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Corporate News

OpenLimit Holding AG

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OpenLimit Holding AG: Publication of the 2018 Annual Report

- Turnover increased in 2018 by 61% to EUR 7.97m (comparable value 2017: EUR 4.94m) and total income improved by 30% to EUR 9.59m (comparable figure 2017: EUR 7.39m).
- At EUR 1.94m, EBITDA was 635% better than in the previous year (EUR -0.36m), while the operating result (EBIT) for the year improved by 78% from EUR -3.00m to EUR -0.66m.
- The net loss to the amount of EUR 1.30m was significantly lower compared to the previous year (EUR 3.03m).
- OpenLimit implemented a planned capital increase in April 2018 to the amount of EUR 1.08m. A second capital increase to the amount of EUR 2.13m was effected after the reporting period as planned in January 2019.
- The contract awarded by T-Systems to develop a Konnektor for the healthcare market made a significant contribution to the revenue development in 2018. In March 2019, the contract was extended in the mid seven-digit range (EUR) for the current calendar year.
- The Konnektor was approved by gematik for rollout to players in the healthcare sector on 22 June. Developed by OpenLimit on behalf of T-Systems (and with its collaboration), it has been in the rollout phase since approval was given. Common Criteria certification was also completed on September 10, 2018.
- On April 18, development partners Power Plus Communications AG (PPC) and OpenLimit were the first manufacturers in Germany to successfully complete the PTB type examination certification.
- Common Criteria certification of the Smart Meter Gateway (SMGW) took place on December 12, 2018, and PPC and OpenLimit were able to present the first certified SMGW in Germany. The anticipated conclusions for two further SMGWs from other manufacturers are due in summer 2019, so that the rollout of the technology to 11.9 million mandatory installations can commence in Q3 2019.
- On February 1, E.ON and OpenLimit's development partner PPC announced an initial order for 16,000 Smart Meter Gateways. Together with further advance orders in the run-up to the rollout, orders are thus in the higher five-digit range, whereby the first produced devices were delivered to customers in the first quarter of 2019. OpenLimit anticipates a significant increase in the number of orders, as well as in the number of SMGWs per order, once it has been determined that the legal criteria for the rollout have been met.
- OpenLimit was also able to acquire further significant orders in 2018, the continuation of which in 2019, together with new orders in the ongoing year, already form an order basis of approximately EUR 7.40m for the year.



Baar, April 30, 2019 - OpenLimit Holding AG, an international software specialist focusing on technologies for secure data communication, eID and authentication technologies, published its 2018 Annual Report this morning.

Turnover increased in 2018 by 61%. In absolute figures, this equates to an increase from EUR 3.03m to a total of EUR 7.97m (comparable figure for 2017: EUR 4.94m). Internally produced and capitalised assets fell in 2018 by EUR 0.83m from EUR 2.45m to EUR 1.62m; consequently, total income improved by 30% to EUR 9.59m (comparable figure for 2017: EUR 7.39m). External service expenditure was reduced from EUR 0.77m in 2017 to EUR 0.67m, while the personnel expenses in 2018 remained virtually unchanged against the same period of the previous year at EUR 4.15m (comparable figure for 2017: EUR 4.20m). EBITDA improved in 2018 by 635% from EUR -0.363m in 2017 to EUR 1.92m, and EBIT was EUR -0.66m (previous year's figure: EUR -3.00m), a substantial improvement of 78%. The loss for the period dropped by EUR 1.73m from EUR 3.03m in the previous year down to EUR 1.29m.

The working capital situation during the year was once again a challenging one taking into account the high liabilities from the previous years, which required the repayment of various loans in addition to the ongoing costs. The financing issues were gradually resolved by means of several measures during and after the reporting period. Two capital measures were implemented – in April 2018 to the amount of EUR 1.08m, together with a further EUR 2.13m after the reporting period on January 3, 2019. Additionally, maturing loans were successfully extended or repaid, and in April 2019 convertible loans for the pre-financing of ongoing projects to the amount of EUR 0.55m were concluded. These measures have stabilised the Group and resulted in a significant improvement in its balance sheet.

Konnektor

One focus of the development activities was the continuation of work on the Konnektor (Medical Access Port) as part of the development contract awarded by T-Systems to OpenLimit. The Konnektor enables the decentralised systems operated by players in the health service to be securely coupled with the central telematics infrastructure, as well as selected services associated with the processing of electronic documents and files.

The order for developing the first product version of the Medical Access Port to be certified (certification on September 10, 2018) and to be approved by gematik (approval on June 22, 2018) was successfully completed in 2018. With the conclusion of the original order, T-Systems and OpenLimit are currently in the maintenance and further development phase. Insofar, the project and the partnership continue to be significant for the Group. After the reporting period, the contract for the maintenance and further development of the Medical Access Port for 2019 was awarded in the mid seven-digit range (EUR).

Smart Meter Gateway

The Smart Meter Gateway (SMGW) is a key component for the implementation of the amended Energy Industry Act in Germany. With the enactment into law of legislation governing the digitisation of the energy transition in July 2016, the rollout of the Smart Meter Gateways can begin as soon as three certified devices are available on the market. From today's vantage point – unfortunately, there are renewed delays in the certification



process at two other device manufacturers – the rollout should begin in the third quarter 2019.

In 2018, the development of the SMGW was continued in cooperation with the national exclusive partner Power Plus Communications AG (PPC), and the main development goals – the granting of the type examination certificate (April 2018) by the Physikalisch-Technische Bundesanstalt (PTB) as well as completion of the Common Criteria certification procedure (December 2018) – were successfully completed. The SMGW developed by OpenLimit and PPC was the first device in Germany to successfully complete the procedure. The orders received to date in the high five-figure range (units) are an encouraging sign for the development anticipated when the rollout begins, and is already many times higher than the volume of cumulative orders received since the start of development work in 2012.

eID and authentication technologies

OpenLimit was able to acquire several new orders from existing and new customers during the course of the year. The eIDAS regulation, which requires an adaptation of existing technology components, resulted in several project orders from existing customers in the higher six-figure range (EUR) in the 2018 reporting year, as well as after the reporting period. Following the successful realisation of an initial project in 2018, a new customer from the IT security sector could also become a further strategic partner as a result of efforts to expand the customer base and to lessen dependencies.

Outlook

At the time of publication of this report, the OpenLimit Group had an order volume for 2019 amounting to approximately EUR 7.40m, effectively dependent upon the steady availability of the planned resource requirements and licence requests from existing orders during the year. This already corresponds to approx. 93% of the turnover achieved in 2018. This sales base, together with the existing solid sales pipeline (although with a concentration of risk) and the conservative SMGW rollout expectations, mean that we are optimistic that we will break through the eight-figure (EUR) turnover barrier.

Implementation of the organisational growth will be a significant factor towards realising this expectation. The financing measures undertaken so far during the course of the year have brought us closer to the requisite starting point. Subsequently, however, how quickly the planned revenues or other measures can be realised in order to definitively assure the necessary pre-financing of the growth will prove decisive. At the same time, we must hope that our human resources strategy will progress favourably, even though the market situation for qualified IT capacities in Germany is a difficult one at this time. However, as two thirds of the year still lie ahead of us, we can face these challenges with optimism, especially against the background of the current order situation.

The prospects are also good that we will be able to mitigate the turnover risks in the form of risk clusters in the future, whereby initial progress could already be made in the past year, and that the rollout of the Smart Meter Gateway will additionally improve our EBIT margin to a considerable extent. Furthermore, we perceive a clear market development for our products, solutions and services in general, and we are confident that we will acquire an increasing share of this market in the future.



However, with the continued solid work of the Board of Directors, the management and the highly qualified OpenLimit employees, we are able to look to the future with confidence.

Read the full report [here](#).

About OpenLimit

OpenLimit stands for the secure electronic handshake. With our technologies, we enable people and machines to communicate worldwide without any restrictions and in a secure, provable and identifiable manner. We develop basic technologies and products in the following areas: secure data communication between machines, electronic identities, electronic signatures, and evidential value-preserving, long-term storage of data and documents. Our solutions form an integral part of products from leading manufacturers of IT applications and are used by enterprises, public authorities, institutions and private households. In order to realise our mission to create a secure electronic handshake, we enter into targeted strategic development and sales partnerships.

The listed OpenLimit Holding AG (ticker symbol: O5H) and an operating subsidiary are based in Baar, Switzerland. A further subsidiary is located in Berlin, Germany. The corporate group has over 50 highly qualified employees.

For further information, please visit www.openlimit.com

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