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Openlimit Holding AG: Interim announcement within the 2nd half-year 2011 according to article 37x WpHG

- Revenue from sales activities in the first nine months 2011 increased by 6% to EUR 2.51 million in comparison to the same period in the previous year, total income decreased slightly by 3% to EUR 4.11 million
- Net loss in the first nine months 2011 reduced by 2% in comparison to the same period in the previous year
- Fujitsu and OpenLimit sign OEM contract for unique, long-term archiving solution
- OpenLimit presents QryptoMobile
- OpenLimit delivers Linux version of the AusweisApp
- OpenLimit and partner msg systems present GovPad at the trade fair and congress „Moderner Staat“
- Univ. Prof. DDr. Radu Popescu-Zeletin, head of the renowned Fraunhofer FOKUS Institute, joins Board of Directors of OpenLimit Holding AG

General Development

(Baar, Switzerland, November 18, 2011) The main focus in the second half of the current business year was on the product launch of QryptoMobile, the positioning of GovPad and the signing of the OEM contract with Fujitsu for the new product "Fujitsu SecDocs powered by OpenLimit".

QryptoMobile has been developed to meet the specific customer demands to combine the OpenLimit security technologies with a mobile data medium. QryptoMobile offers the

possibility of storing personal data password encrypted on a USB stick and of signing emails via integrated soft certificate. In addition, QryptoMobile features an Internet browser which guarantees that no traces, such as browser histories or passwords, are left on public computers. In August of this year, on the occasion of the 60th anniversary of the International Judo Federation (IJF), QryptoMobile was presented to a wider public in the shape of an "IJF Special Edition" for judokas, coaches and officials. Special attention was given to the fact that, with the help of QryptoMobile, the International Judo Federation is able to transfer up-to-date information, such as results or ranking lists, via an information window directly to the user. In the fourth quarter, the International Judo Federation is planning to start selling QryptoMobile via its own web shop. Thus, OpenLimit has gained one of the world's largest sports federations as partner. Further partnerships with other sports federations are under discussion.

The tablet solution "GovPad" that has been developed in close cooperation with our partner msg systems and the company Medienkonzepte enables decision-makers in politics and administration to securely access and work on information and documents at any time even while being on the move - and will even include electronic signature and revision-safe archiving technologies. In November 2011, msg and OpenLimit presented the GovPad concept at the trade fair and congress "Moderner Staat". Mobile applications open up new forms of cooperation, networking and participation and help to save time and money. The first target groups are the members of the Federal and State Parliaments in Germany followed by the members of other parliaments and decision-makers in the economy as well. It is planned to combine this solution, where secure authentication via Tablet PCs plays an important role, with the SecDocs solution in the future.

The signing of the OEM contract with the company Fujitsu for the new product "Fujitsu SecDocs powered by OpenLimit" is equally outstanding. Fujitsu SecDocs allows long-term archiving of documents with preserved evidential value. With this innovative technology that first has been developed in compliance with the ArchiSafe standard and is currently being certified according to the directive TR-ESOR of the Federal Office for Information Security (BSI), the user can save time and money due to high availability, ease of use and the possibility of migrating large data volumes. The new product Fujitsu-SecDocs is now available for worldwide distribution and is already being applied in several pilot projects. This opens up a whole new market potential for OpenLimit. Fujitsu and OpenLimit as well as further distribution partners will exploit this promising market potential. The signing of the contract is of great importance as with this close cooperation; OpenLimit has succeeded for the first time in gaining a globally operating IT-company as an OEM partner. OpenLimit's contribution consists of its base technologies and its competence in value-preserving long-term archiving. The OEM contract regulates the allocation of license revenues and with it laid the foundation for incentive schemes in the sales environment. The partners FTS and OpenLimit already worked with pilot customers, and a substantial number of opportunities have been identified and priorities have been added. A significant sales contribution is expected for the second quarter of 2012 for the first time.

In this quarter again, OpenLimit presented itself at several internal and external events. In addition to presentations within the framework of our memberships, as for example the German association "Sichere Identität Berlin-Brandenburg" or BITKOM (Federal Association

for Information Technology, Telecommunications and New Media), this year's CIT customer day on September 20th is here of particular interest. It takes place on a regular basis and enjoys great popularity. At this event, OpenLimit not only presented the products "CryptoMobile" and "Fujitsu SecDocs powered by OpenLimit", but for the first time demonstrated the long-term archiving solution together with the new identity card and the administrative procedures for the application, administration and storage of BAföG (abbreviation for the Federal student grants program in Germany) documents. This procedure can serve as model for many further specialized procedures in the Federal Government, the Federal States and the Municipalities.

Moreover, "Fujitsu SecDocs powered by OpenLimit" was presented at the Fujitsu Forum 2011 in Munich where it was prominently positioned at several exhibits, namely Software-as-a-Service (SaaS), high volume scanners and software licenses vertical market. The Fujitsu Forum is one of the most important international IT-management events attended by more than 8'000 Fujitsu customers and partners from all over the world and therefore an important multiplier for Fujitsu products and solutions.

Changes in the organizational structure

On October 5th, 2011, Mr. Urs Winzenried informed the Board of Directors and the management of OpenLimit, that he can no longer fulfil his obligations as member of the Board of Directors due to personal reasons and resigned from the Board of Directors of the OpenLimit Holding AG with immediate effect. Mr. Winzenried had been a member of the Board of Directors of the OpenLimit Holding AG since September 2003.

OpenLimit is delighted to announce that Professor Radu Popescu-Zeletin, Head of the renowned Fraunhofer FOKUS Institute in Berlin, joins the Board of Director of OpenLimit Holding AG today. His election by the Board of Directors is subject to approval at the next General Assembly of the Company. Professor Popescu-Zeletin is a renowned expert in information and communication technologies and can draw on a vast network of contacts to companies and institutions all over the world. More details on our new Board member can be found on the homepage of the Fraunhofer FOKUS Institute. [[Link](#) to CV in German]

Furthermore, Mr Reinhard Stüber, SVP, has assumed management responsibilities for the Sales team of OpenLimit on an interim's basis, while former CSO Peer Dietrich focuses on our key account business.

There were no other changes in the corporate structure to report.

Financial Development of the OpenLimit Group

On 01.01.2011 the functional currency of the OpenLimit group was changed from Swiss Francs (CHF) to Euro (EUR). Comparative results for the nine-month period of the previous year were converted at an average exchange rate of 1.3702 CHF / EUR and the balance sheet based on a closing rate of 1.3431 CHF / EUR.

In the first nine months of 2011, OpenLimit achieved revenue growth from sales activities of 6% to EUR 2.51 million (9-months 2011: EUR 2.38 million). Taking into account provisions for possible write-downs, headline sales amounted to EUR 2.39 million (+1% relative to results for the nine-

month period of the previous year). Due to lower additions to company produced software assets (EUR 1.71 Mio in 2011 vs. EUR 1.83 in 2010) total income decreased by 3% to EUR 4.11 million (2010: EUR 4.21 million).

As a result of recently developed technologies such as QryptoMobile, which also include third party components, cost of goods sold increased from EUR 0.04 million to EUR 0.17 million. Personnel expenses including third-party services and option expenses were reduced by 6% to EUR 3.60 million (Q3 2011: EUR 3.83 Million) in spite of high costs for software certification processes. As of September 30th, 2011, OpenLimit Group had 64 employees (incl. management) (compared to 30.9.2010: 58).

Despite increased activities across all areas, the launch of new products, various patent and trademark applications, the continued strength of the Swiss Franc and with more personnel, operational expenses could be kept at EUR 1.23 million, almost the same level as in the previous year (EUR 1.21 million). Indeed, operational expenses in the third quarter of 2011 decreased by 13% in comparison to the average of the first two quarters this year. Cost saving measures and the trimming of the cost base in Switzerland show their impact.

Depreciation and amortization expenses increased by 20% to EUR 1.63 million compared to the period in the previous year. This increase can be attributed to intangible assets and, in particular, to the strong growth in software development over the past few years.

EBITDA (earnings before interest, taxes, depreciation and amortization) decreased by 2% from EUR -0.87 million to EUR -0.89 million, while operating income (EBIT) fell by 13% to EUR -2.52 million (9 months 2010: -2.22 million)

The financial result turned out better. Financial expenses could be reduced by 68% to EUR 0.15 million due to reduced FX losses (9 months 2010: EUR 0.48 million.)

Hence, OpenLimit recorded a slightly smaller net loss of EUR -2.67 (-2%) million for the period from January 1st - September 30th, 2011 (9 months 2010: EUR -2.73 m).

Non-current assets increased by +16% from EUR 4.20 m to EUR 4.86m compared to the same period in the previous year.

Current assets increased by +37% to EUR 4.96m, of which EUR 4.80m were attributed to trade- and other receivables (30.9.2010: EUR 2.58m) and the remainder of EUR 0.16m to liquid assets. While the absolute level of account receivables was reduced by EUR 0.40 million during the third quarter, working capital development is unsatisfactory and liquidity remains an issue as payment delays continue. Payments for account receivables amounting to EUR 1.65 million continue to be sluggish. Most of the value still outstanding is owed by a new client, which however has had a long-time business relationship with the Chairman of our Board of Directors. The outstanding amount of the receivable is undisputed and has been confirmed by the client in writing on several occasions, including to our auditors. Project delays on our client's side with third parties have caused a payment lag. On the basis of regular conversations with the client including earlier this week, the Board of Directors of OpenLimit is absolutely convinced that the situation will be solved and payment will be made before the end of the year. Provisions for account receivables were increased to about EUR 120'000 as of September 30th, 2011.

On the other hand, since June 30th, 2011, trade account payables and other liabilities could be reduced by 27% to EUR 0.85 million (30.9.2010: EUR 0.30 million).

In the beginning of September, OpenLimit executed a private placement of 1'046'666 shares. The company earned gross proceeds of EUR 628'000 from the capital increase, which will be used to finance the planned growth of the company. Hence, share capital including share premium was raised to EUR 14.49m.

However, per September 30th, 2011, the equity position of EUR 7.23m was close to a year earlier (EUR 7.32m) due to the increase in accumulated losses. Overall, the balance sheet total increased by 25% to EUR 7.83m to EUR 9.82m within the first nine months of 2011 compared to the previous year. Consequently the equity ratio decreased from 94% to 74% (as of 30.06.2011: 72%) when also taking into account convertible debt issued in May of this year.

Technical Development

Throughout the third quarter of 2011, the development of the OpenLimit product range has been expanded. The main focus was on the developments around OpenLimit Version 3, Fujitsu SecDocs, the eID-Server, QryptoMobile and QryptoVesta. With QryptoMobile and QryptoVesta, OpenLimit now offers technologies in the standard security segment, a segment that is independent from the strict regulations of the high security segment. Therefore, the OpenLimit technology portfolio now also includes products for a broader public.

The OpenLimit Middleware Version 3 Server has been successfully optimized performance-wise and introduced to various customers as component for the high-performance verification of electronic signatures. That means, that on the basis of this technology OpenLimit offers components that are suitable for the verification of electronic documents with a daily quantity structure in a seven-digit area.

The evaluation and confirmation process of the OpenLimit Version 3 Middleware is in the home-stretch. From OpenLimit's perspective, most of the work for the evaluation of the software was completed by the end of the third quarter. The SigG-confirmation is expected during the fourth quarter of the current business year.

With respect to the development for Fujitsu SecDocs, new versions of the server-sided OpenLimit Middleware and the components for SecDocs (MigSafe / OverSign) were handed over to Fujitsu. This way, the QA measures for a SecDocs follow-up version could be initiated. The evaluation of the SecDocs components has been pushed forward as well, so that the safety-related evaluation is expected to be finished in the fourth quarter.

The eID-Server version 2.5 was delivered to the customers. The current release is characterized by a significantly increased performance concerning the processing of authentication requests via the new identity card, so that OpenLimit received a very positive feedback from its customers. The upgraded version 2.5 has been implemented to the OpenLimit eID-Server customers.

QryptoMobile is a new product that has been developed for secure communication and transport of electronic data. In August, this product was presented in Paris on the occasion of the Judo world championship. Customer feedback concerning the software version was collected and integrated into a software update that was released at the beginning of November.

Moreover, QryptoVesta, a new OpenLimit technology for comprehensive application with soft certificates, was released as product in November. The target groups of this technology are in particular companies and authorities which apply signing, encryption and decryption processes within a closed user group.

In addition to these activities, further versions - Windows versions as well as Linux versions - of the AusweisApp have been released.

Outlook

During the first 9 months of 2011 several implementation processes both at projects already signed as well as some that were expected to be acquired have suffered delays. This applies to the product completion processes as well. Changes to the legal environment for electronic invoicing and the abolition of the government project ELENA have further influenced the climate in the electronic signature market. This shows once again that the projects and markets in which we already participate / are active in, depend on several factors. These factors include timely decision-making by the client, delays in the delivery of third-party components as part of an overall system, passing of laws and regulations, speedy provision of advisory services of consulting firms, the interaction / agreement between various interest groups etc. OpenLimit has no or only limited influence on these factors. Since the beginning of the year, some of these factors have also created challenges in our cash management, because payments depend on the completion of the system as a whole, not only on the contributions of OpenLimit. This situation will change during the next months.

Projections for revenue development in the fourth quarter are subject to a significant margin due to low visibility. This development is very much dependent on the closing, or the awarding of contracts for several pending project opportunities and request for proposals as well as the time remaining to finalize certain projects. Accordingly, it is still not possible to give an accurate forecast.

Due to the difficulty of predicting the immediate sales performance, the Board of Directors cannot rule out further financing measures next year from today's perspective.

However, the medium to long-term outlook remains positive. It is assumed that sales for products developed in collaboration with partners, including Fujitsu SecDocs powered by OpenLimit and the eID server with the Bundesdruckerei, gain momentum in the coming year. The transaction-based pricing models will also provide sustainable revenue growth. The new products QryptoMobile and QryptoVesta - where a customer pipeline has only been a few months in the making - also ensure sales growth given large customers such as the International Judo Federation. It is also expected that large projects which have already been acquired will start full operation in 2012. These developments, together with the network and contact potential of the new Board member Prof. Radu Popescu-Zeletin give rise to a positive assessment of the future development of OpenLimit.

About OpenLimit

OpenLimit Holding AG is an internationally leading provider of certified software solutions for electronic signatures and identities. Our software components can easily be integrated into existing applications, enabling a highly efficient management of electronic documents, media-consistent workflows and process optimisation in all business sectors. OpenLimit holds the very first certification recognising world-wide compliance with international security standard, Common Criteria EAL 4+, guaranteeing the highest degree of security and legal validity currently achievable.

Additional information is available under: <http://www.openlimit.com/en>

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