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OPTION REPORTS FULL YEAR 2015 RESULTS

FOCUS ON SMART LIGHTING, CONNECTED CAR, ENGINEERING SERVICES AND CLOUDGATE SOLUTIONS

CEO FRANK DESCHUYTERE LEAVES OPTION

Leuven, Belgium – March 10, 2016 – Option N.V. ([EURONEXT Brussels: OPTI](#); [OTC: OPNVY](#)) today announced its results for the full fiscal year 2015 ended December 31, 2015. The financial information reported in this release is presented in Euros and has been prepared in accordance with the recognition and measurement criteria of IFRS as adopted by the European Union. The accounting policies and methods of computation followed in the attached financial statements are the same as those followed in the most recent annual financial statements.

FINANCIAL HIGHLIGHTS OF THE FULL FISCAL YEAR 2015

For a detailed report on the consolidated Income Statement and Balance Sheet, we refer to the financial report below.

The highlights of the consolidated results include the following (in thousands EUR):

	Reported	Normalized
Full year revenues:	4 698	4 698
Gross profit:	1 328	2 165
Operating expenses:	(13 082)	(11 673)
EBIT:	(11 754)	(9 508)
EBITDA:	(7 927)	(6 840)
Result before taxes:	(14 066)	(11 820)
Net result:	(14 084)	(11 838)

Total revenues for 2015 were EUR 4.7 million compared with EUR 5.2 million realized in 2014. CloudGate revenues increased with EUR 1 million and revenues from embedded modules and devices decreased with EUR -1.7 million.

Gross margin for the year 2015 was 28.3 % on total revenues compared with a gross margin of 43.6 % in 2014. Excluding the write-off on inventories of EUR 837 thousand, the normalized gross margin would have reached 46.1 % in 2015

During 2015, the operating expenditure decreased with EUR 385 Thousand from EUR 13.5 million in 2014 to EUR 13.1 million in 2015

Normalized impact 2015 (in thousands EUR):

Operating expenses	(13 082)
Impairment on financial assets	746
Impairment on intangible assets	413
Correction withholding taxes personnel	250
Normalized operating expenses 2015	(11 673)
Normalized operating expenses 2014	(13 467)

This decrease in normalized operating costs of EUR 1.8 million results from further cost control.

In 2015 EBIT amounted to EUR -11.8 million compared to EUR -11 million in 2014.

The financial result decreased from EUR -1.8 million in 2014 to EUR -2.3 million in 2015, mainly as a result of interests due on the convertible bonds which were issued at the beginning of the second quarter of 2015 and in November 2015 as also the bridge funding raised in the first half of 2015.

The 2015 cash burn was compensated by a bridge funding of 2.7 million EUR during the first half of 2015, a convertible bond of 6.0 million EUR in November 2015 and further leveraging the company's working capital.

The cash position increased from EUR 1.6 million at the end of 2014 to EUR 4.1 million at the end of 2015.

The net result for the full year 2015 amounted to EUR -14.1 million or EUR -0.15 per basic and diluted share. This compares to a net result of EUR -12.9 million or EUR -0.15 per basic and diluted share during 2014.

During 2015, 2,116,782 new shares we created as the result of the conversion of convertible bonds.

BUSINESS UPDATE

Whereas CloudGate remains a building block of projects and solutions, the full year results indicate that the expected pick-up of CloudGate sales did not materialize. The current sales process involving multiple partners before the solution reaches the end-customer, remains complicated, slow and with steeper learning curves than anticipated. Although the CloudGate platform is unique and appreciated by our partners, the Company has not been able to monetize the platform in a sustainable way fast enough.

To address this situation, the Company – since the second half of 2015 and through 2016 – additionally embarked on the go-to-market strategy of commercializing end-to-end solutions.

- Connected Car Solutions: through the strategic partnership with Danlaw Inc., the Company, has a complete Connected Car Solution targeted towards insurance companies and fleet managers;
- Smart Lighting Solutions: through the acquisition of InnoLumis, the Company has a complete Smart Lighting Solution, generating a vivid interest from numerous cities and municipalities.

At its core, Option is an engineering company. Its expertise in Radio Frequency (RF) design and development is recognized worldwide. The Company continues to actively commercialize its expertise in these areas. The contract for designing and developing an On Board Diagnostics Datalogger (OBD) for Danlaw or the work for Asea Brown Boveri (ABB) and Jabil Circuit are examples of the Company's expertise in engineering services.

The Company continues to support its channel partners and end-customers on the CloudGate platform by selecting end-to-end applications developed by our partners for further commercialization by Option.

The Board of Directors has decided to terminate the mandate of the CEO, Frank Deschuytere, with immediate effect. The Board has decided to entrust its Executive Chairman, Mr Jan Callewaert, with the daily management of the Company.

Jan Callewaert, Option's Executive Chairman:

"With CloudGate as a platform for IoT solutions, we have become a partner in the pioneering market of 'Internet of Things'. CloudGate technology is perceived as an essential building block adding connectivity and smart applications to the Internet of Things. Over the last two years we obtained valuable feedback from our target markets. Consequently, we carefully selected the business segments of smart lighting and connected cars. To fully exploit this potential, the Company acquired Dutch Lemnis Public Lighting & Innolumis Public Lighting and entered into a corporate partnership through an important investment from Danlaw Inc USA, global provider of telematics and connected vehicle solutions. The Company is turning the page and will be working on its future in a novel way. The Company created, and will manage the following business entities separately: Engineering Services, Smart Lighting Solutions, Connected Car Solutions and CloudGate Solutions. To that end every entity will have to focus on cost alignments for its activities to become at least break-even. We are looking into organizing the CloudGate business entity in such a way that it is ready for future partnering while we see appetite for investments in Smart City applications, in particular connected building and public lighting."

CORPORATE

Following the continued review by the statutory auditor of the Company of the cash position of the Company and its continuity, the Option Board of Directors has further deliberated in this respect and informed the market accordingly in its press releases of April 21, 2015 and July 3, 2015.

In addition to the announced 2.7M EUR bridge financing provided by its existing bond- and other stakeholders in March of 2015, the Company secured an additional convertible bond loan of 6 mio EUR in November of 2015. Under the terms of the agreement Danlaw Inc. invests up to € 10 million in Option by means of a private placement in two phases. Initially via a Convertible Bond loan of € 6 million at an accrued interest of 5% yearly as agreed by the Board on November 6, 2015 within the context of the authorized capital. The Convertible Bond loan has a term of 5 years and will expire on November 5, 2020 and can be converted in maximum 32.894.736 shares of Option at a conversion price of € 0.228 per share, interest included, taxes excluded. The conversion price is set at 30 days average stock price before issue in accordance with Article 598 of the Code of Companies.

In addition to the Bond loan, Danlaw has the possibility to invest an amount of € 4 million through warrants which were issued by an Extraordinary Shareholders' Meeting of January 26, 2016.

On 26 June 2015 the Extraordinary Shareholder's Meeting of the Company decided to renew the authorized capital of the Company for a total amount of four million seven hundred thirty eight thousand nine hundred sixty four euro and fifty cent (EUR 4,738,964.50), both by means of contribution in cash or in kind, within the limits imposed by the Belgian Code of Companies as well as by conversion of reserves and issue premiums, with or without the issue of new shares, with or without voting right, or through the issue of convertible bonds, subordinated or not, or through the issue of warrants or of bonds to which warrants or other movables are linked, or of other securities, such as shares in the framework of a Stock Option Plan. Furthermore the Extraordinary Shareholder's Meeting of the Company decided to grant the board of directors special authority, in the event of a public take over bid for securities issued by the Company during a period of three (3) years, running from the Extraordinary Shareholders' Meeting which will resolve on this authorization, to proceed with capital increases under the conditions foreseen by the Belgian Code of Companies and has authorized the board of directors, in the interest of the company, within the limits and in accordance with the conditions imposed by the Belgian Code of Companies, to limit or suspend the preferential rights of the shareholders, when a capital increase occurs within the limits of the authorized capital. This limitation or suspension may likewise occur for the benefit of one or more specified persons.

EVENTS AFTER THE BALANCE SHEET DATE

Going concern

Given the continued cash drain in 2016, the Board is looking for further project fundings as well as financial funding in the short term.

Other events after balance sheet date

On January 21, 2016 Option announced the acquisition of the shares of the Dutch LED lighting companies Lemnis Lighting BV Public and Innolumis Public Lighting BV and merges the two companies into a single commercial organization under the name Innolumis Public Lighting.

On January 26, 2016, the Extraordinary Shareholder's Meeting of the Company decided to renew the authorized capital of the Company for a total amount of four million eight hundred forty four thousand eight hundred two euro and seventy cent (EUR 4,844,802.70), both by means of contribution in cash or in kind, within the limits imposed by the Belgian Code of Companies as well as by conversion of reserves and issue premiums, with or without the issue of new shares, with or without voting right, or through the issue of convertible bonds, subordinated or not, or through the issue of warrants or of bonds to which warrants or other movables are linked, or of other securities, such as shares in the framework of a Stock Option Plan. Furthermore, to grant the board of directors special authority, in the event of a public take over bid for securities issued by the Company during a period of three (3) years, running from the Extraordinary Shareholders' Meeting which has resolved on this authorization, to proceed with capital increases under the conditions foreseen by the Belgian Code of Companies. To authorize the board of directors, in the interest of the company, within the limits and in accordance with the conditions imposed by the Belgian Code of Companies, to limit or suspend the preferential rights of the shareholders, when a capital increase occurs within the limits of the authorized capital. This limitation or suspension may likewise occur for the benefit of one or more specified persons.

Furthermore, the Extraordinary Shareholder's Meeting of the Company decided to grant 17,391,304 warrants to Danlaw Inc. for a total amount of 4 mio EUR, if exercised, this would increase the capital

of the company with eight hundred sixty-nine thousand five hundred sixty five euro and twenty cent (EUR 869,565.20).

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Financial report prepared in accordance with International Financial Reporting Standards (IFRSs)

CONSOLIDATED INCOME STATEMENT FOR THE TWELVE MONTHS ENDED 31 DECEMBER

For the full year ended 31 December Thousands Euro except number per share	Dec 31, 2015	Dec 31, 2014
Revenues	4 698	5 230
Cost of products sold	(3 370)	(2 949)
Gross Margin	1 328	2 281
Research and development expenses	(4 956)	(5 345)
Sales, marketing and royalty expenses	(3 336)	(3 073)
General and administrative expenses	(4 790)	(5 049)
Total operating expenses	(13 082)	(13 467)
Impact of deconsolidation	0	166
Result from operations (EBIT)	(11 754)	(11 020)
Finance costs	(2 534)	(2 753)
Finance income	222	951
Finance result - net	(2 312)	(1 802)
profit / (loss) before income taxes	(14 066)	(12 822)
Income tax benefits / (expenses)	(18)	(34)
Net result of the period attributable to the owners of the company	(14 084)	(12 856)
Earning per share		
Basic weighted average number of ordinary shares	95 964 132	87 929 977
Diluted weighted average number of ordinary shares	95 964 132	87 929 977
Basic earnings / (loss) per share	(0.15)	(0.15)
Diluted earnings / (loss) per share	(0.15)	(0.15)

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INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER

For the year ended 31 December

Thousands euro

	Dec 31, 2015	Dec 31, 2014
Profit / (Loss) for the period	(14 084)	(12 856)
<u>Other comprehensive income</u>		
Items that may be reclassified subsequently to profit or loss		
Exchange difference arising on translation on foreign operations	126	112
Other comprehensive income / (loss) for the period (net of tax)	126	112
Total comprehensive income / (loss) for the period attributable to the owners of the parent	(13 958)	(12 744)

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**CONSOLIDATED STATEMENT OF
FINANCIAL POSITION**

Thousands Euro	Dec 31, 2015	Dec 31, 2014
Assets		
Intangible assets	893	3 051
Property, plant and equipment	120	255
Other financial assets	490	1 236
Other non-current assts	15	17
Total non-current asstes	1 518	4 559
Inventories	1 501	3 139
Trade and other receivables	732	848
Cash and cash equivalents	4 068	1 554
Income tax receivable	12	10
Total current assets	6 313	5 551
Total assets	7 831	10 110
Liabilities and shareholders' value		
Issued capital	4 845	4 739
Share premium	5 076	3 763
Reserves and CTA	(37 623)	(23 769)
Total shareholders' equity attributable to the owners of the company	(27 702)	(15 267)
Financial debt	26 105	17 574
Total non-current liabilities	26 105	17 574
Trade and other payables	9 124	7 544
Provisions	295	258
Income tax payable	9	1
Total current liabilities	9 428	7 803
Total liabilities and shareholders' value	7 831	10 110

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**CONSOLIDATED CASH FLOW STATEMENT FOR THE
TWELVE MONTHS ENDED 31 DECEMBER**

For the year ended 31 December Thousands Euro	31 Dec 2015	31 Dec 2014
OPERATING ACTIVITIES		
Net Result (A)	(14 084)	(12 856)
Amortization of intangible assets	2 533	3 228
Depreciation of property, plant and equipment	135	266
Impairment of financial assets	746	0
Loss / (gains) on sale of property, plant and equipment	(65)	7
Loss / (gains) on sale of financial assets	0	(166)
(Reversal of) write-offs on current and non current asstes	916	226
Impairment losses on intangible assets	413	4
Increase / (decrease) in provisions	36	10
Unrealized foreign exchange losses / (gains)	42	27
Interest (income)	(4)	(13)
Interest expense	2 129	1 676
Equity settled share based payment expense	104	26
Tax expense / (benefit)	18	34
Total (B)	7 003	5 325
Cash flow from operating activities before changes in working capital (C) = (A) + (B)	(7 081)	(7 531)
Decrease / (increase) in inventories	835	44
Decrease / (increase) in trade and other receivables	67	522
(Decrease) / increase in trade and other payables	1 450	(1 368)
(Decrease) / increase in deferred revenue	0	(200)
Use of provisions	0	
Total changes in workig capital (D)	2 352	(1 002)
Cash generated from operation (E) = (C) + (D)	(4 729)	(8 533)
Interests and other finance costs (paid) (F)	(705)	(692)
Interests and other finance revenue received (G)	4	13
Income tax (paid) / received (H)	(8)	(15)
Cash flow from operating activities (I) = (E) + (F) + (G) + (H)	(5 438)	(9 227)

INVESTING ACTIVITIES

Expenditure on product development, net of grants received
Acquisition of property, plant and equipment
Proceeds from the sales of property, plant and equipment

CASH FLOW USED IN INVESTING ACTIVITIES (J)**FINANCING ACTIVITIES**

Proceeds of borrowings
Finance lease liabilities
Repayment of borrowings

CASH FLOW PROVIDED BY / (USED IN) FINANCING ACTIVITIES (K)**Net increase / (decrease) of cash and cash equivalents = (I) + (J) + (K)**

Cash and cash equivalents at beginning of year

Effect of foreign exchange difference

Cash and cash equivalents at end of period

Difference

	(788)	(2 348)
	0	(5)
	65	
CASH FLOW USED IN INVESTING ACTIVITIES (J)	(723)	(2 353)
FINANCING ACTIVITIES		
Proceeds of borrowings	8 675	12 000
Finance lease liabilities	0	(7)
Repayment of borrowings	0	(500)
CASH FLOW PROVIDED BY / (USED IN) FINANCING ACTIVITIES (K)	8 675	11 493
Net increase / (decrease) of cash and cash equivalents = (I) + (J) + (K)	2 514	(87)
Cash and cash equivalents at beginning of year	1 554	1 623
Effect of foreign exchange difference	0	18
Cash and cash equivalents at end of period	4 068	1 554
Difference	2 514	(87)

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

In Thousand EUR	Issued Capital	Share premium	share-based payment reserve	Currency translation reserve	Share issue costs	retained earnings / (losses)	Total
At 1 January 2014	4 125	1 078		(39)	(2 617)	(8 395)	(5 848)
Net result of the year	-	-	-	-	-	(12 856)	(12 856)
Other comprehensive income for the year, net of income tax	-	-	-	112	-	-	112
Total comprehensive loss for the year	-	-	-	112	-	(12 856)	(12 744)
Equity component of the convertible loan	-	(201)	-	-	-	-	(201)
Transfer to/from	-	-	-	-	-	-	
Capital increase	614	2 886	-	-	-	-	3 500
Capital decrease	-	-	-	-	-	-	0
Share based payments	-	-	26	-	-	-	26
At 31 December 2014	4 739	3 763	26	73	(2 617)	(21 251)	(15 267)
Net result of the year						(14 084)	(14 084)
Other comprehensive income for the year, net of income tax				126			126
Total comprehensive loss for the year	-	-	-	126	-	(14 084)	(13 958)
Equity component of the convertible loan		812					812
Transfer to/from							
Capital increase	106	501					607
Capital decrease							
Share based payments			104				104
At 31 December 2015	4 845	5 076	130	199	(2 617)	(35 335)	(27 702)

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SEGMENT REPORT

Thousand Euros	Revenues from external customers		Operating segment result	
	2015	2014	2015	2014
Devices & Solutions	274	1 197	(671)	(449)
Embedded & Solutions	1 285	2 079	(1 469)	226
IOT solutions	2 291	1 261	(4 083)	(1 938)
Engineering Services	848	693	381	655
Other	-	-	-	-
Totals	4 698	5 230	(5 842)	(1 506)
Unallocated Operating Expenses			(5 912)	(9 514)
Finance (costs) / income			(2 312)	(1 802)
Income taxes / (expenses)			(18)	(34)
Net result			(14 084)	(12 856)

Option is currently finalizing its IFRS financial statements for the year ended 31 December 2015. The auditor has not yet completed his audit procedures as of today mainly with respect to the going concern. Should any material changes arise during the audit finalization, an additional press release will be issued. Option expects to be able to publish its fully audited Annual Financial Report for the year 2015 on or before April 28, 2016.

This press release contains forward-looking information that involves risks and uncertainties, including statements about the company's plans, objectives, expectations and intentions. Such statements include, without limitation, discussions concerning the company's strategic direction and new product introductions and developments. Readers are cautioned that such forward-looking statements involve known and unknown risks and uncertainties that may cause actual results to differ materially than those set forth in the forward looking statements. The risks and uncertainties include, without limitation, the early stage of the market for connectivity and integrated wireless products and solutions for portable and handheld computers and mobile telephones, the management of growth, the ability of the company to develop and successfully market new products, rapid technological change and competition. Some of these risk factors were highlighted in the Consolidated and Statutory Report 2014 of the Board of Directors which can be found in the Annual Report 2014 page 25-26. The forward-looking statements contained herein speak only as of the date of this press release. The company expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any such statement to reflect any change in the company's expectations or any change in events, conditions or circumstance on which any such statement is based.

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ABOUT OPTION

Option connects Things to the Cloud. With more than 25 years of experience and many industry's firsts in the wireless industry, the Company is ideally positioned to bring the most efficient, reliable and secure wireless solutions to business markets (B2B) and industrial markets (M2M). The Company partners with system integrators, value added resellers, application platform providers, value add distributors and network operators to bring tailor made solutions to end-customers. Option is headquartered in Belgium and maintains offices in Europe, the US, Greater China and Australia. More information: www.option.com

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