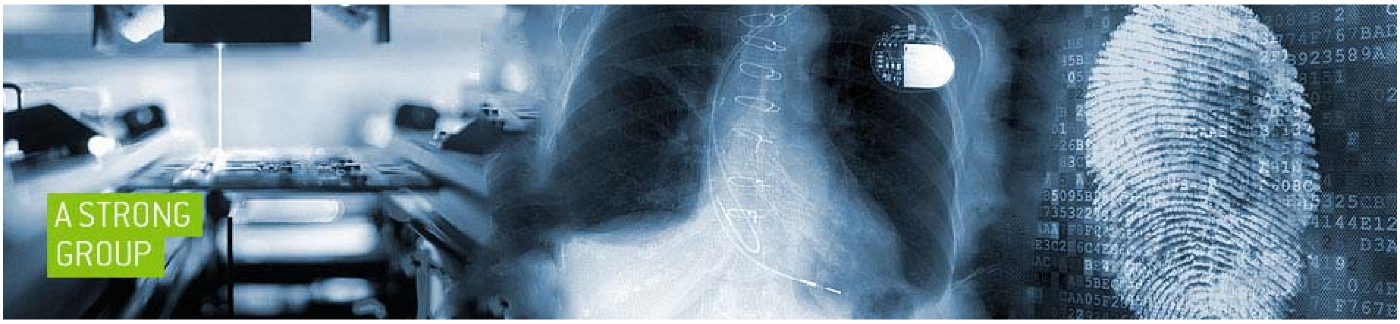

INTERIM MANAGEMENT REPORT

Report on the First Nine Months of 2013

exceet Group SE
115 avenue Gaston Diderich
L-1420 Luxembourg
Grand Duchy of Luxembourg

exceet improves EBITDA-performance by 22.6%

- Q3 2013: EBITDA Margin of 12.1% (Q3 2012: EBITDA Margin 10.6%)
- Strong cash position of EUR 26.1m supports pleasant Net Debt/EBITDA ratio of 0.7
- Infrastructure investment: New facility in Berlin with state-of-the art technology for high end-products
- Outlook for the Group remains promising

Revenue Development

Revenue of the first 9 months 2013 reached EUR 141.8m (9M 2012: EUR 138.2m / +2.5%). The revenue in Q3 2013 amounted to EUR 50.9m against EUR 47.7m in Q3 2012 representing an increase of 6.9%. The organic growth accelerated to +7.9% during the quarter (from +1.9% in Q2). The upturn recorded in Q2 was confirmed and even exceeded in Q3.

EBITDA Development

exceet's key focus on high margin innovative products and solutions in the Health, Industry and Security Sectors led to a significantly higher EBITDA of EUR 14.4m (9M 2013) in comparison to EUR 11.7m (9M 2012) showing an increase of 23.2%. This results in an EBITDA margin of 10.1% for the first 9 months of 2013, against 8.4% in the same period of the previous year. No non-recurring items were recorded year-to-date 2013.

In Q3 2013, the Group managed to increase its EBITDA performance by 22.6% compared with the same period last year. EBITDA in Q3 2013 amounts to EUR 6.2m (EBITDA Margin 12.1%) compared to EUR 5.0m (EBITDA Margin 10.6%) in Q3 2012.

The EBITDA improvement started in Q2 2013 was confirmed in Q3 2013, as EBITDA margin reached 12.1% during the quarter compared to 11.2% in Q2 2013 and 6.6% in Q1 2013.

Net Income and Earnings per Share

The net income of exceet Group has improved from EUR -0.3m (9M 2012) to EUR 7.6m (9M 2013) mainly driven by the improvement of the operational EBITDA margin by EUR +2.7m and the gain in financial instruments due to the positive effect of EUR +3.8m out of the revaluation of public warrants. The earnings per share (EPS) reached EUR 0.37 (9M 2013) in comparison to EUR -0.01 (9M 2012) per class A share.

Order Intake

The volume of newly generated orders for the Group reached EUR 149.5m in the first nine months of the current year 2013 which is 8.3% above the comparable period of last year. Furthermore, with a Book/Bill ratio of 1.1 the Group is well set for future growth.

Cash Development

The improved EBITDA performance and an ongoing active management of the net working capital, generated free cash flow in the amount of EUR 1.4m compared to EUR -13.0m in the same period 2012. Furthermore the net debt position was reduced to EUR 13.4m compared to EUR 17.4m in the prior year period. With a cash position of EUR 26.1m the Group is well prepared to strengthen organic and acquisition driven growth.

Segment Reporting

Electronic Components, Modules & Systems (ECMS)
Net Sales increased by 9.2% to EUR 107.3m during the first 9 months of 2013, against EUR 98.2m during the first 9 months of 2012. The segment's contribution to overall Group sales increased from 71.0% (9M 2012) to 75.5% (9M 2013).

Increasing customer demand for complex electronics in the field of therapeutic devices, implants, highly miniaturized printed circuit boards and products requiring high-precision placement of optical components led to this increase of revenue.

In the Industry market sector, exceet provides scalable solutions for machine specific customizable control panels for the capital goods industry, e.g. industrial vending machines.

In the Health market sector customer demand for active implantable medical devices is addressed by exceet's offering of high-reliability, ultra-miniaturized systems for maximum patient comfort. exceet convinces with value added competences in product design, miniaturization of electronics, fulfilment of maximum quality requirements at FDA level and its life cycle management.

For exceet's high end electronic solutions, precision with zero tolerance is a must. In order to meet this fundamental necessity, exceet further expanded the development and production capacity in Berlin. Highly automated assembly lines, engineering and administration are located in a 6,200 m2 competence centre, which started its operation in August 2013. The state of the art facility fulfils the highest clean room requirements which further enhance the ability of exceet to develop and produce innovative products and solutions.

During the first 9 months of 2013, the ECMS segment achieved an EBITDA of EUR 16.1m, accounting for an EBITDA margin of 15.0%, against EUR 12.9m or a margin of 13.2% compared to the same period of the previous year.

ID Management & Systems (IDMS)
As communicated earlier in the year 2013 the segment expected a revenue decrease during this reporting period. Due to reduced order volumes for the German Health Card and ongoing portfolio optimization efforts net sales decreased by 14.6% to EUR 31.8m against EUR 37.3m during the previous year. The segment accounts for 22.5% (9M 2012: 26.9%) of the group-wide sales. Sales improvements are expected for Q4 2013 due to the winter-season demand for IDMS products in the market segments Loyalty (e.g. gift cards) and Access (e.g. ski pass cards). Additionally, exceet strengthened its sales force in the IDMS segment with a newly established sales team in Germany.

Additional projects in the transport sector are driven by global urbanization where an increased utilization of public transport in urban areas can be seen. This leads to security issues due to fraud and fare dodging. Therefore exceet provides contactless smart cards for payment and access to transportation systems which fulfil highest security standards in data management and data transfer.

Another growing market segment is Loyalty, where exceet has won in Q3 a large order from one of the leading loyalty solution providers. This order will have significant impact on the revenue and profitability situation in the coming quarters.

The IDMS segment reported an EBITDA of EUR 1.5m for the first 9 months of 2013 which results in an EBITDA Margin of 4.6%. In the same period of the previous year the segment achieved an EBITDA of EUR 1.7m (representing 4.5% EBITDA Margin).

Embedded Security Solutions (ESS)
During the reporting period, the segment ESS remained on the same revenue level as in the previous year period of EUR 2.9m, accounting for 2.0% (9M 2013) compared to 2.1% (9M 2012).

The ESS segment continues to focus on security solutions utilizing the competences and experiences of exceet`s other segments.

exceet's Machine-to-Machine (M2M) solutions are operated within the ESS segment. These solutions allow customers to exchange operational information quickly, securely and at low cost, irrespective of location. Organisations adopting exceet's M2M solution take advantage of this technology to optimize their business processes or use it to develop new business models. exceet is a full-service provider of one-stop solutions. The Group provides customized hardware, connectivity tailored to the customer` specific requirements, as well as the integration of the data into the client`s applications and business processes. In this field exceet has signed a major consultancy contract with one of the largest suppliers of diagnostic systems.

Due to incurred costs for all ongoing development projects the ESS segment EBITDA remains negative with EUR 0.27m (9M 2012: EUR -0.01m).

Group Balance Sheet Positions

As of September 30, 2013, the total assets of exceet Group amounted to EUR 185.6m, compared to EUR 179.1m as at December 31, 2012.

The non-current assets of EUR 95.1m, decreased compared to the year-end position by EUR 94.4m, including tangible assets of EUR 34.3m (YE 2012: EUR 31.4m) and intangible assets of EUR 59.9m (YE 2012: EUR 62.3m).

Current assets amount to EUR 90.5m, compared to EUR 84.7m at year-end 2012. Inventories rose by EUR 0.7m to EUR 36.5m (YE 2012 of EUR 35.8m). Receivables increased from EUR 22.5m to EUR 26.1m. Tax prepayments decreased from EUR 1.3m at year-end 2012 to EUR 1.0m as of September 30, 2013. Cash and cash equivalents increased from EUR 24.4m to EUR 26.1m. This increase can be attributed to the positive free cash flow of EUR 1.4m, due to actively managed net working capital position, improved EBITDA performance and lower tax payments compensating the outflow for investing activities of EUR -8.3m (9M 2012: EUR -14.7m). This includes EUR 4.7m for the newly built production facility in Berlin and on-going investments in state of the art production capabilities. The net debt position as of September 30, 2013, amounts to EUR 13.4m (YE 2012: EUR 14.0m).

At the end of the reporting period, exceet Group's equity amounted to EUR 98.3m, against EUR 90.3m as of December 31, 2012. This reflects a reasonable equity ratio of 53.0% (YE 2012: 50.4%).

The decrease of the current liabilities of EUR 1.7m to EUR 38.9m as of September 30, 2013 (YE 2012: EUR 40.6m) includes the increase in trade payables of EUR 2.7m, this movements was off-set by the decreases in financial liabilities of EUR 3.8m due to the revaluation of the public warrants and other smaller changes within current liabilities.

Non-current liabilities slightly increased by EUR 0.2m from EUR 48.2m at year-end 2012 to EUR 48.4m. Long-term borrowings increased by EUR 1.1m (YE2012: EUR 32.8m vs. Q3 2013: EUR 33.9m). The pension liabilities decreased by EUR 0.8m (year-end restated 2012: EUR 5.7m and Q3 2013: EUR 4.9m) due to changes in the demographic and economic assumptions and the improved return on plan assets recorded in other comprehensive income required due to new IFRS requirement regarding the calculation of pension liabilities.

Due to the implementation of the amendment to IAS 19 "Employee benefits" comparative data for 9M 2012 and year-end 2012 have been restated. EBITDA for 9M 2012 was impacted by additional personnel costs of EUR 254 thousands, interest costs by EUR 58 thousand and after consideration of tax impacts net profit was reduced by EUR 270 thousands. For the year-end 2012 net pension liability in the balance sheet decreased by EUR 1.7m and retained earnings within equity increased by the same amount. The above data for 9M 2012 and year-end 2012 already include these adjustments.

Capital Market Environment and Share Price Performance

While the sovereign debt crisis in Europe was the dominating topic in the capital markets during the first half of 2013, an increasingly dynamic upward trend started after the Federal Reserve Board (Fed) announced its intention to maintain its expansionary monetary policy. This trend was only temporarily interrupted by partly contradictory economic indicators, weaker half-year figures reported by some companies and the intensification of the Syria conflict in late August. The high liquidity in the market and low bond yields led to increased investments in equities. When the Fed postponed the much-feared tightening of monetary policy in mid-September and continued its previous policy, the DAX® reached another all-time high of 8'694.18 points on September 19, 2013.

Besides these positive developments the International Monetary Fund (IMF), has once again lowered its global growth forecast for 2013 and 2014. The main reason for this is the weak economic development in several emerging and developing countries. The IMF now expects a global growth of only 2.9% in 2013 and a moderate acceleration to 3.6% in 2014. However, this forecast is subject to a timely solution to the controversy regarding an increase of the authorized US federal debt ceiling and a careful implementation of the expected turnaround on interest rates by the Fed.

exceet's share price performance in the first half year was positive. From January 2013 to September 2013 the share price rose from EUR 3.85 to EUR 4.62 (end of October 2013 EUR 5.91; + 53.5%).

Employees

As of September 30, 2013, the Group employed 1'000 employees (Headcount) or 942 full-time equivalents (FTE) (YE 2012: 970 employees/ 899 FTE). On the reference date 384 (YE 2012: 371) were employed in Germany, 150 (YE2012: 169) in Austria, 302 (YE2012: 308) in Switzerland, 147 (YE2012: 107) in the Czech Republic and 17 (YE2012: 15) in The Netherlands.

Opportunities and Risk Report

The statements provided in the Annual Report 2012 on the opportunities and risks of the business model remain unchanged.

Significant Events and Actions

Effective October 1, 2013, the Board of Directors of exceet Group SE has appointed Mr Wolf-Günter Freese as new Chief Financial Officer to join the Management Board.

Furthermore, according to the articles of association of exceet Group SE, the chairman of the board of directors changed after the stated 2-year period from Mr Hans Hofstetter to Mr Dirk-Jan van Ommeren.

Outlook

The outlook for the innovation and technology orientated Group remains promising. exceet is confident to further improve its EBITDA performance.

Luxembourg, November 7, 2013
exceet Group SE
The Board of Directors and the Management Board

INTERIM
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 2013

exceet Group SE Société Européenne
115 avenue Gaston Diderich
L-1420 Luxembourg

November 7, 2013

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INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

TEUR	unaudited September 30, 2013	restated [1] December 31, 2012
Assets		
Non-current assets		
Tangible assets	34'316	31'415
Intangible assets	59'932	62'334
Deferred tax assets	641	495
Other financial investments	27	27
Other non-current receivables	183	178
Total non-current assets	**95'099**	**94'449**
Current assets		
Inventories	36'497	35'833
Trade receivables, net	23'725	20'066
Other current receivables	2'331	2'429
Current income tax receivable	956	1'297
Accrued income and prepaid expenses	926	632
Financial assets at fair value through profit or loss	1	6
Cash and cash equivalents	26'071	24'426
Total current assets	**90'507**	**84'689**
Total assets	**185'606**	**179'138**
Equity		
Share capital	528	528
Reserves	97'770	89'813
Equity attributable to owners of the parent company	**98'298**	**90'341**
Total equity	**98'298**	**90'341**
Liabilities		
Non-current liabilities		
Borrowings	33'940	32'802
Retirement benefit obligations	4'926	5'662
Deferred tax liabilities	8'402	8'673
Provisions for other liabilities and charges	790	755
Other non-current liabilities	380	304
Total non-current liabilities	**48'438**	**48'196**
Current liabilities		
Trade payables	13'369	10'703
Other current liabilities	3'438	5'207
Accrued expenses and deferred income	9'291	7'625
Current income tax liabilities	1'187	879
Borrowings	11'159	11'186
Other financial liabilities	87	3'890
Provisions for other liabilities and charges	339	1'111
Total current liabilities	**38'870**	**40'601**
Total liabilities	**87'308**	**88'797**
Total equity and liabilities	**185'606**	**179'138**

[1] Restatement due to the retrospective application of the amendments to IAS 19 'Employee benefits'

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

	3 months		9 months	
	unaudited	unaudited/restated [1]	unaudited	unaudited/restated [1]
TEUR	01.07. - 30.09.2013	01.07. - 30.09.2012	01.01. - 30.09.2013	01.01. - 30.09.2012
Gross Sales of Goods Third Parties	47'231	45'198	131'379	130'924
Gross Sales of Services Third Parties	3'936	2'847	10'872	8'353
Total Gross Sales	**51'167**	**48'045**	**142'251**	**139'277**
Sales deductions	-249	-394	-493	-1'041
Revenue	**50'918**	**47'651**	**141'758**	**138'236**
Cost of sales	-41'380	-38'696	-116'215	-114'718
Gross profit	**9'538**	**8'955**	**25'543**	**23'518**
Gross profit margin	*18.7%*	*18.8%*	*18.0%*	*17.0%*
Distribution costs	-3'650	-3'461	-10'673	-9'626
Administrative expenses	-2'784	-3'878	-9'035	-10'792
Other operating income	574	986	1'163	1'911
Operating result (EBIT)	**3'678**	**2'602**	**6'998**	**5'011**
EBIT margin	*7.2%*	*5.5%*	*4.9%*	*3.6%*
Financial income	75	301	1'239	1'055
Financial expense	-615	-569	-1'954	-2'160
Changes in fair value in financial instruments	381	1'991	3'802	-2'017
Financial result, net	**-159**	**1'723**	**3'087**	**-3'122**
Profit before income tax	**3'519**	**4'325**	**10'085**	**1'889**
Income tax expense	-916	-820	-2'511	-2'150
Profit for the period	**2'603**	**3'505**	**7'574**	**-261**
Profit margin	*5.1%*	*7.4%*	*5.3%*	*-0.2%*
Profit attributable to:				
Owners of the parent company	2'603	3'505	7'574	-261
Non-controlling interests	0	0	0	0
Earnings per share (basic/dilutive) **EUR**				
Class A shares	**0.13**	**0.10**	**0.37**	**-0.01**
Class B/C shares	**0.00**	**0.10**	**0.01**	**-0.01**

[1] Restatement due to the retrospective application of the amendments to IAS 19 'Employee benefits'

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	3 months		9 months	
	unaudited	unaudited/restated [1]	unaudited	unaudited/restated [1]
TEUR	01.07. - 30.09.2013	01.07. - 30.09.2012	01.01. - 30.09.2013	01.01. - 30.09.2012
Profit for the period	**2'603**	**3'505**	**7'574**	**-261**
Other comprehensive income				
Items not to be reclassified to profit and loss:				
Actuarial gains/(losses) and adjustments under IAS 19.58b	1'299	-70	1'111	11
Deferred tax effect on actuarial (gains)/losses	-205	10	-174	-2
Total items not to be reclassified to profit and loss	1'094	-60	937	9
Items to be reclassified to profit and loss:				
Currency translation differences	485	-271	-637	363
Total items to be reclassified to profit and loss	485	-271	-637	363
Other comprehensive income for the period	**1'579**	**-331**	**300**	**372**
Total comprehensive income for the period	**4'182**	**3'174**	**7'874**	**111**
Attributable to:				
Owners of the parent company	**4'182**	**3'174**	**7'874**	**111**
Non-controlling interests	**0**	**0**	**0**	**0**

[1] Restatement due to the retrospective application of the amendments to IAS 19 'Employee benefits'

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

TEUR	unaudited 01.01. - 30.09.2013	restated [1] 01.01. - 30.09.2012
Profit before income tax	10'085	1'889
Adjustments for non-cash transactions:		
- Amortization on intangible assets	2'944	2'390
- Depreciation on tangible assets	4'439	4'269
- Gains on disposal of assets	-127	-26
- Financial (income)/expense, net	-2'951	2'863
- Other non-cash (income)/expenses	-366	820
- Gains from earn-out release	0	-500
- Adjustments to retirement benefit obligation/prepaid cost	363	158
Operating results before changes in net working capital	**14'387**	**11'863**
Changes to net working capital:		
- inventories	-1'020	-6'992
- receivables	-3'291	-4'893
- accrued income and prepaid expenses	-295	-167
- liabilities	1'559	1'470
- provisions for other liabilities and charges	-514	-1'434
- accrued expenses and deferred income	1'748	312
Taxes received	246	166
Taxes paid	-2'645	-7'319
Interest received	38	45
Interest paid	-789	-703
Cashflows from operating activities	**9'424**	**-7'652**
Acquisition of subsidiaries, net of cash acquired	-600	-10'855
Investments in tangible assets	-6'920	-3'378
Sale of tangible assets	65	92
Investments in intangible assets	-1'024	-519
Sale of intangible assets	215	0
Cashflows from investing activities	**-8'264**	**-14'660**
Proceeds from borrowings	4'395	7'559
Repayments of borrowings	-1'399	-2'076
Repayments of other non-current liabilities	76	-41
Proceeds from finance lease prepayments	129	512
Payments of finance lease liabilities	-2'396	-3'643
Cashflows from financing activities	**805**	**2'311**
Net changes in cash and cash equivalents	**1'965**	**-20'001**
Cash and cash equivalents at the beginning of the period	**24'426**	**40'132**
Effect of exchange rate gains/(losses)	-320	83
Cash and cash equivalents at the end of the period	**26'071**	**20'214**

[1] Restatement due to the retrospective application of the amendments to IAS 19 'Employee benefits'

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

TEUR	Issued and paid-in share capital	Capital reserves	Treasury shares	Share-based payments IFRS 2	Retained earnings	Foreign currency transl. diff.	Total owners of the parent company	Non-controlling interests	Total
Balances at January 1, 2013 restated	**528**	**65'485**	**-4'525**	**56**	**19'490**	**9'307**	**90'341**	**0**	**90'341**
Profit for the period					7'574		7'574		7'574
Other comprehensive income:									
Actuarial gains/(losses) and adjustments under IAS 19.58b					1'111		1'111		1'111
Deferred tax effect on actuarial gains/losses					-174		-174		-174
Currency translation differences						-637	-637		-637
Total other comprehensive income for the period	0	0	0	0	937	-637	300	0	300
Total comprehensive income for the period	0	0	0	0	8'511	-637	7'874	0	7'874
Share-based payments				83			83		83
Total other equity effects	0	0	0	83	0	0	83	0	83
Balances at September 30, 2013	**528**	**65'485**	**-4'525**	**139**	**28'001**	**8'670**	**98'298**	**0**	**98'298**
Balances at January 1, 2012	**528**	**65'485**	**-4'525**	**0**	**15'263**	**8'850**	**85'601**	**0**	**85'601**
Restatement IAS 19					1'481		1'481		1'481
Tax effect restatement IAS 19					-247		-247		-247
Balance as at January 1, 2012 restated	**528**	**65'485**	**-4'525**	**0**	**16'497**	**8'850**	**86'835**	**0**	**86'835**
Profit for the period					-261		-261	0	-261
Other comprehensive income:									
Actuarial gains/(losses) and adjustments under IAS 19.58b					11		11		11
Deferred tax effect on actuarial gains/losses					-2		-2		-2
Currency translation differences						363	363		363
Total other comprehensive income for the period	0	0	0	0	9	363	372	0	372
Total comprehensive income for the period	0	0	0	0	-252	363	111	0	111
Balances at September 30, 2012	**528**	**65'485**	**-4'525**	**0**	**16'245**	**9'213**	**86'946**	**0**	**86'946**

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1 General information

exceet Group SE is an integrated international group specialized in embedded intelligent electronics, card-based security technology and embedded security solutions. The product range extends from complex embedded electronic systems to smart cards and security solutions, all of which are tailor-made to meet specific requirements of the customers and of specific sectors.

The exceet Group SE differentiates three operating segments: Electronic Components Modules & Systems (ECMS), ID Management & Systems (IDMS) and Embedded Security Solutions (ESS).

In the ECMS segment, the Group develops and produces complex, integrated electronic products, with a focus on miniaturization, cost optimization and a high degree of customization to suit the needs of the customers. This segment offers a wide portfolio of innovative, integrated electronic solutions. 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 is engaged in design, development and production of contact and contactless smart cards, multi-function 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 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 the public sector.

exceet Group SE operates in European countries, the US and Asia-Pacific and consists of a total of 18 direct and indirect subsidiaries with 13 operating facilities located in five European countries (the Republic of Austria ("Austria"), the Czech Republic, Germany, the Kingdom of the Netherlands (the "Netherlands") and Switzerland). This allows the Company to benefit from specific local advantages (e.g. customer proximity) and to apply a flexible production process necessary to fulfil the specific requirements of customers. All companies consolidated into the Group are disclosed in Note 18.

The Group's legal parent company is exceet Group SE, a company incorporated as a Société Européenne under the law of Luxembourg and has its registered office at 115 avenue Gaston Diderich, L-1420 Luxembourg. exceet Group SE is listed on the regulated market (Regulierter Markt) of the Frankfurt Stock Exchange (Frankfurter Wertpapierbörse) under the symbol "EXC" since February 4, 2010.

This condensed consolidated interim financial information is unaudited and was approved for issue by the Board of Directors on November 7, 2013.

2 Adoption of new and revised accounting standards

<u>(A) New and amended standards adopted by the Group</u>

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 13, 'Fair value measurement'
- Amendment to IAS 1, 'Financial statement presentation'

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

The Group has included the disclosures required by IAS 34 para 16A (j) - see note 4.

- Amendments to IAS 19, 'Employee benefits'

The impact on the Group for the first half year of 2013 is as follows:

i) To replace interest costs and expected return on plan assets with a net interest amount that is recognized within the financial result, by applying the discount rate to the net defined benefit liability (asset).

ii) To include expected changes in mortality using estimates of mortality improvements and change the required general mortality tables for actuarial calculations recognized in other comprehensive income.

iii) Retrospective application of risk sharing of employee contributions in the determination of the defined benefit liability.

Please refer to note 12 "Retirement benefit obligations" for further details.

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 43 to 49 of the 2012 annual report of exceet Group SE.

<u>(B) New standards, amendments and interpretations not yet adopted by the Group</u>

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after January 1, 2013 and have not been applied in preparing these interim condensed consolidated financial statements. None of these is expected to have a significant effect on the consolidated financial statements of the Group, except the following set out below:

- IFRS 10, 'Consolidated financial statements'
- IFRS 12, 'Disclosures of interests in other entities'
- IAS 27 (revised 2011), 'Separate financial statements'
- Amendments to IAS 32, 'Financial instruments: Presentation – offsetting financial assets and financial liabilities',

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 accounting period beginning on or after January 1, 2014.

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 nine months ended September 30, 2013, 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 December 31, 2012, which have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU).

Certain amounts in the 2013 comparative financial statements figures and related notes do not aline to the Interim condensed consolidated financial statements at September 30, 2012 due to reclassification to conform to the 2013 presentation. Those changes have no effect on the total revenue, total expense, and profit for the year or total equity as reported in the consolidated financial statements for 2012, except those specifically mentioned in note 15.

<u>Use of estimates and judgments</u>
The preparation of 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 December 31, 2012.

The following exchange rates were relevant to the interim financial report as per September 30, 2013:

	September 30, 2013	Average 2013 01.01. - 30.09.2013	December 31, 2012	September 30, 2012	Average 2012 01.01. - 30.09.2012
CHF 1	0.82	0.81	0.83	0.83	0.83
USD 1	0.74	0.76	0.76	0.77	0.78

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

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

<u>Seasonality</u>
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

<u>Financial risk factors</u>
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 2012. 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.

TEUR	Level 1	Level 2	Level 3	Total
September 30, 2013				
Financial assets at fair value through profit or loss				
Interest cap		1		1
Total		**1**		**1**
Financial liabilities at fair value through profit or loss				
Interest cap		67		67
Public Warrants	20			20
Earn-out liability			250	250
Total	**20**	**67**	**250**	**337**
December 31, 2012				
Financial assets at fair value through profit or loss				
Interest cap		6		6
Total		**6**		**6**
Financial liabilities at fair value through profit or loss				
Interest cap		90		90
Public Warrants	3'800			3'800
Earn-out liability			269	269
Total	**3'800**	**90**	**269**	**4'159**

There were no transfers between the levels during the period.

The group's policy is to recognize transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

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

The level 3 fair value of the earn-out liability is related to the contingent consideration payable for the acquisition of exceet Card AG (former Winter AG), based on the net profit performance in 2013 of the company. By using the latest financial forecast for the company and assessing its probability and in consideration of the contractual agreements, management estimated to reach the performance target and valuate the earn-out liability to be at TEUR 250.

The earn-out liability is limited by the net profit performance of the entity, as an over performance will not increase the earn-out liability, but an under performance will reduce the liability correspondingly in line.

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:

TEUR		Total
Balance at January 1, 2013	**269**	**269**
Currency translation differences	-19	-19
Balance at September 30, 2013	**250**	**250**
Total (gains)/losses for the period included in profit or loss	**-19**	**-19**
Balance at January 1, 2012	**1'509**	**1'509**
Earn-out of acquisition	1'900	1'900
Settlements	-300	-300
Paid into escrow account (note 33)	-200	-200
Gains recognized in profit or loss	-500	-500
Currency translation differences	14	14
Balance at September 30, 2012	**2'423**	**2'423**
Total (gains)/losses for the period included in profit or loss	**-486**	**-486**

<u>Fair value of financial assets and liabilities measured at amortized costs</u>

The fair values of borrowings are as follows:

TEUR	unaudited September 30, 2013	audited December 31, 2012
Carrying amount		
Bank borrowings	30'736	28'200
Finance lease liabilities	3'204	4'602
Total	**33'940**	**32'802**
Fair value		
Bank borrowings	30'803	28'013
Finance lease liabilities	3'204	4'602
Total	34'007	32'615

The fair value of the following financial assets and liabilities approximate their carrying amount:

- Trade and other receivables
- Other current financial assets
- Cash and cash equivalents (excluding bank overdrafts)
- Trade and other payables

5 Additional information to the cash flow statement

TEUR	unaudited 01.01. - 30.09.2013	unaudited 01.01. - 30.09.2012	Date of consolidation
Cash flow on acquisition of investments			
Cash outflow on acquisition of Inplastor GmbH		-1'944	January 23, 2012
Cash outflow on acquisition of as electronics GmbH		-8'811	May 24, 2012
Cash outflow on acquisition of exceet CZ s.r.o. (former: The Art of Packaging s.r.o.)	-600	-100	December 31, 2010
Total	**-600**	**-10'855**	
Transaction cost directly recognized in the income statement			
Inplastor GmbH		14	
as electronics GmbH		134	
Total	**0**	**148**	

The cash outflow on acquisition of exceet CZ s.r.o.(former The Art of Packaging s.r.o.) is related to the acquisition in 2010, with final contractual payments in Q1 2013.

The acquisition of tangible assets is mainly related to the purchase of production facilities and machinery.

Proceeds from finance lease prepayments are reimbursements in the current reporting period of prepayments of leasing liabilities in previous reporting periods.

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

Gains from earn-out release (Q3 2012: TEUR 500) was previously included within other non-cash (income)/expenses in prior year and represents earn-out liabilities released into the income statement.

6 Segment information

The Group has three main business segments, Electronic Components Modules & Systems (ECMS), ID Management & Systems (IDMS) and Embedded Security 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. Companies of exceet Group SE (formerly Helikos SE), which have been subject of reverse asset acquisition, have been assigned to the segment 'Corporate and others'.

The segment information for the nine months ended September 30, 2013, and a reconciliation of EBIT to profit / (loss) for the period is provided as follows:

Income statement/capital expenditure by segment

	ECMS		IDMS		ESS		Corporate and others		Inter-segment elimination		Group consolidated	
	unaudited	restated [1]	unaudited	restated [1]	unaudited	restated [1]	unaudited	restated [1]	unaudited	restated [1]	unaudited	restated [1]
TEUR	01.01. - 30.09.2013	01.01. - 30.09.2012	01.01. - 30.09.2013	01.01. - 30.09.2012	01.01. - 30.09.2013	01.01. - 30.09.2012	01.01. - 30.09.2013	01.01. - 30.09.2012	01.01. - 30.09.2013	01.01. - 30.09.2012	01.01. - 30.09.2013	01.01. - 30.09.2012
External revenue	107'061	98'127	31'836	37'192	2'861	2'917	0	0			141'758	138'236
Inter-segment revenue	233	85	22	122	0	0	232	248	-487	-455	0	0
Total revenue	**107'294**	**98'212**	**31'858**	**37'314**	**2'861**	**2'917**	**232**	**248**	**-487**	**-455**	**141'758**	**138'236**
EBITDA	**16'110**	**12'934**	**1'462**	**1'661**	**-274**	**-7**	**-2'917**	**-2'918**			**14'381**	**11'670**
EBITDA margin	*15.0%*	*13.2%*	*4.6%*	*4.5%*	*-9.6%*	*-0.2%*					*10.1%*	*8.4%*
Depreciation and amortization	-5'186	-4'377	-2'023	-2'064	-142	-163	-32	-55			-7'383	-6'659
EBIT	**10'924**	**8'557**	**-561**	**-403**	**-416**	**-170**	**-2'949**	**-2'973**			**6'998**	**5'011**
EBIT margin	*10.2%*	*8.7%*	*-1.8%*	*-1.1%*	*-14.5%*	*-5.8%*					*4.9%*	*3.6%*
Financial income	434	844	129	143	1	0	825	268	-150	-200	1'239	1'055
Financial expense	-843	-1'233	-408	-393	-16	-8	-837	-726	150	200	-1'954	-2'160
Changes in fair value in financial instruments	0	0	22	-17	0	0	3'780	-2'000			3'802	-2'017
Financial result – net	**-409**	**-389**	**-257**	**-267**	**-15**	**-8**	**3'768**	**-2'458**	**0**	**0**	**3'087**	**-3'122**
Profit / (Loss) before income tax	**10'515**	**8'168**	**-818**	**-670**	**-431**	**-178**	**819**	**-5'431**			**10'085**	**1'889**
Income tax expense	-2'581	-1'930	-122	-147	133	55	59	-128			-2'511	-2'150
Profit / (Loss) for the period	**7'934**	**6'238**	**-940**	**-817**	**-298**	**-123**	**878**	**-5'559**			**7'574**	**-261**
Capital expenditure – tangible assets	5'487	1'941	1'416	1'417	17	18	0	2			6'920	3'378
Capital expenditure – intangible assets	418	292	16	24	468	203	122	0			1'024	519
Depreciation – tangible assets	-2'760	-2'460	-1'610	-1'745	-38	-31	-31	-33			-4'439	-4'269
Impairment – tangible assets	0	0	0	0	0	0	0	0			0	0
Amortization – intangible assets	-2'426	-1'917	-413	-319	-104	-132	-1	-22			-2'944	-2'390
Impairment of goodwill	0	0	0	0	0	0	0	0			0	0

[1] Restatement due to the retrospective application of the amendments to IAS 19 'Employee benefits'

Assets/liabilities by segment

	ECMS			IDMS			ESS			Corporate and others			Group consolidated		
	unaudited	restated [1]	restated [1]	unaudited	restated [1]	restated [1]	unaudited	restated [1]	restated [1]	unaudited	restated [1]	restated [1]	unaudited	restated [1]	restated [1]
TEUR	30.09.2013	31.12.2012	30.09.2012	30.09.2013	31.12.2012	30.09.2012	30.09.2013	31.12.2012	30.09.2012	30.09.2013	31.12.2012	30.09.2012	30.09.2013	31.12.2012	30.09.2012
Non-current assets	67'917	67'117	64'019	24'433	24'840	25'409	2'518	2'122	1'802	231	370	175	95'099	94'449	91'405
Current assets	69'576	64'002	67'902	16'000	16'292	18'401	1'159	727	1'397	3'772	3'668	4'249	90'507	84'689	91'949
Liabilities	43'294	40'583	40'553	22'470	17'081	19'665	1'736	1'284	1'669	19'808	29'849	33'293	87'308	88'797	95'180

[1] Restatement due to the retrospective application of the amendments to IAS 19 'Employee benefits'

7 Financial result

Financial income for the nine months ended September 30, 2013, includes a gain of TEUR 3'780 realized on the fair value adjustment of the public warrants (note 14).

8 Development costs

The position "cost of sales" in the consolidated income statement includes development costs in the amount of TEUR 6'304 (prior period January 1, 2012 to September 30, 2012 - TEUR 6'603; prior year January 1, 2012 to December 31, 2012 – TEUR 8'500).

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

9 Equity

The share capital consists of 34'734'221 shares and can be divided into 20'523'695 Class A shares ("public shares"), thereof 20'073'695 class A shares listed on the stock exchange and 450'000 unlisted 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.

There were no changes to the share capital of exceet Group SE since the last reporting date of December 31, 2012.

Due to the retrospective application of IAS 19 the amount of TEUR 1'234, due to the inclusion of the risk sharing of employee contributions and its impacted on deferred tax liability, has been recognized as opening balance adjustment as of January 1, 2012, within retained earnings.

For further information regarding the transactions before December 31, 2012, please refer to the consolidated financial statements of exceet Group SE 2012, Note 17 on pages 80 to 85.

10 Earnings per share

Earnings per shares (EPS) are 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.

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.

a) Basic

The calculation of basic EPS at September 30, 2013, is based on the profit attributable to the owners of the parent of TEUR 7'574 (Q3 2012: gain of TEUR 9/Q3 2012 restated: loss of TEUR 261) 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. - 30.09.2013	restated 01.01. - 30.09.2012
Profit / (Loss) for the year (TEUR) attributable to equity holders of the Company	Class A shares	7'432	-153
	Class B/C shares	142	-108
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 (EUR/share)	Class A shares	**0.37**	**-0.01**
	Class B/C shares	**0.01**	**-0.01**

b) Diluted

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 Group SE 2012, Note 17 on pages 80 to 85, 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 be exercised, the total number of Class A share 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 nine months ended September 30, 2013.

12 Retirement benefit obligations

The retrospective application of risk sharing of employee contributions in the determination of the defined benefit liability had the following impact on the amounts recognized in the balance sheet as follows:

TEUR	unaudited 30.09.2013	reported 31.12.2012	restated 31.12.2012
Present value of funded obligation	-35'887	-35'033	-33'364
Fair value of plan asset	32'051	28'751	28'751
	-3'836	-6'282	-4'613
Present value of unfunded obligation	-1'090	-1'049	-1'049
Liability in the balance sheet	**-4'926**	**-7'331**	**-5'662**
Liability reduction due to risk sharing			1'669

Amounts recognized in the income statement and in other comprehensive income are as follows:

TEUR	unaudited 01.01. - 30.09.2013	restated 01.01. - 31.12.2012	restated 01.01. - 30.09.2012
Defined benefit costs - personal expenses	347	241	131
Defined benefit costs - financial expenses	73	72	59
Total defined benefit costs recognized in profit or loss	420	313	190
Actuarial (gain) / loss arising from:			
- changes in demographic assumptions	2'250	100	0
- changes in economic assumptions	-2'097	1'666	1'505
- experience	0	-882	0
Return on plan assets (excl. Amounts included in net interest)	-1'264	-1'478	-1'516
Total defined benefit costs recognized OCI	-1'111	-594	-11
Total defined benefit costs	**-691**	**-281**	**179**

For further information please refer to Note 15 “Significant events and transactions”.

13 Borrowings

TEUR	unaudited September 30, 2013	audited December 31, 2012
Non-current		
Bank borrowings	30'736	28'200
Finance lease liabilities	3'204	4'602
Total non-current borrowings	33'940	32'802
Current		
Bank borrowings	3'277	3'079
Finance lease liabilities	2'276	2'551
Other loans	5'606	5'556
Total current borrowings	11'159	11'186
Total borrowings	**45'099**	**43'988**

14 Other financial liability

The current financial liability contains a financial liability resulting from fair value measurement of the Public Warrants of TEUR 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 EUR 10.00 raising hence a total of TEUR 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 December 31, 2012, the rating of one public warrant on the Frankfurt Stock Exchange (Frankfurter Wertpapierbörse) was at EUR 0.19, hence a fair value of TEUR 3’800 was recorded at December 31, 2012.

As at September 30, 2013 the rating of one Public Warrant on the Frankfurt Stock Exchange (Frankfurter Wertpapierbörse) was at EUR 0.001, hence a fair value of TEUR 20 was recorded at September 30, 2013.

15 Significant events and transactions

The inclusion of the retrospective application of IAS 19 in regards to the risk sharing of employee contributions had the following impact on the following financial statement items:

Restatement of Income Statement:

	3 months		9 months	
	reported	restated	reported	restated
TEUR	01.07. - 30.09.2012	01.07. - 30.09.2012	01.01. - 30.09.2012	01.01. - 30.09.2012
Cost of sales	-38'621	-38'696	-114'545	-114'718
Gross profit	**9'030**	**8'955**	**23'691**	**23'518**
Gross profit margin	*19.0%*	*18.8%*	*17.1%*	*17.0%*
Distribution costs	-3'450	-3'461	-9'599	-9'626
Administrative expenses	-3'858	-3'878	-10'738	-10'792
Operating result (EBIT)	**2'708**	**2'602**	**5'265**	**5'011**
EBIT margin	*5.7%*	*5.5%*	*3.8%*	*3.6%*
Financial expense	-562	-569	-2'102	-2'160
Financial result, net	**1'739**	**1'723**	**-3'064**	**-3'122**
Profit / (Loss) before income tax	**4'447**	**4'325**	**2'201**	**1'889**
Income tax expense	-837	-820	-2'192	-2'150
Profit/ (Loss) for the period	**3'610**	**3'505**	**9**	**-261**
Profit margin	*7.6%*	*7.4%*	*0.0%*	*-0.2%*
Loss attributable to:				
Owners of the parent company	3'610	3'505	9	-261
Earnings per share (basic/dilutive) EUR				
Class A shares	**0.11**	**0.10**	**0.00**	**-0.01**
Class B/C shares	**0.11**	**0.10**	**0.00**	**-0.01**

Restatement of other comprehensive Income:

	3 months		9 months	
	reported	restated	reported	restated
TEUR	01.07. - 30.09.2012	01.07. - 30.09.2012	01.01. - 30.09.2012	01.01. - 30.09.2012
Loss for the period	**3'610**	**3'505**	**9**	**-261**
Other comprehensive income				
Items not to be reclassified to profit and loss:				
Actuarial gains/(losses) and adjustments under IAS 19.58b	-241	-70	-371	11
Deferred tax effect on actuarial (gains)/losses	38	10	59	-2
Total items not to be reclassified to profit and loss	-203	-60	-312	9
Items to be reclassified to profit and loss:				
Currency translation differences	-712	-271	358	363
Total items to be reclassified to profit and loss	-712	-271	358	363
Other comprehensive income for the period	**-915**	**-331**	**46**	**372**
Total comprehensive income for the period	**2'695**	**3'174**	**55**	**111**
Attributable to:				
Owners of the parent company	**2'695**	**3'174**	**55**	**111**
Non-controlling interests	**0**	**0**	**0**	**0**

Restatement of Balance Sheet:

TEUR	reported December 31, 2012	restated December 31, 2012
Equity		
Share capital	528	528
Reserves	88'431	89'813
Equity attributable to owners of the parent company	**88'959**	**90'341**
Non-controlling interests	**0**	**0**
Total equity	**88'959**	**90'341**
Liabilities		
Non-current liabilities		
Retirement benefit obligations	7'331	5'662
Deferred tax liabilities	8'386	8'673

Restatement of Cash flow:

TEUR	reported 01.01. - 30.09.2012	restated 01.01. - 30.09.2012
Loss before income tax	2'201	1'889
Adjustments for non-cash transactions		
Amortization on intangible assets	2'390	2'390
Depreciation on tangible assets	4'269	4'269
Gains on disposal of assets	-26	-26
Financial (income)/expense, net	2'805	2'863
Other non-cash (income)/expenses	820	820
Gains from earn-out release	-500	-500
Adjustments to retirement benefit obligation/prepaid cost	-96	158
Operating results before changes in net working capital	**11'863**	**11'863**

Restatement of Segment reporting:

	ECMS		Corporate and others		Group consolidated	
	reported	restated	reported	restated	reported	restated
TEUR	01.01. - 30.09.2012	01.01. - 30.09.2012	01.01. - 30.09.2012	01.01. - 30.09.2012	01.01. - 30.09.2012	01.01. - 30.09.2012
EBITDA	**13'150**	**12'934**	**-2'880**	**-2'918**	**11'924**	**11'670**
EBITDA margin	*13.4%*	*13.2%*			*8.6%*	*8.4%*
EBIT	**8'773**	**8'557**	**-2'935**	**-2'973**	**5'265**	**5'011**
EBIT margin	*8.9%*	*8.7%*			*3.8%*	*3.6%*
Financial expense	-1'183	-1'233	-718	-726	-2'102	-2'160
Financial result – net	**-339**	**-389**	**-2'450**	**-2'458**	**-3'064**	**-3'122**
Profit / (Loss) before income tax	**8'432**	**8'168**	**-5'383**	**-5'431**	**2'201**	**1'889**
Income tax expense	-1'972	-1'930	-128	-128	-2'192	-2'150
Profit / (Loss) for the period	**6'460**	**6'238**	**-5'511**	**-5'559**	**9**	**-261**

16 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.

In the first half of 2012, one shareholder loan of TEUR 1'050 (with additional interest and any other amounts accrued) granted to exceet Group AG was repaid in full by January 30, 2012. All other shareholder loans remain unchanged since year-end 2012 with TEUR 50 of interest charged for the period in 2013 (Q3 2012: TEUR 98). In addition, the Group had legal charges in the first nine months of 2013 of TEUR 144(Q3 2012: TEUR 187). For the acquisition of exceet CZ s.r.o. (former The Art of Packaging s.r.o.) at December 31, 2010, TEUR 600 has been paid to members of Management Board of exceet Group SE by the end of the first quarter of 2013 (Q3 2012: TEUR 100).

17 Business combinations

as electronics GmbH

On May 24, 2012, the Group acquired by way of a share purchase agreement all of the shares of as electronics GmbH, a leading provider of embedded electronics and security solutions in Germany. The rationale for the acquisition was to expand the Group's engineering and development expertise in the electronics sector. The aggregate consideration amounts to TEUR 11'470, which consists of TEUR 10'070 cash consideration and a contingent consideration which requires the Group to pay TEUR 1'400 depending on defined operating results for the financial year 2012. Management expected the earn-out payment to be made in full on the date of the acquisition.

as electronics GmbH was acquired by exceet Group AG. Transaction costs of TEUR 134 have been recognized in administrative expenses.

as electronics GmbH contributed revenue of TEUR 9'761 and a net profit of TEUR 239 to the Group for the period of May 24, 2012 to December 31, 2012. If the acquisition had occurred on January 1, 2012, as electronics GmbH would have contributed revenue of TEUR 16'384 and a net profit of TEUR 424 to the Group for the financial year 2012.

Details of net assets acquired and goodwill are as follows:

TEUR	
Purchase consideration	
Purchase consideration paid	10'070
Contingent consideration	1'400
Total purchase consideration	**11'470**
Fair value of net assets acquired	8'190
Goodwill	**3'280**

The goodwill of TEUR 3'280 arises from a number of factors, such as expected synergies by integrating the acquired company into the Group's existing business model, the highly skilled workforce and to obtain economies of scale. The goodwill is not tax deductible.

The assets and liabilities arising from the acquisition are as follows:

TEUR	
Fair Value	
Cash and cash equivalents	1'259
Tangible assets	217
Software and other intangible assets	68
Customer base, technology and brand	6'559
Other financial assets	20
Inventory	4'691
Trade receivables (including allowance)	1'456
Other receivables	922
Accrued income and deferred expenses	84
Trade payables	-971
Other liabilities	-1'083
Accrued expenses and deferred income	-564
Provisions	-47
Bank liabilities	-2'524
Liabilities from finance leasing	-44
Deferred tax, net	-1'853
Net assets acquired	**8'190**
Consideration settled in cash	-10'070
Cash and cash equivalents in subsidiary acquired	1'259
Cash outflow on acquisition	**-8'811**

The fair value of trade receivables is TEUR 1'456. The gross contractual amount for trade receivables due is TEUR 1'466, of which TEUR 10 is expected to be uncollectible.

Inplastor Graphische Produkte Gesellschaft m.b.H.

On January 23, 2012, the Group acquired by way of a share purchase agreement all of the shares of Inplastor Graphische Produkte Gesellschaft m.b.H. (Inplastor GmbH), an Austrian full-line provider of card-based loyalty and ID security solutions. The rationale for the acquisition was to strengthen the Group's market leader position in the card-based loyalty and ID security solution market in the DACH-Region (Germany, Austria and Switzerland). The aggregate consideration amounts to TEUR 2'700, which consists of TEUR 2'200 cash consideration, contingent considerations of TEUR 300 payable upon the submission of the audited financial statements as of December 31, 2011 of Inplastor GmbH, and TEUR 200 payable one year after the effective date of the acquisition provided all defined conditions have been fulfilled. The contingent considerations of TEUR 500 have been paid into an escrow account, of which TEUR 300 has been released as of December 31, 2012, and the remaining TEUR 200 were released in Q1 2013 to the sellers.

Inplastor GmbH was acquired through an intermediate Austrian holding company (exceet Austria GmbH). Transaction costs of TEUR 14 have been recognized in administrative expenses.

Inplastor GmbH contributed revenue of TEUR 8,356 and a net loss of TEUR 326 to the Group for the period of January 23, 2012 to December 31, 2012. If the acquisition had occurred on January 1, 2012, Inplastor GmbH would have contributed revenue of TEUR 8,615 and a net loss of TEUR 414 to the Group for the financial year 2012.

Details of net assets acquired and goodwill are as follows:

TEUR	
Purchase consideration	
Purchase consideration paid	2'200
Contingent consideration	500
Total purchase consideration	**2'700**
Fair value of net assets acquired	2'277
Goodwill	**423**

The goodwill of TEUR 423 arises mainly from the expected synergies by integrating the acquired company into the Group's existing businesses. The goodwill is not tax deductible.

The assets and liabilities arising from the acquisition are as follows:

TEUR	
Fair Value	
Cash and cash equivalents	756
Tangible assets	489
Software and other intangible assets	71
Customer base, technology and brand	1'765
Inventory	299
Trade receivables (including allowance)	172
Other receivables	20
Accrued income and deferred expenses	29
Trade payables	-291
Other liabilities	-211
Accrued expenses and deferred income	-72
Provisions	-189
Other long-term liabilities	-52
Deferred tax, net	-509
Net assets acquired	**2'277**
Consideration settled in cash	-2'700
Cash and cash equivalents in subsidiary acquired	756
Cash outflow on acquisition	**-1'944**

The fair value of trade receivables is TEUR 172. The gross contractual amount for trade receivables due is TEUR 172; there are no trade receivable expected to be uncollectible.

18 List of consolidated subsidiaries of exceet Group SE

As a result of internal restructuring, NovaCard GmbH was merged into exceet Card AG (former Winter AG) as at January 1, 2013. No gain or loss was realized as result of the merger.

List of consolidated subsidiaries of exceet Group SE

Company	Year of acquisition[1]	Activity	Country	Ref.	Share capital	Share in the capital	Share of the votes
exceet Group SE	2011	Investments in subsidiaries	LUX	1	EUR 527'960	100%	100%
– Helikos AG	2011	Investments in subsidiaries	SUI	2	CHF 100'000	100%	100%
– exceet Group AG	2006	Investments in subsidiaries	SUI	3	CHF 25'528'040	100%	100%
– ECR AG	2006	Manufacturing of electronic components for industrial and med-tech application	SUI	2	CHF 500'000	100%	100%
– GS Swiss PCB AG	2006	Manufacturing of flexible, semi-flexible and HDI printed circuit boards	SUI	4	CHF 1'350'000	100%	100%
– Mikrap AG	2008	Development and distribution of software and hardware for instrumentation and control technology	SUI	2	CHF 1'000'000	100%	100%
– AEMtec GmbH	2008	Manufacturing of multi-chip modules	GER	5	EUR 2'250'000	100%	100%
– as electronics GmbH	2012	Development and manufacturing of electronic components for industrial applications	GER	6	EUR 102'150	100%	100%
– exceet Austria GmbH	2011	Investments in subsidiaries	AUT	7	EUR 35'000	100%	100%
– Contec Steuerungstechnik & Automation Gesellschaft m.b.H.[7]	2011	Manufacturing of electronic components for industrial and med-tech application	AUT	7	EUR 36'000	100%	100%
– Inplastor Graphische Produkte	2012	Manufacturing of plastic card for Loyality, Events and ID Security Solutions	AUT	8	EUR 50'000	100%	100%
– AuthentiDate International AG	2011	Digital signatures and trust center	GER	9	EUR 1'000'000	100%	100%
– AuthentiDate Deutschland GmbH[8]	2011	Digital signatures and trust center	GER	9	EUR 25'000	100%	100%
– exceet Card Group AG[9]	2009	Investments in subsidiaries	GER	10	EUR 5'915'500	100%	100%
– exceet Card Austria GmbH (former: VisionCard Kunststoffkartenproduktions GmbH)[2]	2009	Manufacturing of plastic card for Loyality, Access, Events and Transportation	AUT	11	EUR 35'000	100%	100%
– idVation GmbH[3]	2009	Customizing Solutions for RFID area and Logical Access	GER	12	EUR 25'000	100%	100%
– exceet CZ s.r.o. (former: The Art of Packaging s.r.o.)[4]	2010	Production of prelaminates for RFID card components, -packaging services	CZE	13	CZK 1'500'000	100%	100%
– exceet Card AG [2, 6, 10, 11] (former Winter AG)	2010	Production of smart cards and card personalization	GER	12	EUR 7'388'168	100%	100%
– exceet Card Nederland B.V. (former: PPC Card Systems B.V.)[5]	2009	Personalization and mailing of all types of cards	NED	14	EUR 226'900	100%	100%

[1] Year of acquisition refers to exceet Group AG point of view

[2] exceet Card Group AG holds 100% of the share capital of these subsidiaries

[3] exceet Card Austria GmbH (former VisionCard GmbH) holds 100% of the share capital of idVation GmbH

[4] exceet Card Austria GmbH (former VisionCard Kunststoffkartenproduktions GmbH) holds 98.67% of the share capital of TAoP s.r.o.
idVation GmbH holds 1.33% of the share capital of TAoP s.r.o.

[5] exceet Card AG (former Winter AG) holds 100% of the share capital of PPC Card Systems B.V. (due to the merger with PPC Card Systems GmbH)

[6] 4.88% of the share in the capital and in the votes were held by the public and purchased by exceet Group AG on February 16, 2011

[7] exceet Austria GmbH holds 99.01% of the share capital of Contec GmbH and exceet Group AG 0.99% of the share capital of Contec GmbH

[8] AuthentiDate International AG holds 100% of the share capital of AuthentiDate Deutschland GmbH

[9] exceet Card Group AG holds 100% of the share capital of NovaCard Systems Inc., USA, which is an inactive company and therefore not consolidated.

[10] PPC Card Systems GmbH and exceet Card AG (former Winter AG) have been merged in August 2012 retroactively as per January 1, 2012

[11] NovaCard Informationssysteme GmbH and exceet Card AG (former Winter AG) have been merged in April 2013 retroactively as per January 1, 2013

Ref.	Address		
1	115 avenue Gaston Diderich	L-1420 Luxembourg	Luxembourg
2	Riedstrasse 1	CH-6343 Rotkreuz	Switzerland
3	Marktplatz 4	CH-9004 St. Gallen	Switzerland
4	Fännring 8	CH-6403 Küssnacht a. R.	Switzerland
5	James-Franck-Str. 10	D-12489 Berlin	Germany
6	Kantstrasse 10	D-72663 Grossbettlingen	Germany
7	Wildbichler Strasse 2E	A-6341 Ebbs	Austria
8	Leberstrasse 62	A-1110 Wien	Austria
9	Rethelstrasse 47	D-40237 Düsseldorf	Germany
10	Senefelderstrasse 10	D-33100 Paderborn	Germany
11	Industriezone 3	A-6175 Kematen in Tirol	Austria
12	Edisonstrasse 3	D-85716 Unterschleissheim/München	Germany
13	Zernovice 1	CZ-383 01 Okr.Prachatice	Czech Republic
14	Neutronstraat 8	NL-9743 AM Groningen	Netherland

19 Events occurring after the reporting period

There were no other events since the balance sheet date on September 30, 2013, that would require adjustment of assets or liabilities or a disclosure.