REPORT
FIRST QUARTER 2015

exceet Group SE
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Grand Duchy of Luxembourg

INTERIM MANAGEMENT REPORT

Slow but robust start into 2015

- Net Sales of EUR 46.0 million (Q1/2014: EUR 48.4 million)
- Investments lead to EBITDA Margin of 6.5% (Q1/2014: 10.3%)
- Promising project pipeline strengthens management's confidence for the year

Revenue Development

Revenue for the first three months 2015 reached EUR 46.0 million (Q1 2014: EUR 48.4 million) representing a decline of 5.0%. The first quarter 2015 was as expected below the strong first quarter of the prior year and in addition influenced by the postponement of loyalty card projects in the total volume of about EUR 1.5 million.

EBITDA Margin Development

As announced earlier, exceet continued its investments in human capital to develop the business activities for instance in industrial Internet of Things (IoT), multi identity solutions and e-health as well as into product development and the strengthening of the sales force. In combination with the lower sales level exceet achieved an EBITDA of EUR 3.0 million (6.5% of net sales) compared to EUR 5.0 million (10.3% of net sales) in Q1 2014.

Net Income and Earnings per Share

The group result for the period of EUR -4.0 million (Q1 2014: EUR +0.4 million) included non-cash foreign currency valuation adjustments of EUR 3.0 million (loss) on EUR intercompany loans given by the Swiss holding to finance other group companies. These valuation adjustments reflect the substantially weaker EUR against CHF.

The impact out of the revaluation of warrants resulted in a gain of EUR 20,000 for Q1 2015 (Q1 2014: loss of EUR 1.0 million). The adjusted loss for the period excluding the warrant revaluation amounted to EUR -4.0 million (Q1 2014: gain of EUR 1.4 million). The earnings per share (EPS) were euro -0.12 (Q1 2015) in comparison to euro 0.01 (Q1 2014) per Class A Share. The earnings per Class A Share adjusted by the effect of the revaluation of the warrants amounted for Q1 2015 to euro -0.12 (Q1 2014: euro 0.06).

Order Backlog

On 31 March 2015 exceet's order backlog amounted to EUR 85.4 million which is 2.2% lower as of 31 December 2014 (EUR 87.3 million). This translated into a book-to-bill ratio of 0.89 (Q1 2014: 1.04) reflecting the continuation of the very cautious customer behaviour on placing delivery orders out of existing framework agreements and development projects.

Cash Development

The net debt position increased due to the CHF financing of the Group and the lower level of cash to EUR 15.5 million compared to EUR 9.4 million at the end of 2014. With a cash position of EUR 28.0 million the Group is still well prepared to finance the future business development and potential acquisitions.

Segment Reporting

Electronic Components, Modules & Systems (ECMS)

Net Sales decreased slightly to EUR 33.1 million during the first three months of 2015, against EUR 33.7 million during the first three months of 2014. ECMS contributed 71.9% to overall Group sales.

In Q1 2015 ECMS strengthened its market position in the field of products with high reliability and comprehensive documentation requirements. ECMS rolled out the Product-Lifecycle-Management (PLM) solution "Polarion", a software for the optimization of documentation processes. Polarion allows a fast, standardized, efficient and complete documentation process. The documentation fulfills automatically the requirements of different approval processes, certifications and compliance requirements, e.g. FDA compliance. This will improve the position for upcoming projects and will support the acquisition of new customers by offering PLM as a new service. Our customers will benefit from the large ECMS PLM know-how and use the ECMS PLM service for their own development projects.

Based on our successful development work, ECMS received follow-up orders in Q1 2015 from Biovotion. Biovotion is a Swiss based medical device company, providing solutions for continuous, non-invasive physiological monitoring. The follow-up orders supplement the order of 2014 for the development, industrialization and production of the new Biovotion body monitor. ECMS also received an order from SoNovum AG for the development of electronic components and industrialization of a mobile stroke diagnosis device. Besides development and industrialization, ECMS will support the certification process which is expected to be finalized already in 2015. In the first quarter ECMS was also assigned to develop a prototype for a new implantable cardioverter defibrillator. The customer is one of the largest suppliers in this market. ECMS will develop a highly innovative new product with integrated ridgit-flex boards.

In Q1 2015, the ECMS segment achieved an EBITDA of EUR 4.3 million, accounting for an EBITDA margin of 13.1%, compared to 5.7 million or a margin of 16.9% in the same period of the previous year.

ID Management & Systems (IDMS)

The revenue within the first three months of 2015 amounted to EUR 10.4 million, which represented a decrease of 19.5% compared to EUR 12.9 million in Q1 2014.

In Q1 2015 IDMS intensified the activities in the loyalty segment; some large projects have been postponed to the second half-year. A new loyalty project with ARAL was started and will be used to further increase marketing and sales activities in this profitable market segment. The ARAL collectible cards campaign is a project with promising volumes. IDMS expects first follow-up orders in the coming quarter. For the ARAL campaign, the card specialist IDMS will supply collectible cards with a variety of motifs for major sports clubs, e.g. first league soccer teams. ARAL customers can purchase the collectible cards, load up credit (e.g. for fuel or a car wash) and of course trade the cards or collect the entire series for their album. For each collectible card sold, ARAL sponsors the respective team with a specific amount. IDMS produces the collectible cards including high quality print and cash-back functionality.

The segment accounted for 22.6% of the group-wide sales and reported an EBITDA of EUR 0.5 million for the first quarter 2015 which results in an EBITDA Margin of 4.8%. In the same period of the previous year the segment achieved an EBITDA of EUR 0.9 million (representing 6.9% EBITDA Margin).

exceet Secure Solutions (ESS)

During the reporting period, the segment ESS generated revenues of EUR 2.5 million, accounting for 5.5% of total group sales. This reflects an improvement compared to Q1 2014 of EUR 0.7 million.

The clear driver of this increase in business volume is the German electronic health card (eGK). The development and implementation of the PKI (Public Key Infrastructure) in 2014 was a comprehensive and high sophisticated project. The deep knowledge and expertise gained during this project opens great opportunities for further projects and orders, such as service and maintenance as well as further developments, like application engineering based on the new PKI. A substantial number of follow up projects is expected and some of these additional orders can be realized already in 2015. Furthermore ESS initialized different Hardware Security Module (HSM) related projects in 2014, e.g. delivery, implementation and security consulting for a smart-meter project of E.ON in UK. In Q1 2015 ESS was assigned to deliver HSMs including implementation and related consulting services. Additionally, ESS won another HSM project and received an order from a large worldwide automotive supplier. As a security specialist ESS will deliver the hardware, related system implementation and consulting services. The solution will be used for secure electrical locking systems for the automotive industry and supports personalization and authorization processes. This HSM projects will positively impact the industrial IoT activities of ESS.

The EBITDA for this reporting period reached minus EUR 0.1 million (Q1 2014: minus EUR 0.2 million) and is reflecting all the ongoing costs to develop the described markets.

Group Balance Sheet Positions

As of 31 March 2015, the total assets of exceet Group amounted to EUR 194.1 million, compared to EUR 182.9 million as at 31 December 2014.

The non-current assets of EUR 102.3 million, increased compared to the year-end position by EUR 96.9 million and include tangible assets of EUR 36.5 million (31.12.2014: EUR 34.2 million) and intangible assets of EUR 64.2 million (31.12.2014: EUR 61.1 million).

Current assets amount to EUR 91.7 million, compared to EUR 86.1 million at year-end 2014. Inventories rose by EUR 2.9 million to EUR 34.5 million (31.12.2014: 31.6 million). Receivables increased from EUR 21.1 million to EUR 25.9 million. Tax prepayments stayed stable with EUR 0.2 million. Cash and cash equivalents decreased from EUR 31.0 million to EUR 28.0 million. This decrease can be attributed to the negative free cash flow of EUR 4.1 million, due to lower cash flow from operations, higher tax payments of EUR 1.9 million and higher working capital of EUR 1.4 million. The outflow for investing activities of EUR 1.5 million (Q1 2014: EUR 1.2 million) was mainly invested in replacements. The net debt position as of 31 March 2015 amounts to EUR 15.5 million (31.12.2014: EUR 9.4 million).

At the end of the reporting period, exceet Group's equity amounted to EUR 104.7 million, against EUR 101.0 million as of 31 December 2014. This reflects a reasonable equity ratio of 53.9% (31.12.2014: 55.2%).

The increase of the current liabilities of EUR 2.4 million to EUR 30.2 million as of 31 March 2015 (31.12.2014: EUR 27.8 million) includes the increase in trade payables of EUR 1.3 million and accruals of EUR 3.0 million as well as the decrease of tax liabilities of EUR 1.6 million and other smaller changes within current liabilities.

Non-current liabilities increased by EUR 5.1 million from EUR 54.1 million at year-end of 2014 to EUR 59.2 million. Long-term borrowings increased by EUR 3.5 million to EUR 39.2 million (31.12.2014: EUR 35.7 million) driven by the stronger CHF.

Capital Market Environment and Share Price Performance

During the reporting period stock markets in the western countries showed a pronounced divergence in performance. While German equities soared by sound double-digit rates (DAX +22%, TecDAX +18%) the Swiss and the UK markets gained merely +1.6% and +3.2% respectively. Also the Dow Jones and the Nasdaq Composite could be found at the low end (+0.3% and +3.5% respectively). Germany is widely expected to profit the most - short-term - from current ECB policies as the export-biased German industry takes advantage from the weak Euro in an extraordinary manner while sound consumer confidence leads strong domestic demand. As announced by the end of January, the ECB started as of 9 March 2015 their QE-program. The 10 year government bond yield that stood at 0.535% at the end of the year shrunk to 0.399% by the end of March and decreased further to a hardly positive level within the following weeks. In summary, stunningly low interest rates, solid growth for the time being and fresh ECB money pouring into the stock market are the driving forces behind the German equity performance.

On that background exceet shares underperformed the market with a slight loss from euro 5.25 by the end of the year to euro 5.01 by the end of the first quarter (- 4.6%). A possible explanation for the exceet share price performance being closer to that of the Swiss market than to that of the German market might be that exceet as a Germany-, Austria-, Swiss-based group was negatively affected by deep market concerns referring to the Swiss equity market after the Swiss Central Bank gave up the linkage of the Swiss Franc to the Euro by mid-January. With 35,923 shares traded on XETRA the first quarter showed a very limited trading activity compared to Q1 2014 (199,552 shares traded on XETRA) and compared to the following quarters during 2014 where trading activity on average reached almost 50,000 shares per quarter.

Employees

As of 31 March 2015, the Group employed 1,043 employees (Headcount) or 979 full-time equivalents (FTE) (31.03.2014: 943 FTE). 393 (31.03.2014: 365) were employed in Germany, 155 (31.03.2014: 144) in Austria, 270 (31.03.2014: 273) in Switzerland, 134 (31.03.2014: 144) in the Czech Republic, 14 (31.03.2014: 17) in the Netherlands and 13 (31.03.2014: none) in Romania.

Opportunities and Risk Report

The statements provided in the Annual Report 2014 on the opportunities and risks of the business model remain unchanged.

Significant Events and Actions

The management has no significant events to report from this reporting period.

Outlook

According to the Boston Consulting Group Industry 4.0 could mobilize investments of roughly EUR 250 Billion in the next couple of years as industrial productivity gains of 30% can be achieved. Roland Berger Consulting sees an additional BIP potential of EUR 1,250 Billion in Europe. For the „Wearable Technology“ which demands extreme levels of precision and miniaturization, IHS Technology/Bitkom is forecasting a CAGR of 24.7% annually from EUR 3.0 Billion in 2013 to EUR 9.0 Billion in 2018. According to the University of Jyväskylä, Finland, the worldwide sales potential for „Connected Devices“ of which Health- and M2M applications have by far the biggest proportion, is seen to rise from USD 457 Billion in 2010 to USD 1,807 Billion in 2020 (CAGR of 14.7% annually).

These market perspectives and the described projects make exceet's management strongly confident to be able to participate in the substantial growth potential that lies in the structural transformation of the relevant sectors. The ongoing sales and market development efforts and the promising project pipeline of the card business will allow a profitable growth for 2015 based on exceet's portfolio of products, solutions and competences that are strongly biased to the skills in demand for miniaturization and security.

As the group has substantial operations in Switzerland, exceet faces some uncertainties concerning the impact of a stronger CHF against the EUR in some of its markets. As a result of a set of measurements over the last years to improve profitability, the group has realized flexible and cost-efficient access to production capacities within its own European network of plants, thus cushioning possible impacts of exchange rates on costs. The top-line development will be positively affected by the consolidation in EUR. On the other hand foreign exchange losses will be generated out of the revaluation of the group internal financing procedures thus affecting the financial result and net income of the group.

Greenock S.à r.l. a major shareholder of exceet Group SE had informed the company in Q1 2014 that they are assessing their strategic options related to their shareholding in exceet Group SE, including a possible disposal of such shareholding to a third party. Pursuant to the updated information provided by Greenock S.à r.l., no final decision has still been taken regarding the form and timing of a potential transaction.

Luxembourg, 4 May 2015
exceet Group SE
The Board of Directors and the Management Board

INTERIM FINANCIAL STATEMENTS
(CONDENSED & CONSOLIDATED)

INTERIM BALANCE SHEET (CONSOLIDATED)

(in EUR 1,000)	unaudited 31 March 2015	audited 31 December 2014
ASSETS		
Non-current assets		
Tangible assets	36,500	34,246
Intangible assets[1]	64,184	61,063
Deferred tax assets	1,445	1,335
Other financial investments	30	30
Other non-current receivables	182	183
Total non-current assets	**102,341**	**96,857**
Current assets		
Inventories	34,465	31,593
Trade receivables, net	25,853	21,091
Other current receivables	1,699	1,370
Current income tax receivables	165	224
Accrued income and prepaid expenses	1,522	819
Cash and cash equivalents	28,023	30,954
Total current assets	**91,727**	**86,051**
Total assets	**194,068**	**182,908**
EQUITY		
Share capital	528	528
Reserves	104,127	100,488
Equity attributable to Shareholders of the parent company	**104,655**	**101,016**
Total equity	**104,655**	**101,016**
LIABILITIES		
Non-current liabilities		
Borrowings[2]	39,194	35,670
Retirement benefit obligations	10,085	8,523
Deferred tax liabilities	6,676	6,745
Provisions for other liabilities and charges	1,061	1,047
Other non-current liabilities	2,243	2,138
Total non-current liabilities	**59,259**	**54,123**
Current liabilities		
Trade payables	11,336	9,994
Other current liabilities	2,521	2,428
Accrued expenses and deferred income	10,110	7,133
Current income tax liabilities	332	1,908
Borrowings[2]	4,282	4,724
Other financial liabilities	1,396	1,421
Provisions for other liabilities and charges	177	161
Total current liabilities	**30,154**	**27,769**
Total liabilities	**89,413**	**81,892**
Total equity and liabilities	**194,068**	**182,908**

1) Incl. Goodwill of EUR 40,632 (31.12.2014: EUR 38,112)
2) Net debt amount to EUR 15,453 based on third party borrowings EUR 43,476 less cash and cash equivalents of EUR 28,023

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

INTERIM INCOME STATEMENT (CONSOLIDATED)

(in EUR 1,000)	unaudited 01.01. - 31.03.2015	unaudited 01.01. - 31.03.2014
Revenue	46,001	48,395
Cost of sales	(38,366)	(39,227)
Gross profit	**7,635**	**9,168**
Gross profit margin	*16.6%*	*18.9%*
Distribution costs	(3,784)	(3,177)
Administrative expenses	(3,688)	(3,839)
Other operating income	241	365
Operating result (EBIT)[1]	**404**	**2,517**
EBIT margin	*0.9%*	*5.2%*
Financial income	2,664	196
Financial expenses	(6,978)	(657)
Changes in fair value in financial instruments	25	(984)
Financial result, net	**(4,289)**	**(1,445)**
Profit/(Loss) before income tax	**(3,885)**	**1,072**
Income tax expense	(157)	(706)
Profit/(Loss) for the period	**(4,042)**	**366**
Profit/(Loss) margin	*(8.8%)*	*0.8%*
PROFIT/(LOSS) ATTRIBUTABLE TO:		
Shareholders of the parent company	(4,042)	366
Minority interests	0	0
EARNINGS PER SHARE IN EURO (BASIC = DILUTIVE)		
Class A shares	(0.12)	0.01
Class B/C shares	(0.12)	0.01
Operating result (EBIT)	404	2,517
Depreciation, amortization and impairment charges	2,597	2,487
Operating result before depreciation, amortization and impairment charges (EBITDA)[2]	**3,001**	**5,004**
EBITDA margin	*6.5%*	*10.3%*

1) Earnings Before Interest and Taxes
2) Earnings Before Interest, Taxes, Depreciation and Amortization

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

INTERIM STATEMENT OF COMPREHENSIVE INCOME (CONSOLIDATED)

(in EUR 1,000)	unaudited 01.01. - 31.03.2015	unaudited 01.01. - 31.03.2014
Profit/(Loss) for the period	(4,042)	366
Items not to be reclassified to profit and loss:		
Remeasurements of defined benefit obligations	(339)	(63)
Deferred tax effect on remeasurements	51	10
Total items not to be reclassified to profit and loss	(288)	(53)
Items to be reclassified to profit and loss:		
Currency translation differences	7,966	376
Total items to be reclassified to profit and loss	7,966	376
Total comprehensive income for the period	3,636	689
Attributable to:		
Shareholders of the parent company	3,636	689
Minority interests	0	0

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

INTERIM STATEMENT OF CASH FLOWS (CONSOLIDATED)

(in EUR 1,000)	unaudited 01.01. - 31.03.2015	unaudited 01.01. - 31.03.2014
Profit/(Loss) before income tax	(3,885)	1,072
Adjustment for non-cash transactions		
Amortization on intangible assets	936	903
Depreciation on tangible assets	1,661	1,584
(Gains)/Losses on disposal of assets	1	2
Change of provisions	21	21
Adjustments to retirement benefit obligations/prepaid costs	116	106
Financial (income)/expenses	271	294
Change in fair value in financial instruments	(24)	984
Other non-cash (income)/expenses	3,110	(589)
Operating net cash before changes in net working capital	2,207	4,377
Changes to net working capital		
- inventories	(783)	(1,114)
- receivables	(4,048)	(715)
- accrued income and prepaid expenses	(664)	(717)
- liabilities	1,100	744
- provisions for other liabilities and charges	0	(85)
- accrued expenses and deferred income	2,772	1,652
Tax received (prior periods)	142	134
Tax paid	(2,379)	(497)
Interest received	4	2
Interest paid	(303)	(324)
Cashflows from operating activities[1]	(1,952)	3,457
Acquisition of subsidiaries, net of cash acquired	0	0
Purchase of tangible assets	(1,820)	(1,312)
Sale of tangible assets	440	258
Purchase of intangible assets	(87)	(171)
Sale of intangible assets	0	0
Cashflows from investing activities	(1,467)	(1,225)
Increase of borrowings	1	1,656
Repayments of borrowings	(978)	(164)
Proceeds/(Repayments) of other non-current liabilities	105	(19)
Proceeds from finance lease prepayments	0	225
Payments of finance lease liabilities	(719)	(836)
Cashflows from financing activities	(1,591)	862
Net changes in cash and cash equivalents	(5,010)	3,094
Cash and cash equivalents at the beginning of the period	30,954	31,170
Net changes in cash and cash equivalents	(5,010)	3,094
Effect of exchange rate gains/(losses)	2,079	185
Cash and cash equivalents at the end of the period	28,023	34,449

1) Free cash flow amounts to EUR 4,096 based on cash flow from operations of EUR -1,952 minus net capital expenditure (adjusted for finance lease) of EUR 2,144.

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

INTERIM STATEMENT OF CHANGES IN EQUITY (CONSOLIDATED)

(in EUR 1,000)	Issued and paid-in share capital	Capital reserves	Treasury shares	Share-based payments IFRS 2	Retained earnings	Foreign currency transl. diff.	Total shareholders of the parent company
BALANCES AT 1 JANUARY 2015	528	65,485	(4,525)	199	29,815	9,514	101,016
Profit/(Loss) for the period					(4,042)		(4,042)
Other comprehensive income:							
Remeasurements of defined benefit obligations					(339)		(339)
Deferred tax effect on remeasurements					51		51
Currency translation differences						7,966	7,966
Total other comprehensive income for the period	0	0	0	0	(288)	7,966	7,678
Total comprehensive income for the period	0	0	0	0	(4,330)	7,966	3,636
Share-based payments				3			3
Total other equity effects	0	0	0	3	0	0	3
BALANCES AT 31 MARCH 2015	528	65,485	(4,525)	202	25,485	17,480	104,655
BALANCES AT 1 JANUARY 2014	528	65,485	(4,525)	152	28,681	8,421	98,742
Profit/(Loss) for the period					366		366
Other comprehensive income:							
Remeasurements of defined benefit obligations					(63)		(63)
Deferred tax effect on remeasurements					10		10
Currency translation differences						376	376
Total other comprehensive income for the period	0	0	0	0	(53)	376	323
Total comprehensive income for the period	0	0	0	0	313	376	689
Share-based payments				13			13
Total other equity effects	0	0	0	13	0	0	13
BALANCES AT 31 MARCH 2014	528	65,485	(4,525)	165	28,994	8,797	99,444

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONDENSED & CONSOLIDATED)

1 General information

exceet Group SE ("Company") - collectively with its subsidiaries - is the successor company of a reversed asset acquisition of exceet Group SE (formerly named Helikos SE) and exceet Group AG with effect from 26 July 2011. The reversed asset acquisition was the result of a planned arrangement whereby exceet Group AG was acquired by exceet Group SE with former exceet Group AG shareholders receiving de facto control of exceet Group SE and with the Management and Board of Directors of exceet Group AG becoming the Management and Board of Directors of exceet Group SE.

exceet Group SE is incorporated as a Société Européenne under the law of Luxembourg. The Company was incorporated on 9 October 2009 as Helikos SE and renamed to exceet Group SE on 27 July 2011. The registered office is at 115 avenue Gaston Diderich, L-1420 Luxembourg. exceet Group SE carried out its initial public offering on the regulated market (Regulierter Markt) of the Frankfurt Stock Exchange (Frankfurter Wertpapierbörse) under the symbol "EXC" on 4 February 2010.

The consolidated exceet Group SE ("Group" or "exceet") includes all relevant companies in which exceet Group SE, directly or indirectly, has a majority of the voting rights and is able to determine the financial and business policies based on the so-called control concept. All companies consolidated into the Group are disclosed in note 17 "List of consolidated subsidiaries of exceet Group SE".

exceet is an international technology group specialized in the development and manufacturing of intelligent, mission critical and secure electronics of small and mid-size volumes. The Group provides worldwide added value solutions and distinguishes through its technical skill set in embedded intelligent electronics with a leading position in the health, industry & security markets.

The Group differentiates and reports in three business segments: Electronic Components Modules & Systems (ECMS), ID Management & Systems (IDMS) and exceet Secure Solutions (ESS).

The ECMS segment (72% of Group Sales YTD 2015) develops and produces innovative, complex and integrated electronic products, with a focus on miniaturization, cost optimization and a high degree of customization to suit the needs of the customers. The products and services of the ECMS segment are aimed primarily at customers in the sectors of medical and healthcare, industrial automation, security and avionics.

The IDMS segment (23% of Group Sales YTD 2015) is engaged in design, development and production of contact and contactless smart cards, multifunction cards, card reading devices and related services. Offering tailored, innovative solutions while meeting the highest quality and security standards, the Company considers itself as one of the leading providers of comprehensive solutions for high-tech smart cards and the corresponding card reading devices in Europe. IDMS security solutions are used primarily in the sectors of financial services, security, public sector, transportation, healthcare, as well as retail.

The ESS segment (5% of Group Sales YTD 2015) combines the experience gathered in the ECMS and IDMS segments relative to the development of innovative solutions for embedded security systems in selected markets. The ESS segment focuses on security solutions for customers in the sectors of medical and healthcare, industrial automation, financial services, security, avionics and in the public sector.

exceet is mainly focusing on the markets in Europe, but is also active in the markets of USA and Asia-Pacific. The Group consists of 20 legal entities with 14 locations in Austria, the Czech Republic, Germany, Luxembourg, the Netherlands, Romania and Switzerland. This setup allows the Group to benefit from specific local advantages (e.g. customer proximity) and to apply a flexible production process necessary to fulfill the specific requirements of customers.

This condensed consolidated interim financial information is unaudited and was approved for issue by the Board of Directors on 4 May 2015.

2 Adoption of new and revised accounting standards

New and amended standards adopted by the Group

The following standards and amendments, issued by the International Accounting Standards Board ('IASB') and the IFRS Interpretations Committee and as adopted by the European Union (EU), are effective for the first time in the current financial year and have been adopted by the Group:

·	IFRS 10	(New)	"Consolidated financial statements"
·	IFRS 11	(New)	"Joint arrangements"
·	IFRS 12	(New)	"Disclosure of interests in other entities"
·	IAS 27	(Revised)	"Separate financial statements"
·	IAS 32	(Amendment)	"Financial instruments: Presentation – offsetting financial assets and liabilities"
·	IAS 39	(Amendment)	"Novation of derivatives and continuation of hedge accounting"
·	IFRIC 21	(New)	"Levies"

The above standards and amendments adopted by the Group have no impact on its consolidated results of financial position.

Apart from these amendments, the interim condensed consolidated financial statements have been prepared on the basis of the accounting policies, significant judgments, key assumptions and estimates as described on pages 31 to 48 of the consolidated financial statements of exceet Group SE 2014.

New standards, amendments and interpretations not yet adopted by the Group

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2015 and have not been applied in preparing these interim condensed consolidated financial statements.

·	IFRS 9	(New)	"Financial instruments" – IASB effective date 1 January 2018
·	IFRS 14	(New)	"Regulatory Deferral Accounts" – IASB effective date 1 January 2016
·	IFRS 15	(New)	"Contracts with Customers" – IASB effective date 1 January 2017
·	IFRS 10/12 IAS 28	(Amendment)	"Investment entities: Applying Consolidation Exception" – IASB effective date 1 January 2016
·	IFRS 10 /IAS 28	(Amendment)	"Sale or Contribution of Assets between an Investor and its Associate or Joint Venture " – IASB effective date 1 January 2016
·	IFRS 11	(Amendment)	"Accounting for Acquisitions of Interest in Joint Operations" – IASB effective date 1 January 2016
·	IAS 1	(Amendment)	"Disclosure Initiative – IASB effective date 1 January 2016
·	IAS 16 /41	(Amendment)	"Bearer Plants" – IASB effective date 1 January 2017
·	IAS 16/38	(Amendment)	"Clarification of Acceptable Methods of Depreciation and Amortization – IASB effective date 1 January 2016
·	IAS 27	(Amendment)	"Equity Method in separate Financial Statements " – IASB effective date 1 July 2016

The Group is yet to assess the potential impacts of the new standards and amendments to the existing standards and intends to adopt them no later than the effective endorsement date by the EU.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Group.

3 Basis of preparation

The interim condensed consolidated financial statements for the three months ended 31 March 2015, have been prepared in accordance with IAS 34, 'Interim financial reporting'.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the annual financial statements for the year ended 31 December 2014, which have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU).

All figures presented should be read as in EUR 1,000.

Use of estimates and judgments

The preparation of the interim condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these interim condensed consolidated financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2014.

The following exchange rates were relevant to the interim financial report as per 31 March 2015:

	31 March 2015	Average 01.01. - 31.03.2015	31 December 2014	31 March 2014	Average 01.01. - 31.03.2014
CHF 1	0.96	0.93	0.83	0.82	0.82
USD 1	0.93	0.89	0.82	0.73	0.73

Taxes on income in the interim periods are accrued using the local tax rate that would be applicable to expected total annual profit or loss.

Consolidated statement of comprehensive income

The interim consolidated statement of comprehensive income was prepared based on an accruals basis. The consolidated statement of comprehensive income has been presented by using "cost of sales" method.

Seasonality

Revenues and costs are not influenced by seasonal effects, but are mainly impacted by the economic environment in the markets the Group is operating in.

4 Financial risk management and financial instruments

Financial risk factors

The Group's activities expose it to a variety of financial risks: market risks (including currency risk, fair value interest rate risk, cash flow interest rate risk, price risk and public warrant fair value risk), credit risk and liquidity risk.

The interim condensed financial statements do not include all financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the Group's consolidated financial statements for 2014. There have been no changes in any risk management policies since the year end.

Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, prices) or indirectly (that is, derived from prices)

Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs)

The following table presents the Group's asset and liabilities that are measured at fair value.

(in EUR 1,000)	Level 1	Level 2	Level 3	Total
31 MARCH 2015				
Assets as per balance sheet				
Financial assets at fair value through profit or loss				
Interest cap		0		0
Total		0		0
Liabilities as per balance sheet				
Financial liabilities at fair value through profit or loss				
Interest cap		36		36
Public Warrants	1,360			1,360
Earn-out liability			993	993
Total	1,360	36	993	2,389
31 DECEMBER 2014				
Assets as per balance sheet				
Financial assets at fair value through profit or loss				
Interest cap		0		0
Total		0		0
Liabilities as per balance sheet				
Financial liabilities at fair value through profit or loss				
Interest cap		41		41
Public Warrants	1,380			1,380
Earn-out liability			993	993
Total	1,380	41	993	2,414

The group's accounting rules demands the recognition of transfers into or out of fair value hierarchy levels as of the date of the event or at the change in circumstances that caused the transfer. There were no transfers between the levels during the reporting period.

Level 1 Public Warrants are valued on the quoted market price at the balance sheet date. The Public Warrants are listed on the Frankfurt Stock Exchange (Frankfurter Wertpapierbörse).

Level 2 interest caps were valued at fair value by using mark-to-market calculations of observable inputs of interest yield curves.

Management is assisted for the valuation of financial assets required for financial reporting purposes, including level 3 fair values, by the Group's finance department. Discussions of valuation processes and results are held regularly between the CFO and the finance department.

The following tables are presenting the changes in level 3 instruments:

(in EUR 1,000)	Level 3
BALANCE AT 1 JANUARY 2015	
Earn-out of acquisition	993
Currency translation differences	0
BALANCE AT 31 MARCH 2015	993
Total (gains)/losses for the period included in profit or loss	0
BALANCE AT 1 JANUARY 2014	
Earn-out of acquisition	0
Currency translation differences	0
BALANCE AT 31 MARCH 2014	0
Total (gains)/losses for the period included in profit or loss	0

Fair value of financial assets and liabilities measured at amortized costs

The fair values of borrowings are as follows:

(in EUR 1,000)	unaudited 31 March 2015	audited 31 December 2014
CARRYING AMOUNT		
Bank borrowings	38,580	35,872
Finance lease liabilities	4,896	4,522
Total	43,476	40,394
FAIR VALUE		
Bank borrowings	38,580	35,872
Finance lease liabilities	4,896	4,522
Total	43,476	40,394

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

5 Additional information to the cash flow statement

The acquisition of tangible assets is mainly related to the purchase of production facilities and machinery. The Group purchased fixed assets through finance lease arrangements of EUR 680 (3M 2014: EUR 543).

Proceeds from finance lease prepayments are reimbursements in the current reporting period of prepayments of leasing liabilities in previous reporting periods, these prepayments amount to EUR 0 (3M 2014: EUR 225).

Payments of finance lease liabilities represent payments of amortizations of current lease liabilities and prepayments for new lease liabilities in the current period.

6 Segment information

The Group has three main business segments, Electronic Components Modules & Systems (ECMS), ID Management & Systems (IDMS) and exceet Secure Solutions (ESS), representing different subsidiaries. The segment information is presented on the same basis as for internal reporting purposes. The segments are reported in a manner that is consistent with the internal reporting provided to the Group's Chief Operating Decision Maker – Management Board. In addition, the Group has a fourth segment 'Corporate and others' for reporting purposes, which only includes the investment companies.

The segment information for the three months ended 31 March 2015 and a reconciliation of EBIT to profit / (loss) for the period is provided as follows:

Income statement and capital expenditure by segment

01.01. - 31.03.2015 (in EUR 1,000)	ECMS	IDMS	ESS	Corporate and others	Eliminations	Group consolidated
External revenue	33,067	10,406	2,528	0		46,001
Inter-segment revenue	(2)	3	0	76	(77)	0
Total revenue	33,065	10,409	2,528	76	(77)	46,001
EBITDA	4,320	500	(124)	(1,695)		3,001
EBITDA Margin	*13.1%*	*4.8%*	*(4.9%)*			*6.5%*
Depreciation, amortization and impairment	(1,858)	(566)	(127)	(46)		(2,597)
EBIT	2,462	(66)	(251)	(1,741)		404
EBIT Margin	*7.4%*	*(0.6%)*	*(9.9%)*			*0.9%*
Financial income	578	56	0	2,209	(179)	2,664
Financial expense	(1,252)	(244)	(15)	(5,646)	179	(6,978)
Changes in fair value in financial instruments	0	5	0	20		25
Financial result – net	(674)	(183)	(15)	(3,417)	0	(4,289)
Profit/(Loss) before income tax	1,788	(249)	(266)	(5,158)		(3,885)
Income tax	(418)	145	99	17		(157)
Profit/(Loss) for the period	1,370	(104)	(167)	(5,141)		(4,042)
Capital expenditure tangible assets	1,282	1,170	30	18		2,500
Capital expenditure intangible assets	80	0	7	0		87
Depreciation tangible assets	(1,166)	(467)	(17)	(11)		(1,661)
Amortization intangible assets	(692)	(99)	(110)	(35)		(936)

01.01. - 31.03.2014 (in EUR 1,000)	ECMS	IDMS	ESS	Corporate and others	Eliminations	Group consolidated
External revenue	33,691	12,927	1,777	0		48,395
Inter-segment revenue	0	1	0	74	(75)	0
Total revenue	**33,691**	**12,928**	**1,777**	**74**	**(75)**	**48,395**
EBITDA	**5,687**	**890**	**(199)**	**(1,374)**		**5,004**
EBITDA Margin	*16.9%*	*6.9%*	*(11.2%)*			*10.3%*
Depreciation, amortization and impairment	(1,743)	(656)	(51)	(37)		(2,487)
EBIT	**3,944**	**234**	**(250)**	**(1,411)**		**2,517**
EBIT Margin	*11.7%*	*1.8%*	*(14.1%)*			*5.2%*
Financial income	102	20	0	146	(72)	196
Financial expense	(266)	(129)	(10)	(324)	72	(657)
Changes in fair value in financial instruments	0	(4)	0	(980)		(984)
Financial result – net	**(164)**	**(113)**	**(10)**	**(1,158)**	**0**	**(1,445)**
Profit/(Loss) before income tax	**3,780**	**121**	**(260)**	**(2,569)**		**1,072**
Income tax	(934)	74	88	66		(706)
Profit/(Loss) for the period	**2,846**	**195**	**(172)**	**(2,503)**		**366**
Capital expenditure tangible assets	1,062	777	8	8		1,855
Capital expenditure intangible assets	106	65	0	0		171
Depreciation tangible assets	(1,029)	(530)	(14)	(10)		(1,583)
Amortization intangible assets	(714)	(126)	(37)	(27)		(904)

Assets and liabilities by segment

(in EUR 1,000)	ECMS	IDMS	ESS	Corporate and others	Eliminations	Group consolidated
BALANCES AT 31 MARCH 2015 (UNAUDITED)						
Non-current assets	70,832	23,512	7,639	358		102,341
Current assets	69,571	14,040	3,224	4,892		91,727
Liabilities	43,652	12,086	5,206	28,469		89,413
BALANCES AT 31 DECEMBER 2014 (AUDITED)						
Non-current assets	65,411	23,464	7,645	337		96,857
Current assets	64,359	14,303	2,093	5,296		86,051
Liabilities	40,716	11,972	4,264	24,940		81,892
BALANCES AT 31 MARCH 2014 (UNAUDITED)						
Non-current assets	67,485	24,255	2,286	447		94,473
Current assets	74,189	15,077	2,416	2,546		94,228
Liabilities	45,207	20,312	2,684	21,054		89,257

7 Financial result

Financial income for the three months ended 31 March 2015, includes a profit of EUR 20 (3M 2014: Loss of EUR 980) realized on the fair value adjustment of the Public Warrants (note 14 "Other financial liability").

The financial result includes a non-cash loss of EUR 3,037 related to the revaluation of euro-loans given by the Swiss holding to finance the other group companies.

8 Development costs

The position "cost of sales" in the consolidated income statement includes development costs in the amount of EUR 2,376 (3M 2014: EUR 2,032; full year 2014: EUR 8,200).

Development costs are mainly related to development projects for customers as well to products, process development and optimizations for the production.

9 Equity

The authorized share capital as per 31 March 2015 amounts to 45,675,397 shares, thereof 34,734,221 shares are issued and can be divided into 20,523,695 Class A Shares ("Public Shares"), with 20,073,695 Class A Shares listed on the stock exchange and 450,000 own Class A Shares held by the Company (Treasury Shares), 5,210,526 Class B Shares (Founding Shares) and 9,000,000 Class C Shares (Earn-out Shares) with a par value of EUR 0.0152 each. The not issued shares of 10,941,176 are Class A Shares. The Treasury Shares are designated to be used for the Management Stock Option Program.

There were no changes to the share capital of exceet Group SE since the last reporting date of 31 December 2014.

For further information regarding exceet's equity structure, please refer to the consolidated financial statements of exceet Group Consolidated Financial Statements note 13 "Equity" on pages 69 to 71.

10 Earnings per share

Earnings per share (EPS) is calculated by dividing the profit attributable to the ordinary shareholders of the parent company by the weighted average number of ordinary shares outstanding during the period excluding ordinary shares purchased by the Company and held as Treasury Shares.

Due to different rights to receive dividends exceet Group SE has two classes of ordinary shares. Disclosure of EPS amounts is required for both classes of ordinary shares.

Basic earnings per share

The calculation of basic EPS at 31 March 2015 is based on the loss attributable to the owners of the parent of EUR 4,042 (3M 2014: gain of EUR 366) and the weighted average number of ordinary shares outstanding of 20,073,695 Class A Shares and 14,210,526 Class B/C Shares respectively. For the same period in the previous year the notional weighted average numbers of ordinary shares outstanding were 20,073,695 Class A Shares and 14,210,526 Class B/C Shares respectively.

		unaudited 01.01. - 31.03.2015	unaudited 01.01. - 31.03.2014
Profit/(Loss) for the year (EUR 1,000) attributable to equity holders of the Company	Class A Shares	(2,367)	224
	Class B/C Shares	(1,675)	142
Weighted average number of ordinary shares outstanding	Class A Shares	20,073,695	20,073,695
	Class B/C Shares	14,210,526	14,210,526
Basic earnings per share (euro/share)	Class A Shares	(0.12)	0.01
	Class B/C Shares	(0.12)	0.01

Dilutive earnings per share

Diluted EPS are calculated by increasing the average number of shares outstanding by the total number of potential shares arising from option rights. The Group has 20,000,000 outstanding Public Warrants and 66,667 share options from the Management Stock Option Program (MSOP). The warrants and share options are not dilutive as the average market price of the ordinary shares is below the exercise price of the warrants or the share options.

As described in the annual report of exceet Consolidated Financial Statements note 13 "Equity" on pages 69 to 71, Class B and C Shares that are not converted to Public Shares on or prior to the fifth anniversary of the consummation of the reversed asset acquisition will no longer be convertible into Public Shares and will be redeemed. The redemption would reduce the numbers of ordinary shares outstanding, which would then impact the EPS. In the period presented it would lead to higher earnings per share for the other class of shares and consequently has not been considered as dilutive.

Should the share options of the Management Stock Option Program (MSOP) be exercised, the total number of Class A Shares would increase by 66,667 to 20,140,362 Class A Shares, by having minor impact on the EPS. Share options from the MSOP not exercised within the contractual time frame expire without any redemption and have no dilutive impact on the EPS.

As a result the basic earnings per share equal the dilutive EPS.

11 Dividends

No dividends were paid during the three months ended 31 March 2015.

12 Borrowings

(in EUR 1,000)	unaudited 31 March 2015	audited 31 December 2014
NON-CURRENT		
Bank borrowings	36,461	33,142
Finance lease liabilities	2,733	2,528
Total non-current borrowings	**39,194**	**35,670**
CURRENT		
Bank borrowings	2,119	2,730
Finance lease liabilities	2,163	1,994
Total current borrowings	**4,282**	**4,724**
Total borrowings	**43,476**	**40,394**

13 Retirement Benefit Obligation

The impact of measurements of the defined benefit obligation arises from changes in economic assumptions (discount rates) of EUR -2,347 (3M 2014: EUR -463) and return on plan assets of EUR 2,008 (3M 2014: EUR 400), no changes arise from changes in demographic assumptions (3M 2014: EUR 0).

14 Other financial liability

The current financial liability contains a financial liability resulting from fair value measurement of the Public Warrants of EUR 1,360 (31.12.2014: EUR 1,380).

Public Warrants

exceet Group SE completed its initial public offering of 20,000,000 units consisting each of one share and one warrant, both traded on the Frankfurt Stock Exchange, at an initial price of euro 10.00 raising hence a total of EUR 200,000.

Public Warrants are treated as derivatives under IAS 32 as they will be settled net in shares (not in cash). Therefore, they are classified as financial liabilities at fair value through profit or loss.

As at 31 March 2015 the rating of one Public Warrant on the Frankfurt Stock Exchange (Frankfurter Wertpapierbörse) was at eurocent 6.8 (31.12.2014: eurocent 6.9), hence a fair value of EUR 1,360 was recorded at 31 March 2015 (31.12.2014: EUR 1,380).

15 Ultimate controlling parties and related-party transactions

The Company has no ultimate controlling party.

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

For the first three months of 2015 no interest were charged from related parties (3M 2014: 17). The Group had legal charges from related parties in the three months of 2015 of EUR 18 (3M 2014: EUR 41).

16 Events occurring after the reporting period

There were no other events since the balance sheet date on 31 March 2015 that would require adjustment of assets or liabilities or a disclosure.

17 List of consolidated subsidiaries of exceet Group SE

In the effort of Group branding strategy, as electronics GmbH has been renamed to exceet electronics GmbH as of 5 January 2015 and Contec Steuerungstechnik & Automation Gesellschaft mbH has been renamed to exceet electronics GesmbH as of 28 January 2015.

Company	Country	Year of acquisition[1]	Segment	Activity	Share Capital	Share in the capital	Share of the votes
exceet Group S.E.	LUX	2011	C&O	Holding	EUR 527,960	100%	100%
exceet Austria GmbH[2]	AUT	2011	C&O	Holding	EUR 35,000	100%	100%
exceet Holding AG[3]	SUI	2011	C&O	Holding	CHF 100,000	100%	100%
exceet Group AG	SUI	2006	C&O	Holding & Services	CHF 25,528,040	100%	100%
exceet Medtec Romania S.R.L.[4]	ROU	2014	ECMS	Development	RON 1,000	100%	100%
exceet electronics GmbH[5]	GER	2012	ECMS	Development & Sales	EUR 102,150	100%	100%
AEMtec GmbH	GER	2008	ECMS	Manufacturing & Sales	EUR 2,250,000	100%	100%
exceet electronics GesmbH[6][7]	AUT	2011	ECMS	Manufacturing & Sales	EUR 54,000	100%	100%
ECR AG	SUI	2006	ECMS	Manufacturing & Sales	CHF 500,000	100%	100%
GS Swiss PCB AG	SUI	2006	ECMS	Manufacturing & Sales	CHF 1,350,000	100%	100%
exceet electronics AG[8]	SUI	2008	ECMS	Manufacturing & Sales	CHF 1,000,000	100%	100%
idVation GmbH[9]	GER	2009	IDMS	Development & Services	EUR 25,000	100%	100%
exceet Card Group AG	GER	2009	IDMS	Holding & Services	EUR 7,595,389	100%	100%
exceet CZ s.r.o.[10]	CZE	2010	IDMS	Manufacturing	CZK 1,500,000	100%	100%
exceet Card AG[11][12]	GER	2010	IDMS	Manufacturing & Sales	EUR 6,315,584	100%	100%
exceet Card Austria GmbH[13]	AUT	2009	IDMS	Manufacturing & Sales	EUR 35,000	100%	100%
exceet Card Nederland B.V.[14]	NED	2009	IDMS	Manufacturing & Sales	EUR 226,900	100%	100%
AuthentiDate Deutschland GmbH[15]	GER	2011	ESS	Development & Services	EUR 25,000	100%	100%
exceet Secure Solutions AG[16]	GER	2011	ESS	Sales	EUR 1,000,000	100%	100%
Lucom GmbH Elektrokomponenten und Systeme[17]	GER	2014	ESS	Development & Services	EUR 26,000	100%	100%

1) Year of acquisition refers to exceet Group AG point of view
2) exceet Austria GmbH holds 99.01% of the share capital of exceet electronics GesmbH and exceet Group AG 0.99% of the share capital of exceet electronics GesmbH
3) exceet Holding AG (former: Helikos AG) was renamed by 9.5.2014
4) exceet Medtec Romania S.R.L. (former: Valtronic Technologies Romania S.P.L) was renamed by 20.6.2014
5) exceet electronics GmbH (former: as electronics GmbH) was renamed by 5.1.2015
6) exceet electronics GesmbH (former: Contec Steuerungstechnik & Automation Gesellschaft m.b.H.) was renamed by 28.1.2015
7) exceet electronics GesmbH (former: Contec Steuerungstechnik & Automation Gesellschaft m.b.H.) and Inplastor GmbH have been merged in December 2014 retroactively as per 28.3.2014
8) exceet electronics AG (former: Mikrap AG) was renamed by 30.12.2014
9) exceet Card Austria GmbH holds 100% of the share capital of idVation GmbH
10) exceet Card Austria GmbH holds 98.67% of the share capital of exceet CZ s.r.o.
11) NovaCard Informationssysteme GmbH and exceet Card AG (former: Winter AG) have been merged in February 2013 retroactively as per 1.1.2013
12) PPC Card Systems GmbH and exceet Card AG (former: Winter AG) have been merged in August 2012 retroactively as per 1.1.2012
13) exceet Card Group AG holds 100% of the share capital of the subsidiary
14) exceet Card AG holds 100% of the share capital of exceet Card Nederland B.V.
15) exceet Secure Solutions AG (former AuthentiDate International AG) holds 100% of the share capital of AuthentiDate Deutschland GmbH
16) exceet Secure Solutions AG (former AuthentiDate International AG) has been renamed by 13.8.2014
17) exceet Secure Solutions AG holds 100% of the share capital of Lucom GmbH Elektrokomponenten und Systeme

For more detailed information please visit www.exceet.lu/divisions/.