



# OpenLimit

Technology leader in the area of electronic authentication, signature, data transfer and long-term storage solutions

## Company Presentation

May 2015



**- Secure Electronic Handshake -**

- Introduce OpenLimit and its unique positioning in the growth market of high-end security technologies to protect critical infrastructures
- Present the investment opportunity for those seeking exposure to
  - Megatrends of the Internet of Things (IoT), “smart grid” and telematics technologies, Industry 4.0, legal compliance, and the combat against cyber crime / hacking attacks, with a focus on securing networks and devices, communication and data transfer as well as long-term archiving
  - Regulated sectors such as Energy, Healthcare, eGovernment and also Gaming where certified technology is already or will be key
  - Business with proven leadership position in Germany and international reach
  - Overview of Financials 2014
- Address your questions





# OpenLimit's Vision – Secure Electronic Handshake

## The Problem:

Cyber crime, hacking attacks, eavesdropping, insecure data channels.  
Who am I dealing with? Who / what can I trust? For how long?

## Our Mission:

Our technologies enable people and machines globally to communicate without limits in ways that are *secure, verifiable* and *identifiable*



## Our Solutions:

eSignatures

eAuthentication

eArchiving

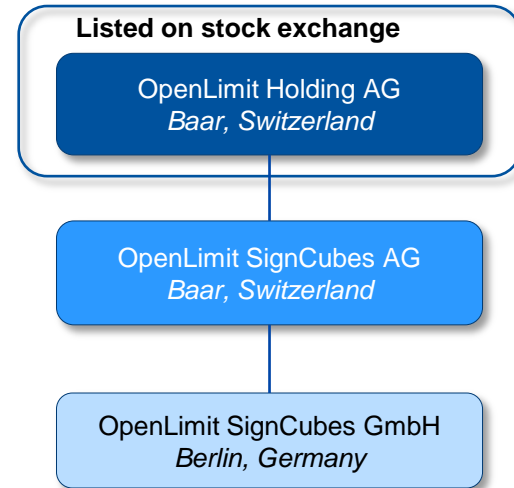
Secure Data Transfer



Our Partners / Clients:



- **USP:** first company in the world to have the highest international security standard for signature software (Common Criteria EAL 4+). The company's expertise in the area of certified IT security is the key to opening up other business segments.
- **Important contracts** in recent years:
  - Developed the first generation AusweisApp, the user software for the **new ID card** (nPA) in Germany, as well as the eID server
  - Exclusive partnership with Power Plus Communications AG for development of a **Smart Meter Gateway** to secure the transfer of electronic meter data
  - Exclusive contract with T-Systems to develop the **"Konnektor" for the healthcare market**
  - Partner of Fujitsu for the biometric authentication solution **Fujitsu PalmSecure truedentity**, whereby truedentity was developed by OpenLimit
  - Exclusive global cooperation partner of Fujitsu for evidentiary value-preserving long-term storage of electronic files (certified product **"Fujitsu SecDocs powered by OpenLimit"**)
- **Corporate structure:** headquarters in Baar (Switzerland) and an office in Berlin. 68 people currently employed.
- **Listed on the stock exchange** in Germany (symbol: O5H)



## ■ Board of Directors



**René C. Jäggi**  
President,  
Delegate



**Professor Radu  
Popescu-Zeletin**  
Member

## ■ Management Board



**Marc Gurov**  
Chief Executive Officer



**Reinhard Stüber**  
Sr. Vice-President



**Armin Lunkeit**  
Chief Development  
Officer



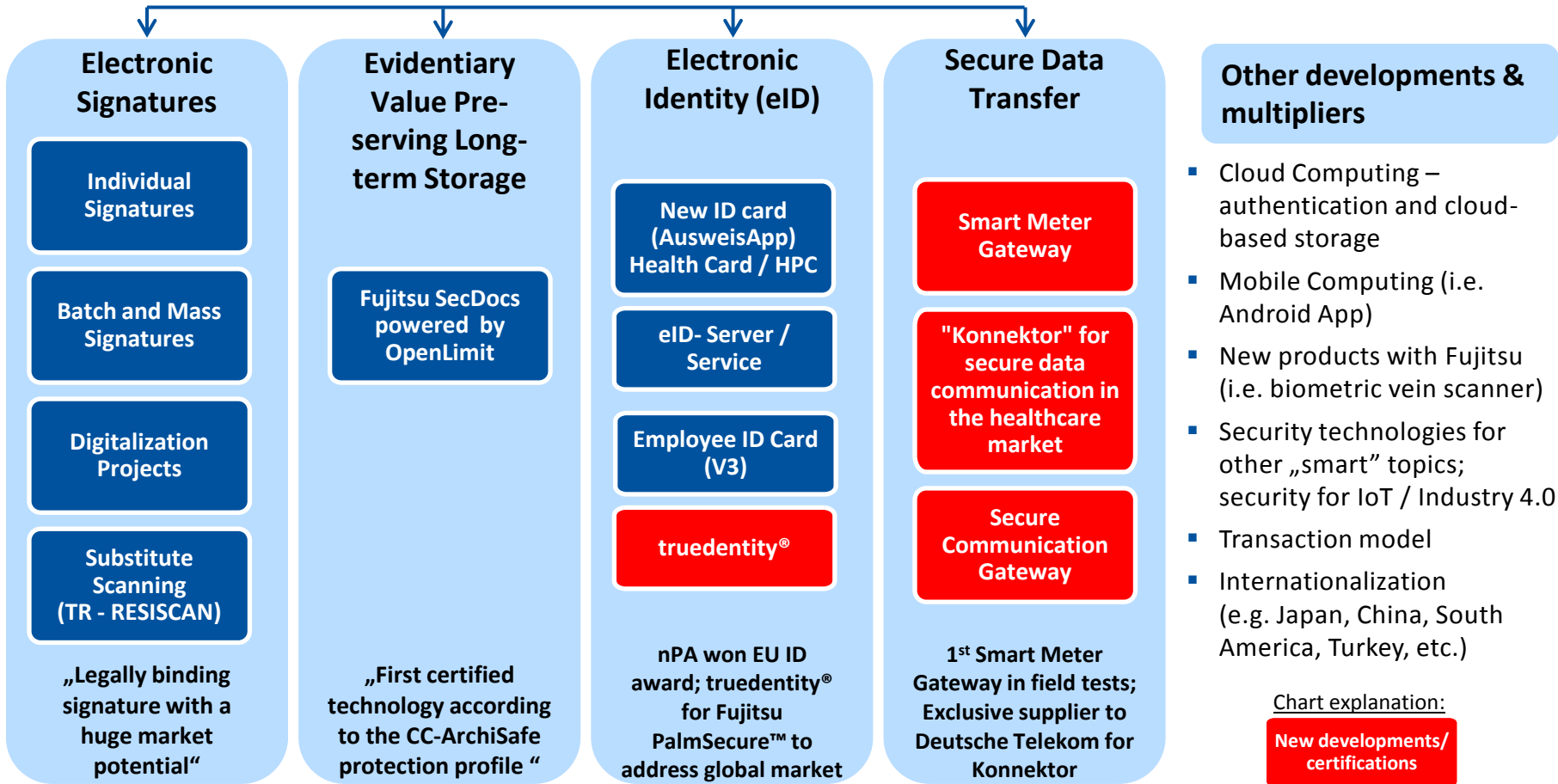
**Maik Pogoda**  
Chief Commercial  
Officer



**Christian Fuessinger**  
Chief Financial Officer

**Change to the Management Board in the spring of 2014 – new CCO to strengthen the sales team**

# 4 Pillars to Bundle the Strengths of OpenLimit as a Technology Leader

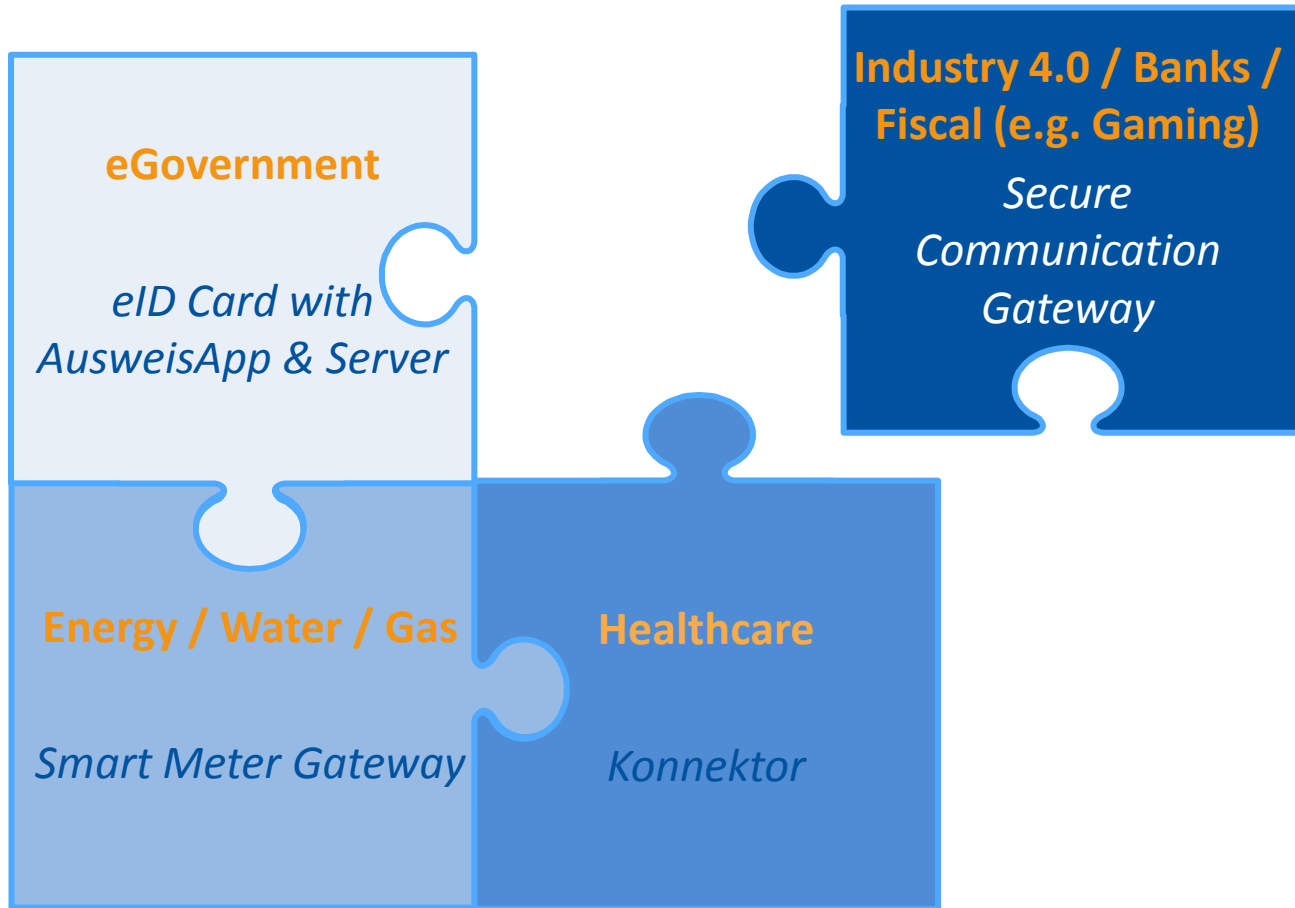


The product portfolio has been rebalanced over the past several years and now includes certified technologies for "Secure data transfer" as the fourth main pillar

# Securing Critical Infrastructures - Current Product Portfolio



# We Secure Critical Infrastructure Components with Certified Technology



OpenLimit has developed and maintains the software solutions for the critical online security infrastructure for the Government ID card, and is developing key security components for the Energy as well as the Healthcare sector in Germany

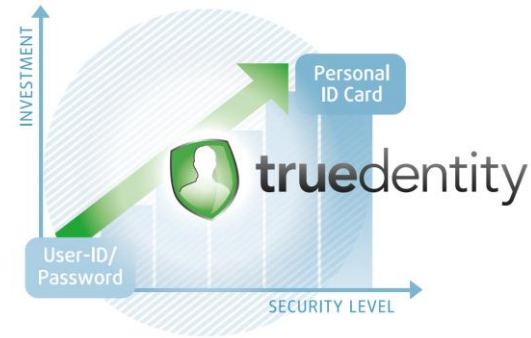


- **OpenLimit has developed the AusweisApp**
  - Software for citizens that wish to use their German national ID card for authentication processes vis-à-vis government and industry applications
  - OpenLimit developed the software for Atos (formerly Siemens IT Solutions & Services), the general contractor for project of the German Federal Department of The Interior
- **OpenLimit has developed and maintains the eID-Server,**
  - Server software utilized by authorities and companies that wish to integrate the national ID card in their online processes
  - The eID-service of the Bundesdruckerei is based on the OpenLimit eID-server
- **OpenLimit** has acquired **customers** and service providers for the eID-server, such as: Datev, init, KDRS and Worldline



**OpenLimit has developed software components for the critical online security infrastructure for the German ID card**

- **New solution for digital identities** increases access security for cloud services, online applications, physical access control, internet-of-things etc.
- Based on developments for the **highly secure eID infrastructure** of the German ID card
  - Backend: truidentity® server with the option of extending to the eID server helps to reduce costs and guarantees the security of the investment
  - Frontend: flexible, i.e. depending on the security requirement and use case, different clients can be used: software tokens, USB sticks and mobile apps, biometric devices or the new ID card
- In addition to authorities, particularly attractive for the strong user authentication in the corporate environment and context of Industry 4.0
  - Plant security: truidentity® as a **standard software solution for Fujitsu PalmSecure™ hand vein scanner and ID Match** currently being realized. Use cases: admission/access control; time recording; cashless payment
  - Network security: **patent pending** for highly secure truidentity® version ("Basalt"), for secure access to networks providing protection against man-in-the-middle hacking attacks and other "cyber security" threats, including in banks

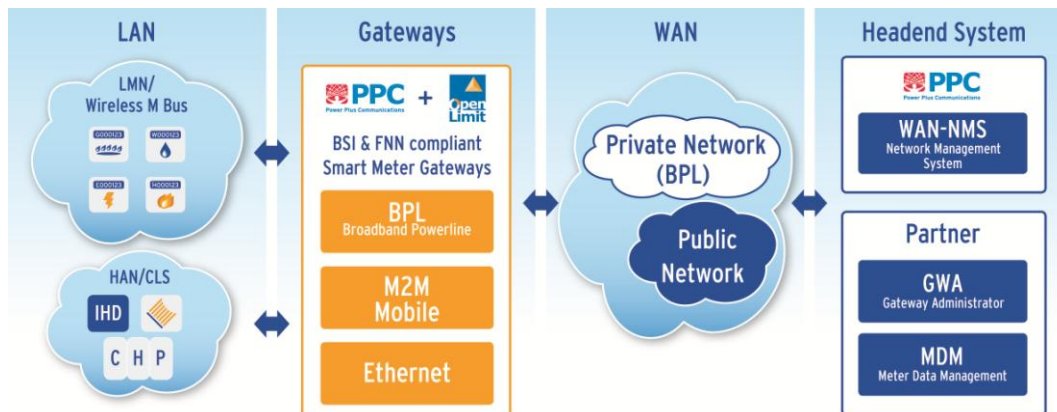


**truidentity® makes highly secure authentication possible – for both people and machines**



- **OpenLimit** is developing a **Smart Meter Gateway** together with partner **PPC** (Power Plus Communications)
- According to an EU directive, secure data transfer is the **key prerequisite** for intelligent energy grids ("**smart grids**")
- The new German **Energy Industry Act** (EnWG) requires implementation of a Smart Meter Gateway for certain user groups
- OpenLimit / PPC have a **leading market** position:
  - **First application** for BSI-certification filed in Germany
  - **First pilotable** Smart Meter Gateway developed
  - **First BSI-SMGW pilot project in Germany** in the form of a field test at the Düsseldorf municipal works; To-date pilots with 3 of the major 4 energy providers
  - **Only supplier** on the market offering SMGWs with three different communication modules: Broadband Powerline, M2M (mobile) & Ethernet
  - **Interoperability** – e.g. integration with all leading GWA (Gateway Administration) partners as well as various smart meter company solutions

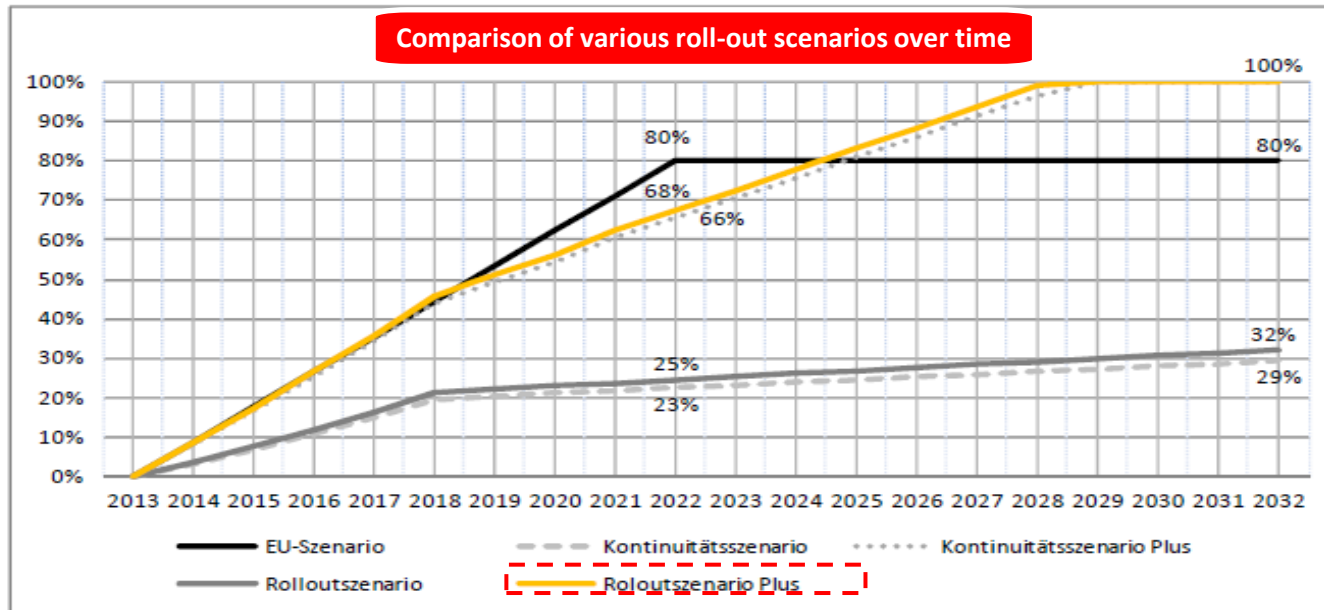
E-World 2015:  
OL-PPC SMGW demonstrated by:



OpenLimit / PPC are developing a FNN-compliant SMGW with full systems interoperability and a choice of three different communication modules  
OpenLimit is also getting positioned for other European Energy markets

## Market Potential (Germany)

- 2013/07/30: Ernst & Young publishes study carried out on behalf Ministry of Economic Affairs and Energy or the BMWi
  - The recommended "rollout scenario plus" provides for the mandatory introduction of 11.9 million Smart Meter Gateways before year 2022
  - Further potential of ca. 3 million for OpenLimit / PPC based on the advantages of SMGWs compared to metering systems without SMGW



Source: Ernst & Young cost-benefit analysis (30/07/2013)

- 2015/02/09: Ministry publishes "Key principles for ordinances governing smart grids"
  - : Start of mandatory rollout delayed until 2017/01/01
  - + : certainty of rollout, €100 p.a. cost limit and "grandfathering" of installed SMGW base underpins commercial case → earlier roll-out push by energy companies likely



- **Healthcare telematics** allows the **secure connection of the IT systems of all service providers** (doctors’ practices, hospitals, pharmacies)
- **Advantage for the patient** – data protection and data security:
  - Replacement of insecure media (e.g. CD-ROM, USB stick) when exchanging sensitive data, as in future such exchanges will take place in a closed network made up of trustworthy participants
  - Access to patient data when the patient and the doctor authenticate each other with smart cards (electronic healthcare card or health professional card)
- The **Konnektor** is one of the **key security components** for IT access in the German healthcare system
  - The Society for Telematics Applications of the Healthcare Card (gematik) invites tenders for development of the Konnektor
  - 12/2013: **T-Systems** is awarded the contract for one of two lots to **set up the healthcare telematics infrastructure**
  - **At the same time, OpenLimit receives an exclusive order to develop a Konnektor for T-Systems**
  - The Konnektor facilitates **synergies with** further development of the SMGW and signature technologies
  - Since the security and reliability of the Konnektor has a decisive influence on the security of the telematics infrastructure, security testing and **certification** from the BSI is required
  - In the subsequent nationwide rollout phase, OpenLimit will function as T-Systems’ exclusive supplier

## OpenLimit develops the key security component for the healthcare market

- **Exclusive order from T-Systems in the solid 7-digit EUR range**
- **Market potential: in the nationwide rollout, 196’000 doctors, 21’000 pharmacies, 2’000 hospitals and 200 health insurers will be serviced**
- **Rollout expected to begin on 01.07.2016**



# Market Potential (5+ Years) – Selected Existing Projects (based on project contribution margins)

## Smart Meter Gateway

### Market potential

(Source: E & Y Cost-benefit Analysis commissioned by German Government)

11.9 m (E&Y rollout+ scenario)  
3.0 m (replace IHD meters)  
 ca.15.0 m SMGWs

### Market share 25%-30%

- ✓ Leader in SMGW development
  - 1st registration for certification
  - 1st pilotable device (now 4 pilots)
- ✓ Best positioned with top players
  - Partner PPC leader in BPL
  - Reseller contract with Elster
  - Siemens, Worldline, Bosch, Cuculus, itron, Robotron working with SMGW from OL / PPC
  - e.on, RWE, Stadtwerke DUS etc.

## Konnektor

### Market potential

(Basis: market participants healthcare sector Germany)

#### Standard Konnektor

Doctors / surgeries	196,000
<u>Pharmacies</u>	<u>21,000</u>
Total	217,000

#### Highspeed-Konnektor-Server

Hospitals	6,000
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### Market share 25%-50%

- Two separate consortia won tender for subsidised development of Konnektor
- ✓ T-Systems (Deutsche Telekom) as market leader awarded exclusive supplier contract to OL
- ✓ Price point / margins expected to be higher than for SMGW (additional features)

## truidentity®

### Market potential – high but difficult to estimate

- Currently highly fragmented market for high-security authentication but elevated levels of security in strong demand
- Applications: Access control, time records, cashless payments, unique authentication, etc.

### Strong partner in Fujitsu

- truidentity® based on technologies developed for German ID card → sophisticated & proven
- Fujitsu hold global patent on hand vein scanning technology, the most secure biometric feature
- ✓ truidentity® as standard software solution for Fujitsu PalmSecure™
- ✓ Joint business model/global rollout

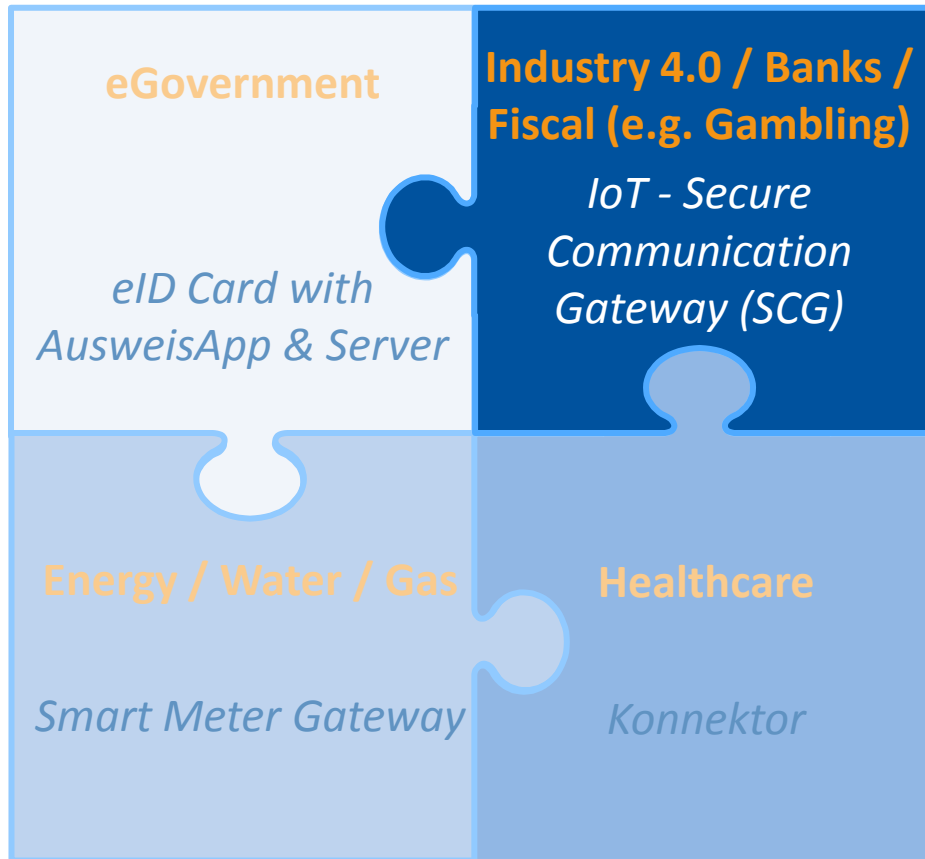
Potential Contribution Margin

€ 65-110 m

**Note:** Rough estimates subject to potential project / rollout delays and significant execution risks.  
 Does not include cross-selling and follow-on sales opportunities, replacement cycles etc..

# A Security Platform for the “Internet of Things” including Industry 4.0





## SCG - key functionalities

- Identity of people & machines
- Secure remote & physical access
- Update mechanisms

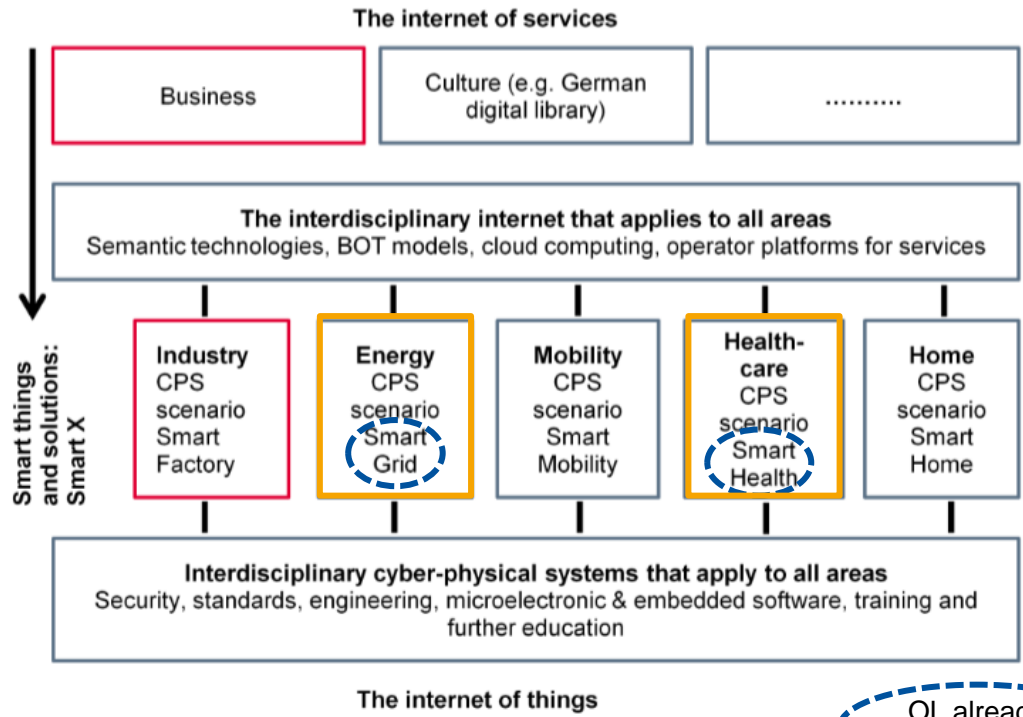
**OpenLimit is combining its current portfolio of security technologies for critical infrastructure to provide solutions for the needs of a broad range of industries**



Physical and virtual world converging

9

Application areas for cyber-physical systems



Source: See Forschungsunion Wirtschaft – Wissenschaft, 2013

OL already positioned

**Security of utmost importance:**

“Data Security is a Prerequisite for Successful “Industrie 4.0” Implementation”

(Source: Joint press release of Infineon Technologies and Deutsche Telekom, 21 Oct 2014)

**Investment need:**

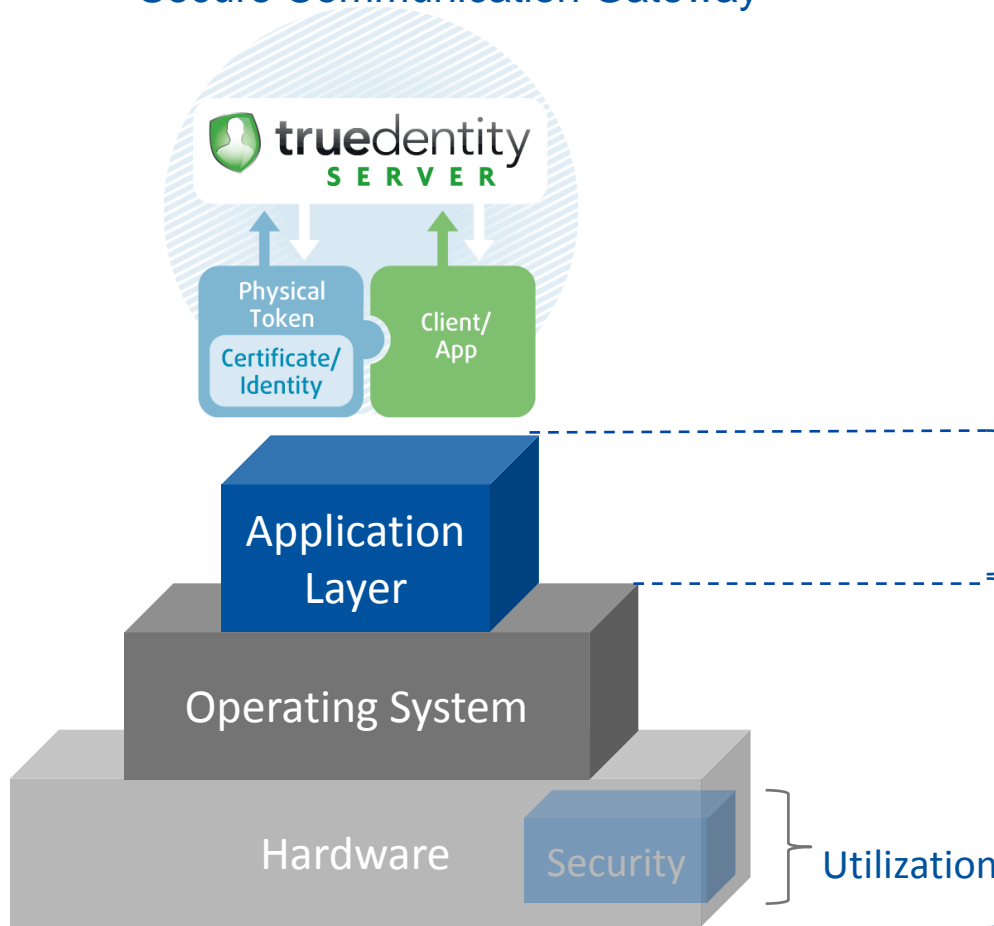
“To assume a leading role in Industry 4.0, Europe will have to invest EUR 90 bn a year over the next 15 years – a total of EUR 1,350 bn”

(Source: Roland Berger, Report The new industrial revolution – how Europe will succeed, p 15, March 2014)

As more and more and even the simplest devices get connected online, ensuring cyber security is a key prerequisite for smart technologies to finally take off. OpenLimit has already gained leading positions in 2 of the 5 markets depicted (Energy and Healthcare)



## Secure Communication Gateway



- Secure Communication (TLS)
- Secure Identification & Authentication
- VPN Security
- Individually designed Lifecycle Management
- Own Board Support Package based on Linux
- BSI Certification (in progress)

<u>Issue</u>	<u>OpenLimit Solution</u>
Secure Remote Management	- Smart Meter Gateway
	- Konnektor
	- ...
Secure Platform	- truedentity Basalt

**truedentity® technology combined with customized software for embedded devices creates additional value & leads to highest security levels.  
Limited investment need to combine existing technologies.**

# Financial Update



# How Does OpenLimit Generate Sales?

## Products & licenses

- Individual and volume licenses
- Transaction-based: pay-per-signature, etc.
- Inventory licenses
- Upgrades (product cycle around 1.5 years)

## Software maintenance & support

- On average 15-20% (net) of the list price
- Usually for a period of between one and three years

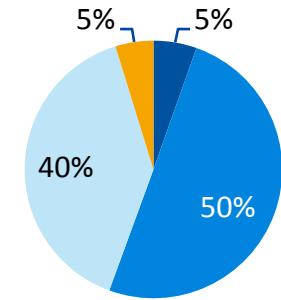
## Services

- Software development contracts
- Implementation, consulting and training services

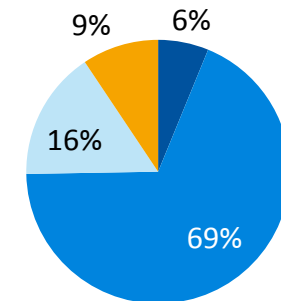
## Hardware & miscellaneous

- e.g. hardware such as HSM, cards, USB sticks

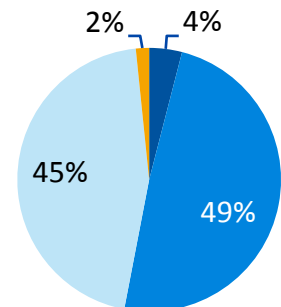
FY2012



FY2013

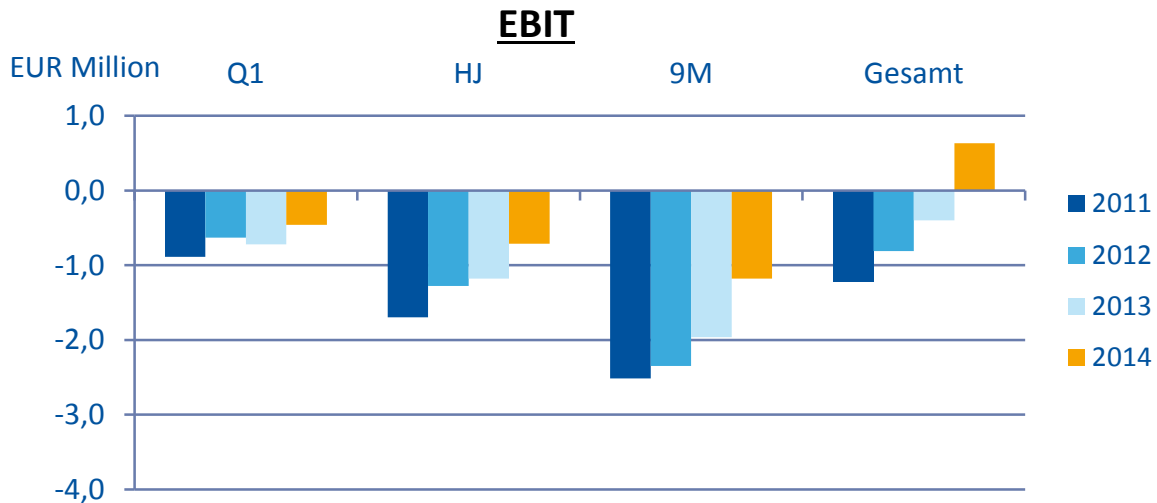
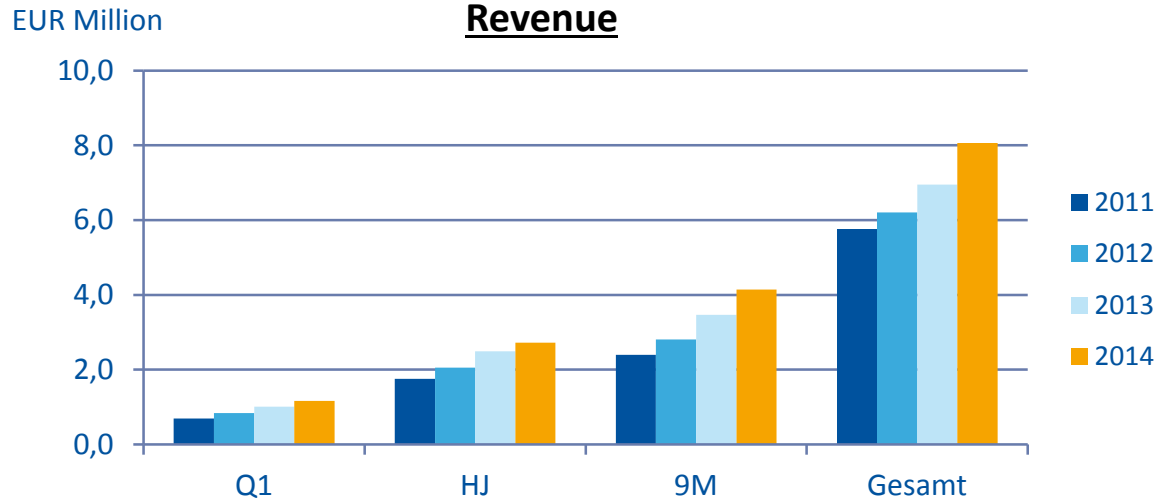


FY2014



**Focus on licensing & transaction revenues but services also important.  
Hardware revenues likely to increase significantly (Smart Communication Gateway)**

# Quarterly Performance Over Time



**OpenLimit has shown improving performance over the past 4 years and surpassed break-even in FY2014**

# What are others saying about OpenLimit?

## The Perspectives of Equity Analysts

- In **2014**, OpenLimit was able to achieve a **result in line with expectations** of equity research analysts
  - Revenue of around EUR 8.0 million
  - Operating result: EBIT of EUR 0.6 million surpassed the breakeven point

Analyst	Date	Revenue (€ million)			EBIT (Mio. €)			Net result (Mio. €)			Recommendation	Target price (€)
		2015	2016	2017	2015	2016	2017	2015	2016	2017		
<b>First Berlin (Dr. Karsten v. Blumenthal)</b>	<b>30/04/2015 Growth margin</b>	<b>9.1</b> +13%	<b>10.5</b> +15%	<b>13.6</b> +30%	<b>0.7</b> 7.4%	<b>1.4</b> 13.2%	<b>2.7</b> 19.8%	<b>0.3</b> 3.1%	<b>1.1</b> 10.1%	<b>2.1</b> 15.6%	<b>Buy</b>	<b>1.10</b>
<b>Montega AG (A. Braun / A. Drews)</b>	<b>24/04/2015 Growth margin</b>	<b>8.9</b> +10.3%	<b>10.5</b> +18%	<b>12.6</b> +20%	<b>0.8</b> 9.3%	<b>1.6</b> 15.6%	<b>2.7</b> 21.6%	<b>0.3</b> 3.4%	<b>1.0</b> 9.5%	<b>1.5</b> 11.9%	<b>Buy</b>	<b>1.20</b>

- **Additional upside possible**
  - truedentity®, Konnektor order and Smart Meter Gateway only partially included by analysts
  - Current developments like match-on-device / hand vein scanner (Fujitsu), the Japanese signature market (and other countries), secure communication gateway not yet taken into consideration
  - Good pipeline with partners, but low visibility for own invoicing of sales (e.g. SecDocs)
  - Operating leverage for licensing models can allow profitability to increase disproportionately

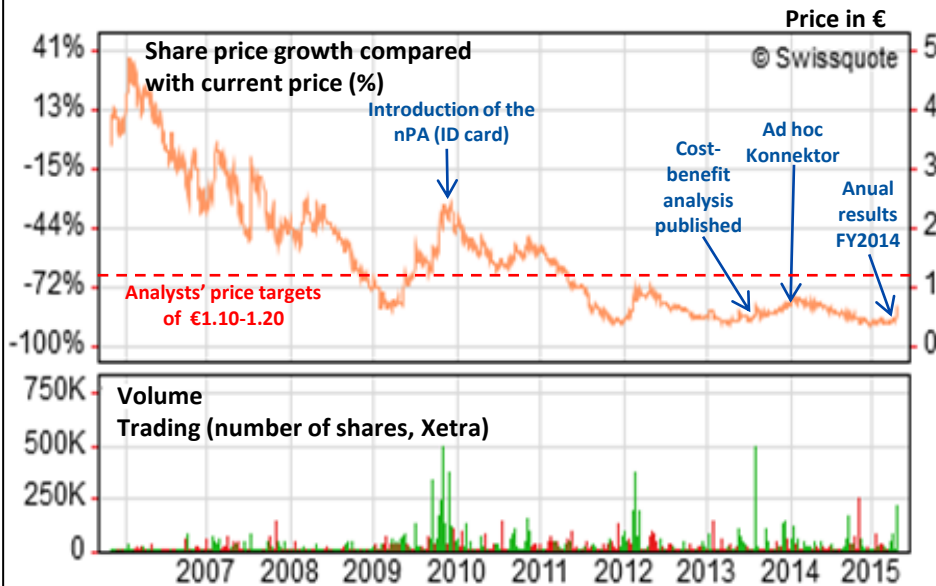
**Positive outlook is also confirmed by equity analysts.**

**Effect of current developments to some extent not yet quantified in research**



# Share Price Trend (O5H – Xetra)

## Share price trend

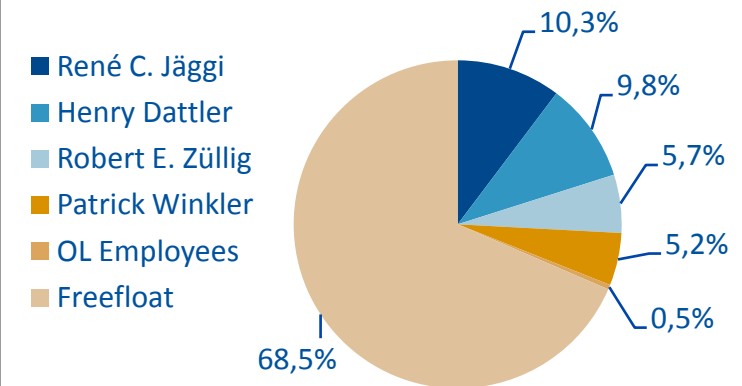


- Over the past 12 months the OpenLimit share price has traded in a range of €0.33-0.82, significantly below research ratings
- Goal – close valuation gap on the back of positive newsflow, stable shareholding, and strategic developments

## General information on O5H share

WKN / Symbol / ISIN:	A0F5UQ / O5H / CH0022237009
Trading platform:	Frankfurt; XETRA
Exchange segment:	General Standard
Initial listing:	August 2005
Designated sponsors:	ICF
Number of shares:	19,153,551
Type of shares:	Bearer shares
Nominal value:	CHF 0.30
Market capitalization:	EUR 12 million

## Shareholding Structure



**Despite the positive outlook trading in O5H has been weak → Considerable upside potential**

- ✓ **Only company** in the world to offer the **highest international security standard** for signature software (Common Criteria EAL 4+)
- ✓ **Experience in delivering lighthouse projects:** Exclusive supplier to Siemens / Atos of the AusweisApp, the user software for the new German ID card, which has been issued to 6-8 million citizens per year since November 2010
- ✓ Through its **cooperation with reputable partners** and thanks to its technological advantage, OpenLimit is in a **favorable position in growth markets** such as "smart" technologies, Internet of Things and Industry 4.0
  - ✓ In 2015, OpenLimit is expected to offer the first CC-certified **Smart Meter Gateway** technology on the German market
  - ✓ Exclusive contract with T-Systems for the development of the **Konnektor for the healthcare market**
  - ✓ **truedentity®** is a highly sophisticated eID technology which will be offered together with the Fujitsu PalmSecure™ hand vein scanner (ID Match) solution
  - ✓ Together with Fujitsu, OpenLimit offers the first certified solution of its kind for evidentiary value-preserving **long-term storage** of electronic documents
- ✓ OpenLimit's business model is shifting towards **high-margin licensing and transaction revenues as well as development contracts**
- ✓ **Data protection and security** play an ever more important role. **New business segments are opening up** here for OpenLimit, which can be served by leveraging existing technology building blocks with strong partners



## Select References & Further Details



eID-Server  
for public authorities  
and industry clients

## Atos

AusweisApp  
Client Software  
for all German ID-  
Card Holders

 **Bundesagentur für Arbeit**

OpenLimit CC-Sign  
Client Software for  
eSignatures

BatchSign  
Client software for the  
digitization of documents

Fujitsu SecDocs powered  
by OpenLimit  
Solution for long-term  
data storage



## FUJITSU

truidentity®  
Authentication technology  
for Fujitsu PalmSecure™  
(hand-vein scanner)

Fujitsu SecDocs powered by OpenLimit

BatchSign

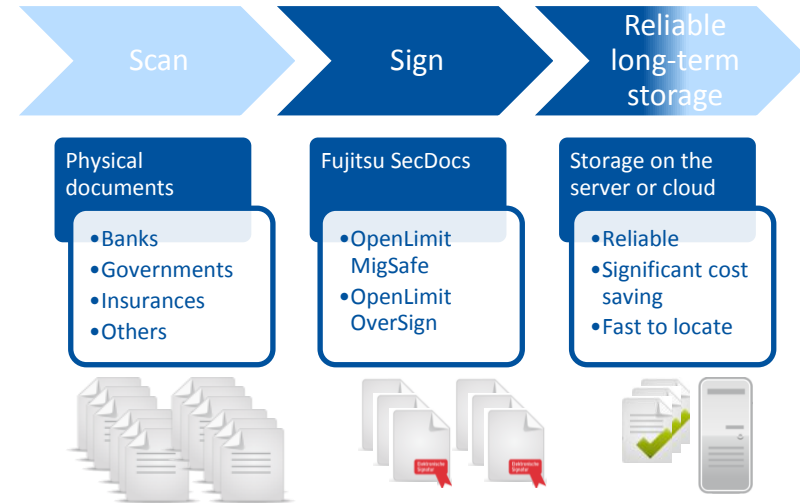
 **Systems**

Konnektor  
Device for secure  
transmission of patient data  
in the healthcare market



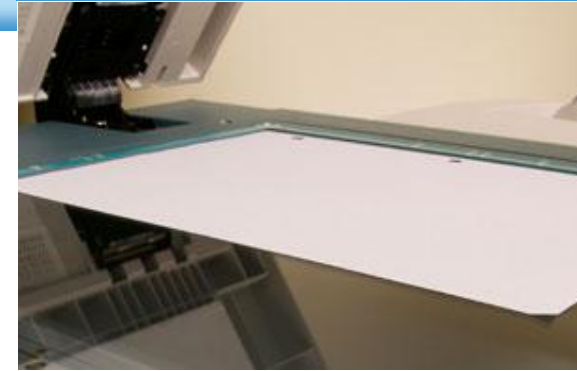
Smart Meter Gateway  
Device for secure  
transmission of electrical  
consumption data

- OpenLimit und Fujitsu conclude an **OEM contract** in the area of electronic long-term storage ("SecDocs")
  - Evidentiary value preservation of documents for over 100 years
  - Guarantees the ability to migrate documents in future
  - Participation in licensing revenues
  
- OpenLimit and Fujitsu agree on **exclusivity** for a period of five years
  - Fujitsu is playing a significant role in the development work as well as bearing a large share of the development costs
  - Minimum revenue guarantee for the next five years
  - Development of new, yet to be defined technologies
  - Joint exploitation of patents
  
- **First Common Criteria certification** in the world based on the Archisafe standard completed
  
- End of 2012: first major **tender won**.  
Customer: German Federal Employment Agency
  
- 2013/14: Establishment of **global sales** with FTS



**Partners Fujitsu and OpenLimit expect considerable sales potential for the first certified long-term storage solution of its kind in the world**

- Minimum revenue in the 7-digit euro range guaranteed for OpenLimit
- Strong global partner with a large reseller network



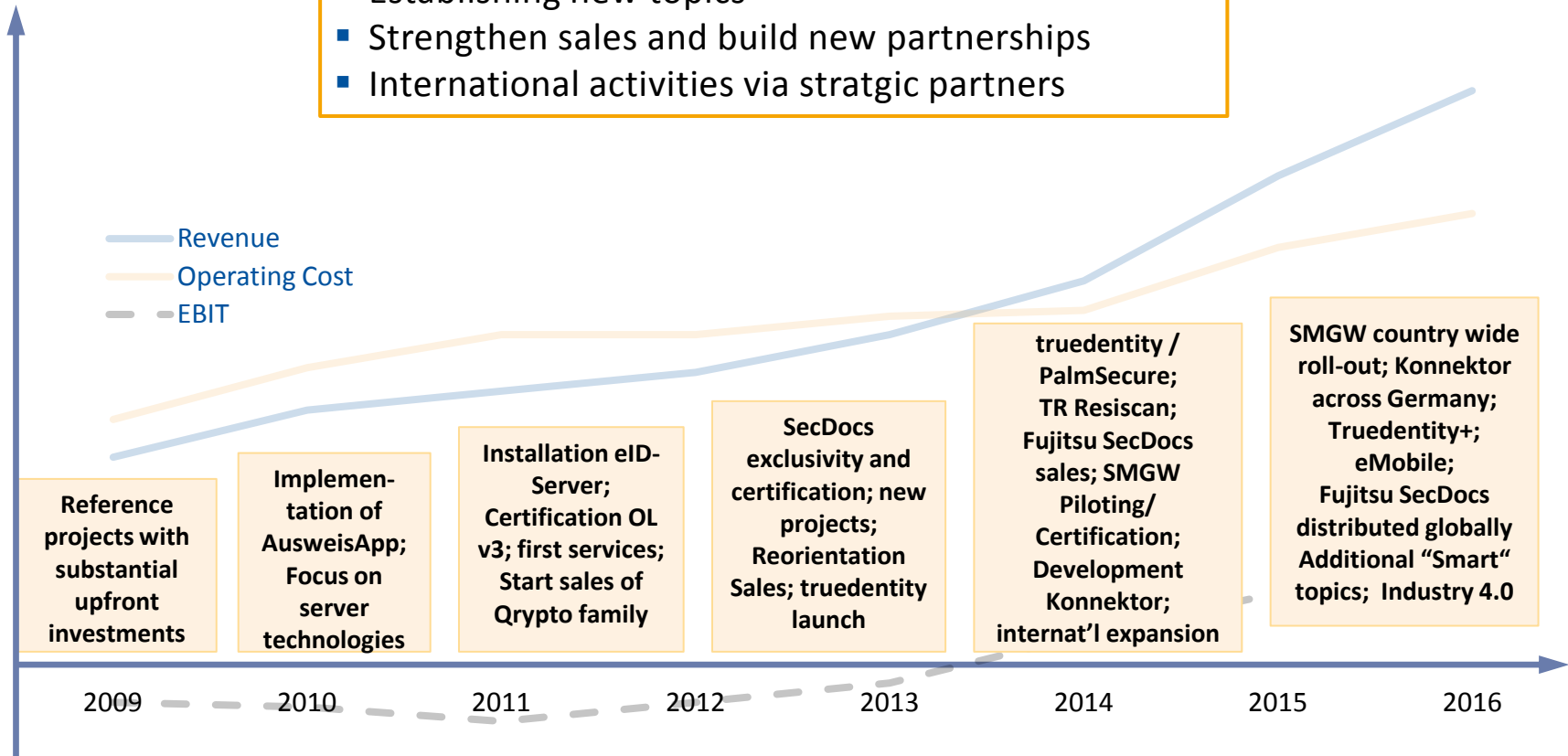
- **OpenLimit technologies** are already being used in **Europe's largest digitalization project (DiBAS)**
  - Billions of social insurance documents from the *Federal Employment Agency* are scanned by *Deutsche Post* and *Fujitsu* with the help of OpenLimit technologies
  - Tender accepted back in 2010, operational use started in mid-2012
  - Follow-up order DiBAS II already received
  - Transaction model with revenue generated for each scanned document
  
- **New Technical Guideline "TR RESISCAN"** published as a guideline for "Replacement Scanning" in 2013
  - The aim is to file documents digitally after the scanning process so that the original paper document can be destroyed
  - From a technological point of view, the OpenLimit signature components are in compliance with the requirements of TR RESISCAN
  
- **New Client product release of OpenLimit CC Sign (Nov. 3<sup>rd</sup>, 2014)**
  - Version 2.8 replaces all previous versions and meets the highest technical standards and contains attractive additional functions
  
- **Next steps:**
  - **Printers/scanners** should be **coupled** with OpenLimit technologies, so that documents can be signed and filed during the scanning process
  - **Internationalization:** first customers in Japan for OL signature technologies

**OL is a leader in the signature market and is well positioned for the future:**

- **Important experience gained in the processing of large digitalization projects**
- **OL signature components certified and already in compliance with TR-RESISCAN**
- **Important building block to deliver projects such as Konnektor**

## Strategy

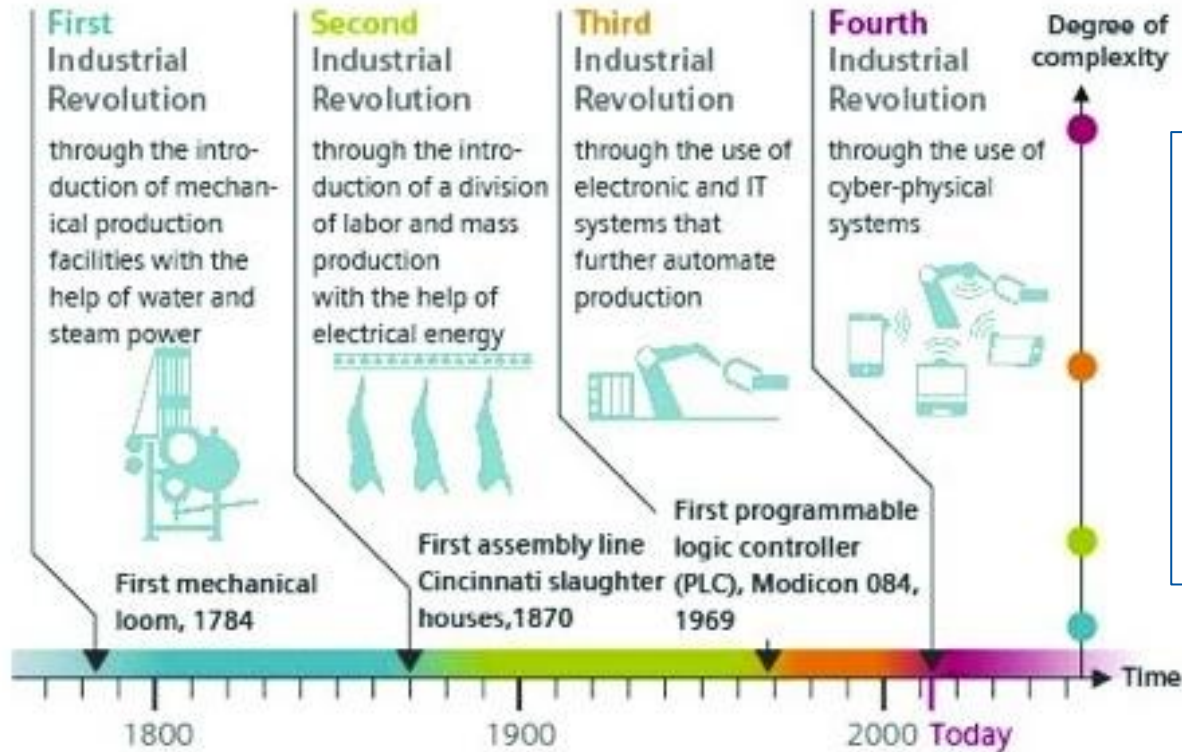
- Focus on core competencies
- Establishing new topics
- Strengthen sales and build new partnerships
- International activities via strategic partners



**As technological leader, OpenLimit is well positioned to benefit disproportionately from expected growth dynamics in the market**



## From Industry 1.0 to Industry 4.0



Source: DFKI (2011)

### **Industry 4.0:**

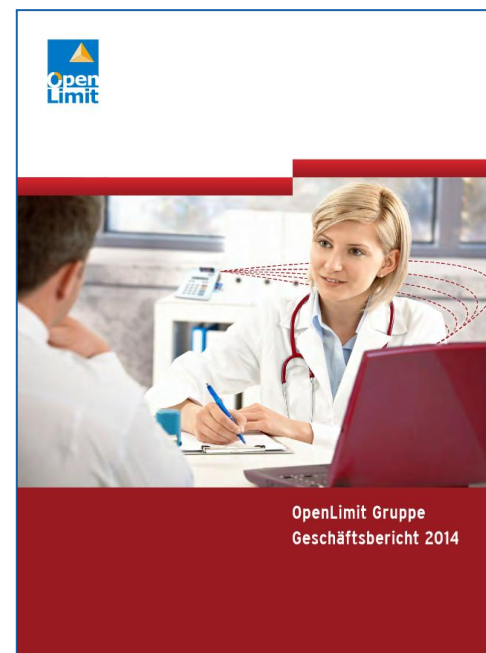
“At its core are cyber-physical systems made up of software, sensors, processors and communication technologies “

(Source: B. Holliday, divisional director of Siemens Industry Automation)

**Intelligent factories that link up every part of the production chain with next generation wireless automation could mark a sea change in manufacturing**

# Key Financial Figures (A Comparison between 2014 and 2013)

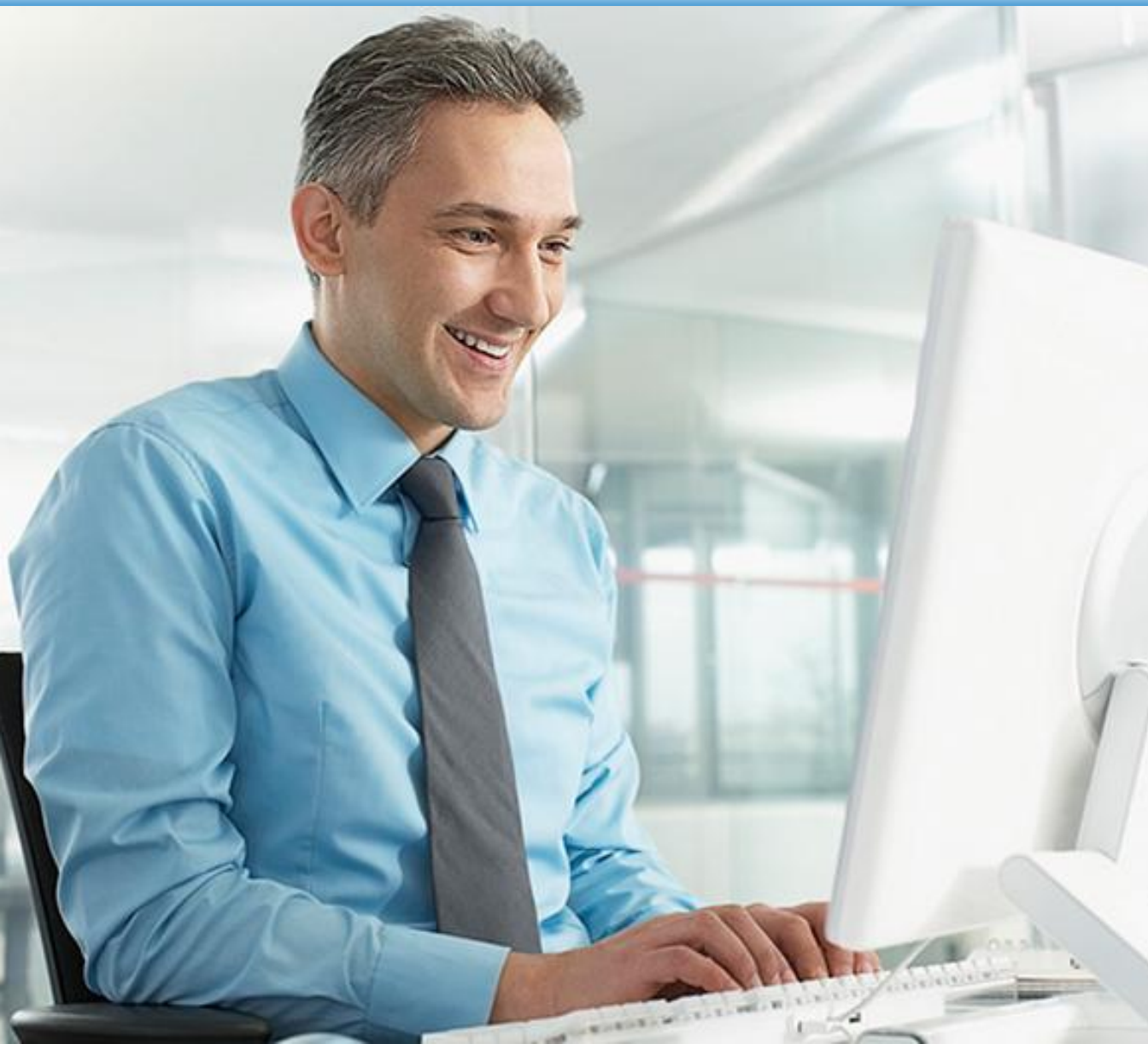
	CHANGE IN %	01.01.2014 - 31.12.2014	01.01.2013 - 31.12.2013
		IN EUR	IN EUR
<b>INCOME STATEMENT</b>			
Revenue	16%	8'066'219	6'954'890
Total income	18%	11'036'949	9'375'849
EBITDA	52%	3'270'183	2'157'281
EBIT	260%	629'615	-393'869
(-) Loss / Profit for the period	123%	139'481	-610'697
Result per share - basic & diluted	123%	0.007	-0.032
<b>BALANCE SHEET</b>			
		31.12.2014	31.12.2013
Balance total	9%	13'523'772	12'374'307
Current assets	12%	7'291'823	6'487'257
Non-current assets	6%	6'231'949	5'887'050
Current liabilities	39%	4'076'701	2'942'148
Long term liabilities	-8%	1'338'386	1'454'109
Equity	2%	8'108'684	7'978'050
<b>CASH FLOW STATEMENT</b>			
		01.01.2014 - 31.12.2014	01.01.2013 - 31.12.2013
Cash flow from ongoing activities	579%	2'777'269	408'875
Net cash from operating activities	1072%	2'422'217	206'721
Cash flow from investment activities	-22%	-3'035'468	-2'498'118
Cash flow from financing activities	-8%	957'251	1'039'602
Cash and cash equivalent end of period	55%	969'134	625'134
<b>PERSONNEL</b>			
Employees per end of 31st December	1%	68	67



OpenLimit Gruppe  
Geschäftsbericht 2014

**OpenLimit surpassed the break-even point for the 2013 financial year**

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