FIRST QUARTER 2016 REPORT

exceet Group SE
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INTERIM MANAGEMENT REPORT

Focus on Electronics and Secure Solutions

- exceet concentrates on further strengthening its electronics and secure solutions activities
- Divestment process for card segment (IDMS) has been started
- Q1 net sales of continued operations reached EUR 31.5 million (3M 2015: EUR 35.6 million), on a Total Group Basis (incl. discontinued operations) EUR 42.5 million (3M 2015: EUR 46.0 million)
- Q1 EBITDA of continued operations reached EUR 1.8 million (3M 2015: 2.5 million), on a Total Group Basis EUR 1.7 million (3M 2015: EUR 3.0 million)
- Order Backlog of continued operations EUR 81.7 million (31.3.2015: EUR 79.0 million) on a Total Group Basis EUR 89.5 million (31.3.2015: EUR 85.4 million)

To focus the exceet Group on the electronic and secure solutions activities, the Board of exceet Group SE decided at the beginning of March 2016 to start a process to sell the business segment of ID Management & Systems (IDMS). As a consequence, the group's IFRS reporting will be split in "Continued Operations" and "Discontinued Operations" as of Q1 2016. In order to allow transparent comparisons with prior reporting periods note 17 of the Interim Financial Statements shows the Interim Balance Sheet and the Interim Income Statement in the previous presentation format (Total Group Basis including discontinued operations – IDMS).

Revenue Development

Continued Operations

The revenue of the first quarter 2016 reached EUR 31.5 million (3M 2015: EUR 35.6 million) representing a decline of minus 11.5% (on a like-for-like basis minus 11.0%). Major reason of this development was the loss of sales out of projects being at the end of their life cycle in the segment of Electronic Components, Modules & Systems (ECMS). New projects are expected to compensate these missing sales this year, but however, with some months' time gap. As of 31 March 2016 the costs of current projects of exceet Secure Solutions (ESS) have been capitalized as work in progress with expected future revenue of EUR 0.6 million (31.3.2015: none).

Discontinued Operations (IDMS)

The IDMS segment was pushed by higher volume projects out of the loyalty and payment activities. It started with a revenue plus of 5.9% into 2016 and achieved net sales of EUR 11.0 million (3M 2015: EUR 10.4 million) in the first quarter. The discontinued operations accounted for 25.9 % of group-wide sales.

EBITDA Margin Development

Continued Operations

As announced earlier, exceet continued its investments in human capital to develop the business activities for instance in industrial IoT, multi identity solutions, IT Security and eHealth as well as into project development. In combination with the missing profit contribution out of the lower sales level and the project mix exceet achieved an EBITDA of EUR 1.8 million (5.7% of net sales) compared to EUR 2.5 million (7.0 % of net sales) in Q1 2015.

Discontinued Operations (IDMS)

The product mix with lower margins on the high volume loyalty cards, higher personal cost related to the reorganization of the loyalty activities and some related adjustments of the inventory resulted in an EBITDA of minus EUR 0.1 million (3M 2015: EUR 0.5 million).

Net Income and Earnings per Share (Total Group Basis)

The group result year to date of minus EUR 0.9 million (3M 2015: EUR minus 4.0 million), represents the lower operational profit. There were no substantial impacts out of non-cash foreign currency valuation adjustments on EUR intercompany loans given by the Swiss holding to finance other group companies (3M 2015: EUR minus 3.0 million) and out of the revaluation of warrants (3M 2015: EUR 0.02 million).

The earnings per share (EPS) were euro minus 0.03 (Q1 2015: euro minus 0.12) per Class A share. On basis of the continued operations the earnings per share were euro minus 0.01 (Q1 2015: euro minus 0.11).

Order Backlog

Continued Operations

On 31 March 2016 exceet's order backlog of continued operations amounted to EUR 81.7 million (31.3.2015: EUR 79.0 million). This results on a rolling twelve month basis into a book-to-bill ratio of 1.05 (3M 2015: 0.87) and reflects the increasing number of new projects.

Discontinued Operations (IDMS)

The backlog of IDMS amounted to EUR 7.8 million (31.3.2015: EUR 6.4 million) with a book-to-bill ratio on a rolling twelve month basis of 1.04 (3M 2015: 0.94).

Cash Development (Total Group Basis)

The net debt position of EUR 12.5 million (31.12.2015: EUR 8.1 million) increased due to the reduced level of cash at 31 March 2016. The lower sales of Q1 resulted in a cash position of EUR 30.1 million (31.12.2015: EUR 33.3 million) and remains exceet's basis to finance the future business development.

EUR 28.4 million of the cash are allocated to the continued operations and EUR 1.7 million to the discontinued operations.

Segment Reporting

Electronic Components, Modules & Systems (ECMS)

Net Sales decreased to EUR 29.8 million during the first three months of 2016, against EUR 33.1 million during the same period of 2015. Major reason for this expected decrease of 9.7% in Q1 was the decline of sales out of projects being at the end of their life cycle. The segment contributed 70.2% to overall Group sales.

ECMS is a full-service developer and manufacturer of complex electronic components, modules and systems in the field of industrial and medical technology.

In Q1 ECMS expanded the activities in the wafer processing area. This new business field integrates vertically within the segments value chain and offers substantial advantages to the customers, allowing a simplification of the logistics in the supply chain and thus reducing the time to market. ECMS will be able to provide an enlarged offer for projects using chips scale packaging in soldering, a key technology in miniaturized electronics. The setup of the new production infrastructure in ECMS is very sustainable and the selection of the equipment guarantees a technological cutting edge for the next 3-5 years. The significant reduction of the processing time is a logical consequence of the synchronized supply chain. First customers already valued this competitive advantage and decided to realize upcoming projects with ECMS. In the next quarter the segment will start to promote systematically the new offering. Therefore further orders are expected for the second half-year of 2016.

Actually ECMS is in the process to bundle production capabilities to further streamline its operations and shifts production capacities in co-operation with the customers from Rotkreuz (Switzerland) to Ebbs (Austria). This enables ECMS to focus in Rotkreuz on its high and longtime engineering competence and to serve customers highly specialized and in a targeted manner.

As a further highlight, the French Ministry of Research confirmed the expertise and innovative power of ECMS. exceets' Berlin based operations received the country-specific French CIR accreditation. The Austrian based operations are actually in the same CIR accreditation process and will be able to offer innovation projects to French customers based on this seal of quality and approval of the French government as well soon.

In the first quarter 2016, the ECMS segment achieved an EBITDA of EUR 3.6 million, accounting for an EBITDA margin of 12.0%, compared to EUR 4.3 million or a margin of 13.1% in the same period of the previous year.

exceet Secure Solutions (ESS)

During the reporting period, ESS generated revenues of EUR 1.7 million, accounting for 3.9% of total group sales. This reflects a decrease of 34.4% compared to Q1 2015 of EUR 2.5 million. As of 31 March 2016 the cost of current projects have been capitalized as work in progress with expected future revenue of EUR 0.6 million (31.3.2015: none).

The segment is specialized in IT Security and industrial Internet of Things (IoT) projects and solutions. As in the last business year, the IoT business is still characterized by a slow but steady market development. In Q1 ESS was able to extend its IoT project pipeline with international, well-known customers. The segment focussed on companies especially in the mechanical- and medical engineering industries. With these projects ESS gained comprehensive industry specific IoT know-how and also enlarged its sector specific IoT security expertise in these markets.

Within all IoT projects the segment recorded a strong demand for concept development, customer specific IoT hardware, IoT software and especially process specific IT Security consulting, products and services. The segment also further improved eHealth, eSignature and Hardware Security Module (HSM) related developments and sales activities and submitted several offers to existing and potential customers.

The EBITDA for this reporting period reached minus EUR 0.6 million (3M 2015: minus EUR 0.1 million) which is reflecting upfront costs to develop the described future growth markets and the lower level of invoiced sales.

ID Management & Systems (IDMS) – discontinued operations

The revenue within the first three month of 2016 amounted to EUR 11.0 million, which represents an increase of 5.9% compared to EUR 10.4 million in Q1 2015.

IDMS provides cards, personalization and related services for loyalty, payment and urban mobility markets. The segment, which shows in general a higher seasonality than the other business segments, strengthened its sales, marketing and production activities and is well prepared for the challenges in these markets.

The segment continued to further implement the centers of excellence structure. Therefore IDMS started to move the loyalty card activities from Unterschleissheim (Germany) to Kematen (Austria). In a first step one part of the loyalty card production, which was based in Vienna, was already moved to Kematen in 2015. Kematen is experienced in loyalty projects since many years and IDMS is expecting service and efficiency improvements out of this shift.

The center of excellence for banking cards was being expanded continuously in Unterschleissheim and Paderborn (Germany). These production sites, with certified VISA and Mastercard processes and facilities, will focus on the special customer needs in this security driven and sensitive market.

Additionally IDMS won a substantial follow-up order from a public transport provider in UK and could hereby successfully expand an existing customer relationship. The segment also generated further projects with new customers, which were acquired in 2015. Thus IDMS enlarged the project with "Number26", Germanys' mobile-first bank, and supports Number26 to offer innovative credit card solutions.

The segment reports an EBITDA of minus EUR 0.1 million for the first three month 2016 which results in an EBITDA Margin of minus 1.1%. In the same period of the previous year the segment achieved an EBITDA of EUR 0.5 million (representing 4.8% EBITDA Margin).

Group Balance Sheet Positions (Total Group Basis)

As of 31 March 2016, the total assets of exceet Group amounted to EUR 186.5 million, compared to EUR 186.6 million as at 31 December 2015. With the separation of the IDMS segment as discontinued operations, the related assets are shown in one line as "assets classified as held for sale" and the related liabilities as well in one line as "liabilities directly associated with assets classified as held for sale". The following comparison with the balance sheet as of 31 December 2015 is adjusted for the positions allocated to IDMS to allow a comparison on a continued basis:

The non-current assets of EUR 73.8 million, decreased compared to the year-end position by EUR 23.2 million and included tangible assets of EUR 28.2 million (31.12.2015 on a comparable basis: EUR 28.1 million) and intangible assets of EUR 43.8 million (31.12.2015 on a comparable basis: EUR 44.6 million).

Current assets amount to EUR 112.7 million, compared to EUR 89.6 million at year-end 2015. The increase of EUR 23.1 million is mainly driven by the reclassification of non-current assets of IDMS in the amount of EUR 22.9 million into the current asset position "assets classified as held for sale". Inventories rose by EUR 1.6 million to EUR 27.4 million (31.12.2015 on a comparable basis: EUR 25.8 million). Receivables on a comparable basis decreased from EUR 18.7 million to EUR 17.6 million. On a comparable basis current income tax receivables increased by EUR 0.2 million and other current asset positions by EUR 0.7 million. Cash and cash equivalents decreased from EUR 33.3 million to EUR 28.4 million. This decrease can mainly be attributed to the reclassification of the IDMS related cash of EUR 1.7 million to the assets held for sale, the negative free cash flow of EUR 4.5 million, the cash in for financing activities of EUR 1.6 million and the negative currency impact on cash positions of EUR 0.2 million.

The outflow for investing activities of EUR 0.6 million (3M 2015: EUR 1.5 million) was mainly invested in replacements. The net debt position as of 31 March 2016 amounts to EUR 12.5 million (31.12.2015: EUR 8.1 million).

At the end of the reporting period, exceet Group's equity amounted to EUR 103.0 million, against EUR 105.5 million as of 31 December 2015. This results in a reasonable equity ratio of 55.2% (31.12.2015: 56.5%).

The increase of the current liabilities by EUR 5.5 million to EUR 31.3 million as of 31 March 2016 (31.12.2015: EUR 25.8 million) includes an increase out of the allocation of EUR 4.1 million as liabilities directly associated with assets classified as held for sale (IDMS), the decrease tax liabilities of EUR 0.2 million and other current liabilities of EUR 1.5 million as well the increase of trade payables of EUR 0.3 million, of accruals of EUR 1.8 million, borrowings of EUR 0.7 million and other smaller changes within the current liabilities.

Non-current liabilities decreased by EUR 2.9 million from EUR 55.2 million at year-end of 2015 to EUR 52.1 million. This change is based on the reclassification of IDMS related non-current liabilities of EUR 4.1 million into the current liabilities as well as the increased long-term borrowings by EUR 0.1 million, the increased retirement benefit obligations by EUR 1.2 million and the increased tax liabilities by EUR 0.2 million.

Capital Market Environment and Share Price Performance

Growth prospects for 2016 – as recently published by the IMF – show a deterioration of the overall economic climate since the beginning of the year. IMF-estimates for world economic growth and as well for Germany and the Eurozone were reduced by 0.2 pp each to 3.2% and 1.5% respectively versus the January-Outlook. The German economic institutes and the OECD are actually expecting 1.6% growth and 1.3% respectively for German growth in the current year (prior estimate 1.8%). The major reasons for concerns are rising risks from global indebtedness, weak commodity and consumer prices, weak growth in the BRIC-states, especially in China and possibly failing central bank policies due to a weak banking sector. The IMF Financial Stability Report recently painted a pessimistic picture of the possibility of a bear market following an erosion of confidence. With respect to the USA observers doubt the economic stability despite Fed tightening on the background of improving labour markets. Major points of concern are a low rate of investment in the corporate sector and a structural weakness in the corporate bond sector. But with the core rate of inflation rising, economists are expecting between two and four further upward steps in rates in 2016. Rising US rates and a rising US-Dollar as a sign of a stabilizing economy there, on the other hand, put additional pressure on the commodity-exporting emerging countries who are bearing high Dollar indebtedness's.

Equity markets in general are lacking positive signals from the overall economy and earnings. The market participants' focus is primarily on central banks' policies. The ECB cut its key rate to zero by mid-March and demands penalty rates of minus 0.4% for bank deposits. In the US there are hopes for a slowdown of interest rate tightening and even a new QE program, possibly in combination with penalty rates for bank deposits. On this background, equity prices have been showing an ongoing high volatility. The Shanghai Composite Index suffered a multiple trade interruption during a pronounced weakness in January. The German DAX lost 7.2% from year end to the end of Q1, standing at 9,966 points after dipping to 8,750 points by mid-February. For German equities – more than for other markets – the EUR/USD-exchange rate will be crucial for their further performance. But investment sensitive German industries as gathered in the VDMA are sending muted signals about exports and order intake.

exceet shares outperformed the DAX slightly and finished the first quarter down 4.5% at EUR 3.80 after a very volatile progression. By end of February the share price marked an all-time low at EUR 2.90, before rising beyond EUR 4 within a couple of trading days on several news from the company.

Employees

Continued Operations

As of 31 March 2016, the Group employed 690 employees (Headcount) or 635 full-time equivalents (FTE) (31.03.2015: 640). 300 (31.03.2015: 293) were employed in Germany, 66 (31.03.2015: 64) in Austria, 253 (31.03.2015: 270) in Switzerland, 15 (31.03.2015: 13) in Romania and 1 (31.03.2015: 0) in the USA.

Discontinued Operations (IDMS)

IDMS as discontinued operations employed as of 31 March 2016 347 employees (Headcount) or 347 full-time equivalents (FTE) (31.03.2015: 339). 117 (31.03.2015: 100) were employed in Germany, 97 (31.03.2015: 91) in Austria, 120 (31.03.2015: 134) in the Czech Republic, and 13 (31.03.2015: 14) in the Netherlands.

Opportunities and Risk Report

The statements provided in the Annual Report 2015 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

With the decision to sell the card activities and to focus on the highly synergetic ECMS and ESS business units, the group underlines its ambition to restore group margins as quickly as possible and to reduce earnings volatility. Furthermore the group structure will be simplified by a significant reduction of the number of sites, thus streamlining management procedures and making the organization in total more cost-efficient.

The concentration on the two business units with the focus on intelligent electronics and secure solutions will allow the group to respond more flexible to market requirements and to improve its market presence. The group will emphasize the further bundling of competences at its sites and push forward its market efforts as envisaged for the sites in Rotkreuz (Switzerland) and Ebbs (Austria).

exceet's market performance is restricted by the ongoing sluggish overall investment sentiment. The Group's portfolio of technological skills is highly regarded and competitive, but the economic conditions under which the company operates are expected to remain challenging for the time being. But a convincing upturn in general investment carried forward by big companies and governments into IoT, IT Security, eHealth, MedTech and Smart Living will put exceet among the beneficiaries.

The financial guidance given in the report for the fiscal year 2015 remains in place for the group in total (continued operations plus discontinued operations) from a current perspective as the IDMS business has not been sold yet. The guidance will be adapted to changing corporate structures dependent on the timing of the execution of the intended changes.

Greenock S.à r.l. a major shareholder of exceet Group SE had informed the company in Q3 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, 2 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 2016	audited 31 December 2015
ASSETS		
Non-current assets		
Tangible assets	28,187	34,425
Intangible assets [1]	43,783	60,944
Deferred tax assets	1,755	1,362
Other financial investments	30	30
Other non-current receivables	0	186
Total non-current assets	**73,755**	**96,947**
Current assets		
Inventories	27,420	30,440
Trade receivables, net	17,641	22,720
Other current receivables	1,137	1,462
Current income tax receivables	1,080	1,006
Accrued income and prepaid expenses	983	745
Cash and cash equivalents	28,351	33,256
	76,612	**89,629**
Assets classified as held for sale [2]	36,127	0
Total current assets	**112,739**	**89,629**
Total assets	**186,494**	**186,576**
EQUITY		
Share capital	528	528
Reserves	102,518	104,960
Equity attributable to Shareholders of the parent company	**103,046**	**105,488**
Total equity	**103,046**	**105,488**
LIABILITIES		
Non-current liabilities		
Borrowings [3]	35,990	37,045
Retirement benefit obligations	10,326	9,784
Deferred tax liabilities	3,596	5,486
Provisions for other liabilities and charges	565	1,301
Other non-current liabilities	1,608	1,633
Total non-current liabilities	**52,085**	**55,249**
Current liabilities		
Trade payables	6,892	9,191
Other current liabilities	1,554	4,258
Accrued expenses and deferred income	7,083	7,137
Current income tax liabilities	281	600
Borrowings [3]	3,039	4,273
Other financial liabilities	20	20
Provisions for other liabilities and charges	27	360
	18,896	**25,839**
Liabilities directly associated with assets classified as held for sale [2]	12,467	0
Total current liabilities	**31,363**	**25,839**
Total liabilities	**83,448**	**81,088**
Total equity and liabilities	**186,494**	**186,576**

1) Incl. Goodwill of EUR 25,348 (31.12.2015: EUR 25,513)
2) Please see note 16 "Discontinued operations"
3) Net debt for continued operations amount to EUR 10'678 (31.12.2015: EUR 9,114) based on third party borrowings EUR 39,029(31.12.2015: EUR 38,200) less cash and cash equivalents of EUR 28,351 (31.12.2015: EUR 29,086)

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. - 31.03.2016	unaudited 01.01. - 31.03.2015
Revenue	31,500	35,592
Cost of sales	(26,723)	(29,425)
Gross profit	**4,777**	**6,167**
Gross profit margin	*15.2%*	*17.3%*
Distribution costs	(2,345)	(2,678)
Administrative expenses	(2,692)	(3,087)
Other operating income	71	68
Operating result (EBIT) [1]	**(189)**	**470**
EBIT margin	*(0.6%)*	*1.3%*
Financial income	745	2,608
Financial expenses	(867)	(6,734)
Changes in fair value in financial instruments	0	20
Financial result, net	**(122)**	**(4,106)**
Profit/(Loss) before income tax	**(311)**	**(3,636)**
Income tax expense	(150)	(302)
Profit/(Loss) from continuing operations	**(461)**	**(3,938)**
Profit/(Loss) margin	*(1.5%)*	*(11.1%)*
Profit/(Loss) from discontinued operations	**(469)**	**(104)**
Profit/(Loss) for the period	**(930)**	**(4,042)**
Profit/(Loss) margin	*(3.0%)*	*(11.4%)*
PROFIT/(LOSS) ATTRIBUTABLE TO:		
Shareholders of the parent company	(930)	(4,042)
EARNINGS PER SHARE IN EURO FROM CONTINUED OPERATIONS (BASIC = DILUTIVE)		
Class A shares	(0.01)	(0.11)
Class B/C shares	(0.01)	(0.11)
EARNINGS PER SHARE IN EURO FROM DISCONTINUED OPERATIONS (BASIC = DILUTIVE)		
Class A shares	(0.01)	(0.00)
Class B/C shares	(0.01)	(0.00)
EARNINGS PER SHARE IN EURO ON TOTAL GROUP BASIS (BASIC = DILUTIVE)		
Class A shares	(0.03)	(0.12)
Class B/C shares	(0.03)	(0.12)
Operating result (EBIT)	(189)	470
Depreciation, amortization and impairment charges	1,992	2,031
Operating result before depreciation, amortization and impairment charges (EBITDA) [2]	**1,803**	**2,501**
EBITDA margin	*5.7%*	*7.0%*

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. - 31.03.2016	unaudited 01.01. - 31.03.2015
Profit/(Loss) for the period	(930)	(4,042)
Items not to be reclassified to profit and loss:		
Remeasurements of defined benefit obligation	(1,314)	(339)
Deferred tax effect on remeasurements of defined benefit obligation	163	51
Items not to be reclassified to profit and loss	(1,151)	(288)
Items to be reclassified to profit and loss:		
Currency translation differences	(361)	7,966
Items to be reclassified to profit and loss	(361)	7,966
Total comprehensive income for the period	(2,442)	3,636
Attributable to:		
Shareholders of the parent company	(2,442)	3,636
Total comprehensive income for the period attributable to the Shareholders of the company		
Continued operations	(1,973)	3,740
Discontinued operations	(469)	(104)
Total comprehensive income for the period	(2,442)	3,636

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

INTERIM STATEMENT OF CASH FLOWS (CONSOLIDATED) [1)]

(in EUR 1,000)	unaudited 01.01. - 31.03.2016	unaudited 01.01. - 31.03.2015
Profit/(Loss) before income tax	(1,070)	(3,885)
Adjustment for non-cash transactions		
Amortization on intangible assets	920	936
Depreciation on tangible assets	1,618	1,661
(Gains)/Losses on disposal of assets	(29)	1
Change of provisions	61	21
Adjustments to retirement benefit obligations/prepaid costs	(117)	116
Financial (income)/expenses	254	271
Change in fair value in financial instruments	0	(24)
Other non-cash (income)/expenses	176	3,110
Operating net cash before changes in net working capital	1,813	2,207
Changes to net working capital		
- inventories	(2,260)	(783)
- receivables	(597)	(4,048)
- accrued income and prepaid expenses	(647)	(664)
- liabilities	(1,026)	1,100
- provisions for other liabilities and charges	(214)	0
- accrued expenses and deferred income	1,834	2,772
Tax received (prior periods)	251	142
Tax paid	(1,535)	(2,379)
Interest received	2	4
Interest paid	(307)	(303)
Cashflows from operating activities [2)]	(2,686)	(1,952)
Purchase of tangible assets	(467)	(1,820)
Sale of tangible assets	129	440
Purchase of intangible assets	(230)	(87)
Cashflows from investing activities	(568)	(1,467)
Increase of borrowings	1,065	1
Repayments of borrowings	(165)	(978)
Proceeds/(Repayments) of other non-current liabilities	(18)	105
Payments of finance lease liabilities	(605)	(719)
Cashflows from financing activities	277	(1,591)
Net changes in cash and cash equivalents	(2,977)	(5,010)
Cash and cash equivalents at the beginning of the period	33,256	30,954
Net changes in cash and cash equivalents	(2,977)	(5,010)
Effect of exchange rate gains/(losses)	(183)	2,079
Cash and cash equivalents at the end of the period [3)]	30,096	28,023

1) The cash flow statement is presented without any effects from discontinued operations as well as assets and liabilities held for sale. Please refer to note 16 "Discontinued Operations" for cash flow from discontinued operations.
2) Free cash flow amounts to EUR -4,506 based on cash flow from operations of EUR -2,686 minus net capital expenditure (adjusted for finance lease) of EUR -1,820
3) Includes EUR 1,745 which is included in "Assets classified as held for sale" in the balance sheet as of 31 March 2016.

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 2016	528	65,485	(4,525)	202	28,762	15,036	105,488
Profit/(Loss) for the period					(930)		(930)
Other comprehensive income:							
Remeasurements of defined benefit obligations					(1,314)		(1,314)
Deferred tax effect on remeasurements					163		163
Currency translation differences						(361)	(361)
Total other comprehensive income for the period	0	0	0	0	(1,151)	(361)	(1,512)
Total comprehensive income for the period	0	0	0	0	(2,081)	(361)	(2,442)
Share-based payments							0
Total other equity effects	0	0	0	0	0	0	0
BALANCES AT 31 MARCH 2016	528	65,485	(4,525)	202	26,681	14,675	103,046
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

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 located 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 19 "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 itself through its technical skill set in embedded intelligent electronics with a leading position in the health, industry & security markets.

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

To focus the exceet Group on the electronic and secure solutions activities, the Board of exceet Group SE decided at the beginning of March 2016 to start a process to sell the business segment of ID Management & Systems (IDMS). As a consequence, the group's IFRS reporting will be split in "Continued Operations" and "Discontinued Operations".

The ECMS segment (continued operations) 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 ESS segment (continued operations) 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 segment is specialized in IT Security and industrial Internet of Things (IoT) projects and solutions in the mechanical- and medical engineering industries.

The IDMS segment (discontinued operations) 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.

exceet is mainly focusing on the markets in Europe, but is also active in the markets of USA and Asia-Pacific. The Group (continued and discontinued operations) consists of 21 legal entities with 15 locations in Austria, the Czech Republic, Germany, Luxembourg, the Netherlands, Romania, Switzerland and the USA. For details on the legal entities please refer to Note 19 "List of consolidated subsidiaries of exceet Group SE". 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 2 May 2016.

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 11	(Amendment)	"Accounting for Acquisitions of Interest in Joint Operations" – IASB and EU effective date 1 January 2016
· IAS 1	(Amendment)	"Disclosure Initiative – IASB and EU effective date 1 January 2016
· IAS 16 /41	(Amendment)	"Bearer Plants" – IASB and EU effective date 1 January 2016
· IAS 16/38	(Amendment)	"Clarification of Acceptable Methods of Depreciation and Amortization – IASB and EU effective date 1 January 2016
· IAS 27	(Amendment)	"Equity Method in separate Financial Statements " – IASB and EU effective date 1 January 2016
· Annual improvement cycle (2012 – 2014)		Various improvements to IFRS 5, IFRS 7, IAS 19 and IAS 34 – IASB and EU effective date 1 January 2016

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

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 33 to 49 of the consolidated financial statements of exceet Group SE 2015.

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 2016 and have not been applied in preparing these interim condensed consolidated financial statements.

· IFRS 14	(New)	"Regulatory Deferral Accounts" – IASB effective date 1 January 2016 – EU endorsement outstanding
· IFRS 10/12 IAS 28	(Amendment)	"Investment entities: Applying Consolidation Exception" – IASB effective date 1 January 2016 - EU endorsement outstanding
· IFRS 9	(New)	"Financial instruments" – IASB effective date 1 January 2018 – EU endorsement outstanding
· IFRS 15	(New)	"Contracts with Customers" – IASB effective date 1 January 2018 – EU endorsement outstanding
· IAS 7	(Amendment)	"Disclosure Initiative" – IASB effective date 1 January 2017 – EU endorsement outstanding
· IAS 12	(Amendment)	"Recognition of Deferred Tax Assets for Unrealized Losses – IASB effective date 1 January 2017 - EU endorsement outstanding

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 2016, have been prepared in accordance with IAS 34, 'Interim financial reporting'.

Following the announcement of the start of the process to sell the business segment of IDMS, the respective figures are shown as discontinued operations and certain 2015 figures have been restated in accordance with IFRS 5. The balance sheet and income statement without taking into account the split for discontinued operations can be seen in Note 17.

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 2015, 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 2015.

The following exchange rates were relevant to the interim financial report as per 31 March 2016:

	31 March 2016	Average 01.01. - 31.03.2016	31 December 2015	31 March 2015	Average 01.01. - 31.03.2015
CHF 1	0.91	0.91	0.92	0.96	0.93
USD 1	0.88	0.91	0.92	0.93	0.89

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 2015. 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 valued on observable market data (that are, unobservable inputs, for instance estimation and assumptions)

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

(in EUR 1,000)	Level 1	Level 2	Level 3	Total
31 MARCH 2016				
Assets as per balance sheet				
Financial assets at fair value through profit or loss				0
Interest cap				0
Total	0	0	0	0
Liabilities as per balance sheet				
Financial liabilities at fair value through profit or loss				0
Interest cap				0
Public warrants	20			20
Earn-out liability			998	998
Total	20	0	998	1,018
31 DECEMBER 2015				
Assets as per balance sheet				
Financial assets at fair value through profit or loss				0
Interest cap				0
Total	0	0	0	0
Liabilities as per balance sheet				
Financial liabilities at fair value through profit or loss				0
Interest cap				0
Public warrants	20			20
Earn-out liability			998	998
Total	20	0	998	1,018

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 2016	998
Currency translation differences	0
BALANCE AT 31 MARCH 2016	998
Total (gains)/losses for the period included in profit or loss	0
BALANCE AT 1 JANUARY 2015	993
Currency translation differences	0
BALANCE AT 31 MARCH 2015	993
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 for continued business are as follows:

(in EUR 1,000)	unaudited 31 March 2016	audited 31 December 2015
CARRYING AMOUNT		
Bank borrowings	34,607	35,013
Finance lease liabilities	1,383	859
Total	35,990	35,872
FAIR VALUE		
Bank borrowings	35,828	36,234
Finance lease liabilities	1,383	859
Total	37,211	37,093

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 1,252 (3M 2015: EUR 680).

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 two main business segments, Electronic Components Modules & Systems (ECMS) 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 third segment 'Corporate and others' for reporting purposes, which only includes the investment companies.

The Segment ID Management & System (IDMS) formerly reported within the segment reporting has been classified as held for sale.

The segment information for the three months ended 31 March 2016 and a reconciliation of EBIT to profit/(loss) for the period is provided as follows:

Income statement and capital expenditure by segment

01.01. - 31.03.2016 (in EUR 1,000)	ECMS	ESS	Corporate and others	Eliminations	Continued Operations
External revenue	29,841	1,659	0		31,500
Inter-segment revenue	8	0	68	(76)	0
Total revenue	**29,849**	**1,659**	**68**	**(76)**	**31,500**
EBITDA	**3,577**	**(557)**	**(1,217)**		**1,803**
EBITDA Margin	*12.0%*	*(33.6%)*			*5.7%*
Depreciation, amortization and impairment	(1,800)	(137)	(55)		(1,992)
EBIT	**1,777**	**(694)**	**(1,272)**	**0**	**(189)**
EBIT Margin	*6.0%*	*(41.8%)*			*(0.6%)*
Financial income	270	0	545	(70)	745
Financial expense	(432)	(17)	(488)	70	(867)
Changes in fair value in financial instruments	0	0	0		0
Financial result – net	**(162)**	**(17)**	**57**	**0**	**(122)**
Profit/(Loss) before income tax	**1,615**	**(711)**	**(1,215)**	**0**	**(311)**
Income tax	(413)	234	29		(150)
Profit/(Loss) for the period	**1,202**	**(477)**	**(1,186)**	**0**	**(461)**
Capital expenditure tangible assets	1,336	37	2		1,375
Capital expenditure intangible assets	21	209	0		230
Depreciation tangible assets	(1,133)	(21)	(12)		(1,166)
Amortization intangible assets	(667)	(116)	(43)		(826)

01.01. - 31.03.2015 (in EUR 1,000)	ECMS	ESS	Corporate and others	Eliminations	Continued Operations
External revenue	33,064	2,528	0		35,592
Inter-segment revenue	0	0	76	(76)	0
Total revenue	33,064	2,528	76	(76)	35,592
EBITDA	4,320	(124)	(1,695)		2,501
EBITDA Margin	*13.1%*	*(4.9%)*			*7.0%*
Depreciation, amortization and impairment	(1,858)	(127)	(46)		(2,031)
EBIT	2,462	(251)	(1,741)	0	470
EBIT Margin	*7.4%*	*(9.9%)*			*1.3%*
Financial income	578	0	2,209	(179)	2,608
Financial expense	(1,252)	(15)	(5,646)	179	(6,734)
Changes in fair value in financial instruments	0	0	20		20
Financial result – net	(674)	(15)	(3,417)	0	(4,106)
Profit/(Loss) before income tax	1,788	(266)	(5,158)	0	(3,636)
Income tax	(418)	99	17		(302)
Profit/(Loss) for the period	1,370	(167)	(5,141)	0	(3,938)
Capital expenditure tangible assets	1,282	30	18		1,330
Capital expenditure intangible assets	80	7	0		87
Depreciation tangible assets	(1,166)	(17)	(11)		(1,194)
Amortization intangible assets	(692)	(110)	(35)		(837)

Assets and liabilities by segment

(in EUR 1,000)	ECMS	ESS	Corporate and others	Eliminations	Continued Operations
BALANCES AT 31 MARCH 2016 (UNAUDITED)					
Non-current assets	65,723	7,774	258		73,755
Current assets	65,294	2,365	8,953		76,612
Liabilities	41,661	3,741	25,579		70,981
BALANCES AT 31 DECEMBER 2015 (AUDITED)					
Non-current assets	66,195	7,450	312		73,957
Current assets	62,769	2,666	10,447		75,882
Liabilities	39,156	4,097	25,709		68,962
BALANCES AT 31 MARCH 2015 (UNAUDITED)					
Non-current assets	70,832	7,639	358		78,829
Current assets	69,571	3,224	4,892		77,687
Liabilities	43,652	5,206	28,469		77,327

7 Financial result

Financial income for the three months ended 31 March 2016, includes no profit (3M 2015: Profit of EUR 20) 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 116 (3M 2015: 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 for continued operations includes development costs in the amount of EUR 1,988 (3M 2015: EUR 2,376; full year 2015: EUR 8,000). 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 2016 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 euro 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 2015.

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 70 to 72.

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 continued operations

The calculation of basic EPS at 31 March 2016 is based on the loss from continued operations attributable to the owners of the parent of EUR 461 for three months 2016 (3M 2015: Loss of EUR 3,938) 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. - 31.03.2016	unaudited 01.01. - 31.03.2015
Profit/(Loss) for continued operations for the year (EUR 1,000) attributable to equity holders of the Company	Class A Shares	(270)	(2,306)
	Class B/C Shares	(191)	(1,632)
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/(loss) per share (euro/share)	Class A Shares	(0.01)	(0.11)
	Class B/C Shares	(0.01)	(0.11)

Basic earnings per share discontinued operations

The calculation of basic EPS at 31 March 2016 is based on the loss from discontinued operations attributable to the owners of the parent of EUR 469 for three months 2016 (3M 2015: Loss of EUR 104) 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. - 31.03.2016	unaudited 01.01. - 31.03.2015
Profit/(Loss) for discontinued operations for the year (EUR 1,000) attributable to equity holders of the Company	Class A Shares	(275)	(61)
	Class B/C Shares	(194)	(43)
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/(loss) per share (euro/share)	Class A Shares	(0.01)	(0.00)
	Class B/C Shares	(0.01)	(0.00)

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 70 to 72, 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, 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 2016.

12 Borrowings

Borrowings for continued operations are as follows:

(in EUR 1,000)	unaudited 31 March 2016	audited 31 December 2015
NON-CURRENT		
Bank borrowings	34,607	35,013
Finance lease liabilities	1,383	859
Total non-current borrowings	**35,990**	**35,872**
CURRENT		
Bank borrowings	1,926	1,239
Finance lease liabilities	1,113	1,089
Total current borrowings	**3,039**	**2,328**
Total borrowings	**39,029**	**38,200**

13 Retirement Benefit Obligation

The impact of measurements of the defined benefit obligation arises from changes in economic assumptions (discount rates) EUR 1,416 (3M 2015: EUR -2,347) and from return on plan assets of EUR -102 (3M 2015: EUR 2,008).

14 Other financial liability

The current financial liability contains a financial liability resulting from fair value measurement of the Public Warrants of EUR 20 (31.12.2015: EUR 20).

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 2016 the rating of one Public Warrant on the Frankfurt Stock Exchange was at eurocent 0.1 (31.12.2015: eurocent 0.1), hence a fair value of EUR 20 was recorded at 31 March 2016 (31.12.2015: EUR 20).

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.

The Group had legal charges from related parties in the three months of 2016 of EUR 35 (3M 2015: EUR 18).

16 Discontinued Operations

The assets and liabilities of the discontinued operations classified as held for sale are measured at the lower of their carrying value less cost to sell and are presented separately in the balance sheet. Based on the decision the sell the business segment, an impairment review was performed which revealed no need for impairment. Fair value less cost to sell has been determined based on the valuation of the expected business performance and the expected sales proceeds from a third party buyer. This is a level 3 fair value measurement.

At 31 March 2016 and 31 December 2015, the following assets and liabilities have been classified as held for sale:

(in EUR 1,000)	31 March 2016	31 December 2015
Assets classified as held for sale		
Tangible assets	6,138	6,336
Intangible assets [1]	16,224	16,318
Deferred tax assets	364	150
Other non-current receivables	186	186
Inventories	5,078	4,647
Trade receivables, net	5,179	4,021
Other current receivables	634	501
Current income tax receivables	171	168
Accrued income and prepaid expenses	408	240
Cash and cash equivalents	1,745	4,170
Total assets classified as held for sale	**36,127**	**36,737**
Liabilities direclty associated with assets classified as held for sale		
Borrowings [2]	3,583	3,118
Retirement benefit obligations	624	624
Deferred tax liabilities	1,593	1,681
Provisions for other liabilities and charges	915	1,086
Other non-current liabilities	7	7
Trade payables	2,922	2,601
Other current liabilities	1,025	1,191
Accrued expenses and deferred income	1,781	1,812
Current income tax liabilities	17	6
Total liabilities directly associated with assets classified as held for sale	**12,467**	**12,126**

1) Incl. Goodwill of EUR 14,452 (31.12.2015: EUR 14,452)
2) Net debt for continued operations amount to EUR 1,838 (31.12.2015: EUR -1,052) based on third party borrowings EUR 3,583(31.12.2015: EUR 3,118) less cash and cash equivalents of EUR 1,745 (31.12.2015: EUR 4,170)

The financial performance of the discontinued operations for the first three months 2016 and 2015 is as follows:

(in EUR 1,000)	01.01. - 31.03.2016	01.01. - 31.03.2015
FINANCIAL PERFORMANCE		
External revenue	11,023	10,409
Expenses	(11,782)	(10,658)
Profit before income tax	(759)	(249)
Income tax	290	145
Profit / (Loss) from discontinued operations	**(469)**	**(104)**
Comprehensive income from discontinued operations	**(469)**	**(104)**
PROFIT/(LOSS) ATTRIBUTABLE TO:		
Shareholders of the parent company	(469)	(104)
EARNINGS PER SHARE IN EURO FROM DISCONTINUED OPERATIONS (BASIC = DILUTIVE)		
Class A shares	(0.01)	(0.00)
Class B/C shares	(0.01)	(0.00)
CASH FLOW INFORMATION		
Net Cash inflow / (outflow) from operating activities	(2,412)	613
Net Cash inflow / (outflow) from investing activities	127	(55)
Net Cash inflow / (outflow) from financing activities	(140)	(443)
Net increase / (decrease) in cash generated by discontinued operations	**(2,425)**	**115**

17 Additional information

Group Financials (incl. discontinued operations)

The following numbers have been prepared under the assumption that IDMS will be continued operations. These statements have been disclosed to provide additional information to the reader of the interim financial statements to compare the current numbers with prior years reported numbers and is not a requirement from IFRS endorsed by EU.

Interim balance sheet (consolidated) on Total Group Basis

(in EUR 1,000)	unaudited 31 March 2016	audited 31 December 2015
ASSETS		
Non-current assets		
Tangible assets	34,325	34,425
Intangible assets [1]	60,007	60,944
Deferred tax assets	2,119	1,362
Other financial investments	30	30
Other non-current receivables	186	186
Total non-current assets	**96,667**	**96,947**
Current assets		
Inventories	32,498	30,440
Trade receivables, net	22,820	22,720
Other current receivables	1,771	1,462
Current income tax receivables	1,251	1,006
Accrued income and prepaid expenses	1,391	745
Cash and cash equivalents	30,096	33,256
Total current assets	**89,827**	**89,629**
Total assets	**186,494**	**186,576**
EQUITY		
Share capital	528	528
Reserves	102,518	104,960
Equity attributable to Shareholders of the parent company	**103,046**	**105,488**
Total equity	**103,046**	**105,488**
LIABILITIES		
Non-current liabilities		
Borrowings [2]	37,284	37,045
Retirement benefit obligations	10,950	9,784
Deferred tax liabilities	5,189	5,486
Provisions for other liabilities and charges	1,143	1,301
Other non-current liabilities	1,615	1,633
Total non-current liabilities	**56,181**	**55,249**
Current liabilities		
Trade payables	9,814	9,191
Other current liabilities	2,579	4,258
Accrued expenses and deferred income	8,864	7,137
Current income tax liabilities	298	600
Borrowings [2]	5,328	4,273
Other financial liabilities	20	20
Provisions for other liabilities and charges	364	360
Total current liabilities	**27,267**	**25,839**
Total liabilities	**83,448**	**81,088**
Total equity and liabilities	**186,494**	**186,576**

1) Incl. Goodwill of EUR 39,800 (31.12.2015: EUR 39,965)
2) Net debt amount to EUR 12,516 (31.12.2015: EUR 8,062) based on third party borrowings EUR 42,612 (31.12.2015: EUR 41,318) less cash and cash equivalents of EUR 30,096 (31.12.2015: EUR 33,256)

Interim income statement (consolidated) on Total Group Basis

(in EUR 1,000)	unaudited 01.01. - 31.03.2016	unaudited 01.01. - 31.03.2015
Revenue	42,523	46,001
Cost of sales	(36,326)	(38,366)
Gross profit	**6,197**	**7,635**
Gross profit margin	*14.6%*	*16.6%*
Distribution costs	(3,872)	(3,784)
Administrative expenses	(3,430)	(3,688)
Other operating income	244	241
Operating result (EBIT) [1]	**(861)**	**404**
EBIT margin	*(2.0%)*	*0.9%*
Financial income	725	2,664
Financial expenses	(934)	(6,978)
Changes in fair value in financial instruments	0	25
Financial result, net	**(209)**	**(4,289)**
Profit/(Loss) before income tax	**(1,070)**	**(3,885)**
Income tax expense	140	(157)
Profit/(Loss) for the period	**(930)**	**(4,042)**
Profit/(Loss) margin	*(2.2%)*	*(8.8%)*
PROFIT/(LOSS) ATTRIBUTABLE TO:		
Shareholders of the parent company	(930)	(4,042)
EARNINGS PER SHARE IN EURO (BASIC = DILUTIVE)		
Class A shares	(0.03)	(0.12)
Class B/C shares	(0.03)	(0.12)
Operating result (EBIT)	(861)	404
Depreciation, amortization and impairment charges	2,538	2,597
Operating result before depreciation, amortization and impairment charges (EBITDA) [2]	**1,677**	**3,001**
EBITDA margin	*3.9%*	*6.5%*

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

18 Events occurring after the reporting period

There were no other events since the balance sheet date on 31 March 2016 that would require adjustment of assets or liabilities or a disclosure.

19 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. Furthermore exceet USA, Inc. was incorporated at 15 September 2015, and is a 100% subsidiary of exceet Group AG.

Company	Country	Year of acquisition [1]	Segment	Activity	Share Capital	Share in the capital	Share of the votes
CONTINUED OPERATIONS							
exceet Group S.E.	LUX	2011	C&O	Holding	EUR 527,960	100%	100%
exceet Holding AG [2]	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 Austria GmbH [3]	AUT	2011	C&O	Holding	EUR 35,000	100%	100%
GS Swiss PCB AG	SUI	2006	ECMS	Manufacturing & Sales	CHF 1,350,000	100%	100%
ECR AG	SUI	2006	ECMS	Manufacturing & Sales	CHF 500,000	100%	100%
AEMtec GmbH	GER	2008	ECMS	Manufacturing & Sales	EUR 2,250,000	100%	100%
exceet electronics AG [4]	SUI	2008	ECMS	Manufacturing & Sales	CHF 1,000,000	100%	100%
exceet electronics GesmbH [5][6]	AUT	2011	ECMS	Manufacturing & Sales	EUR 54,000	100%	100%
exceet electronics GmbH [7]	GER	2012	ECMS	Development & Sales	EUR 102,150	100%	100%
exceet Medtec Romania S.R.L. [8]	ROU	2014	ECMS	Development	RON 1,000	100%	100%
exceet USA, Inc.	USA	2015	ECMS	Sales	USD 10	100%	100%
exceet Secure Solutions AG [9]	GER	2011	ESS	Sales	EUR 1,000,000	100%	100%
exceet Secure Solutions Deutschland GmbH [10][11]	GER	2011	ESS	Development & Services	EUR 25,000	100%	100%
Lucom GmbH Elektrokomponenten und Systeme [12]	GER	2014	ESS	Development & Services	EUR 26,000	100%	100%
DISCONTINUED OPERATIONS							
exceet Card Group AG	GER	2009	IDMS	Holding & Services	EUR 7,595,389	100%	100%
exceet Card Austria GmbH [13]	AUT	2009	IDMS	Manufacturing & Sales	EUR 35,000	100%	100%
idVation GmbH [14]	GER	2009	IDMS	Development & Services	EUR 25,000	100%	100%
exceet Card Nederland B.V. [15]	NED	2009	IDMS	Manufacturing & Sales	EUR 226,900	100%	100%
exceet Card AG [16][17]	GER	2010	IDMS	Manufacturing & Sales	EUR 6,315,584	100%	100%
exceet CZ s.r.o. [18]	CZE	2010	IDMS	Manufacturing	CZK 1,500,000	100%	100%

1) Year of acquisition refers to exceet Group AG point of view
2) exceet Holding AG (former: Helikos AG) was renamed by 9.5.2014
3) exceet Austria GmbH holds 99.34% of the share capital of exceet electronics GesmbH and exceet Group AG 0.66% of the share capital of exceet electronics GesmbH
4) exceet electronics AG (former: Mikrap AG) was renamed by 30.12.2014
5) exceet electronics GesmbH (former: Contec Steuerungstechnik & Automation Gesellschaft m.b.H.) was renamed by 28.1.2015
6) 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
7) exceet electronics GmbH (former: as electronics GmbH) was renamed by 5.1.2015
8) exceet Medtec Romania S.R.L. (former: Valtronic Technologies Romania S.P.L) was renamed by 20.6.2014
9) exceet Secure Solutions AG (former AuthentiDate International AG) has been renamed by 13.8.2014
10) exceet Secure Solutions AG (former AuthentiDate International AG) holds 100% of the share capital of exceet Secure Solutions Deutschland GmbH
11) exceet Secure Solutions Deutschland GmbH (former: AuthentiDate Deutschland GmbH) was renamed by 20.9.2015
12) exceet Secure Solutions AG holds 100% of the share capital of Lucom GmbH Elektrokomponenten und Systeme
13) exceet Card Group AG holds 100% of the share capital of the subsidiary
14) exceet Card Austria GmbH holds 100% of the share capital of idVation GmbH
15) exceet Card AG holds 100% of the share capital of exceet Card Nederland B.V.
16) NovaCard Informationssysteme GmbH and exceet Card AG have been merged in February 2013 retroactively as per 1.1.2013
17) PPC Card Systems GmbH and exceet Card AG have been merged in August 2012 retroactively as per 1.1.2012
18) exceet Card Austria GmbH holds 100% of the share capital of exceet CZ s.r.o.

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