currency translation | Retained earnings/ Accumulated deficit | |
| | | | | | Total |
| Balance at January 1, 2016 | 111,582 | 372,636 | 12,249 | -99,962 | 396,505 |
| Share based payments | | 551 | | | 551 |
| Reclassification of share based payments equity credit on liquidation of subsidiary | | -205 | | 205 | 0 |
| Transactions with shareholders | | | | | |
| Own shares acquired | -8 | 8 | | | 0 |
| New shares issued | 68 | 212 | | | 280 |
| Net income for the period | | | | -30,378 | -30,378 |
| Other comprehensive income | | | -5,517 | -1,569 | -7,086 |
| Total comprehensive income | | | -5,517 | -31,947 | -37,464 |
| Balance at September 30, 2016 | 111,642 | 373,202 | 6,732 | -131,704 | 359,872 |

Additional Disclosures

1. Accounting Policies

This consolidated interim financial report of AIXTRON SE has been prepared in accordance with International Financial Reporting Standards (IFRS) applicable for Interim Financial Reporting, IAS 34.

The accounting policies adopted in this interim financial report are consistent with those followed in the preparation of the Group's annual financial statements for the year ended December 31, 2016.

The consolidated interim financial statements of AIXTRON SE include the following subsidiaries (collectively referred to as "AIXTRON", "the AIXTRON Group", "the Group" or "the Company"): APEVA SE, Herzogenrath (Germany), AIXTRON, Inc., California (USA); AIXTRON Ltd., Cambridge (United Kingdom); APEVA Co Ltd., Hwasung (South Korea); AIXTRON Korea Co. Ltd., Hwasung (South Korea); AIXTRON China Ltd., Shanghai (PR of China); AIXTRON KK, Tokyo (Japan) and AIXTRON Taiwan Co. Ltd., Hsinchu (Taiwan).

Due to rounding, numbers presented throughout this report may not add up precisely to the totals indicated and percentages may not precisely reflect the absolute figures for the same reason.

2. Segment Reporting

| Geographical Segments (in EUR thousands) | | Asia | Europe | Americas | Group |
|--|-----------------|---------|--------|----------|---------|
| | 9M/2017 | 132,988 | 22,186 | 21,154 | 176,328 |
| Revenues realized with third parties | 9M/2016 | 67,115 | 17,748 | 21,776 | 106,639 |
| | 30/09/17 | 300 | 63,688 | 7 | 63,995 |
| Segment assets (property, plant and equipment) | 31/12/16 | 977 | 66,740 | 6,440 | 74,157 |

3. Stock Option Plans

As of September 30, 2017, AIXTRON's employees and Executive Board members held stock options, representing the right to receive AIXTRON common shares. The status of these options developed as follows:

| AIXTRON ordinary shares | Sep 30, 2017 | Exercised | Expired/Forfeited | Allocation | Dec 31, 2016 |
|-------------------------|--------------|-----------|-------------------|------------|--------------|
| Stock options | 1,790,065 | 3,525 | 524,200 | 0 | 2.317.790 |
| Underlying shares | 1,790,065 | 3,525 | 524,200 | 0 | 2.317.790 |

4. Employees

The total number of employees decreased from 713 on September 30, 2016 to 677 persons on September 30, 2017.

| Employees by Region | 2017 | | 2016 | | +/- | |
|---------------------|------------|------------|------------|------------|------------|-----------|
| | Sep-30 | % | Sep-30 | % | abs. | % |
| Asia | 111 | 16 | 119 | 17 | -8 | -7 |
| Europe | 454 | 67 | 458 | 64 | -4 | -1 |
| Americas | 112 | 17 | 136 | 19 | -24 | -18 |
| Total | 677 | 100 | 713 | 100 | -36 | -5 |

| Employees by Function | 2017 | | 2016 | | +/- | |
|---------------------------|------------|------------|------------|------------|------------|-----------|
| | Sep-30 | % | Sep-30 | % | abs. | % |
| Sales | 53 | 8 | 60 | 8 | -8 | -13 |
| Research and Development | 240 | 35 | 248 | 35 | -8 | -3 |
| Manufacturing and Service | 283 | 42 | 309 | 43 | -26 | -8 |
| Administration | 90 | 13 | 84 | 12 | 6 | 7 |
| Apprentices | 12 | 2 | 12 | 2 | 0 | 0 |
| Total | 677 | 100 | 713 | 100 | -36 | -5 |

5. Management

The former CEO Martin Goetzeler left the Company effective February 28, 2017. AIXTRON Supervisory Board Chairman Kim Schindelhauer became interim CEO and took over Mr. Goetzeler's tasks between March 1, 2017 and August 31, 2017.

Dr. Felix Grawert was appointed as a new member to the Executive Board and assumed his position on August 14, 2017. Dr. Bernd Schulte and Dr. Felix Grawert jointly lead the Company.

The Supervisory Board has extended the contract of Dr. Bernd Schulte to March 31, 2021.

6. Related Party Transactions

During the reporting period, AIXTRON did not initiate or conclude any material transactions with related parties.

7. Sale of ALD/CVD Memory Product line

On May 25, 2017, AIXTRON, Inc. entered into an agreement for the sale of the assets of the ALD and CVD memory product line, mainly based at AIXTRON, Inc. in California to Eugene Technology Inc., a wholly owned U.S. subsidiary of Eugene Technology Co., Ltd, South Korea.

AIXTRON, Inc., the U.S. subsidiary of AIXTRON SE will continue to provide sales and support for its continuing business.

The agreed purchase price before expenses is in a range between USD 45 million and USD 55 million will be paid in cash at closing. The sale includes inventory and other assets. Due to ongoing business, the value of the assets to be disposed of and the purchase price will be determined at time of closing. The transaction is subject to regulatory approvals, including by the Committee on Foreign Investments in the United States (CFIUS).

CFIUS issued its approval on October 23, 2017. Management expects the transaction to be closed during 2017.

The major classes of assets and liabilities classified as held for sale, based on September 30, 2017 values are as follows:

in EUR thousands

| | |
|---|---------------|
| Goodwill | 2,098 |
| Property, plant and equipment | 5,504 |
| Inventories | 6,806 |
| Other current assets | 1,009 |
| Warranty provisions | -1,184 |
| Net assets classified as held for sale | 14,233 |

8. Restructuring costs

During the first nine months of 2017 the Group has frozen further technology development on both its three-five on silicon (TFOS) and Thin Film Encapsulation (TFE) products and continued to execute restructuring measures. Costs incurred include impairment of assets, and contractual settlements. In addition, it has incurred costs in relation to the separation of some of its activities, principally the assets of its OLED business and its ALD/CVD product line.

in EUR thousands

| | |
|------------------------|---------------|
| Cost of sales | 2,338 |
| Administration expense | 2,924 |
| R & D expense | 10,642 |
| Total | 15,904 |

9. APEVA – subsidiary for AIXTRON's OLED business

During Q3/2017, APEVA Co, Ltd (South Korea) and APEVA SE (Germany), 100% subsidiaries of AIXTRON SE for AIXTRON's OLED business including Organic Vapor Phase Deposition (OVPD®) and Polymer Vapor Phase Deposition (PVPD®) technologies, were established. AIXTRON continued discussions with potential industry and financing partners in order to form a Joint Venture with APEVA.

10. Post-Balance Sheet Date Events

There were no known events after September 30, 2017 with a potentially significant effect on AIXTRON's results of operation or financial position at that date.