



OpenLimit Group  
Semi-Annual Report 2009

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OpenLimit is an internationally recognized leading solution provider of electronic identity and signature software, headquartered in Baar, Switzerland and with a wholly-owned subsidiary in Berlin, Germany. The components of the solution can be easily integrated into existing applications, enable media-consistent workflows and the efficient management of electronic documents in all business areas. OpenLimit holds the very first certification recognizing world-wide compliance with the international security standard, Common Criteria EAL 4+, guaranteeing the highest degree of security and legal validity currently achievable.

OpenLimit markets its products under the names "OpenLimit®" and "OpenLimit® SignCubes". In addition to the Common Criteria EAL 4+ certification, the OpenLimit SignCubes Base Components have been awarded the Common PKI seal of approval for the "Document Signing Client" and "SigG-Profile Compliant Document-Signing Client" product classes by the Common PKI Board. Furthermore, the OpenLimit SignCubes Base Components have been confirmed, if required by national regulations, compliant in accordance with the respective signature laws of the target markets. Moreover, PricewaterhouseCoopers has attested that the joint Adobe and OpenLimit solutions fulfill all auditing requirements regarding audit-secure invoicing and verification in conjunction with electronic signatures in Germany. OpenLimit has also applied for the first certification of a signature / authentication software in conjunction with the eCard standard, the standard used for working with the German eID, health card, job card (also called ELENA), etc. The OpenLimit software products are supplied as standard solutions in different configurations. Due to the modular development of the software products, the modules can be repeatedly recombined and adapted to specific customer needs.

OpenLimit products are extremely versatile. For example, OpenLimit products are already being deployed in B2B, G2B, G2G, B2C and G2C applications. Application uses for the signature / authentication components include in particular the following segments: electronic authentication, eInvoicing, eForms, eArchiving, eBanking, eGovernment and in the future, eMobile.

The market development of signature application components is being primarily encouraged by a legally supported environment, increased pressure in the private and public sectors to save costs and increase efficiency through the use of media-consistent workflows, as well as by greater awareness of the hazards of data manipulations by third parties, phishing and identity theft.

The OpenLimit products are sold by our distribution and co-operation partners to the entire market spectrum of consumers, small and medium-sized enterprises (SMEs), major corporations and multinational groups, as well as state institutions. An overview of the distribution and co-operation partnerships is available in the section "Partner" on the OpenLimit website: [www.openlimit.com](http://www.openlimit.com).

OpenLimit generates revenues through three distinct offerings:

- **Software Licenses:** OpenLimit offers a portfolio of software solutions for client and server environments. Customers license the OpenLimit technologies based on a variety of standardized licensing models tailored to the product type or application scenario. Licensing fees are generally one-time fees, but may also be based on signature volume. Since IT security software becomes outdated periodically due to advances in technology, customers upgrade their OpenLimit products cyclically for a charge.
- **Software Maintenance:** OpenLimit offers software maintenance contracts to its customers that cover software updates, upgrades and support, depending on the individual arrangement. Software maintenance fees follow industry standards and generate recurring revenues for generally one to three years or as arranged.
- **Consulting Services:** OpenLimit offers consulting services in conjunction with projects. Consulting encompasses integration services, training and support as well as project consultation. Consulting fees are charged based on effort or are provided at fixed pricing, depending on the nature of the project.

### Index Figures from 01.01.2009 - 30.06.2009

	CHANGE IN %	01.01.2009 - 30.06.2009 IN CHF	01.01.2008 - 30.06.2008 IN CHF
<b>INCOME STATEMENT</b>			
Revenue	11	1'399'252	1'257'584
Total income	25	2'750'098	2'205'431
EBITDA	-39	-312'630	-515'659
EBIT	16	-1'252'801	-1'083'764
Loss for the period	-12	-1'148'547	-1'310'123
Result per share	-12	-0,07	-0,08
<b>BALANCE</b>			
		<b>30.06.2009</b>	<b>30.06.2008</b>
Balance total	44	8'903'281	6'199'074
Current assets	63	4'765'733	2'918'027
Non-current assets	26	4'137'548	3'281'047
Current liabilities	388	1'431'734	293'493
Equity	27	7'471'547	5'905'580
<b>CASH FLOW STATEMENT</b>			
		<b>01.01.2009 - 30.06.2009</b>	<b>01.01.2008 - 30.06.2008</b>
Cash flow from ongoing activities	-37	1'092'254	1'723'760
Net cash from operating activities	-34	1'137'542	1'735'317
Cash flow from investment activities	15	-1'231'839	-1'071'226
Cash flow from financing activities		686'124	0
<b>PERSONNEL</b>			
Employees per end of 30 <sup>th</sup> June 2009 / (of which are part-time)	22	50 / (6)	41 / (0)

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### 3 Highlights 1<sup>st</sup> half-year 2009

- OpenLimit increased revenues by 11% to CHF 1.40 million (same period previous year: CHF 1.26 million).
- The 1<sup>st</sup> half of 2009 saw the acquisition of additional important reference customers who have a signal effect on the respective vertical markets. The most important new customers include CHEP, BMW, two of the largest accounting firms in Germany as well as a further European state that utilizes OpenLimit technologies for the rollout of its eID project.
- OpenLimit expands its partner network with further important technology and distribution partners, e.g. Bundesdruckerei, d.velop, ECM Consulting and msg Systems.
- In the 1<sup>st</sup> half of 2009, OpenLimit launched new products on the basis of the certification of its v2.5 base technology in December of 2008. These include the products for electronic archives, OpenLimit MigSafe and OpenLimit OverSign, as well as the new S-TRUST Sign-it v2.5 version.
- OpenLimit successfully bid in the competitive tender for the BürgerClient and eID-Service (CitizenClient and eID-Service) for the eID card in Germany in collaboration with its partners. A final decision is expected in the course of this year.

## 4 Annual Report of the Board of Directors

### 4.1 Foreword to the Semi-annual Report 2009

Dear Shareholders:

Since the beginning, we have been following the strategy to develop and place on the market a certified authorization / signature solution with universal application. In order to realize electronic legally binding processes between companies, authorities and customers / citizens using our technology, the respective communicating parties require the correspondent hardware and software. With a generally low market penetration of signature components in each group, the market has shown slow development to date. So-called eCard projects (smartcard projects) were therefore initiated in Germany (and under other names in other European countries), in order to encourage the development of the market, particularly as the processing of electronic legally binding and / or secure processes between authenticated users has been ascribed a high level of importance. The eCard projects also include the eID Card in Germany which from 1<sup>st</sup> November 2010 will be rolled out with a volume of approximately 5 to 9 million eID cards per year. This development in addition to other eID card projects, for example electronic health insurance cards, will lead to a dynamic development of the market in the coming years.

In the 1<sup>st</sup> half of 2009, OpenLimit activities mainly focused on preparations for these developments and engaged all divisions. Towards the close of the 1<sup>st</sup> half of 2009, efforts resulted in OpenLimit successfully being able to submit an application via partners for the competitive tender of the so-called "BürgerClient (CitizenClient) and eID service for the German eID". On 6<sup>th</sup> August 2009, the tendering procedure entered the second phase, and with this the first hurdles have been successfully conquered. We have therefore achieved a significant milestone in our strategic objectives.

The result of the tendering procedure remains to be decided. We are however optimistic due to our partner network and market-leading technology, which was used in all eID prototype systems at the CeBIT 2009. We are also optimistic as the development of the eCard projects presents enormous opportunities for OpenLimit technologies, even without acceptance of the tender for BürgerClient (CitizenClient) and eID service.

Otherwise the revenue development in the 1<sup>st</sup> half of 2009 may be viewed in two ways: on the one hand, there was no downturn in revenue, on the contrary, there was an increase of 11%, but on the other hand, the revenue development was not at the expected level due to the economic crisis.

Development in the second half of the year will be significantly influenced by the result of the public tender. At the same time, our technology is the focus of positive attention through the public tender and the launch of the usability testing of the eID scheduled to start before the end of the year, where amongst others, major DAX companies in Germany will participate. We therefore anticipate a stronger development than during the 1<sup>st</sup> half of this year. Nevertheless, we took a significant step forward in the 1<sup>st</sup> half of 2009. There are several reasons for this advance. Most notably, large resources were applied on the part of Business Development, Sales and Product Development in order to prepare for the largest competitive tender in the history of the company in regards positioning, partner network and technology, and based on the current market developments, we have never been so close to achieving a breakthrough.

We wish to use this opportunity, firstly to thank our employees who have worked extremely successfully and target-orientated to achieve the current development. Our gratitude is naturally also extended to our shareholders and partners for their commitment to OpenLimit, and we hope that this report will update you on the success we continue to build and enjoy together. If you have any questions or comments, please feel free to contact us at anytime.

### 4.2 Financial Results

OpenLimit was able to increase revenue in the 1<sup>st</sup> half of 2009 compared to the same period the previous year by 11% from CHF 1.26 million to CHF 1.40 million. Through company produced additions to software development, total income for the 1<sup>st</sup> half of the year reached CHF 2.75 million (compared to the first half of 2008: CHF 2.21 million), an increase of 25%. Although the increase is in a double digit percentage range, we have a two-sided view on the revenue development in the 1<sup>st</sup> half of 2009: on the one hand, no downturn in revenue was experienced, on the other hand, the revenue development was not at the anticipated level due to the economic crisis. Further reasons are that a high level of resources were tied up in business development, sales and product development, in preparation for the largest public tender in the history of the company regarding positioning, partner network and technology, and the eCard projects, which although of great importance for

the future development of the market, delay investment until these are implemented in the market.

OpenLimit continued to invest in additional personnel resources and marketing, during the 1<sup>st</sup> half of 2009. The number of employees augmented by 9 to 50 employees at the close of the half year. Personnel expenses only increased by 4%, however, since most new employees are part-time. Indirect costs for the additional employees e.g. the leasing of additional office space, vehicle costs, fees, contributions, insurance, workplace equipment, telephone costs etc. as well as increased expenditure for legal advice, accounting and auditing and investor relations caused an increase in operational expenses of 39% from CHF 619'561 to CHF 863'243 in the current period. The EBITDA nevertheless improved by 39% from CHF -515'659 in the first half year 2008 to CHF -312'630 in the 1<sup>st</sup> half of 2009. Due to increased depreciation, a consequence of the accumulated company produced addition to software development in the last years, the EBIT decreased by 16% to CHF -1.25 million. OpenLimit was, however, able to reduce the loss during the period to CHF - 1.15 million compared to the last period (compared to 1<sup>st</sup> half of 2008: CHF - 1.31 million), which is primarily attributable to exchange rate profits.

Non-current assets increased by 26% from CHF 3.28 million to CHF 4.14 million in the 1<sup>st</sup> half of 2009. This increase primarily results from an increase in intangible assets in the form of accumulated additions to software development by the company. Current assets of CHF 4.77 million (same period in the previous year: CHF 2.92 million) benefited from an increase of 247% in trade accounts receivable compared to the same period of the previous year. Payment of accounts receivable continues to be slow, although significant improvement of the situation was achieved compared to the 1<sup>st</sup> quarter of 2009. The banked cash amount is lower compared to the same period in the previous year. This balance was significantly improved as a result of the capital increase on 17.7.2009. The balance total increased by 44% from CHF 6.20 million in the same half year period in 2008 to CHF 8.90 million in the first half of 2009. Current liabilities increased by 388%, a significant increase compared with the same period the previous year. 48% of the CHF 1.42 million trade and other receivables (comparison for first half of 2008: CHF 293'493) consists of loans, that the company assumed for interim financing in the first half of 2009. It is planned that this loan shall be repaid by the end of the 3<sup>rd</sup> quarter of 2009. The increase in the total assets, with no change in share capital and share premium, resulted in a reduction of the accumulated loss and thus an increase in shareholder equity from CHF 5.91 million in the first half of 2008 to CHF 7.47 million in the current half year.

Cash flow from operating activities was positive in the first half of 2009, however showed a 37% decline compared to the same period of the previous year, from CHF 1.72 million in the first half of 2008 to CHF 1.09 million in the first half of 2009. The main difference is that in the same period of 2008, the accounts receivable at the end of the previous year were paid off more rapidly than during the current period. The net cash from operating activities similarly declined through higher interest and tax payments by 34% to CHF 1.14 million. Investments in intangible assets and equipment increased by 15% to CHF 1.23 million compared with the same period of the previous year. Cash and cash equivalents decreased by CHF 1.05 million in comparison to the same period of the previous year to CHF 693'462.

#### 4.3 Sales, marketing and business development

The market for OpenLimit signature solutions continued to develop positively in the target markets Germany, Austria and Switzerland during the first half of 2009 so that OpenLimit was able to marginally increase its revenues despite the financial crisis and economic downturn. The pressure to reduce administrative costs, the requirement for higher IT security and the desire to increase workflow efficiency and ensure legal conformity are the main driving forces behind the purchase of OpenLimit products in industry and public sectors. These trends counteract the economic slowdown and the resultant budget cuts. Companies and state authorities were actively searching for technologies to implement legally binding and / or verifiable electronic processes in order to lower their costs. OpenLimit generated a major portion of its revenues through client software and IT projects, the provision of server software solutions for eInvoicing, electronic archives and workflow solutions, as well as in the vertical markets of public agencies, manufacturing and financial services.

OpenLimit invested a large portion of its resources in the development of eCard projects in Germany, which management considers to be a key dynamic market factor to advance the electronic signature market from its current infancy to an established market. ECard projects are projects centered on the German electronic health card (eGK / HBA), eID, electronic proof of income (job card) etc., scheduled for roll-out in 2009 / 2010, 2010 and 2012 respectively. The latter two eCard projects were initiated with relevant legislation passed in 2008. These projects are significant, as beginning with the rollout of the respective smartcards, card recipients, businesses and public authorities will require client and server signature and authentication solutions. The eCard projects are therefore a driving force in the development of the electronic signature



market in the medium term, but had a partially hindering effect in the first half of the year, as companies and public authorities continue to wait for important developments and thus delayed project decisions.

The main focus during the first half of the year was on developments in the eCard project, eID in Germany. On 29<sup>th</sup> May, the application for the competitive tender for the so-called "BürgerClient (CitizenClient) and eID-Service for the German eID" was published, in which OpenLimit is included through its partners and has been invited as of 6<sup>th</sup> August to submit an offer. The tender concerns client and server technologies, which enable legally binding and verifiable electronic transactions between authenticated users in conjunction with eID. The areas of application are diverse and encompass a comprehensive spectrum of eGovernment services, online shopping, web portal login, online banking and many others.

OpenLimit currently possesses the only authentication / signature solution in certification (according to the internationally recognized IT security standard Common Criteria EAL 4+) for the eID. The product development phase is at an advanced stage, culminating in November 2008 with its first public presentation at the German Chancellor IT-Summit, where the OpenLimit technologies were used to authenticate / sign electronic data with the eID prototype, as part of the Technical University Darmstadt pilot project with the Technical University Darmstadt together with Fujitsu Technology Solutions, German Bundesdruckerei and T-Systems. These technologies were also the focus of attention at the CeBIT 2009 with companies such as HSH, Fujitsu Technology Solutions, Microsoft, Steria Mummert, SAP and T-Systems, which used OpenLimit technologies for various show cases. The current level of technological development and the selected partners, who have assisted the development up to this point, cause us to be optimistic regarding the current public tender.

It is, however, fundamental and significant that independent of the result of the tender, a rollout of the BürgerClient (CitizenClient) in conjunction with the eID to citizens will cause the authentication and signature market in Germany to grow. With its certified technologies, OpenLimit is in a strong position to profit from this development. Moreover, management anticipates a spill-over effect from the German projects to other EU countries, and to countries whose legislation on electronic signatures are strongly orientated on the EU model. For example, a European country decided to equip its government workers with OpenLimit workplace technologies in the first half of 2009, in order to enable media consistent processes upon the issuing of eID cards and OpenLimit software to citizens.

OpenLimit gained hundreds of new customers and several important reference customers in the 1<sup>st</sup> half year. An example is the company CHEP, the worldwide leading provider in the pooling of palettes and containers, which utilizes the OpenLimit batch processing components for electronic customer invoicing in Germany, France, Austria and Switzerland. The project from the 1<sup>st</sup> quarter has already been expanded in the 2<sup>nd</sup> quarter of 2009, and CHEP has thus become the first customer for the new OpenLimit technology, OpenLimit MigSafe, for electronic archives.

Together with our partner msg systems AG, located in Ismaning near Munich, we were issued the tender for the eInvoicing project, which is operated for the BMW AG in the framework of an ASP model (Application Service Provider). Implementation is expected within the year. Furthermore, the OpenLimit partner ECM Consulting GmbH in Hamburg received the tender for the eInvoicing project from one of the largest mail order companies for office equipment, communication technology and office furniture in Germany. These projects clearly demonstrate that companies are actively investing in the area of electronic invoicing and that this application scenario will also be a sales impetus in the future.

The first successes are also being demonstrated in the accounting and auditing sector, in which OpenLimit won two of the leading firms as customer.

In addition to new partners, msg systems AG and ECM Consulting, OpenLimit also acquired d.velop AG, a leading provider of integral solutions for enterprise content management, digital archiving, document management and workflow management, as a partner. The background behind the partnership is predominantly the acquisition of customers in vertical market Life Sciences, in which the first successes were already achieved as early as July. A further new partner is YAVEON AG, which provides Enterprise Resource Planning (ERP) as well as Business Intelligence (BI) and Supply Chain Management (SCM) solutions.

The cooperation with Bundesdruckerei GmbH, which was not only established on a distribution but also on a technological basis, is important for OpenLimit technologies for the German eID. The Bundesdruckerei in Germany has already received the contract to supply the eID cards and is therefore an important partner for OpenLimit, not only regarding the current tender for the BürgerClient (CitizenClient), but also for the positioning of the company and security technologies and services, in Germany and internationally.

OpenLimit launched an optimized homepage in the 1<sup>st</sup> half of the year which continues to improve the professionalism of the presentation of its portfolio and also increased visitor frequency to the site. In addition to optimizing the search engine, OpenLimit also uses Web 2.0 instruments, such as Facebook, Twitter and Xing, to gain additional attention. OpenLimit also increased participation at exhibitions and product road shows. During the 1<sup>st</sup> half-year these included various events in Germany: the CeBIT in Hannover, the CSC eLZA-Tagung in Wiesbaden, the Effiziente Staat in Berlin, the Münchner Kreis ePA, Berlin, One-Stop-Government, Stuttgart, and SeSam BB in Potsdam. At these events, new OpenLimit technologies were presented, prototypes of the next OpenLimit product generations were exhibited and the close collaboration between OpenLimit and its distribution partners was demonstrated. The participation at the exhibitions resulted in numerous articles in dozens of publications and online portals, as well as, more importantly, an increasing number of acquired projects.

In summary, it can be said that OpenLimit acquired new customers, distribution and technology partners with great intensity. The developments surrounding the subject of eID / eCard in Germany wakened great interest in the market, even if at the same time the market is waiting for various decisions prior to initiating further investment. The current developments confirm OpenLimit's strategic focus on certified signature software and eID solutions for client and server applications.

#### 4.4 Further development of products

The product development department of OpenLimit focused on the further development of the next release of the version 3.0 of the OpenLimit Base technologies, which also forms the basis for the BürgerClient (CitizenClient) and eID server for the German eID and other eCard projects in Germany. The development is supported by companies such as Adobe, Bundesverband der Betriebskrankenkassen (BKK), CSC Deutschland Solutions, DGN Services, Fujitsu Technology Solutions, Giesecke and Devrient, IBM, PDF/A Competence Center and Sun Microsystems. A special feature of the technologies is that they can to a large extent, be used platform-independently. Since the 1<sup>st</sup> half of this year the current development supports various Linux derivatives and MacOS operating system from Apple and has for a long time supported operating systems from Microsoft and Sun.

Furthermore, the products based on the OpenLimit v2.5 Base technologies, certified in December 2008, were completed. The product offers significant additional benefit through support from XML signatures and legally binding signatures for Lotus-Forms from IBM. With its release OpenLimit now offers Common Criteria certified technologies for three of the most important form server technologies: Adobe LiveCycle, Microsoft InfoPath and SharePoint technologies and Lotus Forms from IBM. In addition, Version 2.5 supports electronic signatures based on elliptic curves, an extremely important feature for specific use scenarios.

Further important products based on the new certified base technologies or Version 3 are as follows:

- Implementation of two sever-based products, OpenLimit MigSafe and OpenLimit OverSign: OpenLimit MigSafe was implemented according to the ArchiSafe approach of the German National Metrology Institute (PTB, Physikalisch Technische Bundesanstalt) and helps customers to migrate their data between different logical and physical storages. The products address all customers with long term archiving requirements. Moreover, the product OpenLimit OverSign has been developed for the purpose of signature renewal to maintain the security and the probative value of electronically signed documents. Both products have been implemented on J2EE basis and are state of the art server applications.
- OpenLimit SignatureService: OpenLimit has developed a signature service for bulk signature of electronic documents for invoicing and in-box scenarios, which can be easily integrated into existing processes. The service supports the parallel use of several signature terminals and cards as well as soft certificates. Various signature formats are supported, including visible, embedded PDF signatures, which can, for example, include the user's company logo.
- OpenLimit Batch Verifier: Implementation of a verification service to verify electronic signatures, including embedded signatures in PDF documents, for efficient bulk processing in processes such as mail in-box and verifying electronically signed invoices. The summary of the verification is in a PDF/A compliant proof protocol, which reports the results of the test in a simple and comprehensible form. The product has already been implemented by several customers with requirements connected to the bulk verification of electronic signature in productive operation.

- S-TRUST Sign-it, Version 2.5: S-TRUST Sign-it, an OpenLimit technology for exclusive distribution by the Sparkasse (Deutscher Sparkassen Verlag), was released in July 2009. The 45 million EC customers of the Sparkassen will in future be able to utilize their Sparkasse bank cards, the S-TRUST Sign-it Software and a card reader in conjunction with the new online banking system, which is currently in the test phase and is expected to be available in 2009 / 2010.

Standard aspects of product maintenance include the integration of the latest signature cards and card readers in the OpenLimit solutions, the observance of national security criteria in the target markets, the adaptation of OpenLimit technologies for its international partners, as well as support for new product versions with Adobe, IBM and Microsoft technologies. The OpenLimit technologies comply with the current legal stipulations of OpenLimit's core markets.

#### 4.5 Changes to executive bodies

In October 2008, it was decided that Dr. Thomas Hügi, then Chief Operating Officer of OpenLimit, would assume the overall management of OpenLimit as of 1<sup>st</sup> January 2009, as Heinrich (Henry) Dattler (63) wished to retire from the day to day operational duties as CEO. Henry Dattler would continue to retain his position as President of the Board.

Dr. Thomas Hügi resigned his position effective as of 15<sup>th</sup> February 2009 due to diverging views concerning the medium-term strategy of the company, evident since his appointment. Marc Gurov, the previous CFO and deputy CEO, assumed the position as CEO, effective from 16<sup>th</sup> February 2009. He continues to exercise his duties as CFO.

Other changes to the executive bodies may be summarized as follows and are based on the Board of Directors' resolution, dated 1<sup>st</sup> December 2008:

- René C. Jäggi was elected Vice-President of the OpenLimit Holding AG Board of Directors.
- Andra Dattler was withdrawn from her position as Director of OpenLimit Holding AG.

All of the above changes were registered in the Commercial Register on 2<sup>nd</sup> February 2009. It was furthermore decided that:

- As of 1<sup>st</sup> January 2009, Mr. Dirk Arendt, since July 2007 a member of the OpenLimit extended management, was promoted into the Executive Committee of the Group, as Vice-President of Business Development. In addition to the responsibility for the area of business development, Mr. Arendt is also responsible for the Marketing department. Mr. Dirk Arendt was born in 1966 and is a German national. Dirk Arendt trained from 1988-1993 as a tax advisor assistant, and in 1999 completed his studies in jurisprudence at the Free University in Berlin. Between 1999 and 2002, Mr. Arendt worked as a lawyer for the German Federal Ministry of Economics and Technology. In 2002, Mr. Arendt took up a position at Fraunhofer Gesellschaft e. V. In this environment, as a scientific employee at the Fraunhofer Institute FOKUS he has been setting up and establishing the "e-Government" business sector since October 2002, to which he made a decisive contribution. Mr. Arendt is one of the co-initiators and the "driving force" behind the idea of the independent Fraunhofer FOKUS e-Government laboratory.
- As of 16<sup>th</sup> March 2009, Mr. Ronny Wittig, since 2007 Manager Sales & Distribution, was appointed to the Executive Committee of the Group, as Chief Sales Officer. Ronny Wittig was born in 1978 in Germany. He finished his vocational training as management assistant in IT systems at the Deutsche Telekom Group and then worked for various companies. He had successfully held the position of Business Development and Project Manager for several years at the PC-Ware Information Technologies AG. Moreover, he developed significantly strategic product and service portfolios for software producers.

#### 4.6 Employees

In the 1<sup>st</sup> half of 2009, the number of employees within the OpenLimit Group was increased by 3 full-time and 6 part-time employees to a total of 50 employees including management, compared to the same period in 2008.

#### 4.7 New Auditors

OpenLimit called an extraordinary General Meeting on 20<sup>th</sup> April 2009 to appoint Ferax Treuhand AG, Zürich, Switzerland, as new auditor. The change of auditors became necessary since the previous auditing company, Wirtschaftsprüfung Trevisca AG, did not renew its license to audit publicly traded companies in 2009. The extraordinary General Meeting corresponded to the recommendation of the Board of Directors.

#### 4.8 Amendment of the Articles of Incorporation

The OpenLimit Holding AG conducted the ordinary General Meeting on 29<sup>th</sup> June 2009. The General Meeting unanimously resolved the following amendment to the Articles of Incorporation:

New Article 5a: Purchasers of company shares are not obligated to inform the company of the objective behind the purchase of the shares and the origin of the funds used to purchase the shares. All applicable legal provisions remain valid, which may not be waived through the Articles of Incorporation.

The background behind this amendment was the introduction of a further phase of the Risk Limitation Act in Germany on 31<sup>st</sup> May 2009. Because OpenLimit is exclusively listed on the stock market in Germany, the company is subject to the German Securities Trading Act. According to this Act, the person acquiring reportable proportional voting rights of 10% or more, must according to the newly implemented provisions of Art. 27 a clause 1 WpHG (German Securities Trading Act) inform the issuers, where the funds used for the acquisition originated and which objective the person / entity is pursuing with the purchase of the shares. Under the terms of clause 2 of the new Art. 27 a WpHG, the issuer is required to publish the information received under the terms of Art. 26 clause 1. It is however possible under the terms of clause 3 of the new Art. 27 a, to stipulate via a corresponding exclusion clause in the Articles of Incorporation, that Art. 27 a clause 1 shall have no application.

#### 4.9 Successful Capital Increase

On 17<sup>th</sup> July, 2009, the company successfully concluded a private placement of 1.04m bearer shares with a par value of CHF 0,30 with private investors. The capital increase is based on partial use of approved capital under the exclusion of pre-emptive rights of existing shareholders. As a result, the share capital increases from CHF 4'727'224 to CHF 5'039'224. The new shares are to be admitted to trading on the regulated market (General Standard) of the Frankfurt Stock Exchange without a prospectus and will be entitled to a profit share as of 1<sup>st</sup> January 2009. Through the capital increase the company has generated gross proceeds of CHF 1'460'750. The funds obtained shall be used for financing the planned growth.

#### 4.10 Additional office space

The subsidiary, OpenLimit SignCubes GmbH, has obtained a further office area in the Saarbrückerstrasse 36A, Berlin with a total area of 276 m<sup>2</sup>. The reason is the increase in the number of employees in 2008 as well as the planned increase in the number of employees from 2009. The new office is used by the Business Development, Marketing, Sales and Delivery and Service departments.

#### 4.11 Transactions with related parties

Necessary business relations with related parties are dealt with at market-compliant conditions.

#### 4.12 Termination of cooperations and legal proceedings

OpenLimit terminated the agreement with one of its value-added distributors in 2008. In the 1<sup>st</sup> half of 2009, the company decided to take legal steps against the party on the grounds of suspected licensing violations. No statements can be made at this time concerning the duration or outcome of proceedings and the details are strictly confidential.

#### 4.13 Legal framework and regulatory environment

The legal framework and regulatory environment continue to positively impact OpenLimit and the requirement or desire for OpenLimit technologies. We therefore closely monitor the developments in our target markets. With over 50 laws in Germany alone pertaining to the use of electronic signatures, this section only focuses on laws and regulations which were passed, come into effect or are subject to implementation in 2009 and on the legislative developments which could have a potential impact on our future.

The legal framework for electronic signatures on the basis of EU Directive 1999 / 93 / EG has been in place since 1999. Since this Directive, further directives have been issued annually that promote electronic signature or stipulate its mandatory use. The directives are implemented by the EU member states in national legislation. In addition, the member states also pass national legislation, which are not based on EU directives and also promote the use of electronic signatures. The most important new legislation introduced in OpenLimit target markets Germany, Austria and Switzerland in 2009 include:

- The German eID (ePA) was decided upon by the German Federal Parliament in December 2008. The eID will be introduced in November 2010. The eID enables electronic authentication processes and optionally, electronic signatures. It thus enables secure and legally binding transactions via the internet. OpenLimit is well positioned for the market development in conjunction with eID applications, as the technology supports both authentication and electronic signature processes. OpenLimit presented its eID solution at the German Chancellor IT-Summit in November 2008, where the OpenLimit technologies were used to authenticate / sign electronic data with the eID prototype, as part of the TU Darmstadt pilot project together with Fujitsu Technology Solutions, Bundesdruckerei and T-Systems. The eID project will be one of the single most important developments for the transition of the electronic signature market from infancy to future maturity.
- The ordinance mandating the electronic refuse authentication process (Nachweisverordnung) is legally binding for all waste management companies from 2010 onwards. OpenLimit developed a specific technology for IBM Lotus Forms, which was certified by the German Federal Office for Information Security (BSI) in December 2008. Fritz & Macziol, one of IBM's largest distributors, applies the components in its portal for the electronic refuse authentication process. The first sales successes are expected in 2009.
- The 5<sup>th</sup> ordinance for the amendment of the packaging ordinance (Verpackungsverordnung) came into effect on 1<sup>st</sup> January 2009. The main aim of the amendment is to safeguard the disposal of sales packaging close to home. For this purpose the amended ordinance intends that all packaging that reaches end consumers are to be licensed through dual systems. Specialists shall not only have to familiarize themselves with the new procedure, but also with the qualified electronic signature. The ordinance focuses on purely electronic and efficient communication between the participants. They must complete a statement of completeness electronically, in which the material and quantity of the packaging reaching the end consumer is specified. But prior to this, a certifier must confirm the accuracy of the statement of completeness, by electronically signing the statement of completeness verification certificate. Certifiers may be publicly appointed and sworn appraisers, certified auditors, tax consultants, certified accountants or DAU environmental verifiers may also be used. In order to perform this procedure, they require a qualified electronic signature card, a card reader and own application software to sign data in PKCS7 format.
- Changes to the German Law on Civil Status (Personenstandsgesetz) were implemented on 1<sup>st</sup> January 2009. The changes stipulate, amongst other items, the conversion of the civil registry from a paper to an electronic register. OpenLimit acquired the Verlag für Standesamtswesen as a partner in 2008. A joint pilot project was initiated to enable the electronic administration of the registry for births, deaths and marriages. The OpenLimit technologies have been successfully integrated into the administrative IT infrastructures. Once the pilot project has been completed, the Verlag für Standesamtswesen intends to offer this to the communal data processing centers in Germany in 2009 as a comprehensive solution.
- The German government has passed a new law pertaining to citizen portals (Bürgerportale) on 4<sup>th</sup> February 2009. The legislation requires secure electronic communication channels between public authorities and citizens with electronic signatures. The law is a response to the EU Services Directive, which stipulates that public authorities accept

electronic correspondence as a legally binding medium by the end of 2009. OpenLimit has several partners that are focused on these types of applications in conjunction with OpenLimit technologies.

- ELENA, formerly known as the job card, was passed by the German Federal Parliament in January 2009. The Electronic Proof of Income Act (ELENA) mandates that applications for social services must be submitted electronically in conjunction with the applicant's electronic signatures, thus requiring millions of German citizens to acquire a signature smartcard. Furthermore, companies will be required to create an electronic proof of income, thereby eliminating the requirement of physically printing it many times on paper, as is the current situation. Such improvements will bring initial savings of an estimated 85 million Euros per annum for the national economy and public administration services.

ELENA commits affected authorities (e.g. the current OpenLimit client Federal Employment Office), insurers, employing companies and applicants involved with benefits to work with the electronic signature. This development benefits OpenLimit because it can be assumed that from 2008 until the transition period is over in 2012, all parties affected will invest in corresponding IT infrastructures, from simple client solutions to more complex server solutions. OpenLimit, as the technological market leader in offering signature software, is well positioned for the implementation of ELENA with clients and distribution partners.

At the close of the first half-year 2009, the OpenLimit technologies complied with all standards and regulations according to their intended use and in the target markets.

#### 4.14 Economic Environment

According to the State Secretary for Economic Affairs (SECO), on the economic trend for summer 2009, the worldwide economic recession intensified in the 1<sup>st</sup> quarter of 2009 and continued through Spring 2009. The predictions of many institutions have been adjusted downwards, which also particularly affects OpenLimit's core market in Germany, and means negative growth rates are anticipated.

Since May, there have however been signs that an end to the downward spiral is in sight, which however does not signify growth. A strong upward dynamic in the next year is counteracted by the aftermath of the financial crisis. This includes the repayment of debts and reduction of employment levels.

As the majority of OpenLimit revenue is generated in Euros, the Euro remains the most important transactional currency and is relatively stable, although it has weakened against the Swiss Franc, which during the current crisis is holding its reputation as a safe currency. OpenLimit anticipates that the Swiss Franc will remain strong and the Euro will retain its current position and expects a EUR / CHF exchange rate of over 1.50 for 2009.

The stock markets reflect the volatility of the world economy and the current negative situation on the world markets. 2009 has up until now been characterized by a subdued optimism and prior to the publication of the reports on the current earnings season, shows signs of stability. There are the first hopeful signs. The investors are of the opinion that the stock market has reached the valley floor and are beginning to look for bargains. This has led to the sporadic upward trends in share prices.

The whole economic picture clearly shows that companies around the globe, in all sectors, continue to be forced to cut costs. Sustainable cost cuts are only possible through innovations and not through cutting back services. This creates an exciting opportunity for OpenLimit, as the company's software can be used in invoicing applications and creates a saving of € 2 per invoice issued. IT investments will continue to be made for as long as it is able to offer a better service for less money. OpenLimit is confident that with its new server-based applications, these opportunities can be successfully exploited.

The market researchers of Forrester and Gartner have conducted a further downward revision of their IT outlook for 2009. Gartner even predicts a decline of 6%. This represents the 2007 level and practically signifies that the entire growth in 2008 was cancelled out this year. A possible 2.4% growth is forecast from 2010. Although the forecasts leave little room for optimism, OpenLimit products are partially subject to other factors, and the young market for electronic signatures and identities can nevertheless grow. Therefore, developments such as the German eID project are followed closely. This project, amongst others, could be the impetus

for growth of the electronic signature market. OpenLimit therefore remains optimistic, despite the doubtless difficult economic environment.

#### **4.15 Important events that occurred after the reporting date of 30<sup>th</sup> June 2009**

After 30<sup>th</sup> June 2009, there were no significant occurrences with an impact on the OpenLimit Group, with the exception of section 4.9. References to interesting developments following the reporting date are provided in the corresponding section of the company report.

#### **4.16 Outlook**

The current developments in the OpenLimit target market Germany justify a medium to long term confidence in the growth potential of the electronic signature market, still in its infancy. OpenLimit is positioned as the technological leader in this market and should be in a position to exploit these developments. The grounds for the optimism lie in the current positive developments in the eCard projects, which have the potential to raise the electronic signature market from its infancy to a mature market. However, at the same time these pending developments and decisions in several application areas (vertical markets) for eIdentity and signature technologies present an investment inhibition threshold, which should be reversed with the rollout of the eCard projects and initiate market growth.

In the meantime, we anticipate that our customer base will grow and our average transaction volume per project will increase.

The outcome of current and pending public tenders in which OpenLimit has invested a great amount of energy in the current year, will determine our revenue development until the end of the year. In the past our revenue development was strongly influenced by the 4<sup>th</sup> quarter. At present the significant parameters for a forecast for the 2<sup>nd</sup> half of the year, particularly the 4<sup>th</sup> quarter are not sufficiently known to allow a forecast of an end of year result.

In summary, we can say that we are reservedly optimistic for 2009. We are optimistic as in the areas of positioning, our share of the market and our project developments are progressing according to plan, and reservedly optimistic as short term developments cannot be predicted.

The Board of Directors

## 5 Opportunities and risk report

The risks include all developments that could endanger the achievement our objectives or even the continued existence of the company. The aim is to ensure a process where all potential risks are identified and to then assess the potential effect and evaluate the possible solutions. The foundation of this process is the annual strategic planning process in the framework of which all future business risks and opportunities are identified. A semi-annual in-depth risk analysis with the risk owners ensures that the risk profile is closely monitored and where necessary, risks are mitigated. The results of the risk assessment are presented to the Board of Directors on a semi-annual basis.

The following risks have been identified by the company management and the Board of Directors as being significant to OpenLimit, and we hereby also refer to the risk and opportunities assessment from the 2008 Group Annual Report:

### 5.1 Liquidity and economic environment

OpenLimit turnover has been very heavily weighted in the 4<sup>th</sup> quarter over the past three years, so that the punctual payment of account receivables was critical in the subsequent period. Through the economic downturn, OpenLimit has witnessed a significant increase in the collection period since mid 2008, which has reduced liquid assets to below a comfortable threshold. OpenLimit has thus relied partially on working capital loans to fund operations in 2009 to date, and following the close of the period, has also successfully initiated a capital increase (see section 4.9).

If payments on accounts receivable continue to be slow, if OpenLimit is not able to bridge the gap of its capital needs or if the downturn in the economy affects turnover in 2009, OpenLimit could be caused to downsize, which could jeopardize achieving its strategic goals or cause OpenLimit to cease its operations entirely.

### 5.2 Financial risks

The OpenLimit Group is exposed to various financial risks such as foreign currency fluctuations or credit risks, which arise through business activities. OpenLimit attempts to minimize any negative impacts to its financial success arising through such fluctuations.

#### Credit risk

This is understood as the possibility that one of OpenLimit's transaction parties would not be in a position or is unwilling to meet its obligations, a situation that would be financially damaging to the OpenLimit Group. Receivables from deliveries and services are continually checked and monitored for credit risks. This risk increased in the 1<sup>st</sup> half year due to continuingly high receivables, although there is no reason at present to write off any individual outstanding accounts receivable.

#### Liquidity risk

The short-term liquidity risk is understood as the risk of not having a certain minimum of disposable liquidity, while the long-term liquidity risk would mean that OpenLimit would have no access to the financial markets to borrow outside capital. Also see section 5.1.

#### Foreign currency risk

The foreign currency risk faced by OpenLimit is essentially limited to the Euro. In the case of the transaction risk, there is a risk of fluctuations in the value of the foreign currencies between the date of the contractual agreement and actual payment. Due to the prevailing minimal significance of foreign currency risks, OpenLimit does not use either currency forwards or foreign currency options for hedging purposes.

#### Interest rate risk

Maintained credit balances and money market investments are subject to an interest rate risk, although this is currently regarded as being of little significance.

#### Liability risk

With regard to its software, the company holds liability insurance for hardware and software companies, including compulsory insurance in compliance with the Signature Act of the Federal Republic of Germany. The insurance cover amounts to EUR 2.5 million with 4-fold maximization and applies throughout Europe. Claims arising from financial loss particularly



arising through the non-observance of deadlines or scheduled dates, or exceeding estimated budgets and cost estimates, or damages arising from substitute performance due to default, are excluded from this insurance under the terms of the legally stipulated scope of cover in compliance with the Signature Act. The company itself, or its subsidiaries, generally hold company liability insurance, occupational liability insurance and property insurance covering their office premises. Compulsory accident insurance and daily hospital benefits insurance exist for employees. Cars are covered by fully comprehensive insurance. The company makes all decisions regarding its insurance portfolio and the scope thereof, taking into account the essential risks so that these are all adequately covered. However, the company cannot guarantee that it will not incur any losses, or that no claims will be made against it, which are outside the scope of existing insurance coverage. The company is not considering any modifications or changes to the existing insurance coverage at present.

### **5.3 Organizational realization of planned growth**

The development of the company in the field of software development, strategic partnerships, financing and other fundamental activities has been rapid over the past few years placing a high demand on employees and company resources. No assurance can be given that the efforts made by the company to create or expand the requisite personnel and technical structures in order to achieve target figures will be sufficient. In particular, limited resources could mean it is not possible to adhere to development schedules, that customer needs and engineering analyses are neglected (this in turn leads to potential project miscalculation, unpaid additional work, customer requests for modification that extend the project duration etc.) and that necessary training programs for employees cannot be offered. If OpenLimit is not successful in achieving or expanding the requisite personnel and technical structure, this could have a negative impact on the turnover and profit situation of the company.

### **5.4 Hacking attacks and delivery delays of suppliers**

If OpenLimit should be awarded the tender for the German eID project, this will increase the interest of hackers to compromise OpenLimit technologies. For this reason, OpenLimit has invested in the certification of its products, rigid product quality controls and relevant product liability insurance. These countermeasures do not however protect OpenLimit from loss of reputation, additional development costs, loss of other business or incurring further financial losses outside the scope of the product liability insurance. These potentially negative consequences are also increased through the use of externally developed modules in the OpenLimit software, as well as through the use of the OpenLimit software in external environments, as OpenLimit has only limited or no influence over these.

For the continuing maintenance of OpenLimit technologies or where applicable, error recovery, OpenLimit is dependent on its suppliers where externally developed modules are concerned. A delayed delivery on the part of suppliers can therefore cause project delays and delays in error recovery with all associated consequences to project assignments. In summary, hacking attacks and delivery delays could have a negative impact on the turnover and profit situation of the company.

### **5.5 Distribution and market demand for software solutions**

The success of OpenLimit is to a high degree, dependent on the successful distribution of its products and the market demand for its products. OpenLimit sells its products through selected partners. The company's resources are used to cultivate and support partners as integration and solution partners. At the same time, OpenLimit is actively involved in the acquisition of further key player distribution and technology partners and the positioning of OpenLimit products in strategic projects. However, no assurances can be given that the present distribution and technology partners will achieve the jointly planned objectives. The revenue of OpenLimit is hugely dependent upon the successful sales activities of these independent companies. This represents the greatest risk to the Group as the business is dependent upon the conclusion of mainly larger-scale projects, which may not take place within the same financial period. Consequently, the turnover may be delayed or not finalized. The market acceptance risk faced by OpenLimit products is not considered significant at present, particularly in view of the initial larger distribution successes.

### **5.6 Competitive environment**

At present, the signature market is still young und developing. Therefore it cannot be excluded that in the future, other

providers offering signature solutions with comparable products will increasingly make their presence felt on the market. Certification of the OpenLimit technologies in compliance with Common Criteria EAL 4+ IT security standards is a unique selling point. Products entering the certification phase, must not however necessarily be published. Based on the published certifications and information, OpenLimit remains confident of the technological lead of its own technologies. OpenLimit cannot provide any assessments of products that may be undergoing certification, but have not yet been published. A certified competitor product with a comparable scope of functions could have a negative impact on projected turnover and results.

Another risk in the competition environment is that the unique selling points of the OpenLimit technologies cannot be exploited in certain demand situations, allowing competitors to attain a comparably strong position. In such constellations, OpenLimit would be exposed to greater competitive pressure.

## 5.7 Development risks

The innovation cycles of technical developments and products are generally very short. This particularly applies to software products. Providers must therefore adapt their products and services to new requirements with foresight, flexibility and with speed. Not only that, but required technologies and certification requirements are becoming more and more sophisticated, particularly in the IT Security segment. OpenLimit is dependent upon being able to successfully adapt to the rapidly changing technologies, standards and legislation. This is accompanied by a great requirement for skilled workers, as well as capital. OpenLimit is also dependent upon third parties (evaluation and confirmation agencies) for the certification of its products. Due to the increase in complexity of certification procedures in general, there is a risk that a certification process cannot be completed on time, preventing an early penetration of the market.

Furthermore, the rapid advances being made in technology also involves the risk that the consequences and ramifications of these technologies cannot be fully assessed. A false appraisal by OpenLimit of the further development of the solutions it offers with regard to the technologies and customer requirements could have a significant adverse impact on turnover and results.

## 5.8 Dependence on key employees

The success of the company is significantly dependent upon the involvement of the current specialists in management and employees. In the event that key employees should leave the company, there is no guarantee that OpenLimit will be capable of hiring and familiarizing qualified executives within an adequate period of time. If OpenLimit does not succeed in doing this, it could have an adverse effect on turnover and the profit / loss situation.

## 5.9 Opportunities

Opportunities for OpenLimit will particularly arise in conjunction with eCard projects, the widespread circulation of smart cards in Germany, the long-term archiving of electronically signed documents, invoicing and eForm solutions, the increasing number of companies deploying client licenses, the co-operation with new partners for developing more products, as well as in the international expansion into new geographical markets.

ECard projects are smart card projects, e.g. electronic personal identity cards, electronic health cards, job cards, European Citizen Cards, etc. OpenLimit has developed a middleware technology that could serve as a connector for many applications in such projects. This development is supported by enterprises such as Adobe, the German Federal Association of Company Health Insurance Funds (Bundesverband der Betriebskrankenkassen, BKK), CSC Deutschland Solutions, DGN Services, Fujitsu Technology Solutions, Giesecke und Devrient, IBM, PDF / A Competence Center and Sun Microsystems.

The first projects in conjunction with the electronic health card are expected to be implemented in Germany in 2009 / 2010. In addition, eCards may be registered for the ELENA-procedure (job card), as detailed in the "Legal frameworks and regulatory environment" section (also see section 4.13). The eCard project in conjunction with the German eID, also called ePersonalausweis (ePA), is very promising. With the rollout scheduled for November 2010, the new eID will replace current IDs at a rate of 5-9 million per year. The new eID enables physical identification of its owner, as well as electronic identification on the internet and optionally, electronic signature processes. OpenLimit technologies currently enable authentication and electronic signature procedures with the prototype eID. With huge numbers of eIDs being distributed in the future,

companies and public authorities will increase their investment in authentication / signature solutions because efficient electronic workflows, and thus cost savings become possible. OpenLimit has in this respect gained valuable partners in the 1<sup>st</sup> half of 2009 and is continuing to work on developing further partnerships in this area. OpenLimit hopes to be able to collaborate in the pilot tests in Germany, which would present OpenLimit with a realistic opportunity to become the leading provider of technology on this market. The eCard market represents a future potential source of revenue for OpenLimit, although the scope of or time periods for potential projects cannot be assessed at this time, as various divergent business models are being discussed.

The Sparkasse savings banks have brought over 45 million signature-capable EC cards into circulation for the online banking system that will be offered in 2009 / 2010, on the alternative basis of smart cards and the OpenLimit technology, S-TRUST Sign-it. This is a significant potential source of turnover and profit for OpenLimit, at a small degree in 2009, and at a larger degree for 2010 and beyond. However, a concrete appraisal of the level of acceptance, and particularly the specific time frame for achieving a satisfactory penetration of the market, is not possible at this point.

The segment for long-term archiving in conjunction with the electronic signature is yet another opportunity for OpenLimit. Signed documents have to be periodically re-signed in order to preserve and guarantee document integrity over longer periods of time. For this purpose, OpenLimit has developed special technologies to considerably simplify the re-signing of large numbers of documents. These technologies will be marketed in 2009 and beyond, by selected partners who are also involved in the development of other products for the integral solution (for example, archive solutions). Taking into account the huge number of electronic archives in the private and public sectors, this development has major potential for OpenLimit. The development work was completed in the 1<sup>st</sup> quarter of 2009. The effectiveness of the planned marketing measures, or the acceptance of products and thus the resulting turnover and profits, cannot be accurately assessed at this point.

OpenLimit finalized the certification of its version 2.5 for IBM Lotus Forms in December 2008. This opens a new market for OpenLimit technologies in conjunction with IBM's Form Server technologies, but in particular in conjunction with the electronic refuse authentication process. OpenLimit is planning the first customer installations in 2009, as conformance is stipulated by 2010. The effectiveness of the planned marketing measures, or the acceptance of the products and thus the resulting turnover and profits, cannot be accurately assessed at present.

Invoicing solutions are currently in high demand for companies. The associated significant cost reductions are of interest to any firm. Equally interesting are the cost savings that can be achieved by utilizing signature software for the fully electronic, form-based processing of transactions. Both segments are a potential major source of revenue for OpenLimit. It is currently difficult to assess this potential.

Companies and public authorities are increasingly equipping their individual workplaces with signature software to enable all their employees to process transactions electronically. The cost savings here are also significant. This is another major potential source of turnover for OpenLimit. At this point, it is difficult to assess in what sort of time period signature software will be introduced in company and public authority workplaces. Consequently, this potential cannot as yet be evaluated.

The main emphasis of OpenLimit's distribution and marketing activities is currently focused on German-speaking countries. OpenLimit did however succeed in entering into specific distribution partnerships in other markets, such as Brazil, Japan, East Europe and Turkey. In addition, distribution partnerships with several global players enable the European and worldwide marketing of selected OpenLimit technologies. This increases potential OpenLimit turnover considerably. Due to the necessary adaptation of the OpenLimit technologies, the speed of the realization, and consequently the ensuing revenue and profits, cannot be specifically assessed.

No risks, other than those mentioned in section 5.1, are evident at present that could endanger the continuing existence of the company.

## 6 Consolidated financial statement

### 6.1 Consolidated Income Statement from 01.01.2009 to 30.06.2009 (unaudited)

#### Consolidated Income Statement from 01.01.2009 to 30.06.2009

	SEE	CHANGE IN %	01.01.2009 - 30.06.2009 IN CHF	01.01.2008 - 30.06.2008 IN CHF
Revenue	6.5.3	11	1'399'252	1'257'584
Company produced additions to software development	6.5.3	43	1'350'846	947'847
<b>TOTAL INCOME</b>	<b>6.5.3</b>	<b>25</b>	<b>2'750'098</b>	<b>2'205'431</b>
Costs of goods sold	6.5.4		-14'946	0
Personnel expenses	6.5.5	4	-2'184'539	-2'101'529
Depreciation	6.5.14/ 6.5.15	65	-940'171	-568'105
Operational expenses	6.5.6	39	-863'243	-619'561
		22	-4'002'899	-3'289'195
<b>INCOME FROM OPERATIONS</b>		<b>16</b>	<b>-1'252'801</b>	<b>-1'083'764</b>
Financial income	6.5.7	1137	142'988	11'557
Financial expenses	6.5.8	-92	-18'735	-223'083
		-159	124'253	-211'526
<b>INCOME BEFORE TAX</b>		<b>-13</b>	<b>-1'128'548</b>	<b>-1'295'290</b>
Tax expense	6.5.9	35	-19'999	-14'833
<b>NET LOSS FOR THE PERIOD</b>		<b>-12</b>	<b>-1'148'547</b>	<b>-1'310'123</b>

## 6.2 Consolidated Balance Sheet as of 30<sup>th</sup> June 2009 (unaudited)

Consolidated Balance Sheet as of 30 <sup>th</sup> June 2009				
ASSETS	SEE	CHANGE IN %	30.06.2009 IN CHF	30.06.2008 IN CHF
<b>NON-CURRENT ASSETS</b>		<b>26</b>	<b>4'137'548</b>	<b>3'281'047</b>
Intangible assets	6.5.14	29	3'978'987	3'085'721
Plant and equipment	6.5.15	-19	158'561	195'326
<b>CURRENT ASSETS</b>		<b>63</b>	<b>4'765'733</b>	<b>2'918'027</b>
Trade and other receivables	6.5.12/ 6.5.13	247	4'072'271	1'174'025
Cash and cash equivalents	6.5.11	-60	693'462	1'744'002
<b>TOTAL ASSETS</b>		<b>44</b>	<b>8'903'281</b>	<b>6'199'074</b>
<b>EQUITY</b>		<b>27</b>	<b>7'471'547</b>	<b>5'905'580</b>
Share capital	6.5.17	0	4'727'224	4'727'224
Share premium	6.5.18	0	7'876'218	7'876'218
Accumulated loss	6.3	-23	-5'131'895	-6'697'862
<b>CURRENT LIABILITIES</b>		<b>388</b>	<b>1'431'734</b>	<b>293'493</b>
Trade accounts payable and other liabilities	6.5.16	385	1'422'182	293'493
Tax liabilities	6.5.16		9'552	0
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>44</b>	<b>8'903'281</b>	<b>6'199'074</b>

### 6.3 Equity changes as of 30<sup>th</sup> June 2009 (unaudited)

#### Veränderung des Eigenkapitals per 30.06.2009

	SHARE CAPITAL IN CHF	SHARE PREMIUM IN CHF	EXCHANGE DIFFERENCES IN CHF	ACCUMULATED PROFIT AND LOSS IN CHF	TOTAL EQUITY IN CHF
BALANCE AT 1.1.2009	4'727'224	7'876'218		-3'984'260	8'619'182
Restatement				0	0
Exchange difference				912	912
LOSS FOR THE 1 <sup>ST</sup> HALF YEAR				-1'148'547	-1'148'547
<b>BALANCE AT 30.06.2009</b>	<b>4'727'224</b>	<b>7'876'218</b>		<b>-5'131'895</b>	<b>7'471'547</b>

#### 6.4 Consolidated Cash Flow Statement from 01.01.2009 to 30.06.2009 (unaudited)

Consolidated Cash Flow Statement from 01.01.2009 to 30.06.2009				
	SEE	CHANGE IN %	01.01.2009 - 30.06.2009 IN CHF	01.01.2008 - 30.06.2008 IN CHF
<b>LOSS FOR THE PERIOD</b>	6.1	-12	-1'148'547	-1'310'123
Tax	6.5.9	35	19'999	14'833
Financial income / expense	6.5.7/ 6.5.8	-109	-18'261	211'526
Depreciation on intangible assets plant & equipment	6.5.14/ 6.5.15	65	940'171	568'105
Loss of receivables			0	0
Loss of sale of equipment			0	0
Exchange difference	6.5.7/ 6.5.8	-35	-142'514	-219'579
Increase / decrease in receivables and other assets	6.5.12/ 6.5.13	-47	1'363'979	2'568'974
Increase / decrease in liabilities that are not attributable to investment and financing activities	6.5.16	-170	77'427	-109'976
<b>NET CASH FROM (USED IN) OPERATING ACTIVITIES</b>		<b>-37</b>	<b>1'092'254</b>	<b>1'723'760</b>
Interests received	6.5.7	-104	-474	11'557
Interest paid	6.5.8		18'735	0
Taxes paid	6.5.9		27'027	0
<b>NET CASH FROM OPERATING ACTIVITIES</b>		<b>-34</b>	<b>1'137'542</b>	<b>1'735'317</b>
Investments in intangible assets and equipment	6.5.14/ 6.5.15	15	-1'231'839	-1'071'226
<b>NET CASH FROM (USED IN) INVESTMENT ACTIVITIES</b>		<b>15</b>	<b>-1'231'839</b>	<b>-1'071'226</b>
Loan	6.5.16		686'124	0
<b>CASH FLOW FROM (USED IN) FINANCING ACTIVITIES</b>			<b>686'124</b>	<b>0</b>
<b>NET INCREASE / DECREASE IN CASH AND CASH EQUIVALENTS</b>		<b>-11</b>	<b>591'827</b>	<b>664'091</b>
Cash and cash equivalents beginning of year		-91	101'635	1'079'911
Cash and cash equivalent end of year	6.5.11	-60	693'462	1'744'002

## 6.5 Notes to the consolidated semi-annual statement

### 6.5.1 Miscellaneous

The main focus of the business activities of OpenLimit Holding AG and its subsidiaries (referred to hereafter as the "OpenLimit Group" or "Group") lies in the development and marketing of software for the application of electronic signatures, encryption technologies and related fields. All rights to the software are the property of OpenLimit SignCubes AG as a wholly-owned subsidiary of OpenLimit Holding AG. All contracts worldwide with purchasers of the products are concluded with OpenLimit SignCubes AG. OpenLimit SignCubes GmbH, as a wholly-owned subsidiary of OpenLimit SignCubes AG, is mainly entrusted with product development.

OpenLimit Holding AG is listed on the Regulated Market (General Standard), of the Frankfurt stock exchange, as well as on the unofficial market of the Berlin-Bremen, Düsseldorf, Munich and Stuttgart stock exchanges.

### 6.5.2 Accounting standards

#### 6.5.2.1 Basis for the accounting representation

The OpenLimit Group Consolidated Financial Statement was prepared on 30<sup>th</sup> June 2009 in compliance with International Financial Reporting Standards (IFRS) as stipulated by the International Accounting Standards Board (IASB). All standards applicable on the reporting date have been observed. The Consolidated Semi-annual Statement provides a true and fair view of the net assets, financial position and result of the operations of the Group in accordance with Swiss legislation.

The compiling of the statement require the Board of Directors and the Group management to submit estimates and assessments which influence not only the amount of the stated assets and liabilities, but also possible liabilities and receivables at the time of the preparation of the financial report, as well as expenditure and income for the reporting period. The actual results may deviate from these estimations.

#### Newly applicable International Financial Reporting Standards (IFRS)

OpenLimit applied the following newly issued International Financial Reporting Standards (IFRS) as of 1<sup>st</sup> January 2009: IFRS 8 „Operating Segments“, IFRIC 13 „Customer Loyalty Programs“, IFRIC 15 „Agreements for the construction of Real Estate“ and IFRIC 16 „Hedges of Net Investment in a Foreign Operation“, as well as the revised IAS 23 „Borrowing Costs“, IAS 1 „Presentation of Financial Statements“, IFRS 2 „Share-based Payments“, IAS 32 „Financial Instruments: Presentation“, IFRS 7 „Financial Instruments: Disclosure“ and IAS 39 / IFRIC 9 „Embedded Derivatives“. The adoption had no effect on the consolidated semi-annual financial statements.

The following new and revised standards and interpretations have been issued, but are not yet effective. They have not been applied early in these consolidated financial statements. Their impact on the consolidated financial statements of OpenLimit has not yet been systematically analyzed.

STANDARD / INTERPRETATION	EFFECTIVE DATE	DATE PLANNED FOR ADOPTION BY OPENLIMIT
IFRIC 17 - Distribution of Non-cash Assets to Owners	1 <sup>st</sup> July 2009	Calendar year 2010
IFRIC 18 - Transfer of Assets from Customers	1 <sup>st</sup> July 2009	Calendar year 2010
Amendments to IFRS 1 - First-time Adoption IFRS	1 <sup>st</sup> July 2009	-
Amendment to IAS 39 - Financial Instruments: Recognition and Measurement (Eligible Hedged Items)	1 <sup>st</sup> July 2009	Calendar year 2010
IFRS 3 rev. - Business Combinations	1 <sup>st</sup> July 2009	Calendar year 2010
IAS 27 rev. - Consolidated and Separate Financial Statements	1 <sup>st</sup> July 2009	Calendar year 2010
IFRS 5 rev. - Assets held for Sale	1 <sup>st</sup> July 2009	Calendar year 2010



On 14<sup>th</sup> August 2009, the OpenLimit Holding AG Board of Directors approved the Consolidated Semi-Annual Financial Statement for publication on 18<sup>th</sup> August 2009

### 6.5.2.2 Consolidation principles

#### Consolidation scope

The Consolidated Financial Statement includes those national and foreign subsidiaries controlled by OpenLimit Holding AG vote-wise, directly or indirectly, to more than 50% or by means of contractual or other agreements. An overview of the subsidiaries is provided in the Annotation 6.5.19 on page 35.

Subsidiaries and participations are taken into consideration in the scope of consolidation from the time of acquisition, and are excluded from the Consolidated Financial Statement from the date of sale.

#### Consolidation method

Capital consolidation is effected according to the Purchase method. Assets, liabilities and company equity, as well as the income and expenses of the fully consolidated subsidiaries, are fully included in the Consolidated Financial Statement. Interests of third-party shareholders in the company equity and profits and losses are listed separately.

Joint ventures which are jointly controlled by the shareholders, and investments in associated companies in which the OpenLimit Holding AG does not have a direct or indirect controlling interest (where the investment quota is usually between 20% and 50%) are included in the Consolidated Annual Statement with the proportionate company equity in accordance with the Equity method. Investments below 20% are valued at their fair value.

All group-internal receivables, liabilities, expenses and income, as well as non-realized interim profits, are omitted within the scope of the consolidation. Assets and liabilities of acquired companies are re-valued at the time of acquisition in accordance with the Group's accounting standards, and a necessary positive difference in amount between the purchase price and the company equity is redefined as the market value is activated as goodwill, and is linearly written off over the expected useful economic life. Profits and losses of acquired companies are recorded in the consolidated income statement as of the time of the acquisition of the controlling interest. Upon the removal of companies from the scope of consolidation, deconsolidation is effected as an income item at the time of sale, and the results of the sold companies up to the time of sale are reported in the consolidated income statement.

Annual reporting for all subsidiaries ends on December 31.

### 6.5.2.3 Intangible Assets and Goodwill

Identifiable acquired assets, liabilities and contingent liabilities are listed in the balance sheet at their value at the time of the acquisition, irrespective of the scope of minority interests. Acquisition costs that exceed the share of the Group in the value of the identifiable net assets to be added are reported in the statement as goodwill. Companies are acquired or sold during the financial year are included in the Group's annual accounts from the date of acquisition or up to the date of the sale.

Goodwill as well as certain intangible assets which have an indefinite useful life and are therefore not written off as scheduled, are subject to an impairment test at least once a year. The amount of any possible depreciation is listed in the income statement under "Depreciation, amortization".

Intangible assets with a limited useful life are checked for soundness as soon as certain factors or general circumstances give cause to believe that their book value is no longer realizable. If there is an indication of a possible over-valuation, the current value, less any possible sales expenditure, is determined in the Group on the basis of the cash flow expected in future from the use and most recent realization. If the book value is greater than the higher value in the net sales proceeds and the utilization value, a depreciation equivalent to the difference is recorded as an expense. Assets are summarized for the impairment test at the lowest level at which cash flows can be separately identified. The estimate of the cash flows to be discounted in future is based on the appraisals and assumptions of the company management. The cash flows that may actually be realized can deviate significantly from these estimates.

#### 6.5.2.4 Self-created intangible assets

Intangible assets created through development activities are listed in the balance sheet under "Intangible assets". This solely concerns the development of the OpenLimit software undertaken by the subsidiary OpenLimit SignCubes GmbH. OpenLimit SignCubes GmbH is tax-listed in Germany as a cost-plus company. Profits generated in Germany through the cost-plus method are eliminated in the Consolidated Semi-annual Financial Statement.

#### 6.5.2.5 Liquid assets

In addition to cash reserves and banked cash, the liquid assets also include fixed-term deposits with an original maturity of a maximum of three months

#### 6.5.2.6 Securities

As marketable securities in the current assets, easily realizable securities including fixed-term deposits money are reported with a maturity of between three and twelve months.

#### 6.5.2.7 Receivables

Receivables are valued at the original invoice amount less a value adjustment which is determined on the basis of the maturity pattern and the identifiable creditworthiness risks.

#### 6.5.2.8 Inventories

Inventories are valued at the lower value from the acquisition or manufacturing costs and the net sale value. The manufacturing costs comprise all the production costs including proportionate production costs. All recognizable loss risks from service orders are accounted for by means of suitable value adjustments. The valuation of the inventories is calculated using the weighted average method or standard costs. Standard costs are regularly monitored, and in the case of larger requirements adjusted in accordance with the newest conditions. Value adjustments are made for scarcely marketable inventories or inventories with low turnover. Unmarketable inventories are written off entirely.

Services are valued according to the "Completed Contract" method. Income is usually only realized following the transfer of hazard and risk and after the service has been provided.

#### 6.5.2.9 Intangible and tangible fixed assets

Intangible and tangible fixed assets (excl. goodwill and brand names) are listed in the balance sheet with their purchase or manufacturing costs less a linear depreciation over the estimated useful life.

Intangible fixed assets listed in the balance sheet are goodwill, licenses, patents, brand names and similar rights, software, as well as activated own capital contributions.

Decreases in value due to impairments are recorded in the depreciations and are reported separately.

Repairs, servicing and orderly maintenance are listed in the profit and loss statement as ongoing costs. Value-increasing costs are activated and written off over their estimated useful life.

The following useful life is estimated (in years):

## Useful life

Furnishings	10
Vehicles	4-5
Computer Equipment	3-5
Intangible fixed assets	as a rule 5-10

The impairment of intangible and tangible fixed assets is always checked when there is an indication that the book value has been overvalued. If the book value is greater than the higher value from the net sales proceeds and the utilization value, a depreciation equivalent to the difference is recorded as an expense. Assets are summarized for the impairment test at the lowest level for which cash flows can be separately identified. The estimate of the monetary flows that are to be discounted in future is based on appraisals and assumptions of the company management. The monetary flows that may actually be realized can deviate significantly from these estimates.

### 6.5.2.10 Leasing

Leasing agreements where all significant risks and benefits remain with the leasing party are assigned to the operating leases. Payments to be made for operating leases are booked on the debit side of the Group profits and losses at uniform rates over the leasing term.

### 6.5.2.11 Reserves

Reserves are formed if a legal or actual obligation has arisen, an outflow of funds to fulfill this liability is probable, and a reliable estimate of the extent of the liability can be made.

Formed reserves represent the best possible appraisal of the final obligation. Possible obligations whose existence must be confirmed by future events, or liabilities, the extent of which cannot be reliably appraised, are disclosed as a contingent liabilities. Contingent deposits are not activated, but are immediately disclosed analogue to the contingent liabilities, providing that economic benefits for the Group are likely.

### 6.5.2.12 Income tax and capital tax

The actual tax claims and tax liabilities for the current and previous periods are measured with the amount equivalent to an expected refund from, respectively a payment to, the tax authorities. The calculation of this sum is based on the tax rates and tax legislation valid on the balance sheet date.

### 6.5.2.13 Net turnover

Net turnover includes all the invoiced sales and license income minus all revenue deductions (e.g. value-added taxes or sales taxes, discounts, cash discounts, etc.) and other company income (e.g. service income). The turnover is recorded at the time of delivery or performance of a service.

### 6.5.2.14 Received advances

Received advance payments are deferred and then realized when the corresponding service has been performed.

### 6.5.2.15 Transactions with related parties

Necessary business relations with related parties are dealt with at market-compliant conditions.

#### 6.5.2.16 Staff pension plans

The OpenLimit Group maintains staff pension plans in Switzerland and abroad. All employees in Switzerland are registered with a professional provident fund according to the Swiss contribution priorities which exceeds the mandatory minimum provisions laid down in Swiss law. Contributions are paid by the individual companies and the employees. Employee contributions are fixed as a percentage of the insured annual income and are deducted monthly. The contributions deducted from the salary to cover benefits are age-dependent and variable. The calculation of the provisory care benefits is based on the age credits at the time of retirement and the respectively valid pension conversion rates. The insured benefits include old age pensions, payments in case of invalidity, death, as well as for surviving relatives. These provisory care plans are subject to the regulations of benefit-orientated plans in accordance with IAS 19.

#### 6.5.2.17 Company-held shares

Retained shares held by the Group are recorded as a decrease in company equity. Purchase costs, proceeds from their resale, as well as other movements of the company's own shares, are listed as changes to the company equity.

#### 6.5.2.18 Foreign currency conversion

The OpenLimit Group Statement is given in Swiss francs (CHF).

The individual companies compile their financial statements in the local currency. The foreign currency financial statements from the foreign Group companies are converted into Swiss francs for consolidation purposes as follows: Balance of the exchange rates on the balance sheet date (30<sup>th</sup> June 2009: EUR 1.5247), profit / loss and cash flow statement at the average exchange rate for the financial half year (30<sup>th</sup> June 2009: EUR 1.5151). Conversion discrepancies that arise from the conversion of income and balance sheet are offset in the Group's reserves with no effect on the result.

In the event of the sale of a foreign subsidiary or associated company, the accumulated conversion difference is booked as part of the sales profit or loss in the income statement.

### 6.5.3 Segment reporting

Due to the present business activities and the size of the OpenLimit Group, a notifiable segment pursuant to IAS 14 is not required. Neither the main aspects of the definition of a business segment nor a geographical segment are applicable.

#### Revenues 01.01.2009 - 30.06.2009

	CHANGE IN %	01.01.2009 - 30.06.2009 IN CHF	01.01.2008 - 30.06.2008 IN CHF
Sales revenue	11	1'399'252	1'257'584
Company produced addition to Software development	43	1'350'846	947'847
<b>Total income from operations</b>	<b>25</b>	<b>2'750'098</b>	<b>2'205'431</b>

Generated revenue was achieved with various customers.

#### 6.5.4 Cost of goods sold

##### Costs of goods sold 01.01.2009 - 30.06.2009

	CHANGE IN %	01.01.2009 - 30.06.2009 IN CHF	01.01.2008 - 30.06.2008 IN CHF
Costs of goods sold		14'946	0
<b>Total material and goods costs</b>		<b>14'946</b>	<b>0</b>

#### 6.5.5 Personnel expenses

##### Personnel expenses 01.01.2009 - 30.06.2009

	CHANGE IN %	01.01.2009 - 30.06.2009 IN CHF	01.01.2008 - 30.06.2008 IN CHF
Wages & Salaries	19	1'524'134	1'281'376
Legal / contractual / social charges	1	268'495	266'913
External services / 3 <sup>rd</sup> party work	-29	391'910	553'240
<b>Total personnel expenses</b>	<b>4</b>	<b>2'184'539</b>	<b>2'101'529</b>

Depending upon the employee's function, the remuneration usually comprises the basic salary, variable salary components, social benefits and other allowances. The remuneration policy of the OpenLimit Group takes into consideration the profit situation, comparability, individual performance and usual market practices. The social benefits of the OpenLimit Group are orientated solely to national legal regulations.

## 6.5.6 Service operation expenses

### Service operation expenses 01.01.2009 - 30.06.2009

	CHANGE IN %	01.01.2009 - 30.06.2009 IN CHF	01.01.2008 - 30.06.2008 IN CHF
Rental expenses	34	161'938	121'261
Maintenance & Repairs	-68	4'668	14'403
Vehicle expenses	155	52'808	20'697
Vehicle leasing	-8	86'520	94'475
Fees, contributions, insurances	137	67'866	28'695
Electricity	436	9'492	1'772
Office equipment & printed matter	75	37'693	21'523
Telephone, fax, internet & postage	42	43'419	30'620
Accounting & audit expenses	64	71'705	43'725
Legal advice	6507	33'962	514
Board member fees		36'912	0
Stock market care	460	67'908	12'127
IT expenses	-49	27'425	54'167
Administrative expenses	-70	7'078	23'442
Advertising, PR & Marketing	12	58'807	52'499
Travel & Representation expenses	-5	95'042	99'641
<b>Total service operation expenses</b>	<b>39</b>	<b>863'243</b>	<b>619'561</b>

## 6.5.7 Financial income

### Financial income 01.01.2009 - 30.06.2009

	CHANGE IN %	01.01.2009 - 30.06.2009 IN CHF	01.01.2008 - 30.06.2008 IN CHF
Interest income	-96	474	11'557
Exchange rate profits		142'514	0
<b>Total financial income</b>	<b>1137</b>	<b>142'988</b>	<b>11'557</b>

## 6.5.8 Financial expenses

### Financial expenses 01.01.2009 - 30.06.2009

	CHANGE IN %	01.01.2009 - 30.06.2009 IN CHF	01.01.2008 - 30.06.2008 IN CHF
Bank interest and bank charges	435	18'735	3'504
Exchange rate loss	-100	0	219'579
<b>Total financial expenses</b>	<b>-92</b>	<b>18'735</b>	<b>223'083</b>

## 6.5.9 Taxes

### Tax expense 01.01.2009 - 30.06.2009

	CHANGE IN %	01.01.2009 - 30.06.2009 IN CHF	01.01.2008 - 30.06.2008 IN CHF
Tax expenses	35	19'999	14'833
<b>Total tax expenses</b>	<b>35</b>	<b>19'999</b>	<b>14'833</b>

Essentially, this is the tax accrued by OpenLimit SignCubes GmbH in Berlin to the sum of CHF 19'623. In the case of OpenLimit Holding AG, the holding privilege with regard to cantonal and communal taxes means that no profit tax has to be paid, although capital tax does. In case of Federal Taxes, the full tax rate (8.5 %) would not payable on the grounds of the holding deduction. OpenLimit SignCubes AG does not yet have to pay taxes due to loss-offsetting possibilities.

## 6.5.10 Profit shares of minority shareholders

All subsidiaries of the OpenLimit Group are under 100% ownership of OpenLimit Holding AG.

## 6.5.11 Cash and cash equivalents

### Cash and cash equivalents 30.06.2009

	CHANGE IN %	30.06.2009 IN CHF	30.06.2008 IN CHF
Banked cash	-60	692'337	1'743'024
Cash on hand	15	1'125	978
<b>Total cash &amp; cash equivalents</b>	<b>-60</b>	<b>693'462</b>	<b>1'744'002</b>

#### 6.5.12 Trade receivables

##### Trade receivables 30.06.2009

	CHANGE IN %	30.06.2009 IN CHF	30.06.2008 IN CHF
Trade receivables	327	4'125'821	966'208
Reserve for doubtful debts	82	-180'000	-99'000
<b>Total trade &amp; other receivables</b>	<b>355</b>	<b>3'945'821</b>	<b>867'208</b>

The value-adjusted receivables concern accounts receivable for which the economic situation is currently considered uncertain.

#### 6.5.13 Other receivables

##### Other receivables 30.06.2009

	CHANGE IN %	30.06.2009 IN CHF	30.06.2008 IN CHF
Various receivables	-68	61'178	191'947
Active deferrals	-43	65'271	114'870
<b>Total trade &amp; other receivables</b>	<b>-59</b>	<b>126'449</b>	<b>306'817</b>

The other receivables are current and correspond to the current market value.



#### 6.5.14 Intangible fixed assets

Intangible fixed assets 30.06.2009					
	SOFTWARE DEVELOPMENT IN CHF	DEVELOPMENT COSTS SIGNCUBES IN CHF	FOUNDATION AND CAPITAL INCREASE COSTS IN CHF	01.01.2009 - 30.06.2009 TOTAL IN CHF	01.01.2008 - 30.06.2008 TOTAL IN CHF
Costs at 1.1.	0	6'466'267	0	6'466'267	3'446'176
Additions / disposals	0	1'283'303	0	1'283'303	1'026'498
<b>Balance at 30.06.</b>	<b>0</b>	<b>7'749'570</b>	<b>0</b>	<b>7'749'570</b>	<b>4'472'674</b>
Depreciation balance at 1.1.	0	2'868'083	0	2'868'083	862'253
Depreciation	0	902'500	0	902'500	524'700
<b>Balance at 30.06.</b>	<b>0</b>	<b>3'770'583</b>	<b>0</b>	<b>3'770'583</b>	<b>1'386'953</b>
Book values balance at 1.1.	0	3'589'183	0	3'589'183	2'583'923
<b>Balance at 30.06.</b>	<b>0</b>	<b>3'978'987</b>	<b>0</b>	<b>3'978'987</b>	<b>3'085'721</b>

In the previous financial year the basic development of the software was completely amortized. The further development of the software by the subsidiary OpenLimit SignCubes GmbH, Berlin, is invoiced on a quarterly basis using the cost-plus method. The interim profits were eliminated in the Group statement. The development costs of OpenLimit software (CHF 902'500), were depreciated per accounting period.

## 6.5.15 Plant and equipment

### Plant and equipment 30.06.2009

	FURNISHINGS AND EQUIPMENT IN CHF	IT IN CHF	01.01.2009 - 30.06.2009 TOTAL IN CHF	01.01.2008 - 30.06.2008 TOTAL IN CHF
Costs at 1.1.	373'153	223'923	597'076	805'347
Additions	43'228	8'236	51'464	44'728
Exchange Difference	-33'962	1'476	-32'485	0
<b>Balance at 30.06.</b>	<b>382'419</b>	<b>233'636</b>	<b>616'055</b>	<b>850'075</b>
Depreciation balance at 1.1.	264'471	190'947	455'418	611'345
Exchange Difference	-45'212	9'616	-35'596	0
Depreciation	32'147	5'525	37'671	43'404
<b>Balance at 30.06.</b>	<b>251'406</b>	<b>206'088</b>	<b>457'494</b>	<b>654'749</b>
Book values balance at 1.1.	108'682	32'976	141'658	194'001
<b>Balance at 30.06.</b>	<b>131'014</b>	<b>27'548</b>	<b>158'561</b>	<b>195'326</b>

The insured value of plant and equipment is CHF 277'000.

## 6.5.16 Trade account payables and other liabilities

### Trade account payables and other liabilities 30.06.2009

	CHANGE IN %	30.06.2009 IN CHF	30.06.2008 IN CHF
Trade liabilities	169	460'090	171'331
Social insurance contributions	-5	37'468	39'459
Loan		686'126	0
Deferred expenses	201	238'497	79'199
Tax liabilities	173	9'552	3'504
<b>Total other payables and other liabilities</b>	<b>388</b>	<b>1'431'733</b>	<b>293'493</b>

The differed income mainly concerns personnel costs in Germany and expenditure for accounting, financial statement work and audits.

#### 6.5.17 Development of share capital

##### Development of share capital 30.06.2009

	NOMINAL VALUE IN CHF	NUMBER OF ISSUED BEARER SHARES	NOMINAL VALUE IN CHF
Balance 31.12.2005	0,30	14'400'000	4'320'000
Capital increase 10.02.2006	0,30	283'632	85'090
Capital increase 13.06.2006	0,30	1'073'780	322'134
Balance 31.12.2006	0,30	15'757'412	4'727'224
<b>Balance 30.06.2009 (unchanged)</b>	<b>0,30</b>	<b>15'757'412</b>	<b>4'727'224</b>

Please also see section 4.9

#### 6.5.18 Share premium

##### Share premium 30.06.2009

	CHANGE IN %	30.06.2009 IN CHF	30.06.2008 IN CHF
Share premium	0	7'876'218	7'876'218
<b>Total share premium</b>	<b>0</b>	<b>7'876'218</b>	<b>7'876'218</b>

Please also see section 4.9

#### 6.5.19 Subsidiaries

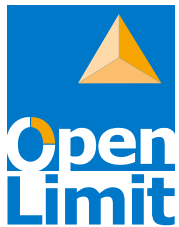
##### Subsidiaries

	NOMINAL CAPITAL	HOLDING IN %
OpenLimit SignCubes AG, Baar / ZG, Switzerland	CHF 100'000	100
OpenLimit SignCubes GmbH, Berlin, Germany	EUR 25'000	100

#### 6.5.20 Events following the end of the 1<sup>st</sup> half of 2009

OpenLimit invoices the majority of its customers in Euros. Losses may be incurred due to exchange rate fluctuations of the Euro subsequent to the balance sheet date.

Following the close of the 1<sup>st</sup> half year period, the significant event mentioned in section 4.9 occurred. There were no further events of significant importance.



#### 6.5.21 Assurance by the legal representatives

We give our assurance that, to the best of our knowledge and in accordance with the applicable accounting principles, the consolidated semi-annual financial statements give a true and fair view of the net assets, financial position and results of operations of the Group and that the course of business, including the business result and the position of the Group, are portrayed in such a way in the Group Management Report that a true and accurate picture is conveyed and that the significant opportunities and risks of the Group's future development are fairly described.

Baar, 18<sup>th</sup> August 2009

OpenLimit Holding AG

/s/ Henry Dattler

President and Delegate of the Board of Directors

/s/ Marc Gurov

Chief Executive Officer / Chief Financial Officer

OpenLimit Holding AG is a listed Swiss stock corporation and has been listed in Germany on the Regulated Market (General Standard) in Frankfurt since 16<sup>th</sup> April 2007, and is listed on the unofficial regulated market in Berlin-Bremen, Düsseldorf, Stuttgart and Munich.

WKN / SYMBOL / ISIN	AOF5UQ / O5H / CH.002.223.700.9
Commercial segment / stock market	Regulated Market (General Standard) / Frankfurt
No. of shares	16'797'412
Type of shares	Bearer shares
Nominal value	CHF 0,30
Designated sponsor(s)	ICF Kursmakler AG, Deutschland
Trading markets	Frankfurt, Berlin-Bremen, Düsseldorf, Munich and Stuttgart

Important remaining dates in 2009\*:

- 18<sup>th</sup> August                      Semi-annual Report 2009
- 28-29<sup>th</sup> August                  IR trip 2009, Boppard, Germany
- 17<sup>th</sup> November                  Interim Report for the 3<sup>rd</sup> quarter 2009

\* Of decisive nature is the respective date as given in the invitation to the General Meeting and the preliminary publications of the respective announcements and reports.

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**Cautionary statement regarding forward-looking statements**

Forward-looking statements are given in this Semi-annual Report, which also contain predictions about forward-looking events, trends, measures or goals. Such statements are indicated by formulations like “will” or “growing” and similar expressions. The forward-looking statements mentioned in this document are based on the expectations of the Company (including subsidiaries) at this time. As these forward-looking statements are subject to risks and uncertainty, this could cause the results and the plans and goals of OpenLimit Holding AG to deviate substantially from those which are explicitly or implicitly described in these forward-looking statements. Factors which may cause these plans, measures and results to substantially deviate from the current expectations include: (i) the general political, economic and competitive situation on markets and in countries in which the company or its branch offices are active, as well as exchange rate leverage and other risks which are connected with foreign dealings; (ii) general technological developments, (iii) the capability of the company to develop and market new products and technologies, as well as acceptance of such products or technologies by customers of the company, including the resultant incapacity of the company to achieve forecast turnovers; (iv) the timed coordination or occurrence (as well as non-occurrence) of transactions and events which among other things do not fall within the sphere of influence of the company or its branches; (v) changes to the credit ratings of partners and customers; (vi) changes to the prices of products as well as their negative impact on the company’s turnover and profit margins from these products or (vii) costs in connection with changes to legal regulations. OpenLimit Holding company AG is not obliged to update or to revise these forward-looking statements to take into account new information, future events or circumstances.

**Other Disclaimers**

OpenLimit and other brand or company names and their logos contained in this semiannual report are the property of their lawful owner. We herewith acknowledge all brand and company names and their associated logos.



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