



OpenLimit Group  
Half-Year Report 2014

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## The OpenLimit Group

### Keynotes

- **Leading international provider of software**  
Focus on technologies for unambiguous online identity verification, electronic signatures, secure data transfer and evidentiary value-preserving long-term data storage
- **Partnership with Fujitsu further expanded**  
Fujitsu and OpenLimit agree on a joint solution consisting of OpenLimit truidentity® and the Fujitsu hand vein scanner PalmSecure™.
- **Elster GmbH chooses OpenLimit / PPC SMGW**  
OpenLimit, Power Plus Communications AG and Elster GmbH agree to collaborate on the Smart Meter Gateway.
- **Increase in turnover in the first half of the year**  
Turnover increased by 9% to EUR 2.72 million, with the net loss decreasing by 30%.

# 1 The OpenLimit Group

## 1.1

### About OpenLimit

#### The identity – specialist in secure data communication

The OpenLimit Group is an internationally active software company for secure data communication. With its headquarters in Baar (Switzerland) as well as a subsidiary for product development in Berlin (Germany), OpenLimit offers a wide-ranging spectrum of solutions for unambiguous online identity verification, electronic signatures, secure data transfer and evidentiary value-preserving long-term document storage. The advantages for customers lie in highly secure and seamless process chains, new business models and the associated increase in innovation capacity and efficiency within the workflow. Professional advice by the company's experts completes the range of services offered for businesses and authorities.

The parent company OpenLimit Holding AG, Switzerland is listed on the regulated market in Frankfurt (stock exchange abbreviation: O5H) and is also traded on the stock exchanges of Berlin-Bremen, Düsseldorf, Munich and Stuttgart. With the development of the OpenLimit business model in 2002, OpenLimit specialized in the area of certified IT security solutions in the above-mentioned fields. Over 65 highly qualified employees ensure the continuing further development of technologically sophisticated components that incorporate the latest technology. New market requirements are recognized and met with the most modern technologies and solutions. In addition, for OpenLimit, constantly guaranteed top-quality support for both customers and partners is a matter of course.

#### The vision – the secure electronic handshake

With our technologies, we ensure that people and machines around the world can communicate without limits in ways that are secure, verifiable and identifiable. Whether in relation to digital processes, mobile end-devices or smart IT systems: the call for security and availability of information in a dynamic market environment is growing ever louder. The OpenLimit Group has made it its aim to create device-independent IT solutions which sustainably increase the level of digital trust between customers, businesses and authorities. The company's name is synonymous with the fulfilment of the highest security requirements and thereby allows compliance with the strictest data protection guidelines.

#### The technologies – certified in accordance with the highest international IT standards

Since 2004, different OpenLimit technologies have been systematically evaluated in accordance with the internationally recognized IT security standard ISO and IEC Standard 15408 – the Common Criteria for Information Technology – and certified by the Federal Office for Information Security ("Bundesamt für Sicherheit in der Informationstechnik" or BSI in German). The OpenLimit signature middleware is approved under the German Signature Act ("Signaturgesetz" or SigG in German). OpenLimit's development strategy is based on three pillars: security, openness and user-friendliness. In order to meet the requirements of its customers, OpenLimit's technologies satisfy a wide variety of different security levels. Customers and clients can rest assured that the highest security standards and high availability are maintained.

## The solutions – IT security for the entire process chain

OpenLimit markets its products under the names "OpenLimit®", "OpenLimit® SignCubes" and "truedentity®". These are based on client and server software technologies in the following areas:

- Electronic identities
- Electronic signatures
- Evidentiary value-preserving long-term storage of data and documents
- Secure data transfer between machines

Together with consortium manager Atos, OpenLimit is the contract partner of the Federal Ministry of the Interior (BMI) for the "Federal AusweisApp" (based on the eCard API Framework), the user software for the new ID card. Together with the Federal Printing Office ("Bundesdruckerei" in German), OpenLimit developed the eID server, which facilitates communication between authorities/businesses and the new ID card. In a strategic partnership with FUJITSU Technology Solutions, OpenLimit exclusively develops components for the long-term archiving solution "Fujitsu SecDocs powered by OpenLimit".

*Secure identities:* Proof of the genuineness of people's identities is the first important step to trustful business processes conducted online, and opens the door for new business models. The truedentity® technologies from OpenLimit stand for unambiguous, authorized access to portals and networks.

They support the use of common identity cards and smart cards, as well as authentication with mobile devices such as smart phones, tablets and USB sticks, or even in combination with biometric devices. truedentity® in combination with the hand vein scanner PalmSecure from Fujitsu is an ideal solution for the application fields of access control, time recording and related areas.

*Protected information:* When processing sensitive data, such as customer or employee data, internal figures or device and meter data, confidentiality and the protection of electronic data are of the utmost importance for businesses and authorities alike. The OpenLimit components encrypt the contents and transmission routes of data and documents and, in conjunction with partner technologies, file them in highly secure local or "cloud"-based spaces. These solutions are used for example in scanning and approval processes, electronic invoice processing, confidential communication of data from intelligent meters ("smart meters"), patient data (the "Konnektor") or e-mail programs, as well as online contract conclusion. The result is that IT security is increased while, at the same time, the electronic processing means a minimization of process costs and the time associated with such processes.

*Long-living documents:* After ensuring the identity and guaranteeing that the electronic data is handled confidentially, digital storage represents the logical conclusion to a seamless process chain. However, in order to preserve evidentiary value, documents are often kept in paper format, which leads to high printing and storage costs. At the same time, the number of legally important documents is increasing rapidly. Together with partner FUJITSU Technology Solutions, OpenLimit was

the first company in the world to develop a certified solution in accordance with the "ArchiSafe" Protection Profile which electronically maintains the legal evidentiary value of data and documents, irrespective of the specialist application in question and of whatever IT systems will be used in future. FUJITSU SecDocs can be purchased as a product or used as a service.

## The philosophy – strong through partnership

With the aim of implementing its security technologies in optimal fashion, OpenLimit has close, trusting working relationships with its customers and with leading companies from the IT sector. By exchanging expertise and knowledge within its high-performing network of partners, OpenLimit enters into new business areas, which constantly expand the range of products and services it can offer its customers and which, through innovation, provide real added value. Together with its partners, OpenLimit provides scalable infrastructures, ranging from software development through to data center services.

## The application – designed for individual use

The application options for OpenLimit products are many and varied. For example, OpenLimit products are already being used in many different areas and interfaces between consumers, businesses and government authorities, i.e. B2B, G2B, B2C and G2C. Possible uses for signature and authentication components include, in particular, electronic authentication in both online and offline scenarios, electronic invoicing, e-forms, electronic long-term archiving, e-banking, e-government and e-mobile applications. The application areas as well as the mass dissemination of OpenLimit technologies are being heavily promoted on the basis of the ID card project (online function of the new electronic ID card) as well as the legally anchored energy transition (development of the Smart Meter Gateway). These developments are ultimately leading to a situation where electronic identity and signature solutions are becoming an everyday reality and where electronic metering systems with secure communication functions will have to be installed in every household.

Similarly, the strategic collaboration with Fujitsu Technology Solutions encourages the future dissemination of server technologies for the evidentiary value-preserving long-term storage of data and documents in businesses and public authorities.

## The market – the interface between many important areas

Market development for OpenLimit technologies is boosted both by an environment that is supported by relevant laws as well as by increased pressure in both the private and public sector to cut costs and increase efficiency through seamless work processes. This process is further favored by a stronger awareness of the dangers of data manipulation by third parties in the form of phishing attacks or identity theft. OpenLimit products are distributed by our sales and collaboration partners to the entire market spectrum of consumers, small and medium-sized enterprises (SMEs), larger companies, multinational corporations and government agencies.

## Secure Business Processes

OpenLimit generates its turnover largely from three separate revenue streams:

- *License sales:* OpenLimit offers a portfolio of software solutions for PC and server environments. Customers license the OpenLimit technologies based on a wide variety of licensing models, which are harmonized for the respective product type or application scenario. The license fees are usually one-off payments. However, in the case of the new server technologies, capacity or pay per transaction models also play an important role.

## Scalable Business Models

Since IT security software is subject to short innovation cycles as a result of technological advances, customers receive updates of their OpenLimit products at regular intervals. In addition, license fees can also be invoiced for the granting of product-specific and geographical exclusivity and sales rights.

- *Software maintenance:* OpenLimit offers its customers software maintenance contracts which, depending on the individual agreement reached, include updates, upgrades and support for the software. The prices for the software maintenance are in line with industry standards and usually generate turnover over a period of between one and three years after the agreement is reached.
- *Services:* OpenLimit offers on the one hand development services and on the other hand consulting services in connection with projects. Consulting incorporates integration services, training and support as well as project consultation. Depending on the type of project in question, the consulting fees are either based on the work carried out or on flat rates.

OpenLimit will more than likely see the first turnover from the sale of hardware (Smart Meter Gateway and Konnektor) during 2014.

## 1.2

### Highlights from the first half of 2014

- Turnover increased by 9% to EUR 2.72 million over the first six months of 2014 (compared with EUR 2.49 million for the first six months of 2013)
- Operating expense (excluding depreciation) for the first half of 2014 remained constant over the previous year at EUR 3.6 million, even though the number of employees as of the reporting date of June 30 had increased to 68 from the 60 people employed on the same date last year (number of employees as of December 31, 2013: 67).
- Compared with the same period last year, the operating loss (EBIT) was smaller, falling from EUR -1.18 million to EUR -0.71 million (-40%), while the net loss decreased from EUR -1.27 million to EUR -0.89 million (-30%).
- Liquidity situation: Receivables had increased to EUR 5.43 million as of June 30 (compared with EUR 5.13 million as of December 31, 2013). The group's cash and cash equivalents were at a low level as of the reporting date, and interim financial measures had to be taken.
- Successful completion of the financing round through convertible loans as well as of interim financing measures for working capital
- OpenLimit, Power Plus Communications AG and Elster GmbH conclude an agreement on collaboration with regard to the Smart Meter Gateway
- Fujitsu and OpenLimit present the joint application of OpenLimit truedentity® and the Fujitsu hand vein scanner PalmSecure™ at CeBIT 2014 and agree on a collaboration
- The first milestones in the major order received from T-Systems in December 2013 for the development of a connector for the health-care market are realized
- Mr. Maik Pogoda is appointed as the new Chief Commercial Officer while Mr. Hermann Homann is chosen as the new Chief Financial Officer

## 1.3

## Important key figures

INDEX FIGURES FROM 01.01.2014 - 30.06.2014				
	CHANGE IN %*	01.01.2014 - 30.06.2014 IN EUR	01.01.2013 - 30.06.2013 IN EUR	01.01.2013 - 31.12.2013 IN EUR
<b>INCOME STATEMENT</b>				
Revenue	9	2'724'233	2'490'513	6'954'890
Total income	11	4'144'134	3'739'846	9'375'849
EBITDA	434	474'195	88'787	2'157'281
EBIT	40	-713'113	-1'180'238	-393'869
(-) Loss / Profit for the period	30	-887'179	-1'266'316	-610'696
Result per share – basic and diluted	30	-0,046	-0,066	-0,032
<b>BALANCE SHEET</b>				
		<b>30.06.2014</b>	<b>30.06.2013</b>	<b>31.12.2013</b>
Balance total	19	12'513'670	10'543'888	12'374'307
Current assets	40	6'377'321	4'568'883	6'487'257
Non-current assets	3	6'136'349	5'975'006	5'887'050
Current liabilities	16	3'632'964	3'119'892	2'942'148
Long term liabilities	691	1'704'109	215'376	1'454'109
Equity	0	7'176'597	7'208'619	7'978'050
<b>CASH FLOW STATEMENT</b>				
		<b>01.01.2014 - 30.06.2014</b>	<b>01.01.2013 - 30.06.2013</b>	<b>01.01.2013 - 31.12.2013</b>
Cash flow from ongoing activities	-52	703'284	1'461'694	408'875
Net cash from operating activities	-61	542'967	1'400'656	206'721
Cash flow from investment activities	-10	-1'436'607	-1'303'947	-2'498'118
Cash flow from financing activities	NM	268'903	0	1'039'602
Cash and cash equivalent end of period	-95	396	8'298	625'134
<b>PERSONNEL</b>				
		<b>30.06.2014</b>	<b>30.06.2013</b>	<b>31.12.2013</b>
Employees per end of end of period	13	68	60	67

\* Change in % represents comparison to the value of the previous year.



## Board of Directors' Half-Year Report

### Keynotes

- **OpenLimit develops Konnektor for the healthcare market**  
The major order from T-Systems was an important focus of development work in the first half of the year. The Konnektor guarantees a secure connection between the local systems of doctors' practices and hospitals and the centralized telematics infrastructure.
- **Cloud security with SkIDentity**  
OpenLimit is supporting and promoting development work for "SkIDentity". The project, which was launched by the Federal Ministry of Economics and Energy as part of its "Trusted Cloud" program, should facilitate secure identification and authentication in the cloud.
- **Positive legislative developments for OpenLimit technologies**  
The legal frameworks and regulatory environment in the EU are having a primarily positive effect on demand for OpenLimit technologies
- **Constant growth in the number of employees**  
The first half of 2014 was characterized by organic growth in the number of employees as well as by a steady workload.



## 2 Board of Directors' Half-Year Report

### 2.1

#### Foreword to the Half-Year Report 2014

Dear Shareholders,

The implementation of ongoing project and product developments as well as the acquisition of new partners/customers is currently taking up a lot of management time. In addition, the developments are not proceeding linearly, something which is not surprising with regard to foreign business transactions, major projects and development ventures as these are all heavily dependent on legal and regulatory frameworks. Against this backdrop, the Board of Directors and management are pleased with the increase in turnover, with a strong second half-year – and especially a strong fourth quarter – being expected. In particular, it will be important to resolve with partners/customers the liquidity shortages which have arisen as a result of project and development delays. Here, some agreements have already been reached (some after the reporting period), while others remain outstanding.

#### Konnektor

Following on from the major order received from T-Systems in December 2013, the "Konnektor" for doctors' practices and hospitals was an important focus of development activities during the first half of 2014. The main purpose of the "Konnektor" to be developed by OpenLimit is to establish a secure link between the local systems of the stakeholders in the healthcare system with the central telematics infrastructure. This project is one of the lighthouse projects of the Federal Republic

### Major Contract in Healthcare

of Germany within the context of implementation of the eCard strategy with the healthcare card. After successful completion of tests of the telematics infrastructure in two test regions, it is planned to set up the structure across the entire country. The electronic healthcare card (eGK), the electronic health professional card (HBA) and security module cards (SMC) all function as authentication media. Since the security and reliability of the Konnektor has a decisive influence on the security of the telematics infrastructure, the connectors must go through a corresponding approval procedure which, along with a functional test, also includes security testing and certification. OpenLimit generates revenues on the basis of milestones realized, with the total order value lying in the solid 7-digit range and extending until the end of 2015. After successful implementation of the pilot projects and provided nationwide roll-out is decided upon after this, OpenLimit can generate device revenue through the sale of the Konnektor. A corresponding offer has already been negotiated with the sales partners.

#### Smart Meter Gateway

The Smart Meter Gateway (SMGW) secures the communication of electricity meter data to energy providers and end-consumers. In the area of the Smart Meter Gateway, software development proceeded as planned. In terms of sales, OpenLimit is concentrating on the

acquisition of multipliers and reference customers as well as on creating added value for customers. One such added value is the creation of options for using the SMGW with software applications from the smart home segment. Here the aim is, together with the partners, to create seamless integration with software components, so that the functionality and benefits of the SMGW can be easily achieved for the user. To this end, OpenLimit has already been able to conclude initial agreements with other companies.

A significant highlight in the first quarter was the eWorld trade fair in February. Here, Power Plus Communications AG (PPC) and OpenLimit together were able to successfully present the jointly developed Smart Meter Gateway at numerous partner booths, e.g. Elster, Siemens, Robotron, Cuculus, Worldline and Itron. Elster, a world leader in smart metering, decided to enter into a partnership with PPC and OpenLimit SignCubes AG. To this end, the three companies agreed to a collaboration. Elster is therefore offering customers the possibility of realizing reference and pilot projects very early on.

With the passing of various ordinances by the German federal government in the second half of the year the regulatory framework will be largely complete, which means that the partners can expect an increase in the number of SMGW pilot projects. The first two pilot projects with municipal works are currently being realized, while other partnerships are also being developed. What is disappointing is the fact that the market players cannot expect live operation to begin until the start of 2016, contrary to initial assumptions made regarding the start of the rollout. The ordinances that have yet to be passed will have a considerable impact on the rollout.

### truidentity®

truidentity® creates trust and security in electronic identification processes. After development of the first version was completed in 2013, the focus switched to establishing strategic partnerships for selling the solution. Here, OpenLimit was able to achieve further successes in the first half of the year in the form of declarations of intent and agreements with both new and existing partners. The joint solution with Fujitsu, which was demonstrated at the CeBIT 2014, is especially promising. The solution consists of OpenLimit truidentity® and Fujitsu PalmSecure®, a biometric hand vein scanner. The combination of both innovative technologies offers greater protection against identity abuse while also incorporating a high degree of user-friendliness for a two-factor authentication solution. A user authenticates himself simply and securely with the surface of his hand. Furthermore, the solution offers the possibility of saving identity data locally on smart cards. This improves security, thereby meeting special data protection requirements. Possible application scenarios include, in particular, the areas of physical access control, logging in to computers / smart devices or networks, cashless payment

transactions and so on. Along with development revenues, OpenLimit will also earn licensing revenues in the future through sale of the solution by Fujitsu and partners.

In October 2012, a patent for the truidentity® version known as Basalt was applied for from the European Patent Office. On April 30, 2014 the first preliminary opinion of the European Patent Office was released in the form of a research report.

OpenLimit also endeavored to intensify its activities with sales partners in the Middle East, South America, certain Eastern European countries and Japan, with activities in the latter market being at the most advanced stage.

### Signature technology

In the period under review, OpenLimit was able to execute numerous signature products as well as integrations of signature technologies in third-party products. The OpenLimit technologies were integrated in particular into specialist applications for authorities, applications for tax and finance consultants as well as applications for electronic prescriptions in the healthcare market. The application scenario for replacement scanning – in other words the digitalization of physical documents – continues to moderately enliven the signature market.

### Fujitsu SecDocs powered by OpenLimit

The product Fujitsu SecDocs went into successful operation at the German Federal Employment Agency during the first quarter of 2014. This was the first major SecDocs project to pass successfully into live operation. At the same time, this also proved that the product is capable of coping with high workloads. Otherwise, the SecDocs revenues lie within the range of the annual minimum purchase guarantees (low 7-digit range) from Fujitsu.

The developments are on the one hand very promising but, on the other hand, currently pose huge challenges for the company in every respect. The delays – whether in terms of project progress or regulatory framework conditions – which are not unexpected at the present time, represent an additional challenge for the company's management. The

## Protection Against Online Identity Theft

revenues and the liquidity situation could be better if everything proceeded as planned. This is very unsatisfactory and yet cannot

be resolved quickly. However, we are still positive with regard to the achievement of moderate growth towards the end of the year.

We would like to once more take this opportunity to thank our shareholders, employees and partners for the trust they place in OpenLimit and hope that, with this report, we can provide you with a better understanding of the company's successes, which we are all very pleased with and upon which we are building. If you have any questions or comments, please contact us at any time.

The Board of Directors

## 2.2

### Financial results

In the first half of 2014 OpenLimit was able to further improve its earnings figures thanks to higher revenues and a strict cost management policy.

Because of the still sluggish pace at which payments are received and partly because of the long payment targets for accounts receivable, the liquidity situation was clearly difficult once more in the second quarter, although an improvement is beginning to show itself since the end of the reporting period.

At the same time, OpenLimit was able to issue further convertible loans as well as conclude working capital financing arrangements. The convertible loans due on June 30, 2014 were able to be extended at normal market conditions.

### Turnover

OpenLimit increased its net revenue from accounts receivable by 7% to EUR 2.72 million in the first six months of 2014 (figure for the first half of 2013: EUR 2.54 million). With due consideration for reserves for losses on receivables, the total turnover for the same period in the previous year was EUR 2.49 million, which corresponds to an increase of 9%. Owing in particular to the development of authentication solutions for biometric methods as well as for the Konnektor, the first significant revenues were recorded.

### Total return

Because of numerous new and further developments, the value of internally produced and capitalized assets increased by 14% to EUR 1.42 million over the previous year (1<sup>st</sup> half of 2013: EUR 1.25 million). This meant that the total return increased by 11% to EUR 4.14 million (2013: EUR 3.74 million).

### Cost of goods

At EUR 0,08 million, the cost of goods for the first six months of 2014 was very similar to the previous year's value. Owing to the first deliveries of hardware in the Konnektor project, the cost of goods will increase in the second half of the year.

### Personnel expenditure

As of the reporting date of June 30, 2014 there were 68 people (including management) working at OpenLimit, representing an increase of eight over the previous year (60 as of the reporting date of June 30, 2013). This was due primarily to increases in staff levels in the area of "secure data communication" (comparative value for January 1, 2014: 67 employees). Personnel expenditure also increased by 5% over the previous year to EUR 2.17 million (2013: EUR 2.07 million). In comparison, variable costs in the form of third-party services were actually slightly lower than the previous year (2014: EUR 0,67 million compared to EUR 0,68 million). For share-based remuneration and employee options, a "cash flow-neutral" expenditure of EUR 0,09 million was recorded, which was significantly lower than the previous year's value of EUR 0,13 million.

### Operating expenditure

The cost reduction measures introduced in recent years resulted in a further decrease of 8% in operating expenses in the first half of 2014 (EUR 0,75 million compared with EUR 0,82 million in 2013). The monthly operating costs per employee have therefore decreased from EUR 2'300 in the previous year to below EUR 1'900 and are still being optimized.

### Depreciation

Compared with the same period last year, depreciation expense decreased by 6% to EUR 1.19 million. However, at EUR 1.15 million, most of this continued to be accounted for by intangible assets, as a result of the significant software development activities of recent years.

### Operating result

While the EBITDA of EUR 0,47 million for the first six months of 2014 was already considerably higher than the breakeven (1<sup>st</sup> half of 2013: EUR -0,09 million), net of depreciation the operating result (EBIT) was still better (EUR -0,71 million compared to EUR -1.18 million).

### Financial result

Owing to increased debt financing, the financial result was worse than in the previous year. Even though financial income rose from EUR 515 to EUR 1'518 in light of low cash holdings and extremely low interest rates, an increase in financial expenditure from EUR 47'820 to EUR 142'503 was in turn recorded.

### Total comprehensive income

For the period January 1 to June 30, 2014 the net loss was EUR -0,89 million (1<sup>st</sup> half of 2013: EUR -1.27 million), which represents an improvement of 30%.

### Fixed and intangible assets

The value of the company's non-current assets as of the reporting date of June 30, 2014 was EUR 6.14 million, which represents an increase of 4% over the EUR 5.89 million recorded on December 31, 2013. This was due to the increase in the value of intangible assets as a result of significant software development activity.

### Working capital

Because of extended payment targets as well as delays in the payment of outstanding accounts receivable, the liquidity situation in the first half of the year deteriorated once more (despite the increase in turnover). The company's receivables increased from EUR 5.86 million at the start of the year to EUR 6.38 million, while current liabilities increased from EUR 1.65 million as of December 31, 2013 to EUR 2.31 million. As a result, cash and cash equivalents decreased from EUR 0,63 million to EUR 396 as of June 30, 2014.

In order to bridge the liquidity gap short-term loans were taken out, which were largely collateralized by debtors with a good credit rating. Close contact is maintained with the customers in question. For accounts receivable which have been outstanding for longer than 90 days

in particular, confirmations of balance exist. OpenLimit expects the liquidity situation to improve in the coming weeks.

### Current financial liabilities

In the first half of the year, OpenLimit successfully concluded a further financing round by way of convertible loans with new tranches worth EUR 1.0 million. In addition, receivables in the working capital were financed in the interim (until the receipt of outstanding accounts receivable) by lines of credit amounting to almost EUR 0,7 million. The convertible loan due on June 30, 2014 was extended at the same conditions in good time before falling due.

### Non-current liabilities

The company's pension liabilities according to IAS 19 are EUR 0,20 million (unchanged since December 31, 2013). The pension liabilities will be recalculated in accordance with IAS 19R on December 31, 2014.

### Equity capital

As of the reporting data of June 30, 2014 the company's equity capital amounted to EUR 7.18 million. This remains practically unchanged since the previous year (June 30, 2013: EUR 7.21 million and December 31, 2013: EUR 7.98 million). Because of the fact that revenues are usually higher in the second half of the year (and in particular in the fourth quarter) we expect to be able to strengthen the company's equity base before the end of the year.

### Total assets

In the first six months of 2014 the company's total assets increased by 19% over the figure for the same period last year, growing from EUR 10.54 million to EUR 12.51 million. The latter value is however just 1% higher than the figure recorded at the start of the year (EUR 12.37 million). The equity ratio sank accordingly from 68% to 57% in the same period.

Overall, and in light of the very difficult environment that exists both in the signature market and in the economy as a whole, the company's performance in the first half of the year was satisfactory. We can also assume that the strategic reorientation and the associated restructurings in the second half of the year will start to bear more fruit. Owing to further developments in authentication technologies (truedentity®), SecDocs and electronic signatures as well as important new developments in the area of secure data communication (Smart Meter Gateway and the Konnektor for the healthcare market) a similar cost base can be expected in the second half of the year, which should also be justified by a continued increase in revenues. The growth in turnover is partly secured by the order backlog. However, because of the fact that a significant share of our revenues come from project-based business we remain cautious.

## 2.3

### Sales, marketing and business development

#### Introduction

With the introduction of the new strategy the focus (especially in sales) was on potential customers, which are subject to special security and compliance requirements. More and more attention is being paid to the protection of critical infrastructures as well as

## Protection of Critical Infrastructures, Industry 4.0 & Internet of Things

Focus Areas:  
to the self-determined action of citizens on the internet, IT security

in general as well as the implementation of compliance guidelines. As a company we operate in tandem with this process and are working on corresponding products. Industry 4.0 / Internet of Things is a case in point here.

#### Contents

The first half of 2014 was characterized in particular by increased marketing and sales activity with the following areas of emphasis:

- Acquisition of technology and sales partners as well as intensive support for existing partners, including with T-Systems and Fujitsu amongst others.
- Acquisition of companies in the ID management sector
- Acquisition of contracting authorities, in particular for the purpose of fulfilling compliance requirements in their business processes (long-term archiving etc.)
- Acquisition of international sales partners, with a focus on MEA (Middle East) as well as APAC (Asia Pacific)
- Acquisition of more SMGW pilot customers as well as increased pre-sales activity for energy supply companies

#### Trade fairs

The company's participation in CeBIT 2014 represented a significant milestone in this context. The first applications with truedentity® were demonstrated at Fujitsu Technology Solutions' stand. OpenLimit demonstrated secure access to a security-critical application with the two-factor authentication truedentity® in conjunction with the hand vein scanner Fujitsu PalmSecure™. In addition, applications were showcased, with which authorities and companies can scan their paper documents legally in accordance with TR-RESISCAN as well as store digital files for decades in a way that the files are both readable and migratable.

As a participant in the project consortium, OpenLimit presented the SkIDentity project at the trade fair stand of the Federal Ministry of Economics. Amongst other things, SkIDentity was demonstrated in different applications such as Customer Relationship Management, Content Management and innovative cloud and e-government applications in conjunction with secure electronic ID cards. Similarly, the "CitizenCloud" service (<http://www.buergercloud.de>), which has been

recognized by the initiative "Deutschland – Land der Ideen" (Germany – The Land of Ideas), was demonstrated. In future, this service will mean that electronic ID cards can be used for referendums and petitions.

Another important trade fair for OpenLimit was the E-world energy and water, an event for the international energy sector. Together with partner Power Plus Communications (PPC), OpenLimit demonstrated the Smart Meter Gateway in accordance with the BSI Protection Profile. The live demonstration highlighted the different wide-range interfaces as well as the interface for customers and service technicians. At the same time, OpenLimit showed the interested visitors different mechanisms for authentication and encryption. The connection between smart meters and the OpenLimit / PPC gateway was also presented.

Similarly, the Smart Meter Gateway Administration based on BSI guidelines was demonstrated by Cuculus, PPC and worldline. To this end, PPC and OpenLimit provided their new Smart Meter Gateway, while Cuculus made available the ZONOS™ platform and worldline the necessary security functions.

## Collaborations

### Power Plus Communications AG (PPC)

The collaboration with PPC was successfully continued.

With the amendment to the Energy Act (EnWG) in summer 2011 the federal government passed wide-ranging requirements with regard to the introduction of "intelligent" electricity and gas meters – so-called smart meters. The Smart Meter Gateway (SMGW) is a key component of these systems, forming the interface between energy customers and authorized operators in the energy market. The Smart Meter Gateway secures access to smart grid applications and at the same time guarantees absolute data protection for the end-customers.

### Maingate Solutions

OpenLimit SignCubes AG and Power Plus Communications AG have developed a Smart Meter Gateway (SMGW), which offers service providers in this segment a secure connection to the infrastructure of the respective manufacturer. Together with the Maingate mvio™ platform from Maingate Solutions, the SMGW allows for customer loyalty services in real-time – a heretofore unique solution on the German market.

The SMGW is the key component of these systems, forming the interface between energy customers and other authorized market players in the energy market. The Smart Meter Gateway secures access to smart grid applications while guaranteeing absolute data protection for the end-customers. Augmented with additional services like energy consumption in real-time, consumption-based forecasts, integration of social media services and so on, the solution meets all the relevant regulatory requirements while also providing significant added value for the customer.

### Elster

Elster, a world market leader in smart metering, decided to enter into a partnership with PPC and OpenLimit SignCubes AG. To this end, a

collaboration agreement was signed. In this way, Elster is giving its customers the option of realizing reference and pilot projects on the basis of the Renewable Energies Act very early on.

### SkIDentity

It is not just since the most recent media reports of millions of passwords being stolen that it has become known that identity abuse represents a growing threat for cloud and web applications. Such abuse limits the use of these applications, especially in sensitive areas like public administration or the healthcare system. Yet a wide variety of technical solutions are available for the problem. The "SkIDentity" project ([www.skidentity.de](http://www.skidentity.de)) promoted by the Federal Ministry for Economic Affairs and Energy within the scope of the "Trusted Cloud" program resolves this problem for users and application providers.

SkIDentity offers a uniform user guidance, which can be used for a wide range of authentication mechanisms.

Different credentials can be integrated into SkIDentity. At present however, the focus still lies on chip cards in ID-1 format, e.g. the new German ID card, the Estonian identity card, electronic health cards, common bank and signature cards and, last but not least, electronic company IDs. In addition, other secure identification methods can be integrated into the interface, such as TAN generators or one-time passwords.

The SkIDentity project is executed by an interdisciplinary team of experts coordinated by ecsec GmbH and including the ENX Association, the Fraunhofer Institute for Labor Economics and Organization (IAO), the Fraunhofer Institute for Computer Graphics Research (IGD), OpenLimit SignCubes GmbH, the Ruhr University Bochum, the University of Passau, Uospace GmbH and Versicherungswirtschaftlicher Datendienst GmbH. In addition, the SkIDentity team is supported by a significant number of associations, including the Federal Association for Information Technology, Telecommunications and New Media (BITKOM), EuroCloud Deutschland\_eco e.V., ProSTEP iViP e.V. and TeleTrust Deutschland e.V., as well as some well-known companies like DATEV eG, easy Login GmbH, media transfer AG, noris network AG, SAP AG and SiXFORM GmbH.

## Unique Solution on the German Market

### OPEX

The collaboration between OpenLimit and OPEX also allows the integration of qualified or advanced electronic signatures into the fully automated workflow and, therefore, legally compliant scanning in accordance with TR-RESISCAN. This product, which is the only one of its kinds in the world, connects a mail extraction station with a high-performance scanner and intelligent image processing software.

OPEX products automate time-consuming processes during the document processing stage, thereby allowing a time saving of fifty per cent. The complete document scanning solution promises to contribute significant savings in terms of personnel costs, as well as simplifying processes and reducing error rates.

With the OpenLimit signature solution, a batch of documents of any size can be automatically signed after entering a PIN just once. In this way, the origin and integrity of the electronic documents is guaranteed in accordance with the technical security measures required under

TR-RESISCAN, and the replacement scanning process is supported.

For applications in the social insurance area it is also possible to carry out the required sample inspection after the scanning process, using the signature solution. This allows for a comparison between the paper original and the scanned image. The OpenLimit signature application components have already been certified by the Federal Office for Information Security (BSI) since 2004 in accordance with ISO/IEC Standard 15408 of the Common Criteria for Information Technology Security Evaluation EAL 4+.

## International

OpenLimit has been able to conclude declarations of intent or contracts with sales partners in different regions (both in 2013 and 2014). The main world regions relevant in this context are the Middle East, South America as well as certain Eastern European countries. These developments are still very recent and confidential, and cannot be conclusively evaluated just yet. The successes with a Japanese partner are however an encouraging sign that the company's strategy will prove successful even in the new regions/countries.

## 2.4

### Further development of products

#### Konnektor for telematics infrastructure

A significant focus of development activities in the first half of the year was on the realization of a connector for the healthcare system in accordance with the gematik specifications. This project was commissioned by T-Systems. The Konnektor provides a secure communication interface between doctors' practices, hospitals and the telematics system. A hardware component intended for use as a platform for the practice connector in doctors' practices was developed and manufactured in small series.

Along with the development activities, OpenLimit also began the certification process for the network connector in accordance with the Common Criteria. This method is identified by the number BSI-DSZ-CC-0928 and is listed on the website of the Federal Office for Information Security. The process is scheduled for completion before the end of 2014.

#### truidentity®

At CeBIT 2014 a single sign-on scenario – truidentity® in conjunction with the PalmSecure hand vein scanner – was presented with partner Fujitsu. The combination of both innovative technologies offers greater protection against identity abuse while also necessitating a high degree of user-friendliness for a two-factor authentication solution. OpenLimit is currently realizing the development order placed by Fujitsu, in order that truidentity® and the PalmSecure solution can serve a wide variety of application scenarios. For use of truidentity® in the Japanese market, work has begun on localization of the Windows client. Work will continue in the second half of the year.

The truidentity® technology is benefiting from further developments in the area of the eID server. Work on the development of a cryptoserver was started back in January. This cryptoserver will replace the previous cryptoserver components in truidentity® and, at the same time, shall effectively complement the eID server product for scenarios with the new ID card (nPA).

#### eID server and eID Konnektor for the new ID card

Development work on the eID server, which is used in companies and authorities for the purpose of communication with the new German ID card, concentrated in the first half of the year on implementation of the new requirements published at the end of 2013 in Technical Guidelines TR-03130 and TR-03112 of the Federal Office for Information Security. The eID server version 3.6.2, which emerged from this development activity, was approved for release at the end of June.

Over the course of migrating the eID customers to the alternative eID activation required by the BSI, the service provider interface, eID Konnektor, was further developed and delivered to customers. This interface is used by service providers to integrate secure authentication with the new ID card or with truidentity® into its web application. Work on the development of the company's own cryptoserver, which manages the authorization certificates within the scope of a secure authentication, has already begun.

#### AusweisApp for the new ID card

Version 1.13 of the AusweisApp for the operating systems Windows and Mac OS X has been developed and made available. The AusweisApp v1.13 now supports all current versions of the operating systems Windows and OS X. For the current Linux distributions Ubuntu, Debian and openSUSE, the AusweisApp v1.13 was made available in July. In addition, an additional program for simple execution of deinstallations was made available for the Windows operating system.

#### Smart Meter Gateway

Development of a Smart Meter Gateway (SMGW) was successfully continued in the first half of 2014. The focus of the development work was on the integration of the hardware security module (HSM) specified in the Technical Guideline and in the Protection Profile, as well as on the development of a Linux-based virtualization.

#### Signature software

In the case of the signature enabling technologies the development focus was on the necessary software maintenance measures, such as adjustments needed to support new signature cards and operating systems (Windows 8, Windows 8.1). Parallel to this, the corresponding work for the creation and submission of a manufacturer's declaration for the OpenLimit CC Sign was carried out.

Another area of emphasis was contract development work in order to adapt OpenLimit signature products for integration into customer-specific business processes.

## Applied for Common Criteria Certification

### Fujitsu SecDocs powered by OpenLimit

In collaboration with Fujitsu, the product Fujitsu SecDocs "powered by OpenLimit" for evidentiary value-preserving long-term storage was further developed. SecDocs Version 2.1.a was released by Fujitsu in the second quarter. Development work for the next successor version has been ongoing at OpenLimit since the beginning of the year in consultation with Fujitsu. Compared with the current version, this version is characterized above all by the fact that it supports very large files. This means that files with a higher gigabyte volume can be archived. The new version is significant for film material for example. Release of this version is planned for next year.

Furthermore, OpenLimit supported Fujitsu in the introduction of SecDocs at the Federal Employment Agency. This project – currently the largest project in the area of electronic long-term storage in Germany – successfully moved into live operation in the first half of the year.

## 2.5

### Changes to the company's organs

Mr. Maik Pogoda is the new Chief Commercial Officer at OpenLimit since April 1, 2014 where, as a member of the Management Board, he manages the areas of sales, marketing and business development. He succeeds CSO Andreas Eulenfeld, who left the company on March 31, 2014.

Maik Pogoda was born in Germany in 1965. After completing his studies in communications engineering, he worked for many years with Deutsche Telekom and the Global Telesystem Group as a Key Account and Project Manager. This was followed by appointments at British Telecom, D-Trust and the Federal Printing Office, amongst others. At the Federal Printing Office, he was Managing Director and Vice President for International Sales. He was also Managing Director at D-Trust GmbH, a subsidiary of Bundesdruckerei GmbH. After this, as Vice President for Global Programs and Services at HID Global Corporation, he was responsible for the development and implementation of a strategy for positioning HID in the eID/government segment. Most recently, as Executive Director at RWMP Innovations GmbH & Co. KG, his work included assuming the brief for the restructuring of the Hungarian Federal Printing Office (HBPC).

After the reporting period (on August 1, 2014 to be precise), Mr. Hermann Homann was appointed as Chief Financial Officer of the OpenLimit Group, replacing the previous CFO Christian Fuessinger who announced his resignation for personal reasons back in May. Mr. Fuessinger will remain with the company in an advisory capacity until the end of September.

Hermann Homann was born in Germany's Lower Rhine region in 1958 and has years of experience in the commercial sector as well as in the execution of projects both in Germany and abroad. After studying business in London and Reutlingen, he gathered extensive know-how in the areas of controlling, project management and corporate management. Over the course of his career, Mr. Homann has worked both as an international controller as well as a CFO, including, amongst other roles, Managing

Director at adidas Sport GmbH (Switzerland) and Finotech Verbundstoffe GmbH & Co. KG. The 56-year-old's most recent role was that of Managing Director at BBA Holding Deutschland GmbH where, amongst other things, he managed the demerger for the German subgroup and was responsible for establishing the company's office.

Other changes were made in the subsidiary company OpenLimit SignCubes GmbH, Berlin. The two Managing Directors, Mr. Marc Gurov and Mr. Armin Lunkeit, resigned (from their roles in the GmbH) as of July 1, 2014. The management role was assumed by Mr. Maik Pogoda on August 1, 2014. The backgrounds to this were, above all, to reduce the workload of the previous Managing Directors, separation of powers as well as the orientation of the company's development activities towards sales targets. Furthermore, Ms. Elke Fromm was appointed as an additional, new authorized signatory. These changes in the subsidiary company shall not have an impact on the composition of the overall group management.

## 2.6

### Employees

As of the reporting date of June 30, 2014, there were 68 employees (including management) working at OpenLimit. This is eight more people than in the previous year (60 as of the reporting date of June 30, 2013). The figure of 68 employees is one more than the number employed at the end of 2013.

## 2.7

### General Meeting / granting of authorized capital

The General Meeting, which took place on May 12, 2014, agreed unanimously to the recommendation of the Board of Directors to regrant the company authorized capital. The previous Article 3a of the Articles of Association was therefore replaced by the creation of new authorized share capital amounting to a maximum of CHF 2'850'000 through the issuing of a maximum of 9'500'000 fully paid-up bearer shares, each worth CHF 0,30. The Board of Directors was authorized to execute this increase in capital by May 11, 2016. Furthermore, the subscription rights can be restricted or excluded under certain circumstances. We hereby refer readers to the company's current Articles of Association dated May 12, 2014 as well as to the protocol of the General Meeting, both of which can be found on the website [www.openlimit.com](http://www.openlimit.com).

## 2.8

### Reelection of the auditors

The auditing firm Ferax Treuhand AG, Zurich, Switzerland was reelected for a period of one year at the company's General Meeting.

## New Company Organs

## 2.9

**Convertible loans**

Due to recently concluded loans with conversion rights and a total nominal value of EUR 2'000'000, OpenLimit Holding AG was able to refinance different, previously issued and in 2014 maturing bonds with conversion rights to shares of OpenLimit Holding AG at favorable conditions and therefore provide the company with additional liquidity. This was done on the basis of the conditional capital for the taking out of bonds with conversion and option rights agreed at the General Meeting of OpenLimit Holding AG held on June 26, 2012. The loans can be converted into a maximum of 2'361'111 new shares in OpenLimit Holding AG, with any subscription or preemptive rights of shareholders ruled out. The convertible bonds were offered by way of a private placement. For further information please see our ad-hoc announcement from March 28, 2014.

Two more convertible loans, each worth EUR 500'000 and maturing on June 30, 2014 and October 30, 2014 were successfully extended until September 30, 2014 and October 30, 2015 respectively.

## 2.10

**Transactions with related persons**

Any business relations with related persons are transacted at the regular market conditions. For more information on this, please see Section 6.5.2.3, Paragraphs b) and n) (pages 57 and 58) of the Annual Report 2013.

## 2.11

**Termination of collaborations and court proceedings**

OpenLimit SignCubes AG, a fully-owned subsidiary of OpenLimit Holding AG, terminated the contract with one of its value added distributors in 2008. The company contemplated taking legal action against the party in question because of suspected licensing violations and decided in 2009 to go ahead with such action. On December 15, 2011 OpenLimit received a partial judgment in favor of OpenLimit SignCubes AG. Owing to the fact that the distributor and its managing director have since become insolvent, it is doubtful whether OpenLimit will receive compensation from the sued distributor or its managing director at the time.

A customer of OpenLimit SignCubes AG is in severe arrears with its payment obligations. Because of the financially difficult situation the company finds itself in and because of changes to its management, the customer wishes to withdraw from the contract. A default summons for EUR 167'217 was issued and OpenLimit made an allowance for the item over the course of 2013 as a precaution. A court date has not yet been set.

A previous employee of OpenLimit SignCubes GmbH, a fully-owned subsidiary of OpenLimit SignCubes AG, went before the labor court asking to be reemployed and won his case in the court of first instance. OpenLimit decided to appeal. In OpenLimit SignCubes GmbH, a reserve equaling the potential amount of loss was created.

## 2.12

**Legal framework and regulatory environment**

The legal framework and regulatory environment have an impact on OpenLimit and the requirement or desire for OpenLimit technologies. This impact can vary in its nature, but is mostly positive. We therefore monitor developments in our target markets very carefully. Since many laws and regulations have an impact on OpenLimit technologies, this section concentrates only on those laws and ordinances which were enacted, came into effect or were implemented in 2014, as well as on those legal developments that could have an effect on the company's future development:

The EU Council passed a draft law (eIDAS) on July 23, 2014 for the simplification and harmonization of electronic signatures and similar identification systems (eID). With the new law, companies, citizens and authorities should be enabled to electronically sign and certify documents throughout the entire EU. Member states will be obliged to recognize the eID systems of other EU countries, provided their eID system has been certified by the EU. Procedures certified in this way will then be considered qualified for the purpose of trustworthy communication with public stakeholders in other EU countries.

The new EU law also stipulates rules for trust centers and service providers in this area, in particular relating to secure electronic data transfer as well as electronic signatures, timestamps and seals, the long-term storage of information and certified electronic document delivery. Methods for website authentication are also included. The EU member states themselves can decide whether or not they will develop corresponding eID systems (or adapt existing methods) and have these certified or if they wish to opt out of the project. The cross-border authentication with public bodies should be available online free of charge for all citizens.

Completion of the necessary implementation provisions has been announced for the second half of 2015. From then on, interested member states can join the recognition system and have their systems certified. The law should come into effect from the end of 2018. The previous requirements for digital signatures are still valid until July 2016.

With the nPA (new German ID card) and the AusweisApp (ID app), Germany is meeting the EU's new identification provisions. It can therefore be expected that EU member states will not have to develop their own systems but can instead to some extent make use of existing solutions which have already shown themselves to be fit for purpose. This represents a major opportunity for OpenLimit as the emerging market can be served with individual **truedentity®** solutions.

With the amendment to the Energy Industry Act ("Energiewirtschaftsgesetz") in August 2011, the federal government passed far-reaching requirements in terms of the introduction of smart metering in Germany. For the first time, a metering system consisting of a metering device and communication network, the installation of which is compulsory in the households of certain customer groups, has been defined



(§ 21d EnWG). In addition, systems as described in the EEG/KWK laws (laws on renewable energies and on combined heat and power generation) must be integrated into the metering systems (§ 21c, Paragraph 3 EnWG). Germany is therefore moving one step closer towards achieving integrated communication solutions for metering and smart grids. With the Protection Profile worked out by the Federal Office for Information Security (BSI), the issues of data protection and security in smart metering will be addressed before the start of the rollout.

Ordinances based on § 21i EnWG on the subject of smart meters: in the next few months the draft bill for the ordinances based on § 21i EnWG together with the two Protection Profiles BSI-CC-PP-0073/BSI-CC-PP-0077 and the Technical Guideline BSI TR-03109 shall be announced by the EU. The most recent versions of the Protection Profiles (Version 1.3 and Version 1.02) and of the Technical Guideline (Version 1.0) were published on the homepage of the BSI. Even after the final Protection Profile and final Technical Guideline have been created, feedback from the manufacturers' development work and from the relevant field tests shall be systematically incorporated into the authorities' requirements.

For the second half of the year, a draft bill for an IT security law in the Federal Republic of Germany was announced. The law aims to bring about a significant improvement in the security of IT systems in Germany. The envisaged new regulations will serve to improve protection with regard to the availability, integrity and confidentiality of data processing systems and adapt to the increased threat in this area. The aim of the law is to improve IT security in businesses, to provide better protection for citizens within a secure network, to expand the IT security of the federal administration and, in this context, to strengthen the BSI and the Federal Criminal Police Office (BKA) as well.

Of particular importance in the field of corporate IT security are the infrastructures, which are of the utmost importance for the proper functioning of our body politic. Protecting the IT systems of critical infrastructures and the networks required for their operation is a top priority.

Because of the decentralized, networked structure of the internet as a key communication medium, IT security can only be guaranteed by a shared sense of responsibility among all concerned. For this reason, the operators and providers of the underlying communications infrastructure as well as providers of corresponding media services with special security obligations are addressed in the law.

Deficits in the area of IT security have to be reduced. Operators of critical infrastructures in particular must – because of the far-reaching consequences of an operational failure on their part and their special responsibility for the public interest – be obliged to maintain a minimum standard of IT security and report IT security incidents to the BSI. The information gathered by the BSI is pooled and evaluated, and the insights gained from said information made available to the operators of critical infrastructures for the purpose of improving their own protection. At the same time, the role of the BSI in the area of IT security for critical infrastructures is strengthened by the fact that it is allocated the task of advising and supporting the operators upon request

with regard to securing their information technology systems.

In order to improve protection for citizens within a secure network, the telecommunications and telemedia providers – who play a key role in cyberspace security – will be given increased responsibility. They will be obliged to guarantee IT security in line with the latest technological standards. This obligation arises not just, as before, from the need to protect confidentiality data but also to guarantee protection for telecommunications and data processing systems from unauthorized access.

Parallel with this, the law shall also contribute towards establishing the BSI and BKA as legal entities with the ability to properly tackle the growing cyber threat and therefore protect citizens.

## IT-Security for Citizens

### 2.13

#### Economic environment

The global economy is recovering but only hesitantly. While the economy in Europe continues to stagnate, the American economy has been doing significantly better for the past year, which will have a positive impact on exports. The economic recovery in the United States is supported by a powerful increase in consumption and by an ongoing upturn in the labor market. In China on the other hand, the strong growth to date has slowed down, although growth impulses arising from expected regulatory measures could ensure a new dynamism there. In the eurozone as a whole, the economy is limping, and the recovery is uneven and erratic. In Germany, after initially strong growth a slight decline in GDP of 0,2% was recorded in the second quarter of 2014.

The German economy is at its core in a good position however. In both Germany and Switzerland the economy is supported by good consumption and a strong construction industry, although the export market is restrained. The economic powerhouses of France and Italy still have structural problems, which are standing in the way of an economic upturn in the eurozone as a whole. On the other hand, the efforts undertaken in those countries particularly affected by the financial crisis (i.e. Spain and Portugal) are proving a success.

A broad-based, sustained upturn which also incorporates the labor market is not yet identifiable in Europe. The fragile financial system in the eurozone also remains a risk for the region's economic recovery. After the ECB lowered the base rate to 0,15% in June, there remains little room for maneuver in terms of interest rate policy. If the global hot spots are kept under control and if France and Italy tackle their structural problems, there is definitely the possibility of moderate growth in the eurozone. Against this generally difficult economic background, it must be remembered that security technologies such as those offered by OpenLimit are more and more the focus of both the public and private sector, which improves the outlook for positive growth in demand.

With regard to exchange rate trends, the Swiss National Bank seems to be sticking with a price ceiling of EUR 1.20 to the franc, as result of which a significant risk for OpenLimit is mitigated and the ability to cost plan significantly improved.

**2.14****Opportunities and risks report**

The Board of Directors and management of OpenLimit undertake detailed risk and opportunities analyses twice a year, the results of which are reported to the shareholders. With regard to the opportunities and risks for OpenLimit Holding AG as well as for the entire OpenLimit Group, there are no significant changes compared to the reporting date of December 31, 2013 (copy deadline April 2014). In this respect, we refer readers to Section 3 Opportunities and Risks Report in the Annual Report 2013.

**2.15****Important events after the reporting date of June 30, 2014**

After June 30 this year, there were no important events to report which could have had an impact on the OpenLimit Group. Any interesting developments after the reporting date are mentioned in the corresponding section of the Annual Report.

**2.16****Outlook**

The outlook for the financial year 2014 remains the same as that outlined in the Annual Report 2013. OpenLimit has a solid order backlog in the mid 7-digit range for 2014. Because of project delays and partly because of long payment targets, working capital management remains a challenging task. Furthermore, OpenLimit is dependent on generating substantial new business in order to reach its goal of moderate growth in turnover over the previous year as well as to reach the EBIT breakeven. This goal depends to some extent on legal and other framework conditions which lie beyond the sphere of influence of OpenLimit. Because of the sales pipeline that exists for the signature products and truedentity®, the winning of further major orders could to some extent cushion a delay in the introduction of the Smart Meter Gateway. Ultimately however, the realizability of the company's goals cannot be assessed until later in the year. At present, we expect the legal and technical frameworks for the product Smart Meter Gateway to be complete in the third or fourth quarter of the year. This would provide a strong boost for sales activities in the energy sector. The company's management will in any event do everything in its power to achieve the goals set out.

The Board of Directors



## Consolidated Half-Yearly Financial Statements 2014

### Keynotes

- **Moderate growth in turnover**  
Turnover increased by 9% to EUR 2.72 million compared to the period of the previous year and the total earnings increased by 11% to EUR 4.14 million compared to the previous year.
- **Debt financing extended and authorized capital renewed**  
OpenLimit converted existing convertible loans into new loans and topped them up. The authorized capital is still available to OpenLimit.
- **Net loss reduced by 30%**  
Growth in turnover and cost reductions have a positive effect on the net result.
- **Liquidity situation is difficult once again**  
Low cash and cash equivalents at the reporting date, but OpenLimit expects the situation to ease in the second half of the year.

## 3 Consolidated Half-Yearly Financial Statements 2014

### 3.1

#### Consolidated income statement for the first half of 2014

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FROM 01.01.2014 TO 30.06.2014				
	SEE	CHANGE IN %	01.01.2014 - 30.06.2014 IN EUR	01.01.2013 - 30.06.2013 IN EUR
Revenue	3.5.8f	9	2'724'233	2'490'513
Company produced additions to software development	3.5.9 / 3.5.21	14	1'419'901	1'249'334
<b>TOTAL INCOME</b>		<b>11</b>	<b>4'144'134</b>	<b>3'739'846</b>
Costs of goods sold	3.5.10	-2	-79'451	-78'025
External services / 3rd party work	2.2	2	-668'359	-684'342
Personnel expenses	3.5.11	-5	-2'167'386	-2'067'468
Depreciation	3.5.21	6	-1'187'308	-1'269'024
Operational expenses	3.5.12	8	-754'744	-821'225
<b>Total operational expenses</b>		<b>1</b>	<b>-4'857'247</b>	<b>-4'920'084</b>
<b>INCOME FROM OPERATIONS</b>		<b>40</b>	<b>-713'113</b>	<b>-1'180'238</b>
Financial income	3.5.13	195	1'518	515
Financial expenses	3.5.14	-195	-142'503	-48'335
<b>Net financial result</b>		<b>-195</b>	<b>-140'985</b>	<b>-47'820</b>
<b>INCOME BEFORE TAX</b>		<b>30</b>	<b>-854'098</b>	<b>-1'228'058</b>
Tax income / expense	3.5.15	14	-33'081	-38'259
<b>RESULT FOR THE PERIOD</b>		<b>30</b>	<b>-887'179</b>	<b>-1'266'316</b>
OTHER INCOME AFTER TAX	3.3	NM	0	0
<b>TOTAL COMPREHENSIVE RESULT FOR THE PERIOD</b>		<b>30</b>	<b>-887'179</b>	<b>-1'266'316</b>
<b>(-) LOSS / EARNINGS PER SHARE</b>	3.5.17			
Basic		30	-0,046	-0,066
Diluted		30	-0,046	-0,066

## 3.2

## Consolidated balance sheet as of 30 June 2014

CONSOLIDATED BALANCE SHEET AS OF 30.06.2014				
ASSETS	SEE	CHANGE IN %	30.06.2014 IN EUR	31.12.2013 IN EUR
<b>NON-CURRENT ASSETS</b>		<b>4</b>	<b>6'136'349</b>	<b>5'887'050</b>
Intangible assets	3.5.21	5	5'139'946	4'874'740
Plant and equipment	3.5.22	-14	96'403	112'310
Deferred tax assets	3.5.20	0	900'000	900'000
<b>CURRENT ASSETS</b>		<b>-2</b>	<b>6'377'321</b>	<b>6'487'257</b>
Trade and other receivables	3.5.19f	9	6'376'925	5'862'123
Cash and cash equivalents	3.5.18	-100	396	625'134
<b>TOTAL ASSETS</b>		<b>1</b>	<b>12'513'570</b>	<b>12'374'307</b>
<b>EQUITY</b>		<b>-10</b>	<b>7'176'597</b>	<b>7'978'050</b>
Share capital	3.5.26	0	4'604'912	4'604'912
Share premium (statutory capital reserve)	3.5.27	0	9'882'263	9'882'263
Reserve für share based payments	3.3	5	1'958'448	1'872'722
Accumulated loss	3.3	-11	-9'269'026	-8'381'848
<b>LONG TERM LIABILITIES</b>		<b>17</b>	<b>1'704'109</b>	<b>1'454'109</b>
Convertible Loan		20	1'500'000	1'250'000
Pension plan	3.5.25	0	204'109	204'109
<b>CURRENT LIABILITIES</b>		<b>23</b>	<b>3'632'964</b>	<b>2'942'148</b>
Current financial liabilities	3.5.23	1	1'308'505	1'289'602
Trade accounts payable and other liabilities	3.5.24	40	2'310'711	1'652'546
Tax liabilities	3.5.24	NM	13'748	0
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1</b>	<b>12'513'670</b>	<b>12'374'307</b>

## 3.3

## Statement of changes in equity as of 30 June 2014

STATEMENT OF CHANGES IN EQUITY AS OF 30.06.2014					
	SHARE CAPITAL IN EUR	LEGAL RESERVES FROM CAPITAL CONTRIBUTIONS IN EUR	RESERVE FOR SHARE- BASED PAYMENTS IN EUR	RETAINED EARNINGS IN EUR	EQUITY IN EUR
AS OF 01.01.2014	4'604'912	9'882'263	1'872'722	-8'381'847	7'978'050
Profit / Loss for the period	0	0	0	-887'179	-887'179
Other comprehensive income	0	0	0	0	0
<b>Total income for the period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-887'179</b>	<b>-887'179</b>
Capital Increase	0	0	0	0	0
Share-based payments	0	0	85'726	0	85'726
<b>AS OF 30.06.2014</b>	<b>4'604'912</b>	<b>9'882'263</b>	<b>1'958'448</b>	<b>-9'269'026</b>	<b>7'176'597</b>

## Statement of changes in equity as of 30 June 2013

STATEMENT OF CHANGES IN EQUITY AS OF 30.06.2013					
	SHARE CAPITAL IN EUR	LEGAL RESERVES FROM CAPITAL CONTRIBUTIONS IN EUR	RESERVE FOR SHARE- BASED PAYMENTS IN EUR	RETAINED EARNINGS IN EUR	EQUITY IN EUR
AS OF 01.01.2013	4'604'912	9'882'263	1'668'494	-7'809'797	8'345'873
Profit / Loss for the period	0	0	0	-1'266'316	-1'266'316
Other comprehensive income	0	0	0	0	0
<b>Total income for the period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-1'266'316</b>	<b>-1'266'316</b>
Capital Increase	0	0	0	0	0
Share-based payments	0	0	129'063	0	129'063
<b>AS OF 30.06.2013</b>	<b>4'604'912</b>	<b>9'882'263</b>	<b>1'797'557</b>	<b>-9'076'113</b>	<b>7'208'619</b>

## 3.4

## Consolidated cash flow statement for the first half of 2014

## CONSOLIDATED CASH FLOW STATEMENT FROM 01.01.2014 TO 30.06.2014

	SIEHE	CHANGE IN %	01.01.2014 - 30.06.2014 IN EUR	01.01.2013 - 30.06.2013 IN EUR
<b>LOSS FOR THE PERIOD</b>	3.1	30	-887'179	-1'266'316
Tax Expense	3.5.15	-14	33'081	38'259
Financial expense (income)	3.5.13f	193	140'985	48'066
Depreciation & Amortization	3.5.21f	-6	1'187'308	1'269'024
Loss of receivables	3.5.9 / 3.5.19	-100	0	50'000
Share based payments and pension plan	3.5.11	-34	85'726	129'063
(Increase) / decrease in receivables and other assets	3.5.19f	56	-514'802	-1'180'959
Increase / (decrease) in liabilities that are not attributable to investment and financing activities	3.5.24	56	658'165	423'194
<b>NET CASH FROM (USED IN) ONGOING ACTIVITIES</b>		<b>244</b>	<b>703'284</b>	<b>-489'669</b>
Interests received	3.5.13	463	1'518	270
Interest paid	3.5.14	-195	-142'503	-48'335
Taxes paid	3.5.15 / 3.5.24	28	-19'333	-26'948
<b>NET CASH FROM OPERATING ACTIVITIES</b>		<b>196</b>	<b>542'967</b>	<b>-564'683</b>
Investments in intangible assets and equipment	3.5.21f	-10	-1'436'607	-1'303'947
<b>NET CASH FROM (USED IN) INVESTMENT ACTIVITIES</b>		<b>-10</b>	<b>-1'436'607</b>	<b>-1'303'947</b>
<b>CASH FLOW FROM (USED IN) FINANCING ACTIVITIES</b>		<b>NM</b>	<b>268'903</b>	<b>0</b>
<b>NET INCREASE / DECREASE IN CASH AND CASH EQUIVALENTS</b>		<b>67</b>	<b>-624'738</b>	<b>-1'868'630</b>
Cash and cash equivalents beginning of period		-67	625'134	1'876'928
Cash and cash equivalent end of period		-95	396	8'298

## 3.5

### Notes to the consolidated half-yearly financial statements

#### 3.5.1

##### Miscellaneous

The main focus of the business activities of OpenLimit Holding AG and its subsidiaries (referred to hereafter as "OpenLimit Group" or "Group") lies in the development and marketing of software for online proof of identity, electronic signatures, secure data transfer and evidentiary value-preserving long-term storage of documents. In principle, the rights to the software are the property of OpenLimit SignCubes AG, a wholly-owned subsidiary of OpenLimit Holding AG. As a rule, all contracts worldwide with purchasers of the products are concluded with OpenLimit SignCubes AG. OpenLimit SignCubes GmbH, as wholly-owned subsidiary of OpenLimit SignCubes AG, is entrusted to a large extent with the product development.

OpenLimit Holding AG is listed on the Regulated Market (General Standard) at the Frankfurt Stock Exchange as well as on the Regulated Unofficial Market at the Berlin-Bremen, Düsseldorf, Munich and Stuttgart stock exchanges.

The consolidated half-yearly financial statements were approved by the Board of Directors of OpenLimit Holding AG on 26 August 2014 and released for publication on 28 August 2014.

#### 3.5.2

##### Accounting standards

##### Basis of accounting presentation

The consolidated half-yearly financial statements of the OpenLimit Group were compiled on 30 June 2014 in compliance with the International Financial Reporting Standards (IFRS) prescribed by the International Accounting Standards Board (IASB). The standards valid on the balance sheet date have been applied in these statements, although the pension liabilities according to IAS 19R are revalued in the Annual Report 2014. The consolidated half-yearly financial statements provide a true and fair view of the net assets, financial position and result of operations and are in accordance with Swiss legislation.

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

#### 3.5.3

##### Consolidation principles

##### a) Scope of consolidation

The consolidated half-yearly financial statements take into account those domestic and foreign subsidiaries that are controlled by

OpenLimit Holding AG vote-wise, directly or indirectly, to an extent greater than 50% or by means of contractual or other agreements. An overview of the subsidiaries is provided in annotation 3.5.28.

Subsidiaries and participations are taken into consideration in the scope of consolidation from the time of acquisition, and are excluded from the consolidated half-yearly financial statements from the date of sale.

##### b) Consolidation method

The 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 taken into full consideration in the consolidated half-yearly financial statements.

All group-internal receivables, liabilities, expenses and income, as well as non-realized interim profits, are eliminated within the scope of the consolidation. Assets and liabilities of acquired companies are revalued at the time of acquisition in accordance with the group's accounting standards, and a possible positive difference in amount between the purchase price and the company equity that is redefined as the market value is activated as goodwill, and is linearly written off over the expected economic useful life. The profits and losses of the acquired companies are recorded in the consolidated income statements from the time of the controlling acquisition. Upon the withdrawal of companies from the scope of consolidation, deconsolidation takes place 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.

The annual reporting of all subsidiaries ends as of December 31.

#### 3.5.4

##### Summary of significant accounting policies

With regard to the basic accounting methods of OpenLimit Holding AG as well as the entire OpenLimit Group, there are no changes since the balance sheet date 31.12.2013. We therefore refer to the notes to the Consolidated Financial Statements, Section 6.5.2.3, contained in the Annual Report 2013.

#### 3.5.5

##### Changes in accounting principles

In the first half of 2014, the International Accounting Standards Board (IASB) published various bulletins concerning new or revised International Financial Reporting Standards (IFRS). OpenLimit will adopt the revised IFRS Standards 2014 according to the predefined implementation dates. The Group currently expects that this application will have no significant impact on the consolidated financial statements.

#### 3.5.6

##### Foreign currency conversion

The consolidated financial statements of the OpenLimit Group are prepared and presented in euro (EUR). For conversions as of 30.06.2014,



a reporting date exchange rate of CHF 1.2278 as well as an average exchange rate of CHF 1.2352 to the euro were applied.

## 3.5.7

## Financial risk management

The OpenLimit Group is subject to various financial risks, such as foreign currency fluctuations or credit risks arising from the company's activities. OpenLimit attempts to minimize every possible unfavorable impact such fluctuations could have on the company's financial success.

For a detailed risk analysis, we refer to the Opportunities and Risks below:

Report in Section 3 as well as further information in Section 6.5.2.6 of the Annual Report 2013.

## 3.5.8

## Segment reporting

Due to the business activities and size of the OpenLimit Group in the financial year 2014, the company had only one operating segment in the financial period. Neither significant elements for the definition of business segments were met, nor relevant data for the distinction of segments was consistently available to the management. The required company-wide information in compliance with IAS 8.31-8.34 is listed

## IAS 8.31 – BREAKDOWN OF SALES BY ACTIVITY 01.01.2014 - 30.06.2014

	CHANGE IN %	01.01.2014 - 30.06.2014 IN EUR	01.01.2013 - 30.06.2013 IN EUR
Licences	-45	1'091'581	1'995'824
Services	502	1'422'957	236'270
Maintenance & Support	-40	171'225	284'981
Income from Trading goods	318	8'787	2'100
Various income	39	29'682	21'338
<b>TOTAL INCOME FROM OPERATIONS</b>	<b>7</b>	<b>2'724'233</b>	<b>2'540'513</b>

## IAS 8.32 – BREAKDOWN OF SALES BY GEOGRAPHY 01.01.2014 - 30.06.2014

	CHANGE IN %	01.01.2014 - 30.06.2014 IN EUR	01.01.2013 - 30.06.2013 IN EUR
Switzerland	8	15'606	14'434
Germany	26	2'306'627	1'823'537
Others	-43	402'000	702'542
<b>TOTAL BETRIEBSERTRAG</b>	<b>7</b>	<b>2'724'233</b>	<b>2'540'513</b>

## IAS 8.33 – BREAKDOWN OF LONG TERM ASSETS 30.06.2014

	CHANGE IN %	30.06.2014 IN EUR	31.12.2013 IN EUR
Switzerland	4	5'139'946	4'942'242
Germany	-27	96'403	132'764
<b>TOTAL INTANGIBLE FIXED ASSETS</b>	<b>3</b>	<b>5'236'350</b>	<b>5'075'006</b>

## IAS 8.34 – SALES CONCENTRATION 01.01.2014 - 30.06.2014

2014		
A total of 70.9% of sales was generated from three customers, broken down as follows:	Customer A	35.8%
	Customer B	27.9%
	Customer C	7.2%
2013		
A total of 88.2 % of sales was generated from two customers, broken down as follows:	Customer X	52.9%
	Customer Y	30.9%
	Customer Z	4.4%

## 3.5.9

## Operating income

## TOTAL INCOME FROM OPERATIONS 01.01.2014 - 30.06.2014

	CHANGE IN %	01.01.2014 - 30.06.2014 IN EUR	01.01.2013 - 30.06.2013 IN EUR
Sales revenue	7	2'724'233	2'540'513
Company produced addition to Software development	14	1'419'901	1'249'334
Doubtful Debts	100	0	-50'000
<b>TOTAL INCOME FROM OPERATIONS</b>	<b>11</b>	<b>4'144'134</b>	<b>3'739'846</b>

## 3.5.10

## Costs of goods

## COSTS OF GOODS SOLD 01.01.2014 - 30.06.2014

	CHANGE IN %	01.01.2014 - 30.06.2014 IN EUR	01.01.2013 - 30.06.2013 IN EUR
Costs of goods sold	2	79'451	78'025
<b>TOTAL MATERIAL AND GOODS COSTS</b>	<b>2</b>	<b>79'451</b>	<b>78'025</b>

## 3.5.11

## Personnel expenses

## PERSONNEL EXPENSES 01.01.2014 - 30.06.2014

	CHANGE IN %	01.01.2014 - 30.06.2014 IN EUR	01.01.2013 - 30.06.2013 IN EUR
Wages & Salaries	8	1'726'835	1'597'006
Legal / contractual / social charges	4	354'825	341'399
Share based payments / options	-34	85'726	129'063
<b>TOTAL PERSONNEL EXPENSES</b>	<b>5</b>	<b>2'167'386</b>	<b>2'067'468</b>

Depending upon the employee's function, remuneration usually comprises the basic salary, variable salary components, employee 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 employee benefits of the OpenLimit Group are oriented solely towards national legal regulations.

In order to evaluate the employee stock options to incumbent option holders and to regulate the fair value, the Enhanced American Model (EA Model) developed by Prof. Dr. Manuel Ammann and Dr. Ralf Seiz in 2004 is applied. It is a sophisticated binomial model compatible with IFRS 2 and FASB 123<sup>®</sup>. In the evaluation, the retirement rate of the option

holders during the vesting period was not included in the assessment of the fair value, but later included through the number of options. The EA Model also includes the vesting period, the retirement rate of option holders after the vesting period and the non-transferability of options.

In the first half of the year, EUR 85'726 (previous year: 129'063) were recorded as personnel expenses on the basis of the allocation of options in the years 2011 to 2013 and after taking into account the adjustments for the non-vested options of former employees.

## 3.5.12

## Operating expenses

OPERATING EXPENSES 01.01.2014 - 30.06.2014			
	CHANGE IN %	01.01.2014 - 30.06.2014 IN EUR	01.01.2013 - 30.06.2013 IN EUR
Rental expenses (incl. Electricity)	2	159'414	155'614
Maintenance & Repairs	45	15'159	10'431
Vehicle expenses	-9	29'719	32'503
Vehicle leasing	-15	39'192	45'867
Fees, contributions, insurances	28	47'691	37'298
Office equipment & printed matter	-50	5'017	10'089
Telephone, fax, internet & postage	15	53'789	46'782
Accounting & audit expenses	6	110'032	103'354
Legal advice	97	24'431	12'390
Board member fees	0	17'306	36'912
Investor Relations	-25	57'857	77'581
IT expenses	-57	16'437	38'227
Administrative expenses	-29	22'396	31'332
Advertising, PR & Marketing	-43	29'529	51'739
Travel & Representation expenses	-20	120'775	150'733
Capital Taxes	NM	6'000	0
<b>TOTAL SERVICE OPERATION EXPENSES</b>	<b>-8</b>	<b>754'744</b>	<b>821'225</b>

## 3.5.13

## Financial income

FINANCIAL INCOME 01.01.2014 - 30.06.2014			
	CHANGE IN %	01.01.2014 - 30.06.2014 IN EUR	01.01.2013 - 30.06.2013 IN EUR
Interest income	463	1'518	270
Exchange rate profits	NM	0	246
<b>TOTAL FINANCIAL INCOME</b>	<b>195</b>	<b>1'518</b>	<b>515</b>

## 3.5.14

## Financial expenses

FINANCIAL EXPENSES 01.01.2014 - 30.06.2014			
	CHANGE IN %	01.01.2014 - 30.06.2014 IN EUR	01.01.2013 - 30.06.2013 IN EUR
Bank interest and bank charges	583	22'796	3'335
Interest convertible debt	140	108'125	45'000
Exchange rate loss	NM	11'581	0
<b>TOTAL FINANCIAL EXPENSES</b>	<b>195</b>	<b>142'503</b>	<b>48'335</b>

## 3.5.15

## Tax expenses

TAX EXPENSE 01.01.2014 - 30.06.2014			
	CHANGE IN %	01.01.2014 - 30.06.2014 IN EUR	01.01.2013 - 30.06.2013 IN EUR
Tax expenses	-14	33'081	38'259
<b>TOTAL TAX EXPENSES</b>	<b>-14</b>	<b>33'081</b>	<b>38'259</b>

Essentially, this is the tax accrued by OpenLimit SignCubes GmbH in Berlin in the amount of EUR 33'081 (previous year: EUR 30'462). OpenLimit SignCubes AG does not yet have to pay taxes due to loss offset options.

## 3.5.16

## Share in profits of minority shareholders

All subsidiaries of the OpenLimit Group are 100 % owned by the OpenLimit Holding AG.

## 3.5.17

## Earnings per share

For the calculation of undiluted earnings per share, the earnings attributable to the bearers of common shares of the parent company are divided by the weighted average number of common shares in circulation during the course of the reporting period.

The diluted earnings per share also reflect the potential dilution of the conditional capital of the parent company which may result from the exercise of conversion and option rights and thus through the conversion into ordinary shares of OpenLimit Holding AG.

## CALCULATION OF EARNINGS PER SHARE 01.01.2014 - 30.06.2014

	CHANGE IN %	01.01.2014 - 30.06.2014 IN EUR	01.01.2013 - 30.06.2013 IN EUR
<b>Gain/loss for the period – attributable to shareholders (undiluted)</b>	30	-887'179	-1'266'316
Elimination of interest on convertible loans	140	108'125	45'000
Tax effect on adjustments mentioned above	NM	0	0
<b>Gain/loss for the period for the calculation of the diluted earnings per share</b>	36	-779'054	-1'221'316
<b>Weighted average number of ordinary shares – undiluted</b>	0	19'153'551	19'153'551
Potential new ordinary shares through the exercise of the convertible option	89	2'361'111	1'250'000
Potential new ordinary shares through the exercise of stock options	42	5'884'871	4'131'242
<b>Weighted average number of ordinary shares – diluted</b>	12	27'399'533	24'534'793
<b>Earnings per share</b>			
Undiluted	30	-0,046	-0,066
Diluted*	30	-0,046	-0,066

\* The effects of anti-dilutive potential ordinary shares are not included in the calculation of diluted earnings per share (IAS 33.41).

## 3.5.18

## Cash &amp; cash equivalents

## CASH &amp; CASH EQUIVALENTS PER 30.06.2014

	CHANGE IN %	30.06.2014 IN EUR	31.12.2013 IN EUR
Bank Balances	-100	0	624'324
Cash on hand	-51	396	810
<b>TOTAL CASH &amp; CASH EQUIVALENTS</b>	<b>-100</b>	<b>396</b>	<b>625'134</b>

## 3.5.19

## Trade receivables

TRADE RECEIVABLES PER 30.06.2014			
	CHANGE IN %	30.06.2014 IN EUR	31.12.2013 IN EUR
Trade receivables	6	5'654'692	5'354'320
Reserve for doubtful debts	0	-225'000	-225'000
<b>TOTAL TRADE RECEIVABLES</b>	<b>6</b>	<b>5'429'692</b>	<b>5'129'320</b>

Confirmations from debtors were obtained for receivables that were past due on the reporting date 30.06.2014 according to their priority and creditworthiness. For an open debt, due for more than 360 days on the reporting date, provisions for doubtful debts in the amount of EUR

200'000 have been made, but at this point there are still good opportunities for an out-of-court settlement due to the long-lasting customer relationship. In part, payment periods of up to half a year have been granted.

## 3.5.20

## Other receivables

OTHER RECEIVABLES PER 30.06.2014			
	CHANGE IN %	30.06.2014 IN EUR	31.12.2013 IN EUR
Various receivables	10	115'471	105'380
Active deferrals	34	574'030	429'970
Work in progress	31	257'732	197'454
Deferred Taxes (longterm)	NM	0	0
<b>TOTAL TRADE &amp; OTHER RECEIVABLES</b>	<b>29</b>	<b>947'233</b>	<b>732'804</b>

The item accrued income includes a contract, on the basis of which payments per period over the term should have been made. The contract, however, was prematurely redeemed through a one-time payment. This

relates to anticipated license payments that have to be reduced through debiting of costs of goods on an accrual basis.

The other receivables are short-term and correspond to their fair value.

## 3.5.21

## Intangible assets

INTANGIBLE FIXED ASSETS PER 30.06.2014				
	CHANGE IN %*	30.06.2014 IN EUR	30.06.2013 IN EUR	31.12.2013 IN EUR
Costs at 1.1.	19	15'358'573	12'937'614	12'937'614
Additions / Disposals	14	1'419'901	1'249'334	2'420'959
<b>BALANCE AT END OF PERIOD</b>	<b>18</b>	<b>16'778'475</b>	<b>14'186'948</b>	<b>15'358'573</b>
Amortization balance at 1.1.	31	10'483'834	8'029'160	8'029'160
Additions / Subtractions	-5	1'154'695	1'215'546	2'454'674
<b>BALANCE AT END OF PERIOD</b>	<b>26</b>	<b>11'638'529</b>	<b>9'244'706</b>	<b>10'483'834</b>
Book values balance at 1.1.	-1	4'874'740	4'908'454	4'908'454
<b>BALANCE AT END OF PERIOD</b>	<b>4</b>	<b>5'139'946</b>	<b>4'942'242</b>	<b>4'874'740</b>

\* Change in % represents comparison to the value of the previous year.

The further development of software by the subsidiary OpenLimit SignCubes GmbH, in Berlin, is invoiced to OpenLimit SignCubes AG on

a quarterly basis using the cost-plus method. The interim profits were eliminated in the consolidated financial statements.

## 3.5.22

## Fixed assets

FIXED ASSETS PER 30.06.2014						
	FURNISHINGS & EQUIPMENT IN EUR	IT IN EUR	CHANGE IN %	30.06.2014 IN EUR	30.06.2013 IN EUR	31.12.2013 IN EUR
Costs at 1.1.	419'377	73'323	-13	492'700	563'360	563'360
Additions / Disposals	3'186	13'520	-69	16'706	54'613	-70'660
<b>BALANCE AT END OF PERIOD</b>	<b>422'563</b>	<b>86'843</b>	<b>-18</b>	<b>509'406</b>	<b>617'973</b>	<b>492'700</b>
Depreciation balance at 1.1.	337'749	42'641	-12	380'390	431'731	431'731
Disposals	0	0	NM	0	0	-147'818
Depreciation	22'240	10'372	-39	32'613	53'478	96'477
<b>BALANCE AT END OF PERIOD</b>	<b>359'989</b>	<b>53'013</b>	<b>-15</b>	<b>413'003</b>	<b>485'209</b>	<b>380'390</b>
Book values balance at 1.1.	81'628	30'682	-15	112'310	131'629	131'629
<b>BALANCE AT END OF PERIOD</b>	<b>62'574</b>	<b>33'829</b>	<b>-27</b>	<b>96'403</b>	<b>132'764</b>	<b>112'310</b>

\* Change in % represents comparison to the value of the previous year.

The insurance value of the fixed assets amounts to EUR 381'000 in Germany and CHF 162'000 (equivalent to EUR 135'000 on the reporting date) in Switzerland.

## 3.5.23

## Short-term financial liabilities

SHORT TERM FINANCIAL LIABILITIES PER 30.06.2014			
	CHANGE IN %	30.06.2014 IN EUR	31.12.2013 IN EUR
Convertible Loan	-60	500'000	1'250'000
Other short-term financial debt	1'942	808'505	39'602
<b>TOTAL SHORT TERM FINANCIAL LIABILITIES</b>	<b>1</b>	<b>1'308'505</b>	<b>1'289'602</b>

## 3.5.24

## Trade accounts payable and other liabilities

TRADE ACCOUNT PAYABLES AND OTHER LIABILITIES PER 30.06.2014			
	CHANGE IN %	30.06.2014 IN EUR	31.12.2013 IN EUR
Trade liabilities	30	714'292	551'160
Social insurance contributions & VAT	12	201'144	179'993
Other short term liabilities	539	868'515	135'999
Deferred expenses	-33	526'760	785'393
Tax liabilities	NM	13'748	0
<b>TOTAL OTHER PAYABLES AND OTHER LIABILITIES</b>	<b>43</b>	<b>2'324'459</b>	<b>1'652'545</b>

## 3.5.25

## Long-term liabilities

LONG-TERM LIABILITIES PER 30.06.2014			
	CHANGE IN %	30.06.2014 IN EUR	31.12.2013 IN EUR
Long-term financial liabilities	20	1'500'000	1'250'000
of which convertible loans	100	1'500'000	750'000
of which loans	NM	0	500'000
Pension obligation	0	204'109	204'109
<b>TOTAL LONG TERM LIABILITIES</b>	<b>17</b>	<b>1'704'109</b>	<b>1'454'109</b>

Pension liabilities are annually revalued as of December 31 according to IAS 19. The liabilities shown therefore correspond with the valuation as of 31 December 2013.



## 3.5.26

## Development of the nominal capital (share capital)

DEVELOPMENT OF THE NOMINAL CAPITAL PER 30.06.2014					
	NOMINAL VALUE IN CHF	NUMBER OF ISSUED BEARER SHARES	NOMINAL VALUE IN CHF	FX IN CHF / EUR	NOMINAL VALUE IN EUR
Balance 31.12.2005	0,30	14'400'000	4'320'000	1,2505	3'454'756
Capital increase 10.02.2006	0,30	283'632	85'090	1,2505	68'047
Capital increase 13.06.2006	0,30	1'073'780	322'134	1,2505	257'614
<b>Balance 31.12.2006</b>	<b>0,30</b>	<b>15'757'412</b>	<b>4'727'224</b>	<b>1,2505</b>	<b>3'780'418</b>
Capital increase 17.07.2009	0,30	1'040'000	312'000	1,2505	249'510
Capital increase 03.11.2009	0,30	789'473	236'842	1,2505	189'405
<b>Balance 31.12.2009</b>	<b>0,30</b>	<b>17'586'885</b>	<b>5'276'066</b>	<b>1,2505</b>	<b>4'219'333</b>
Capital increase 28.01.2010	0,30	500'000	150'000	1,2505	119'957
Capital increase 18.10.2010	0,30	20'000	6'000	1,2505	4'798
<b>Balance 31.12.2010</b>	<b>0,30</b>	<b>18'106'885</b>	<b>5'432'066</b>	<b>1,2505</b>	<b>4'344'089</b>
Capital increase 02.09.2011	0,30	1'046'666	314'000	1,2039	260'824
<b>Balance 30.06.2014</b>	<b>0,30</b>	<b>19'153'551</b>	<b>5'746'065</b>		<b>4'604'912</b>

## 3.5.27

## Reserve from capital contribution

RESERVE FROM CAPITAL CONTRIBUTION 30.06.2014			
	CHANGE IN %	30.06.2014 IN EUR	31.12.2013 IN EUR
General reserve from capital contribution	0	9'882'263	9'882'262
<b>TOTAL RESERVE FROM CAPITAL CONTRIBUTION</b>	<b>0</b>	<b>9'882'263</b>	<b>9'882'262</b>

## 3.5.28

## Subsidiaries

SUBSIDIARIES PER 30.06.2014		
	NOMINAL CAPITAL IN EUR	BETEILIGUNG IN %
OpenLimit SignCubes AG, Baar, Switzerland (nominal capital: CHF 100'000)	79'971	100
OpenLimit SignCubes GmbH, Berlin, Germany	25'000	100

## 3.5.29

## Events after the end of the first half of the financial year 2014

After the end of the first half of 2014 up to the completion of the Half-Year Report on 22.08.2014 no events of material significance to OpenLimit have occurred. Indications of specific developments after the

reporting date are mentioned in the appropriate part of the Half-Year Report.

3.6

Assurance of legal representatives

We hereby declare that, to the best of our knowledge and in accordance with the applicable reporting principles, the consolidated half-yearly financial statements provide a true and fair view of the net assets, financial position and result of operations of the group and that the group

management report includes a fair review of the business development, business results and situation of the group and that the main opportunities and risks associated with the expected development of the group are adequately described.

Baar, August 28, 2014

OpenLimit Holding AG

sgd. René C. Jäggi

Chairman and Delegate of the Board of Directors

sgd. Marc Gurov

Chief Executive Officer

sgd. Hermann Homann

Chief Financial Officer



Notes

### 4.1

#### Investor information

OpenLimit Holding AG is a Swiss stock corporation and has been listed in Germany on the Regulated Market (General Standard) in Frankfurt

since 16 April 2007, and is listed on the unofficial market in Berlin-Bremen, Düsseldorf, Stuttgart and Munich.

WKN / SYMBOL / ISIN	A0F5UQ / 05H / CH .002.223.700.9
Trading segment / stock market	Regulated Market (General Standard) / Frankfurt
Number of shares	19'153'551
Type of shares	Bearer shares
Nominal value	CHF 0,30
Designated sponsor	ICF Kursmakler AG, Germany, Donner & Reuschel AG, Germany
Stock exchanges	Frankfurt, Berlin-Bremen, Düsseldorf, Munich and Stuttgart

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## 4.2

### Disclaimer

#### Warning regarding forward-looking statements

Forward-looking statements are made in this Half-Year Report, which also contain predictions about forward-looking events, trends, measures or goals. Such statements are indicated by formulations like "will" or "increasing" 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 in 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 occasionally 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 associated with changes to legal regulations. OpenLimit Holding 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 Annual Report are the property of their rightful owners. We hereby acknowledge all brand and company names and their respective logos.

This Half-Year Report is only for informational purposes and does not represent a form of advertising, recommendation, financial or other type of advice and in particular, is not a solicitation for the buying or selling of stocks or other financial instruments of the company.

The sources made reference to at various points can be delivered upon request.



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