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OpenLimit Holding AG: Group Interim Announcement within 2nd Half-Year of 2010 in accordance with Article 37x WpHG

- Revenue increases by 36% in the first nine months of 2010 compared to the same period in the preceding year to CHF 3.26 million. In the same period, total income increases by 28% to CHF 5.77 million.
- OpenLimit and impuls systems GmbH form a close strategic cooperation to build an authentication server for electronic identity (eID) cards.
- OpenLimit and]init[agree on a cooperation to offer eID service providing.
- OpenLimit and E&E information consultants AG have signed a partnership agreement in order to provide a unique technology solution.
- OpenLimit announces that starting 01.01.2011 the Group will switch its financial reporting from Swiss Francs to Euro.

General Development

(Baar, Switzerland, November 12th, 2010) During the third quarter of 2010, OpenLimit was able to successfully introduce the new electronic identification (eID) server technology to the market. The eID server complements the client solution "AusweisApp" to enable secure authentication / validation of the new ID card (nPA) in Germany. Since the start of the testing phase for the new ID card, the eID server was tested successfully by approximately 200 companies and public authorities as part of a service provided by the Bundesdruckerei. Since November 1st, the launch date of the new electronic identity card in Germany, OpenLimit's eID server has entered live operation and can be purchased for commercial use. Initial orders for the eID server from private and public institutions demonstrate the strong interest in the new ID card and the security infrastructure behind it.

With the order of an eID server by impuls GmbH, OpenLimit was able to initiate a considerable business relationship in the insurance market. The assignment will run for several years and includes consulting, planning and implementation of an eID server, which allows easier, faster and more secure online authentication for the customers of impuls based on the new ID card. In addition OpenLimit was able to win further public administration customers for the eID server among the Federal States in Germany.

Also of great importance is the cooperation between OpenLimit and Jinit[GmbH as well as with the Bundesdruckerei to establish services in connection with the eID-server. From now on customers can subscribe to a highly secure eID-service provided by Bundesdruckerei and Jinit[for eGovernment and eBusiness applications. Furthermore, on October 28th OpenLimit set up a cooperation with Siemens in relation to eID-servers and services.

Moreover OpenLimit was able to sign a partnership agreement with E&E information consultants AG. Through the combination of both companies' respective know-how, a unique technology solution, which combines automatic document creation with electronic signatures, was developed.

After the reporting period, OpenLimit accomplished another important milestone in delivering the AusweisApp, the application software for the new ID card, on schedule. This event marks the beginning of the eID era in Germany and the successfully initiation of the first e-card project in the country. For OpenLimit, it creates a solid base for future revenues across industry and public sectors.

Financial development of the OpenLimit Group

During the first nine months of 2010, OpenLimit generated revenues of CHF 3.26 million, an increase of 36% over the same period of the previous year (9-months 2009: CHF 2.39 Mio.). For the same period total income grew by 28% from CHF 4.51 million to CHF 5.77 million. As of September 30th, 2010, OpenLimit had 58 employees, compared to 55 employees twelve months earlier. Due to the hiring of new employees and, in particular, our policy to deploy contract workers for specific non-core tasks in order to maintain a lower fixed cost base, personnel expenses increased by 65% to CHF 5.35 million (9-months 2009: CHF 3.17 million). As expected, depreciation and amortization charges increased by 27% to CHF 1.85 million, mostly due to the activation of company produced additions to software development, which is amortized over five years. In the first nine months, operating expenditures increased by 14% to CHF 1.66 million to support growth in personnel, but also as a result of higher expenditures for marketing and investor relations. Because of substantial upfront investments during the first nine months of the current financial year, an EBITDA of CHF -1.19 million and an EBIT of CHF -3.04 million resulted. The weakness of the Euro relative to the Swiss Franc yielded a negative financial result of CHF -0.65 million. Since both our earnings and expenditures are mostly denominated in EUR, cash flow streams are well matched, but the Company has to record a foreign exchange loss when translating results back into Swiss Francs. As a consequence and to enhance transparency, OpenLimit will start reporting in Euro from the 1st of January 2011. At the end of the first 9-months, OpenLimit is looking at a net loss of EUR -3.74 million. Due to the fact that several major projects can only be settled in the fourth quarter - for instance the AusweisApp with the recent handover on November

1st, we will be able to book a significant part of our revenues during the last 3 months of the year. Therefore, we maintain our forecast for 30% revenue growth for the fiscal year 2010.

As of September 30th, non-current assets recorded an increase by 30% to CHF 5.64 million relative to the same date last year, particularly due to the capitalization of company produced additions to software development. Working capital management improved as well during the last 12 months. Current assets overall decreased slightly by 4% to CHF 4.87 million, thanks to a considerable reduction by 28% in trade and other receivables to CHF 3.47 million, while liquid assets increased considerably to CHF 1.12 million. Current liabilities declined by 58% to CHF 0.41 million. Equity was strengthened by 16% from CHF 8.44 million as at 30.9.2009 to CHF 9.83 million.

Since the closing of the third quarter, the amount of outstanding shares has increased to 18'106'885 shares (as at September 30, 2010: 18'086'885 shares) as a result of one employee exercising his options (20'000 options). Consequently, our share capital increased by CHF 6'000 from CHF 5'426'065.50 to CHF 5'432'065.50.

On 1.7.2010, a total amount of 695'000 options with a strike price of EUR 1.31 were given to the management and executive board members within the scope of the option program. These new options have a vesting period of three years, with one third of the options vesting each year. As a result of the new options issued, personnel expenses increased by CHF 0.07 million in the 3rd quarter.

Technical Development

In the 3rd quarter our engineers focused on the continued development of the AusweisApp to ensure that the software would be ready for release on November 1st. Online identification functionality, user friendliness and accessibility were reviewed and modified. . At the same time, the certification process according to the international standard Common Criteria and usability tests were continued.

Besides the ongoing development work, another test version of the AusweisApp was released to participants of the application test. Furthermore, numerous modifications were included into the current AusweisApp version as a result of change requests, user feedback and revisions of technical guidelines.

In context of the development cooperation with Fujitsu Technology Solutions (FTS) for the SecDocs product, a new version of the components MigSafe / OverSign and an update of the OpenLimit version 3 was delivered to the partner. In the course of the development process, a customer pilot phase is in the planning stage by FTS.

A major focus was the coordination and review of OpenLimit components in terms of requirements which were formulated by FTS in the implementation of the product SecDocs. This not only includes functional requirements, but also the revision of the OpenLimit middleware concerning the planned introduction as a server product.

The product S-TRUST Sign-it, which is distributed by the German Sparkassenverlag (DSV), was handed over to DSV in a new product version that supports other smart cards as well.

Currently, the completion of the evaluation process and the grant of security certification by the instructed inspection authority are pending.

The eID server was further enhanced within the scope of the overall product development effort. For instance, the eID server was revised based on new requirements issued by the Federal Office for Information Security (BSI) and thus now supports the technical guideline TR-03 130 in the latest specification level.

In addition to these key development topics, the daily tasks in the technical area with respect to software maintenance and support, which shall not be detailed further, have been realized.

Outlook

The encouraging development in the eID market and a significant upswing in the demand for server technologies for electronic authentication and signature processes confirm the validity of our medium and long-term strategy. OpenLimit will focus its efforts and partner activities on the development of further server technologies which will be a major revenue driver. The joint development of the eID server together with the Bundesdruckerei, as well as the beginning of certification of the Fujitsu technology SecDocs, based on OpenLimit middleware technologies for long-term storage, are good examples of this.

OpenLimit also expects that existing cooperations can be extended to form strategic partnerships, where OpenLimit's products form an integral part of our partners' offering, and that new partnerships will follow as the market expands. This will also support the internationalization of the business.

For 2010, we still anticipate a revenue increase of 30% compared to 2009 and aim to achieve a positive operating result for the full year. However, this is very much dependent on potential exchange rate losses by the year's end, especially from the conversion of Euro to Swiss Franc, which already burdened the bottom line substantially at the end of the first 9-months.

With the rollout of the new identity card in Germany and the related software environments for both end users (AusweisApp) and institutions (eID Server) developed by OpenLimit, we have already achieved significant milestones this year and at the same time have overhauled our product range completely in the last 12 months. Based on our existing products, a highly motivated sales team and strong technology and distribution partnerships we believe the platform for enhanced revenue growth for the upcoming years is finally in place. The further development of our technologies in the next year should ensure that the technological advantage of the OpenLimit Group is preserved.

Consolidated Income Statement (unaudited) from 01.01.2010 - 30.09.2010

	CHANGE IN %	01.01.2010 - 30.09.2010 IN CHF	01.01.2009 - 30.09.2009 IN CHF
Revenue	36%	3'260'709	2'391'406
Company produced additions to software development	19%	2'513'647	2'118'336
TOTAL INCOME	28%	5'774'356	4'509'742
Costs of goods sold	-21%	-61'152	-76'969
Personnel expenses	65%	-5'249'855	-3'173'321
Operational expenses	14%	-1'655'383	-1'450'293
	48%	-6'966'390	-4'700'583
EBITDA	525%	-1'192'034	-190'841
Depreciation & Amortization	27%	-1'850'364	-1'451'492
INCOME FROM OPERATIONS	85%	-3'042'398	-1'642'333
Financial income	-85%	13'844	92'781
Financial expenses	2013%	-659'499	-31'212
	-1149%	-645'655	61'569
INCOME BEFORE TAX	133%	-3'688'053	-1'580'764
Tax income / expense	62%	-50'572	-31'224
(-) LOSS / PROFIT FOR THE PERIOD	132%	-3'738'625	-1'611'988

Note: Figures are unaudited. For further details see notes below.

Consolidated Balance (unaudited) sheet as of 30.09.2010

	VERÄNDERUNG IN %	30.09.2010 IN CHF	30.09.2009 IN CHF
ASSETS			
NON-CURRENT ASSETS	30%	5'639'697	4'354'878
Intangible assets	30%	5'432'450	4'192'486
Plant and equipment	28%	207'246	162'392
CURRENT ASSETS	-4%	4'870'906	5'063'610
Trade and other receivables	-28%	3'468'446	4'785'595
Cash and cash equivalents	404%	1'402'460	278'015
TOTAL ASSETS	12%	10'510'603	9'418'489
EQUITY	16%	9'827'786	8'438'009
Share capital	8%	5'426'066	5'039'224
Share premium	31%	11'858'597	9'024'967
Reserve for share based payments		1'343'798	0
Accumulated loss	56%	-8'800'675	-5'626'182
CURRENT LIABILITIES	-57%	422'591	980'479
Trade accounts payable and other liabilities	-58%	405'905	967'876
Tax liabilities	32%	16'686	12'603
LONG TERM LIABILITIES		260'226	0
Pension plan		260'226	0
TOTAL EQUITY AND LIABILITIES	12%	10'510'603	9'418'488

Notes: Figures are unaudited. As part of the interim financial statements and according to IFRS reported amounts of assets and liabilities and the reported amounts of revenues and expenses are subject to estimates. The actual results could differ from those estimates.

About OpenLimit

OpenLimit Holding AG is an internationally leading provider of certified software for electronic signatures and identities. Our software components can easily be integrated into existing applications, enable the efficient management of electronic documents, media-consistent workflows and process optimization in all business areas. Maximum security and legal validity are the outstanding features of the software solutions on offer. OpenLimit holds the very first certification recognizing compliance with the most stringent international security standard for software products, Common Criteria EAL4+.

For further information, please visit: <http://www.openlimit.com>

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Legal

This announcement contains forward-looking statements. Forward-looking statements are statements which do not describe past facts; they also include statements on our assumptions and expectations. Every statement in this press release that presents our intentions, assumptions, expectations or forecasts (as well as the underlying die assumptions) is a forward-looking statement. These statements are based on plans, estimates and prognoses currently available to the OpenLimit Holding AG board of management. Forward-looking statements therefore only refer to the day on which they are made. We do not assume an obligation to develop such statements any further in view of new information or future events.