INTERIM MANAGEMENT REPORT

Report on the First Nine Months of 2012

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MANAGEMENT REPORT

Sales Development, Currency Effects and Orders Situation

During the first 9 months of the current business year 2012, exceet Group SE attained total sales of € 138.2 m against a respective on-year figure of € 128.9 m, representing an increase of € 9.3 m, or 7.2%.
However, once sales during the reporting period are corrected by the sales volume of the companies acquired in 2012 (€ 12.4 m), the result is a slight on-year sales contraction by 2.4% to € 125.8 m.
During the first 9 months of 2012, changes in currency relationships led to positive effects on total sales in the amount of € 1.6 m.
During Q3 2012, sales attained € 47.7 m and were thus down 6.3% from Q3 2011, in which the Group reached € 50.9 m, the highest quarterly sales figure achieved in enterprise history. Adjusted by the acquisitions carried out during the current business year, sales in Q3 2012 contracted by 18.6% on-year, to € 41.4 m.
Despite the accelerating downturn of the economy at large this year, exceet was again able to achieve growth as the year progressed. After posting sales of € 46.0 m in Q1 and € 44.6 m in Q2, Q3 saw total sales of € 47.7 m. This confirms our recently stated expectation of solid development during the second half of the year, supported by anticipated catch-up effects from Q2.
During the first 9 months of the current business year, incoming orders totalled € 156.8 m, accounting for a book-to-bill ratio of 1.13 during the reporting period. On September 30, 2012, orders in hand were slightly in excess of € 110 m and thus € 16.8 m below the record value of June 30, 2012, but significantly above the comparative on-year figure (€ 104 m).

Sales Development and Market Opportunities in the Reporting Segments

Sales by the Electronic Components, Modules & Systems (ECMS) segment, which largely comprises exceet's end-market activities in the fields of medical technology and industrial automation, grew by 5.4% to € 98.2 m during the first 9 months of 2012, against € 93.2 m during the first 9 months of 2011. The segment's contribution to overall Group sales thus remains steady at approx. 71%.
New products for the growth market of medical technology promise continued improvement of income generation during the coming Quarters. The Group was able to secure important long-term orders for a large number of implant applications (defibrillators, cochlear implants, muscle stimulation) as well as high-end diagnostic devices.

During the reporting period, the ID Management & Systems (IDMS) segment showed welcome double-digit sales growth of 12.4% to € 37.3 m, against € 33.2 m during the previous year. 27% of Group-wide sales can be attributed to this business segment. Due to the strong winter-season demand for IDMS-segment products in the markets loyalty and access (particularly vouchers and ski pass cards), further sales improvements can be expected for Q4 2012.
As a result of exceet's strong involvement in the German banking industry's pilot project "Girogo", which foresees equipping around 45 million EC cards with contactless technology by 2014, exceet was able to further strengthen its position in the promising cashless payment market. At cash checkouts, users of this solution can pay amounts up to € 20 by way of chip card, contactless and cashless.

As a pioneer in the sphere of NFC (near field communication), exceet has succeeded in becoming sole supplier for the manufacture and personalization of cards and NFC stickers for several large-scale projects. Because exceet operates two security-certified production facilities, the Group is ideally placed to fulfil the extremely high security requirements that exist in such projects. The enterprise is also involved in the introduction of the electronic healthcare card (eHC), which will enable more efficient and cost-effective patient care. This too will ensure that the production facilities of the IDMS business segment will be working at or near capacity.

During the reporting period, the third enterprise segment, Embedded Security Solutions (ESS), achieved a sales contribution of € 2.9 m (slightly above 2% of total sales), against € 3.1 m during the first 9 months of 2011. In comparing results to the previous year, it must be noted that Authentidate, the main marketer of exceet's ESS solutions, was only consolidated from April 1, 2011, onwards and whose sales were strongly characterized by large-scale trading volumes during the previous year. The core business section was able to achieve double-digit growth.
Major marketing successes during the reporting period were the acquisition of a long-term cloud services agreement with a leading global logistics enterprise, an important contract for certification of IT security in the central IT infrastructure of one of the largest hospitals in Germany, as well as project management of

a ground-breaking NFC project for a major international telecoms corporation.

Over the preceding Quarters, the Group has invested heavily in developing products and solutions that bundle exceet's entire product and service portfolio. Especially with regard to the fields of cloud security, mobile communication and M2M (machine-to-machine) communication, the management sees enormous revenue potentials for such solutions.

Earnings Development: Group and Reporting Segments

During the first 9 months of the current business year, earnings before interest, taxes, depreciation and amortization (EBITDA) were € 11.9 m, against € 22.2 m during the respective on-year period (-46.3%). This represents an EBITDA margin of 8.6%, against 17.2% in the comparative period of the previous year. During the course of the business year, the EBITDA margin rose by 1.1% from 7.5% during the first half of the year.
Adjusted for one-off effects (non-recurring expenses) in the amount of € 2.1 m, recurring EBITDA attained € 14.0 m (recurring EBITDA margin 9M 2012: 10.2%), a value 44.1% below the recurring EBITDA of € 25.1 m achieved during the first 9 months of 2011 (recurring EBITDA margin 9M/2011: 19.5%). Viewed after adjustment for non-recurring expenditures, the current-year comparison of the EBITDA margin of the first 9 months with those of the first six months (9.1%) reveals an increase of 1.1 percentage points.
This positive development over the course of the year is the result of a tangible improvement in earnings performance during the 3rd Quarter of the current business year. At € 5.1 m (recurring € 5.8 m), EBITDA attained 48.4% (recurring: 44.9%) below the comparative Quarter of the previous year. A clear increase was achieved over the 2nd Quarter of 2012, in which EBITDA attained € 1.8 m (recurring € 3.1 m). This also led to a significant recovery of the EBITDA margin to 10.8% (recurring: 12.2%) after 4.1% (recurring: 7.0%) during the 2nd Quarter of 2012.

The factor most directly responsible for this improvement was the strong margin recovery in the IDMS segment over the summer months. During Q3 2012, this segment achieved an EBITDA margin of 8.5%. Over the cumulative 9-month period, the IDMS segment's EBITDA margin attained 4.5%, against 9.1% during the first 9 months of 2011. The consolidation measures already initiated in 2011 are showing positive effects on earnings performance. Particularly as a result of the consolidation of facilities and a reduction in the number of employees, it was possible to sharply reduce fixed costs.

During the first 9 months, the ECMS segment achieved EBITDA of € 13.2 m, accounting for an EBITDA margin of 13.4%, against 25.9% during the previous year and 13.5% during the first half of 2012.

Due to the cost-intensive development of new cloud security products during the reporting period, the ESS segment posted a slight EBITDA shortfall of € -7 thousand, after a positive segment EBITDA of € 370 thousand achieved during the previous year period.

exceet will continue to implement its consistent cost-cutting policy in all reporting segments. In the medium term, this will produce a further, significant reduction of the cost basis.

Expenditure Items

Due to the weak level of production capacity utilization and the effects of the appreciation of the US dollar on raw materials acquisition, the gross profit margin contracted during the first 9 months of the year, from 26.2% in the same period of 2011 to currently 17.1%. Adjusted by the restructuring expenditures in the amount of € 1.8 m, the gross profit margin was 18.4%.
Impacts were also exerted by development expenditures, which increased by € 1.7 m on-year, from € 4.9 m to € 6.6 m. Between the 2nd and the 3rd Quarters of this year, the already implemented cost-cutting measures and improved capacity utilization rates led to a rise in the gross profit margin from 10.6% to 19.0% respectively.

Net Earnings and Earnings per Share

As at September 30, 2012, the Group reports net earnings of € 9 thousand (against € 13.6 m during the first 9 months of 2011). This result is a consequence of the net loss of € 3.6 m as at June 30, 2012, and a positive net result of equal amount that was achieved during Q3 2012. The fluctuations in results at net

income level are a mirror image of the respective fluctuations in the financial result, which in accordance with IFRS requirements must make consideration of value adjustments on outstanding warrants. On June 30, 2012, these value adjustments totalled € 4.0 m. Due to lower market valuation of the warrants on the balance-sheet date, this value adjustment is reduced to € 2.0 m as at September 30, 2012.
During the first 9 months of the business year, the tax burden on exceet dropped from € 4.3 m during the comparative on-year period to a current € 2.2 m.
Income tax expense for the Q3 2012 increased due to the improved profitability of the entities compared to the previous quarter. On a cumulative basis for the past 9 months the calculatory tax rate of nearly 100% is caused by the summation of the individual tax charges of the entities. Based on the current development it is expected that this rate will decrease significantly by year-end."
Earnings per share as well as diluted earnings per share are identical at € 0.11 for the 3rd Quarter of 2012 and € 0.00 for the first 9 months of 2012 (after € 1.99 in 2012).

Balance Sheet Positions

As at September 30, 2012, the total assets of exceet Group amounted to € 183.2 m, compared to € 171.1 m as at December 31, 2011.

Non-current assets totalled € 91.2 m, almost unchanged versus the half-year position, but up against the year-end position of € 79.1 m, including tangible assets of € 29.1 m (YE 2011: € 27.1 m) and intangible assets of € 61.8 m (YE 2011: € 51.7 m). The total goodwill position increased from € 31.9 m to € 34.5 m, related to the goodwill of the companies newly acquired during the first half of 2012. As during the previous full year, no impairment was recorded against goodwill in the reporting period.

Current assets amount to € 92.0 m, as compared to € 91.9 m at year-end 2011. Inventories rose by € 12.6 m to € 43.7 m (+40.3% versus YE 2011 of € 31.1 m). About € 5 m are attributable to the inventories of the acquired companies, the remaining amount is related to stock-building due to the anticipated increase in sales during the final Quarter of the year. Receivables increased from € 19.7 m to € 26.7 m, mainly as a result of the incorporation of the acquired companies. Cash and cash equivalents decreased from € 40.1 m to € 20.2 m. The main impacts were cash outflow for the acquisition of the new companies (€ 10.9 m) which was already reported in H1, a further increase in net working capital, and tax payments in the amount of € 7.2 m. Due to these movements, the net debt position is now at € 17.4 m versus a net cash position of € 11.3 m at the end of last year.

At the end of the reporting period, exceet Group equity amounted to € 85.7 m, unchanged against 31 December 2011. This translates to a current equity ratio of 46.8%.

Non-current liabilities increased further to € 54.0 m, from € 41.1 m at year-end 2011 and € 45.8 m at the end of the half-year period Main impacts are increased borrowings and the transfer of € 4,1 m from current to non-current borrowings leading to an increase in non-current borrowings from € 25.7 m at year end to actual € 37.3 m.

Current liabilities totalled € 43.5 m, almost unchanged versus the year-end figure of € 44.3 m, and down again from the figures seen in H1, which stood at € 51.5 m. The main reasons for the change against 30 June 2012 are a reduction in tax liabilities as the company had been paying out taxes in the total amount of € 7.3 m, reduced liability (by around € 2 m) from lower valuation of public warrants outstanding; these are detailed under the position "Other financial liabilities" and the previously mentioned transfer of borrowings.

Cash Flow and Financial Situation

The operating result before changes in net working capital for the first 9 months of the current year was € 11.9 m, down € 9.6 m against the first 9 months of 2011 but up € 5.2 m against the H1 figure of € 6.7 m. After changes in net working capital (€ -11.7 m), of which a rise in inventories by almost € -7 m (versus € -3.8 m in the year-earlier period) had the biggest single impact, and after taxes paid (€ -7.3 m), the overall cash flow from operations was negative at € -7.7 m for the first 9 months of 2012.

Cash outflows from investing activities amounted to € -14.7 m, of which the biggest share is attributable to the acquisitions of "Inplastor GmbH" in Austria and "as electronics GmbH" in Germany, as already indicated by the figures published for the first half of the year.
Cash flow from financing activities, which balances proceeds and repayment of borrowings and takes into account repayments and proceeds in finance leases, showed a swing from € -2.8 m during the first half-year to € 2.3 m after the first 9 months of the current year.
This brings the total figure for net changes in cash and cash equivalents to a value of € -20.0 m.
Net capital expenditures in the reporting period were € 5.3 m. Adding net capital expenditures to the figure for cash flow from operations yields a free cash-flow generation of € -12.9 m for the first 9 months.

Employees

As at 30 September 2012, the group employed 994 employees (YE 2011: 898 employees), of which 100 employees are attributable to the companies newly acquired in 2012. New hires took place in the engineering and development areas. At the same time, layoffs due to cost-cutting measures and business restructuring, especially in the IDMS segment, became necessary during the 3rd Quarter. As at 30 September 2012, 379 employees were employed in Germany, 186 in Austria, 305 in Switzerland, 107 in the Czech Republic and 17 in the Netherlands.

Opportunities and Risk Report

The statements provided in the Annual Report 2011 on the opportunities and risks of the business model remain unchanged.

Outlook

Because the orders situation remains positive and because the sales upturn anticipated for the beginning of the second half-year is well underway, management is optimistic for sales developments during the final Quarter of the year as well. From today's point of view an increase in sales over 3rd Quarter 2012 and 4th-Quarter 2011 figures can be expected, in contrast to the overall economic trend. Major contributing factors will be livelier Smart-Card business and the acquired orders in the medical technology field.

The decision to undertake no further company acquisitions during the current year will lead to lower sales totals than had been planned for 2012. Current sales expectations for the full year are € 190 m.
In parallel to this, the originally anticipated EBITDA margin of approx. 14% (recurring) will no longer be attainable during the current business year. Management currently expects a full-year EBITDA margin (recurring) of 11%. Further improvement during the current year can be realized by way of further sales growth above and beyond that achieved during the 3rd Quarter of this year, as well as the cost-cutting measures that have already been initiated or are in the pipeline.

During the coming Quarters, priority will be accorded to the further optimization of our existing business. Chief points of concentration will be to continue to consolidate production facilities, and to focus the enterprise's efforts even more closely on the growth markets medical technology, industrial automation and security.
In the medium term, these measures will lead to a return to the margin levels of the previous year and to stabilization at these higher levels.

Luxembourg, 20 November 2012
exceet Group SE
The Board of Directors and the Management Board

Interim condensed consolidated financial statements

September 30, 2012

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November 20, 2012

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Condensed consolidated balance sheet

in TEUR	Note	unaudited September 30, 2012	December 31, 2011
Assets			
Non-current assets			
Tangible assets		29'109	27'101
Intangible assets		61'829	51'746
Other financial investments		27	26
Other non-current receivables		253	265
Total non-current assets		**91'218**	**79'138**
Current assets			
Inventories		43'661	31'122
Trade receivables, net		21'508	17'916
Other current receivables		5'223	1'768
Current income tax receivable		309	220
Accrued income and prepaid expenses		1'035	755
Cash and cash equivalents		20'214	40'132
Total current assets		**91'950**	**91'913**
Total assets		**183'168**	**171'051**
Equity			
Share capital		528	528
Reserves		85'128	85'073
Equity attributable to owners of the parent		**85'656**	**85'601**
Total equity		**85'656**	**85'601**
Liabilities			
Non-current liabilities			
Borrowings	12	37'259	25'718
Retirement benefit obligations		6'967	6'651
Deferred tax liabilities		7'892	6'674
Provisions for other liabilities and charges		864	556
Other non-current liabilities		1'065	1'535
Total non-current liabilities		**54'047**	**41'134**
Current liabilities			
Trade payables		13'358	10'838
Other current liabilities		7'982	5'308
Accrued expenses and deferred income		8'113	7'136
Current income tax liabilities		1'676	6'157
Borrowings	12	5'784	9'786
Other financial liabilities	11	5'091	3'000
Provisions for other liabilities and charges		1'461	2'091
Total current liabilities		**43'465**	**44'316**
Total liabilities		**97'512**	**85'450**
Total equity and liabilities		**183'168**	**171'051**

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

Condensed consolidated income statement

in TEUR	Note	3 months unaudited 01.07.-30.09.2012 TEUR	3 months unaudited 01.07.-30.09.2011 TEUR	9 months unaudited 01.01. - 30.09.2012	9 months unaudited 01.01. - 30.09.2011
Revenue		47'651	50'865	138'236	128'908
Cost of sales	7	-38'621	-37'348	-114'545	-95'094
Gross profit		**9'030**	**13'517**	**23'691**	**33'814**
Gross profit Margin		*19.0%*	*26.6%*	*17.1%*	*26.2%*
Distribution costs		-3'450	-2'380	-9'599	-7'350
Administrative expenses		-3'858	-3'647	-10'738	-11'262
Other operating income		986	308	1'911	1'071
Operating result (EBIT)		**2'708**	**7'798**	**5'265**	**16'273**
EBIT Margin		*5.7%*	*15.3%*	*3.8%*	*12.6%*
Financial income	6	2'301	4'750	1'055	5'614
Financial expense	6	-562	-2'098	-4'119	-4'020
Financial result, net		**1'739**	**2'652**	**-3'064**	**1'594**
Profit before income tax		**4'447**	**10'450**	**2'201**	**17'867**
Income tax expense		-837	-1'995	-2'192	-4'265
Profit for the period		**3'610**	**8'455**	**9**	**13'602**
Profit Margin		*7.6%*	*16.6%*	*0.0%*	*10.6%*
Profit attributable to:					
Owners of the parent		**3'610**	**8'480**	**9**	**13'754**
Non-controlling interests		0	-25	0	-152
Earnings per share (basic/dilutive)	9	EUR	EUR	EUR	EUR
Class A shares		0.11	0.30	0.00	1.99
Class B/C shares		0.11	0.00	0.00	0.01

Condensed consolidated statement of comprehensive income

in TEUR	3 months unaudited 01.07. - 30.09.2012	3 months unaudited 01.07. - 30.09.2011	9 months unaudited 01.01. - 30.09.2012	9 months unaudited 01.01. - 30.09.2011
(Loss) / Profit for the period	**3'610**	**8'455**	**9**	**13'602**
Other comprehensive income:				
Actuarial gains/(losses) and adjustments under IAS 19.58b	-241	-1'149	-371	-1'658
Deferred tax effect on actuarial (gains)/losses	38	190	59	262
Currency translation differences	-712	-1'460	358	141
Other comprehensive income for the period	**-915**	**-2'419**	**46**	**-1'255**
Total comprehensive income for the period	**2'695**	**6'036**	**55**	**12'347**
Attributable to:				
Owners of the parent	**2'695**	**6'061**	**55**	**12'499**
Non-controlling interests	**0**	**-25**	**0**	**-152**

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

Condensed consolidated statement of cash flows

in TEUR	unaudited 01.01.- 30.09.2012	unaudited 01.01.- 30.09.2011
(Loss) / Profit before income tax	2'201	17'867
Adjustments for non-cash transactions		
Amortization on intangible assets	2'390	2'274
Depreciation on tangible assets	4'269	3'643
Gains on disposal of assets	-26	-66
Financial (income)/expense, net	2'805	-1'115
Other non-cash (income)/expenses	320	-891
Adjustments to retirement benefit obligation/prepaid cost	-96	-261
Operating results before changes in net working capital	11'863	21'451
Changes to net working capital		
Changes to inventories	-6'992	-3'775
Changes to receivables	-4'893	-4'230
Changes to accrued income and prepaid expenses	-167	-34
Changes to liabilities	1'470	-1'452
Changes to provisions for other liabilities and charges	-1'434	0
Changes to accrued expenses and deferred income	312	1'556
Tax received	166	51
Tax paid	-7'319	-1'276
Interest received	45	22
Interest paid	-703	-693
Cashflows from operating activities	**-7'652**	**11'620**
Reverse asset acquisition, net of cash acquired	0	131'062
Acquisition of subsidiaries, net of cash acquired	-10'855	-6'344
Acquisition of tangible assets	-3'378	-2'979
Sale of tangible assets	92	88
Acquisition of intangible assets	-519	-85
Cashflows from investing activities	**-14'660**	**121'742**
Acquisition of non-controlling interests	0	-52
Distribution of profits to shareholder	0	-110'500
Proceeds of borrowings	7'559	0
Repayments of borrowings	-2'076	-1'163
Repayments of other non-currents liabilities	-41	-503
Proceeds in finance lease	512	0
Repayment in finance lease	-3'643	-2'014
Cashflows from financing activities	**2'311**	**-114'232**
Net changes in cash and cash equivalents	**-20'001**	**19'130**
Cash and cash equivalents at the beginning of the period	**40'132**	**18'911**
Effect of exchange rate gains/(losses)	83	-619
Cash and cash equivalents at the end of the period	**20'214**	**37'422**

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

Condensed consolidated statement of changes in equity

in TEUR	Issued and paid-in share capital	Capital reserves	Treasury Shares	Retained earnings	Foreign Currency transl. diff.	Total owners of the parent	Non-controlling interests	Total
Balances at January 1, 2012	**528**	**65'485**	**-4'525**	**15'263**	**8'850**	**85'601**	**0**	**85'601**
(Loss) / Profit for the period				9		9	0	9
Other comprehensive income:								
Actuarial gains/(losses) and adjustments under IAS 19.58b				-371		-371		-371
Deferred tax effect on actuarial (gains)/losses				59		59		59
Currency translation differences					358	358		358
Total other comprehensive income for the period	0	0	0	-312	358	46	0	46
Total comprehensive income for the period	**0**	**0**	**0**	**-303**	**358**	**55**	**0**	**55**
Balances at September 30, 2012	**528**	**65'485**	**-4'525**	**14'960**	**9'208**	**85'656**	**0**	**85'656**

	Issued and paid-in share capital	Capital reserves	Treasury Shares	Retained earnings	Foreign Currency transl. diff.	Total owners of the parent	Non-controlling interests	Total
	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR
Balances at January 1, 2011	**14'063**	**18'721**	**0**	**12'092**	**8'484**	**53'360**	**2'614**	**55'974**
(Loss) / Profit for the period				13'754		13'754	-152	13'602
Other comprehensive income:								
Actuarial gains/(losses) and adjustments under IAS 19.58b				-1'658		-1'658		-1'658
Deferred tax effect on actuarial (gains)/losses				262		262		262
Currency translation differences					141	141		141
Total other comprehensive income for the period	0	0	0	-1'396	141	-1'255	0	-1'255
Total comprehensive income for the period	**0**	**0**	**0**	**12'358**	**141**	**12'499**	**-152**	**12'347**
Acquisition of non-controlling interests								
Winter AG				14		14	-66	-52
exceet Card Group AG	2'807	9'705		-10'116		2'396	-2'396	0
Total acquisition of non-controlling interests	2'807	9'705	0	-10'102	0	2'410	-2'462	-52
Equity effect from reverse asset acquisition:								
As-if capital increase		178'750				178'750		178'750
Distribution of profits to shareholder		-110'500				-110'500		-110'500
Purchase of treasury shares			-51'300			-51'300		-51'300
Existing shares exceet Group SE	400	-400				0		0
Capital increase from issuance of Class B shares in exchange for Class B warrants (exceet Group SE)	15	-15				0		0
Capital increase from issuance of Class A shares (exceet Group SE)	47	-47				0		0
Capital increase from issuance of Class C shares (exceet Group SE)	137	-137				0		0
Reclassification Balance of exceet Group AG at January 1, 2011	-14'063	14'063				0		0
Reclassification capital increase acquisition of non controlling interests exceet Card Group in exceet Group AG	-2'807	2'807				0		0
Total equity effect from reverse asset acquisition	-16'271	84'521	-51'300	0	0	16'950	0	16'950
Balances at September 30, 2011	**599**	**112'947**	**-51'300**	**14'348**	**8'625**	**85'219**	**0**	**85'219**

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 (the 'Company' or the 'Group') – collectively with its subsidiaries – is the successor company of a reverse asset acquisition of exceet Group SE (formerly named Helikos SE) and exceet Group AG with effect from July 26, 2011. The reverse asset acquisition was the result of a plan of 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 an integrated international embedded solutions technology 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 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 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 units 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 units 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 as well as in the US and Asia-Pacific and consists of a total of 19 direct and indirect subsidiaries with 14 sites located in five European countries (the Republic of Austria ('Austria'), the Czech Republic, Germany, the Kingdom of the Netherlands (the 'Netherlands') and Switzerland), allowing the Company 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.

The Group's legal parent company is exceet Group SE, a company incorporated as a Société Européenne under the law of Luxembourg. exceet Group SE was incorporated on October 9, 2009 as Helikos SE and renamed in exceet Group SE on July 27, 2011. exceet Group SE has its registered office at 115 avenue Gaston Diderich, L-1420 Luxembourg.

On July 26, 2011, exceet Group AG completed its reverse asset acquisition of exceet Group SE pursuant to the terms and conditions of the share purchase and acquisition agreement. Further to detailed analysis in respect to the terms and conditions of the transaction between Helikos SE and exceet Group AG, management has determined the transaction as a reverse asset acquisition rather than a business combination. The consolidated financial statements have been prepared as if exceet Group AG had acquired exceet Group SE and its controlled entities, not vice versa as represented by the legal position. Due to the reverse acquisition treatment, the prior period figures of the presented consolidated financial statements will not match with those of former Helikos SE because the numbers represent the financial consolidated statement of exceet Group AG. Further information on the reverse asset acquisition please refer to the annual accounts of exceet Group SE notes 5 and 17.

The Group 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 can be seen in the list of consolidated subsidiaries of the Group (note 16).

These interim condensed consolidated financial statements, unaudited and not been reviewed by auditors, were approved for issue by the Board of Directors on November 19, 2012.

In the Interim condensed consolidated financial statements of June 30, 2012, there was a classification error of TEUR 3'000 between Cost of sales and Distribution costs. This has been rectified in the current period and the figures now represent the correct amounts. The impact on gross profit is a decrease of TEUR 3'000 to TEUR 14'659 for the half year ended June 30, 2012 and a decrease to TEUR 5'191 for the three-month ended June 30, 2012. Gross profit margin decreased to 15.4% and 10.6%, respectively. There is no impact on the operating result (EBIT).

2 Adoption of new and revised accounting standards

No new standards or amendments to existing standards have been applied since the year end except for:

- IFRS 7 (Amendments) "Disclosure –Transfers of financial assets".

The amendment has no impact on exceet Group SE. Therefore, 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 75 to 81 of the 2011 annual report of exceet Group SE.

The following table shows the new standards and the amendments to existing standards which will be applicable.

New Standards or amendments to existing standards	Effective date when a standard has to apply
Already endorsed by EU	
Amendments to IAS 1 - Presentation of items of other comprehensive income	July 1, 2012
Amendments to IAS 19 - Employee benefits	January 1, 2013
Not yet endorsed by EU	
Amendments to IFRS 1 - Government Loans	January 1, 2013
Amendments to IFRS 7 - Disclosures - Offsetting financial assets and financial liabilities	January 1, 2013
IFRS 9 - Financial Instruments: Classification and measurement	January 1, 2015
IFRS 10 - Consolidated financial statements	January 1, 2013
IFRS 11 - Joint arrangements	January 1, 2013
IFRS 12 - Disclosure of interests in other entities	January 1, 2013
IFRS 13 - Fair value measurement	January 1, 2013
Amendments to IAS 27 - Separate financial statements	January 1, 2013
Amendments to IAS 28 - Investments in associates and joint ventures	January 1, 2013
Amendments to IAS 32 - Offsetting financial assets and financial liabilities	January 1, 2014
IFRS Annual Improvements 2011	January 1, 2013

The Group is currently in process to analyze the potential impacts of the new standards and the amendments to the existing standards. As soon as this process has been completed, the Group will make the decision if the changes will be early adopted.

3 Basis of preparation

These interim condensed consolidated financial statements for the nine months ended September 30, 2012, 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, 2011, which have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU).

Certain amounts in the 2011 comparative financial statements figures and related notes do not agree to the Interim condensed consolidated financial statements at September 30, 2011 due to timing of the accounting relating to reverse asset acquisition, as well as reclassification to conform to the 2012 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 2011.

Use of estimates and judgments
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, 2011.

The following exchange rates were relevant to the interim financial report as per September 30, 2012:

	30.09.2012	Average 01.01.-30.09.2012	31.12.2011	30.09.2011	Average 01.01.-30.09.2011
1 CHF	0.83	0.83	0.82	0.82	0.81
1 USD	0.75	0.76	0.77	0.70	0.73

Taxes on income in the interim periods are accrued using the 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. 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 Additional information to the cash flow statement

Cash flow on acquisition of investments in TEUR	unaudited Cash flow 01.01.- 30.09.2012	unaudited Cash flow 01.01.- 30.09.2011	Date of consolidation
Cash outflow on acquisition of as electronics GmbH	-8'811		May 24, 2012
Cash outflow on acquisition of Inplastor GmbH	-1'944		January 27, 2012
Cash outflow on acquisition of Contec GmbH		-4'609	May 1, 2011
Cash outflow on acquisition of AuthentiDate AG		-946	April 1, 2011
Cash outflow on acquisition of exceet Austria GmbH		-9	March 1, 2011
Cash outflow on acquisition of The Art of Packaging s.r.o.	-100	-780	December 31, 2010
Total	**-10'855**	**-6'344**	

Transaction costs directly recognized in the income statement	unaudited 01.01.- 30.09.2012 TEUR
as electronics GmbH	134
Inplastor GmbH	14
Total	**148**

The cash outflow on acquisition of The Art of Packaging s.r.o. is related to the acquisition in 2010, with contractual payments in 2011 and 2012.

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

5 Segment information

The Group has three main business segments, Electronic Components Modules & Systems (‘ECMS’), ID Management & Systems (‘IDMS’) and Electronic 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 Management Board. In addition, the Group has a forth segment ‘Corporate and others’ for reporting purposes which only includes the investment companies.

The segment information for the nine months ended September 30, 2012, and a reconciliation of EBIT to (loss)/profit for the period are provided as follows:

Income statement/capital expenditure by segment

in TEUR	ECMS		IDMS		ESS		Corporate and others		Inter-segment elimination		Group consolidated	
	unaudited		unaudited		unaudited		unaudited		unaudited		unaudited	
	01.01.2012 - 30.09.2012	01.01.2011 - 30.09.2011	01.01.2012 - 30.09.2012	01.01.2011 - 30.09.2011	01.01.2012 - 30.09.2012	01.01.2011 - 30.09.2011	01.01.2012 - 30.09.2012	01.01.2011 - 30.09.2011	01.01.2012 - 30.09.2012	01.01.2011 - 30.09.2011	01.01.2012 - 30.09.2012	01.01.2011 - 30.09.2011
External revenue	98'127	93'171	37'192	32'638	2'917	3'099	0	0			138'236	128'908
Inter-segment revenue	85	0	122	566	0	0	248	335	-455	-901	0	0
Total revenue	**98'212**	**93'171**	**37'314**	**33'204**	**2'917**	**3'099**	**248**	**335**	**-455**	**-901**	**138'236**	**128'908**
Operating result (EBITDA)	**13'150**	**24'153**	**1'661**	**3'029**	**-7**	**370**	**-2'880**	**-5'362**			**11'924**	**22'190**
EBITDA Margin	*13.4%*	*25.9%*	*4.5%*	*9.1%*	*-0.2%*	*0.0%*					*8.6%*	*17.2%*
Depreciation and amortization	-4'377	-4'107	-2'064	-1'549	-163	-233	-55	-28			-6'659	-5'917
Operating result (EBIT)	**8'773**	**20'046**	**-403**	**1'480**	**-170**	**137**	**-2'935**	**-5'390**			**5'265**	**16'273**
EBIT Margin	*8.9%*	*21.5%*	*-1.1%*	*4.5%*	*-5.8%*	*0.0%*					*3.8%*	*12.6%*
Financial income											1'055	5'614
Financial expense											-4'119	-4'020
Financial result – net											**-3'064**	**1'594**
(Loss) / Profit before income tax											**2'201**	**17'867**
Income tax expense											-2'192	-4'265
(Loss) / Profit for the period											**9**	**13'602**
Capital expenditure tangible assets	1'917	2'286	1'417	527	18	8	26	158			3'378	2'979
Capital expenditure intangible assets	292	37	24	42	203	2	0	4			519	85
Depreciation tangible assets	-2'460	-2'268	-1'745	-1'361	-31	-8	-33	-6			-4'269	-3'643
Amortization intangible assets	-1'917	-1'839	-319	-188	-132	-225	-22	-22			-2'390	-2'274

Assets/liabilities by segment

in TEUR	ECMS			IDMS			ESS			Corporate and others			Group consolidated		
	unaudited		unaudited	unaudited		unaudited	unaudited		unaudited	unaudited		unaudited	unaudited		unaudited
	30.09.2012	31.12.2011	30.09.2011	30.09.2012	31.12.2011	30.09.2011	30.09.2012	31.12.2011	30.09.2011	30.09.2012	31.12.2011	30.09.2011	30.09.2012	31.12.2011	30.09.2011
Non current Assets	63'834	54'791	54'472	25'409	22'405	22'111	1'802	1'745	1'726	173	197	199	91'218	79'138	78'508
Current Assets	67'905	61'824	63'245	18'402	13'720	14'019	1'396	877	1'136	4'247	15'492	19'978	91'950	91'913	98'378
Liabilities	42'913	41'124	42'504	19'665	15'841	14'901	1'669	1'227	1'504	33'265	27'258	32'757	97'512	85'450	91'666

6 Financial expense

Financial income for the three-month ended September 30, 2012, includes a gain of TEUR 2’000 realized on the fair value adjustment of the public warrants (note 11). The accumulated year-to-date loss on fair value adjustment of TEUR 2’000 is shown as financial expenses for the nine-month period.

7 Development costs

The position “cost of sales” in the consolidated income statement includes development costs in the amount of TEUR 6’575 (prior period January 1, 2011 to September 30, 2011 - TEUR 4’914; prior year January 1, 2011 to December 31, 2011 – TEUR 6’800).

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

8 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, 2011.

For further information regarding the transactions before December 31, 2011, please refer to the annual report of exceet Group SE 2011, Note 17 on pages 112 to 117.

9 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, 2012, is based on the (loss)/profit attributable to the owners of the parent of TEUR 9 (Q3 2011: TEUR 13’754) 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 are 6’848’394 Class A shares and 10’157’895 Class C shares respectively.

		unaudited	**unaudited**
		01.01. - 30.09.2012	**01.01. - 30.09.2011**
(Loss)/Profit for the period (TEUR) attributable to equity holders of the Company	Class A shares	5	13'652
	Class B/C shares	4	102
	Total	*9*	*13'754*
Weighted average number of ordinary shares outstanding	Class A shares	20'073'695	6'848'394
	Class B/C shares	14'210'526	10'157'895
	Total	*34'284'221*	*17'006'289*
Basic earnings per share (EUR/share)	**Class A shares**	**0.00**	**1.99**
	Class B/C shares	**0.00**	**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. The warrants are not dilutive as the average market price of the ordinary shares is below the exercise price of the warrants. Additionally, Class B and C shares that are not converted to public shares on or prior to the fifth anniversary of the consummation of the reverse asset acquisition will no longer be convertible into public shares and will be redeemed. A 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.

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

The impact of the Management Stock Option Program (MSOP) on the dilution of EPS is not regarded as significant, as it cannot be properly be displayed in the EPS amount, due to the small numbers of options granted in relation to the total numbers of shares outstanding.

10 Dividends

No dividends were paid during the nine months ended September 30, 2012.

11 Other financial liability

The current financial liability contains a financial liability resulting from fair value measurement of the Public Warrants of TEUR 5’000.

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.

With consummation of the acquisition on July 26, 2011, the terms and conditions of the Class A warrant were amended, notably;

(i) to provide for the payment in cash of EUR 0.625 per Class A warrant upon consummation of the reverse asset acquisition; (amount to TEUR 12’500 for all public warrants);
(ii) to amend the exercise formula for the Class A warrants to provide that the number of Class A shares received upon exercise of each Class A warrant is reduced by 50 %;
(iii) to increase the warrant exercise price per Class A share from EUR 9 per Class A share to EUR 12 per Class A share;
(iv) to increase the redemption trigger from EUR 14 to EUR 17; and
(v) to extend the term of the Class A warrants from five years from the date of Helikos SE’s IPO to five years from the consummation of the reverse asset acquisition.

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, 2011, the rating of one public warrant on the Frankfurt Stock Exchange (Frankfurter Wertpapierbörse) was at EUR 0.15, hence a fair value of TEUR 3’000 was recorded at December 31, 2011.

As at September 30, 2012 the rating of one Public Warrant on the Frankfurt Stock Exchange (Frankfurter Wertpapierbörse) was at EUR 0.25, hence a fair value of TEUR 5’000 at September 30, 2012.

12 Significant events and transactions

In January 2012, the Company announced the implementation of a management stock option program, for details please refer to the annual report of exceet Group SE 2011 – Note 37 on page 153. Until September two contracts have been signed, with a total amount of 133’334 options granted. There are four

equal tranches of each 33'334, each tranche characterized by a different strike price of EUR 7, EUR 12, EUR 13, EUR 16; each beneficiary has to pay no option premium. The options have a period of five years, starting from the issuance date.

On July 5, 2012, a new bank agreement has been signed to replace the existing agreement. The credit facility has been increased with extended maturity dates; therefore, TEUR 4'133 currently shown as Borrowings - Current have been reclassified to Borrowings - Non-current in the current period.

13 Financial risk management

Until September 30, 2012, there were no significant changes in the business or economic circumstances that affect the fair value of the Group's financial assets and financial liabilities.

Until September 30, 2012, there were no reclassifications of financial assets.

14 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.

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 with TEUR 98 of interest charged for the period in 2012 (Q3 2011: TEUR 183). In addition, the Group had legal charges in the first nine months of 2012 of TEUR 187 (Q3 2011: TEUR 215). For the acquisition of The Art of Packaging s.r.o. at December 31, 2010, TEUR 100 has been paid to members of Management Board of exceet Group SE by the end of the first quarter of 2012.

15 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 results. The management expects the earn-out payment to be made in full.

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 5'726 and a net profit of TEUR 231 to the Group for the period of May 24, 2012 to September 30, 2012. If the acquisition had occurred on January 1, 2012 as electronics GmbH would have contributed revenue of TEUR 12'349 and a net profit of TEUR 416 to the Group.

The initial accounting for the acquisition as at September 30, 2012 is provisional pending on final review of the purchase price allocation.

Details of net assets acquired and goodwill are as follows:

Purchase consideration	TEUR
Purchase consideration settled in cash	10'070
Contingent consideration	1'400
Total purchase consideration	**11'470**
Fair value of net assets acquired	-9'391
Goodwill	**2'079**

The goodwill of TEUR 2‘079 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 assets and liabilities arising from the acquisition are as follows:

	Fair Value
	TEUR
Cash and cash equivalents	1'259
Tangible assets	217
Software and other intangible assets	1'483
Customer base and technology	5'732
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	-1'142
Accrued expenses and deferred income	-564
Provisions	-135
Borrowings	-2'524
Liabilities from finance leasing	-44
Deferred tax, net	-1'093
Net assets acquired	**9'391**

	TEUR
Purchase consideration settled in cash	-10'070
Cash and cash equivalents in subsidiary acquired	1'259
Cash outflow on acquisition	**-8'811**

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 exceet Group SE’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, and TEUR 300 has been released as of September 30, 2012.

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 6'651 and a net profit of TEUR 157 to the Group for the period of January 23, 2012 to September 30, 2012. If the acquisition had occurred on January 1, 2012 Inplastor GmbH would have contributed revenue of TEUR 6'910 and a net profit of TEUR 69 to the Group.

The initial accounting for the acquisition as at September 30, 2012 is provisional pending on final review of the purchase price allocation.

Details of net assets acquired and goodwill are as follows:

Purchase consideration	TEUR
Purchase consideration settled in cash	2'200
Contingent considerations paid in an escrow account	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 assets and liabilities arising from the acquisition are as follows:

	Fair Value
	TEUR
Cash and cash equivalents	756
Tangible assets	489
Software and other intangible assets	71
Customer base and technology	1'765
Inventory	299
Trade receivables (incl. 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 non-current liabilities	-52
Deferred tax, net	-509
Net assets acquired	**2'277**
Purchase consideration settled in cash	-2'700
Cash and cash equivalents in subsidiary acquired	756
Cash outflow on acquisition	**-1'944**

exceet Card Group AG

On July 15, 2011, the general shareholders' meeting of exceet Group AG resolved to increase the share capital of exceet Group AG by TEUR 2'807 to TEUR 16'870 (in Swiss Francs: CHF 3'241'040 to CHF 25'528'040) against contribution in kind of 1'800'500 registered shares in exceet Card Group AG by Ulrich Reutner, Robert Wolny and Jan Trommershausen. By way of a contribution agreement of the same date, Mr. Reutner, Mr. Wolny and Mr. Trommershausen transferred their 1'800'500 shares in exceet Card Group AG to exceet Group AG against subscription of 3'241'040 new shares at a nominal value of CHF 1 each at a price of CHF 4.53 per share. The agio (from the difference of nominal value to price) of TEUR 9'705 was booked as an increase in capital reserves. The difference between the non-controlling interests of TEUR 2'396 and the increase in share capital and capital reserves is shown as a decrease in retained earnings of TEUR 10'116 (see condensed consolidated statement of changes in equity).The share capital increase was entered into the commercial register on July 25, 2011.

Helikos AG

Helikos AG was incorporated at May 27, 2011 and is a 100% subsidiary of exceet Group SE.

Contec Steuerungstechnik & Automation Gesellschaft m.b.H.

On May 2, 2011, the Group (exceet Austria GmbH 99.01%, exceet Group AG 0.99%) acquired all of the issued shares of Contec Steuerungstechnik & Automation Gesellschaft m.b.H (Contec GmbH) for a cash consideration of TEUR 4'745. The fair value of net assets acquired were TEUR 6'397 resulting in a Goodwill of TEUR 793. With cash and cash equivalents of TEUR 136 acquired, cash outflow amounted to TEUR 4'609. Contec GmbH contributed revenues of TEUR 10'687 and a net profit of TEUR 317 for the period of May 1, 2011 to September 30, 2011.

Purchase consideration	TEUR
Purchase consideration settled in cash	4'745
Contingent consideration	2'445
Total purchase consideration	**7'190**
Fair value of net assets acquired	-6'397
Goodwill	**793**

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

	Fair Value
	TEUR
Cash and cash equivalents	136
Tangible assets	4'769
Software and other intangible assets	206
Customer base and technology	3'590
Other financial assets	27
Inventory	7'440
Trade receivables (including allowance)	1'972
Other receivables	804
Accrued income and deferred expenses	152
Trade payables	-2'244
Other liabilities	-1'394
Accrued expenses and deferred income	-508
Provisions	-116
Long-term financial liabilities	-7'763
Deferred tax, net	-674
Net assets acquired	**6'397**

Purchase consideration settled in cash	-4'745
Cash and cash equivalents in subsidiary acquired	136
Cash outflow on acquisition	**-4'609**

AuthentiDate AG.
On April 1, 2011, the Group acquired all of the issued shares in AuthentiDate AG, Düsseldorf, for a cash consideration of TEUR 1’031.The fair value of net assets acquired were TEUR 651 resulting in a Goodwill of TEUR 380. With cash and cash equivalents of TEUR 85 acquired, cash outflow amounted to TEUR 946. AuthentiDate AG contributed revenue of TEUR 3’099 and a net profit of TEUR 242 for the period of April 1, 2011 to September 30, 2011.

Purchase consideration	TEUR
Purchase consideration settled in cash	1'031
Total purchase consideration	**1'031**
Fair value of net assets acquired	-651
Goodwill	**380**

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

	Fair Value
	TEUR
Cash and cash equivalents	85
Tangible assets	41
Software and other intangible assets	26
Customer base	1'500
Inventory	6
Trade receivables (including allowance)	455
Other receivables	360
Accrued income and deferred expenses	43
Trade payables	-106
Other liabilities	-517
Accrued expenses and deferred income	-1'059
Provisions	-5
Loan from shareholder	-70
Deferred tax, net	-108
Net assets acquired	**651**

Purchase consideration settled in cash	-1'031
Cash and cash equivalents in subsidiary acquired	85
Cash outflow on acquisition	**-946**

exceet Austria GmbH
On March 1, 2011, the Group acquired exceet Austria GmbH, an inactive holding company, which has been purchased for TEUR 40. At the date of acquisition, the acquired asset contains only cash positions.

Winter AG
On February 16, 2011, the Group acquired additional 4.88% of the issued share capital of Winter AG and increased its interest in the subsidiary to 100%. The purchase of additional subsidiary shares once control was obtained by the parent entity was accounted for as an equity transaction and no gain or loss was recorded. The purchase price was TEUR 52.

16 List of consolidated subsidiaries of exceet Group SE

Company	Year of acquisition[1]	Activity	Land	Share Capital		Share in the capital	Share of the votes
exceet Group SE	2011	Investments in subsidiaries	LUX	EUR	527'960	100%	100%
- Helikos AG	2011	Investments in subsidiaries	SUI	CHF	100'000	100%	100%
- exceet Group AG	2006	Investments in subsidiaries	SUI	CHF	25'528'040	100%	100%
- ECR AG	2006	Manufacturing of electronic components for industrial and med-tech application	SUI	CHF	500'000	100%	100%
- GS Swiss PCB AG	2006	Manufacturing of flexible, semi-flexible and HDI printed circuit boards	SUI	CHF	1'350'000	100%	100%
- Mikrap AG	2008	Development and distribution of software and hardware for instrumentation and control technology	SUI	CHF	1'000'000	100%	100%
- AEMtec GmbH	2008	Manufacturing of multi-chip modules	GER	EUR	2'250'000	100%	100%
- as electronics GmbH	2012	Development and manufacturing of electronic components for industrial applications	GER	EUR	102'150	100%	100%
- exceet Austria GmbH[7]	2011	Investments in subsidiaries	AUT	EUR	35'000	100%	100%
- Contec Steuerungstechnik & Automation Gesellschaft m.b.H.	2011	Manufacturing of electronic components for industrial and med-tech application	AUT	EUR	36'000	100%	100%
- Inplastor Graphische Produkte Gesellschaft m.b.H.	2012	Manufacturing of plastic card for Loyality, Events and ID -Security-Solutions	AUT	EUR	50'000	100%	100%
- AuthentiDate International AG	2011	Digital signatures and trust center	GER	EUR	1'000'000	100%	100%
- AuthentiDate Deutschland GmbH[8]	2011	Digital signatures and trust center	GER	EUR	25'000	100%	100%
- exceet Card Group AG[9]	2009	Investments in subsidiaries	GER	EUR	5'915'500	100%	100%
- VisionCard Kunststoffkarten-produktions GmbH[2]	2009	Manufacturing of plastic card for Loyality, Access, Events and Transportation	AUT	EUR	35'000	100%	100%
- idVation GmbH[3]	2009	Customizing Solutions for RFID area and Logical Access	GER	EUR	25'000	100%	100%
- The Art of Packaging s.r.o.[4]	2010	Production of prelaminates for RFID card components, packaging services	CZE	CZK	1'500'000	100%	100%
- Winter AG[2, 10]	2010	Production of smart cards and card personalization	GER	EUR	6'315'584	100%	100%
- PPC Card Systems B.V.[5]	2009	Personalization and mailing of all types of cards	NED	EUR	226'900	100%	100%
- NovaCard Informationssysteme GmbH[2]	2009	Development and marketing of contact and contactless smart cards	GER	EUR	1'022'584	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 VisionCard Kunststoffkartenproduktions GmbH holds 100% of the share capital of idVation GmbH

4 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 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 Winter AG have been merged in August 2012 retroactively as per 1.1.2012.

17 Contingencies

The provision for the legal claim brought up against the Group in 2011 has been reduced in Q2 2012 by TEUR 250, as management expects the loss to be less than anticipated at year end 2011.

Provisions for the restructuring of the IDMS segment have been increased in Q2 2012 by TEUR 752 and in Q3 2012 by an additional TEUR 300. These additional costs are caused by the extension of the restructuring program.

The provision for the earn-out relating to the acquisition of Contec of TEUR 500 has been released into the income statement, as management expects the conditions for the earn-out are unlikely to be met.

18 Events occurring after the reporting period

There were no other events since the balance sheet date on September 30, 2012, that would require adjustment of assets or liabilities or a disclosure.