

OPENLIMIT HOLDING AG

SWITZERLAND / SOFTWARE / ELECTRONIC SIGNATURE

 Primary exchange: Frankfurt
 Bloomberg symbol: O5H
 ISIN: CH0022237009

2010 RESULTS

| | |
|-------------------|---------------|
| RATING: | Buy |
| PRICE TARGET: | €2.50 |
| RETURN POTENTIAL: | 106.6% |
| RISK RATING: | High |

GROWTH TO ACCELERATE FROM H2 2011

We have adjusted our forecasts and lowered our price target by €0.25 to €2.50 to take account of the expected slow start to 2011. However, the outlook from H2 2011 onward remains excellent. Networking effects should accelerate the acceptance of the digital signature among eID holders, while the international potential of the long term archiving solution, SecDocs, is very high. We maintain our Buy recommendation.

2010 results below our expectations Openlimit has published 2010 results. Sales rose 12.6% to CHF 7.42m vs. our forecast of CHF 8.07m (2009: CHF 6.59m). EBIT was CHF -1.19m vs. our forecast of CHF -0.54m (2009: CHF -1.23m). The main reason for the discrepancy between the reported result and our forecast was the hacking attack on a third party-supplied component of the AusweisApp eID software which hit Q4 revenues. This problem was solved through an update to this component on 3rd January. Openlimit generates most of its sales in Euros. The weakness of the Euro lowered sales growth expressed in Swiss Francs. In Euro terms sales rose 23.1% to €5.37m (2009: €4.36m). Openlimit's main reporting currency from Q1 2011 will be Euros.

Seasonality likely to be very pronounced in 2011 Openlimit usually generates the bulk of its revenues and profits in H2, particularly in Q4. Seasonality is likely to be even more pronounced than usual this year as two factors suggest that the first half will be weak in comparison with H2. Firstly, Openlimit is a participant in the largest document digitalisation project in Europe. The pilot phase of this project has been delayed from H1 until H2.

FINANCIAL HISTORY & PROJECTIONS

| | 2008 | 2009 | 2010 | 2011E | 2012E | 2013E |
|--------------------|-------|--------|--------|-------|-------|-------|
| Revenue (€m) | 4.79 | 4.36 | 5.37 | 7.06 | 9.74 | 14.71 |
| Y-o-y growth | n.a. | -8.9% | 23.1% | 31.5% | 38.0% | 51.0% |
| EBIT (€m) | 1.37 | -0.81 | -0.86 | 0.20 | 1.56 | 3.34 |
| EBIT margin | 22.0% | -12.9% | -11.0% | 2.0% | 13.0% | 20.0% |
| Net income (€m) | 1.06 | -0.53 | -1.64 | 0.19 | 1.31 | 2.77 |
| EPS (diluted) (€) | 0.07 | -0.03 | -0.08 | 0.01 | 0.06 | 0.14 |
| EV / Sales (x) | 4.5 | 4.9 | 4.0 | 3.0 | 2.2 | 1.5 |
| EV / EBIT (x) | 15.6 | n.a. | n.a. | 108.2 | 13.7 | 6.4 |
| P/E (x) | 18.0 | n.a. | n.a. | 126.5 | 18.7 | 8.9 |
| DPS (€) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Yield | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| FCF (€m) | -0.83 | -3.74 | -0.73 | -0.36 | -0.54 | 0.51 |
| Net gearing | 0.0 | 1.6% | -8.6% | -5.1% | -9.7% | -4.8% |
| Liquid assets (€m) | 0.07 | 0.87 | 0.56 | 0.99 | 0.65 | 0.99 |

RISKS

Risks to our price target include, but are not limited to: delay in large projects, erosion of the company's present competitive lead, further dilution of shareholders' interests and the failure of electronic signature applications to achieve widespread market acceptance.

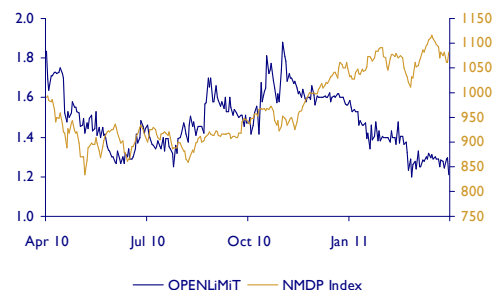
COMPANY PROFILE

Openlimit Holding AG develops and markets software applications for electronic signature, encryption and related fields. The company's internationally recognised Common Criteria-certified software products enhance the security, provability and efficiency of electronic transactions, workflow, communications and data. The company employed 60 staff as of 31 December 2010.

TRADING DATA

| | |
|----------------------------|--------------|
| Closing price (20.04.11) | €1.21 |
| Shares outstanding | 18.11m |
| Market capitalisation | €21.91m |
| 52-week range | €1.20 / 1.88 |
| Average volume (12 months) | 24,957 |

STOCK OVERVIEW



COMPANY DATA (as of 31 December 2010)

| | |
|----------------------|-----------|
| Liquid assets | CHF0.87m |
| Current assets | CHF6.73m |
| Intangible assets | CHF5.71m |
| Total assets | CHF12.67m |
| Current liabilities | CHF0.42m |
| Shareholders' equity | CHF11.39m |

SHAREHOLDERS

| | |
|-------------------------|-------|
| Heinrich Dattler | 11.8% |
| René C. Jäggi | 9.2% |
| Enuhill Portfolio, Inc. | 7.2% |
| Robert E. Züllig | 5.8% |
| Free float | 66.0% |



Secondly, the creation of a Change Control Board in the wake of the hacking attack means that revenues from change requests to the eID software are likely to materialize more slowly than previously expected.

Outlook from H2 2011 is strong The Federal Ministry of the Interior now expects 100 services for the eID card to have been developed by the end of this year. In 2010 the official expectation was that 50 such services would be in place. This suggests that the networking effects crucial to the success of the eID project are beginning to crystallise. Meanwhile Openlimit and its partner Fujitsu are currently commencing commercialisation of the long term archiving solution, SecDocs. Given Fujitsu's global reach, this product's potential is very high.

2011 guidance scheduled for mid-year Openlimit has stated that it will not issue guidance for 2011 until mid-year. Despite a slow start to the year we think a 31.5% rise in sales in Euro terms to just over €7m is readily achievable in 2011. However, we do not now expect EBIT to rise significantly above breakeven until 2012. Sales should accelerate markedly in 2012 and 2013 and margins widen rapidly as networking effects promote usage of the digital signature by eID holders and the international rollout of SecDocs progresses.

Price target lowered to €2.50, Buy rating maintained We have adjusted our forecasts (see table 1) and lowered our price target from €2.75 to €2.50 to take account of the expected slow start to 2011. We maintain our Buy recommendation.

CHANGE OF ESTIMATES

| All figures in €m | 2011E | | | 2012E | | | 2013E | | |
|-------------------|-------|------|----------|-------|-------|----------|-------|-------|----------|
| | old | new | % Change | old | new | % Change | old | new | % Change |
| Revenue | 8.98 | 7.06 | -21.4% | 14.82 | 9.74 | -34.3% | 21.49 | 14.71 | -31.5% |
| EBIT | 1.38 | 0.20 | -85.7% | 3.05 | 1.56 | -48.9% | 5.37 | 3.34 | -37.8% |
| Margin (%)* | 12.3% | 2.0% | - | 18.0% | 13.0% | - | 22.9% | 20.0% | - |
| Net income | 1.05 | 0.19 | -81.5% | 2.39 | 1.31 | -45.1% | 4.29 | 2.77 | -35.3% |
| Diluted EPS (€) | 0.05 | 0.01 | -80.9% | 0.11 | 0.06 | -41.3% | 0.20 | 0.14 | -31.7% |

* calculated in relation to total output

Table 1

Source: First Berlin

**FIRST BERLIN RECOMMENDATION & PRICE TARGET HISTORY**

| Report No.: | Date of publication | Previous day closing price | Recommendation | Price target |
|----------------|---------------------|----------------------------|----------------|--------------|
| Initial Report | 10 October 2005 | €4.20 | Buy | €5.20 |
| 2...24 | ↓ | ↓ | ↓ | ↓ |
| 25 | 23 April 2010 | €1.64 | Buy | €3.00 |
| 26 | 5 May 2010 | €1.70 | Buy | €3.00 |
| 27 | 31 August 2010 | €1.46 | Buy | €2.75 |
| 28 | Today | €1.21 | Buy | €2.50 |

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First Berlin's investment rating system is five tiered and includes an investment recommendation and a risk rating. Our recommendations, which are a function of our expectation of total return (forecast price appreciation and dividend yield) in the year specified, are as follows:

STRONG BUY: Expected return greater than 50% and a high level of confidence in management's financial guidance

BUY: Expected return greater than 25%

ADD: Expected return between 0% and 25%

REDUCE: Expected negative return between 0% and -15%

SELL: Expected negative return greater than -15%

Our risk ratings are Low, Medium, High and Speculative and are determined by ten factors: corporate governance, quality of earnings, management strength, balance sheet and financing risk, competitive position, standard of financial disclosure, regulatory and political uncertainty, company size, free float and other company specific risks. These risk factors are incorporated into our valuation models and are therefore reflected in our price targets. Our models are available upon request to First Berlin clients.

Up until 16 May 2008, First Berlin's investment rating system was three tiered and was a function of our expectation of return (forecast price appreciation and dividend yield) over the specified year. Our investment ratings were as follows: BUY: expected return greater than 15%; HOLD: expected return between 0% and 15%; and SELL: expected negative return.

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