



Financial Results First Quarter 2016

Focus on Electronics and Secure Solutions

- Divestment process for card segment (IDMS) has been started
- Q1 net sales of continued operations reached EUR 31.5 million (3M 2015: EUR 35.6 million), on a total group basis (incl. IDMS) EUR 42.5 million (3M 2015: EUR 46.0 million)
- Q1 EBITDA of continued operations reached EUR 1.8 million (Q1 2015: EUR 2.5 million), on a total group basis EUR 1.7 million (3M 2015: EUR 3.0 million)
- Order Backlog of continued operations EUR 81.7 million (31.3.2015: EUR 79.0 million), on a total group basis EUR 89.5 million (31.3.2015: EUR 85.4 million)

Luxembourg, 02 May 2016 – 06.30 p.m. – To focus the exceet Group on the electronic and secure solutions activities, the Board of exceet Group SE decided at the beginning of March 2016 to start a process to sell the business segment of ID Management & Systems (IDMS). As a consequence, the group's IFRS reporting will be split in "Continued Operations" and "Discontinued Operations" as of Q1 2016. Please see for further details the notes of the Quarterly Report.

The revenue of the first quarter 2016 of continued operations reached EUR 31.5 million (3M 2015: EUR 35.6 million) representing a decline of 11.5%; on a group total basis including IDMS EUR 42.5 million (3M 2015: EUR 46.0 million). With the combination of the lower sales level, the project mix and the ongoing investments into new business activities and projects, exceet's continued operations achieved an EBITDA of EUR 1.8 million (5.7% of net sales) compared to EUR 2.5 million (7.0% of net sales) in Q1 2015.

Electronic Components, Modules & Systems (ECMS) contributed 70% to overall Group sales on a total basis. Net sales decreased to EUR 29.8 million during the first three months of 2016, against EUR 33.1 million during the first three months of 2015. The ECMS segment achieved an EBITDA of EUR 3.6 million, accounting for an EBITDA margin of 12.0% compared to EUR 4.3 million or a margin of 13.1% in the same period of the previous year.

In Q1 ECMS expanded the activities in the wafer processing area. This new business field integrates vertically within the segments value chain and offers substantial advantages to the customers, mainly by reducing the time to market. The setup of the new production infrastructure is very sustainable and

guarantees a technological cutting edge for the next 3-5 years. First customers already valued exceet's competitive advantage and decided to realize upcoming projects with ECMS. Further orders are expected for the second half-year of 2016. Additionally ECMS is in the process to bundle production capabilities to further streamline its operations. The segment shifts production capacities in cooperation with the customers from Rotkreuz (Switzerland) to Ebbs (Austria). This enables ECMS to focus in Rotkreuz on its high and longtime engineering competence.

exceet Secure Solutions (ESS) accounted for 4% of total group sales. In the first three months 2016 the segment generated revenues of EUR 1.7 million. This reflects a decrease by 34.4% compared to Q1 2015 of EUR 2.5 million. As of 31 March 2016 the costs of current projects have been capitalized as work in progress with expected future revenue of EUR 0.6 million (31.3.2015: none). The EBITDA for this reporting period reached minus EUR 0.6 million (3M 2015: minus EUR 0.1 million).

In the first three months ESS was able to extend its IoT projects with international, well-known customers. The segment focused on companies especially in the mechanical- and medical engineering industries. With these projects ESS gained comprehensive industry specific IoT know-how and also enlarged its sector specific IoT security expertise in these markets. ESS improved further eHealth, eSignature and Hardware Security Module (HSM) related developments and sales activities and submitted several offers to existing and potential customers.

ID Management & Systems (IDMS) accounted for 26% of group-wide sales. The revenue in the first three months 2016 amounted to EUR 11.0 million, which represented an increase of 5.9% compared to EUR 10.4 million in Q1 2015. Due to the margin reduction related to the project mix and the additional costs out of the loyalty business restructuring, IDMS reported an EBITDA of minus EUR 0.1 million for the first three months 2016 which resulted in an EBITDA margin of minus 1.1%. In the same period of the previous year the segment achieved an EBITDA of EUR 0.5 million representing 4.8% EBITDA margin.

The segment continued to further implement the centers of excellence structure and started in Q1 to move the loyalty card activities from Unterschleissheim (Germany) to Kematen (Austria). IDMS is expecting service and efficiency improvements out of this shift. At the same time the center of excellence for banking cards, with certified VISA and Mastercard processes and facilities, was being expanded continuously in Unterschleissheim and Paderborn (Germany).

In the first three months IDMS won a substantial follow-up order from a public transport provider in UK and could hereby successfully expand an existing customer relationship. The segment also generated further projects with new customers, which were acquired in 2015, e.g. with the customer "Number26" (online and mobile banking).

Outlook

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

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

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

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

Greenock S.à r.l. a major shareholder of exceet Group SE had informed the company in Q3 2014 that they are assessing their strategic options related to their shareholding in exceet Group SE, including a possible disposal of such shareholding to a third party. Pursuant to the updated information provided by Greenock S.à r.l., no final decision has still been taken regarding the form and timing of a potential transaction.

Annex: Performance and Structural Data first three month 2016

[Complete Interim Management Report](#) on the first three month 2016 and [actual Investor Relation Presentation](#) available at www.exceet.lu

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exceet will announce half year results for 2016 on 08 August 2016 (after closing of the market)

About exceet

exceet is an international technology group, which is specialized in the development and production of intelligent, complex and secure electronics.

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Performance and Structural Data						
(in EUR million, expenses & cash out in parentheses)	<u>Continued Operations</u>			<u>Total Group Basis</u>		
	1 st Quarter			1 st Quarter		
	2016	2015	Change	2016	2015	Change
Income Statement						
Net Sales	31.5	35.6	-11.5%	42.5	46.0	-7.6%
- ECMS ^{3), 4)}	29.8	33.1	-10.0%	29.8	33.1	-10.0%
- IDMS ^{3), 5)}				11.0	10.4	+5.8%
- ESS ^{3), 6)}	1.7	2.5	-32.0%	1.7	2.5	-32.0%
Gross Profit	4.8	6.2	-22.6%	6.2	7.6	-18.4%
EBITDA	1.8	2.5	-28.0%	1.7	3.0	-43.3%
<i>in % of Net Sales</i>	5.7%	7.0%	-1.3pp	3.9%	6.5%	-2.6pp
- ECMS	3.6	4.3	-16.3%	3.6	4.3	-16.3%
- IDMS				(0.1)	0.5	-120.0%
- ESS	(0.6)	(0.1)	-500.0%	(0.6)	(0.1)	-500.0%
EBIT	(0.2)	0.5	-142.6%	(0.9)	0.4	n.a.
<i>in % of Net Sales</i>	(0.6%)	1.3%	-2.0pp	(2.1%)	0.9%	-3.0pp
Net Income	(0.9)	(4.0)	n.a.	(0.9)	(4.0)	n.a.
- per Class A Share	EUR (0.01)	EUR (0.11)	n.a.	EUR (0.03)	EUR (0.12)	n.a.
- per Class B/C Share	EUR (0.01)	EUR (0.11)	n.a.	EUR (0.03)	EUR (0.12)	n.a.
Backlog	81.7	79.0	+3.4%	89.5	85.4	+4.8%
Cash Flow Statement						
Cash flow from operations						
before change in net working capital	2.2	2.3	-4.3%	1.8	2.2	-18.2%
Change in net working capital ⁷⁾	(0.9)	(2.4)	+62.5%	(2.9)	(1.6)	-81.3%
Cash flow from operations	(0.3)	(2.6)	-88.5%	(2.7)	(2.0)	+35.0%
Capex (incl. finance lease agreements)	(1.6)	(1.4)	+14.3%	(1.8)	(2.1)	-14.3%
Free Cash Flow	(1.9)	(4.0)	-52.5%	(4.5)	(4.1)	+9.8%
Cash flow from discontinued operations (IDMS)	(2.4)	0.1	n.a.			
Balance Sheet						
(in EUR million, expenses & cash out in parentheses)	31.03.2016	31.12.2015	Change	31.03.2016	31.12.2015	Change
Total Assets	186.5	186.6	-0.1%	186.5	186.6	-0.1%
Cash	28.4	29.1	-2.4%	30.1	33.3	-9.6%
Net Financial Debt	10.7	9.1	+17.6%	12.5	8.1	+54.3%
Goodwill	25'348	25'513	-0.6%	39'800	39'965	-0.4%
Assets held for sale (IDMS)	36.1	-	n.a.			
Shareholders' equity	103.0	105.5	-2.4%	103.0	105.5	-2.4%
Employees (full-time-equivalent)	635	643	-1.2%	981	1'021	-3.9%

- 1) Electronics and Secure Solutions
- 2) Incl. discontinued operations (IDMS)
- 3) 3rd party net sales only
- 4) Electronic Components Modules & Systems

- 5) ID Management & Systems
- 6) except Secure Solutions
- 7) Increase / (Decrease); excluding interest and tax payments