Option NV

Statutory auditor's report
to the shareholders' meeting
on the annual accounts
for the year ended 31 December 2012

The original text of this report is in Dutch
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To the shareholders

As required by law and the company’s articles of association, we report to you on the performance of our mandate of statutory auditor. This report includes our report on the annual accounts as defined below together with our report on other legal and regulatory requirements.

Report on the annual accounts – Disclaimer of Opinion

We were engaged to audit the annual accounts of Option NV ("the company") for the year ended 31 December 2012, prepared in accordance with the financial reporting framework applicable in Belgium, which show total assets of 11.425 (000) EUR and a loss for the year of 4.434 (000) EUR.

Responsibility of the board of directors for the preparation of the annual accounts

The board of directors is responsible for the preparation and fair presentation of annual accounts in accordance with the financial reporting framework applicable in Belgium, and for such internal control as the board of directors determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

Statutory auditor’s responsibility

Our responsibility is to express an opinion on these annual accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the statutory auditor’s judgment, including the assessment of the risks of material misstatement of the annual accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company’s preparation and fair presentation of the annual accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the board of directors, as well as evaluating the overall presentation of the annual accounts.

Because of the matter described below in the ‘Basis for disclaimer of opinion’ paragraph, however we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.
**Basis for Disclaimer of opinion**

During the past year, the Option group has been unable to realize the objectives it had initially set under the revised business plan of the board in terms of turnover and gross margin. As a result, the group has again incurred negative cash flows which have severely impacted its financial and liquidity position per 31 December 2012. Therefore there exists a significant uncertainty concerning the group’s ability to continue its business activities. We draw your attention to the annual report, section “Valuation rules”, in which the board of directors describe the main measures in order to preserve the going concern of the company.

The company’s ability to continue as a going concern on the short term will depend on the extent to which the company realises:

- The successful commercial introduction in the coming months of the recently developed M2M product, Cloudgate, and following this successful commercial development, gains access to financing means to secure sufficient ongoing liquidity;
- The budgeted revenues and margins, build around Cloudgate but also the further sale of some of the existing product portfolio;
- The timely execution of the cost reduction measures to further lower the group’s cost base; and
- A positive decision by the shareholders of Option NV during the extra-ordinary shareholder’s meeting in the framework of Article 633 of the Code of Companies which will be convened on 3 May 2013.

The accumulation of conditions that need to be fulfilled present a fundamental uncertainty about the going concern of the company and about the relevance of the financial information. No adjustments have been recorded herein with respect to the valuation or the classification of certain balance sheet items, which would be required, should the group no longer be able to continue its operations.

In particular, the company’s balance sheet includes capitalization development expenses amounting to 4,579 (000) EUR, which could be subject to significant impairments in case the group would not be able to continue as a going concern. Likewise, the valuation of the company’s recent investment of 1,195 (000) EUR in Autonet Inc. is dependent on the successful introduction of Autonet’s products in the automotive market in the United States.

**Disclaimer of opinion**

Because of the multiple and significant uncertainties described in the “Basis for disclaimer of opinion” paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the annual accounts.

**Report on other legal and regulatory requirements**

The board of directors is responsible for the preparation and the content of the directors’ report on the annual accounts, for maintaining the company’s accounting records in compliance with the legal and regulatory requirements applicable in Belgium and for the company’s compliance with the Companies Code and the company’s articles of association.

In the framework of our mandate, our responsibility is to verify, for all significant aspects, the compliance with some legal and regulatory requirements. On this basis, we provide the following additional comments which do not modify the scope of our opinion on the annual accounts:

- The directors’ report includes the information required by law, is, for all significant aspects, in agreement with the annual accounts and is not in obvious contradiction with any information obtained in the performance of our mandate.
- Without prejudice to certain formal aspects of minor importance, the accounting records are maintained in accordance with the legal and regulatory requirements applicable in Belgium.
• The appropriation of the results proposed to the general meeting is in accordance with the requirements of the law and the company’s articles of association.

• Except for the late filing at the National Bank of Belgium of the financial statements for the year ended 31 December 2011 in line with article 98 of the Companies Code, no transactions have been undertaken or decisions taken in violation of the company’s articles of association or the Companies Code such as we would be obliged to report to you.

• In accordance with article 523 of the Companies Code, we are required to report on the following operations which have taken place since 31 December 2011:
  - In its meeting of 25 January 2012, the board of directors decided upon a follow-up investment in Autonet Mobile Inc. This represented a conflict of interest for David Hytha, director of the company, and owner of warrants of Autonet Mobile Inc. The board of directors estimates the financial consequences for the company at an investment of 200 (000) USD for 2012.
  - In its meeting of 23 January 2013, the board of directors decided to approve the loan agreement of maximum 5,000 (000) EUR from Jan Callewaert with an interest rate of 5% per year. This represented a conflict of interest for Jan Callewaert, director and CEO of the company. There are no financial consequences for the company as the loan facility was unused and subsequently cancelled following the issuance of the convertible bond of 9,000 (000) EUR on 28 March 2013.
  - In its meeting of 28 March 2013, the board of directors decided upon the issuance of a convertible bond of 9,000 (000) EUR. This represented a conflict of interest for Jan Callewaert, both directly and indirectly through Mondo NV and Athos Investments BVBA, and Francis Vanderhoydonck, indirectly through Athos Investments BVBA. We refer to the annual report of the board of directors, section “Related parties – conflict of interest procedures” for details on the financial consequences of this transaction.

We refer to the attached director’s report for the respective extracts from the minutes of the board of directors.

• The net equity decreased below one half of the issued capital. We would like to draw your attention to the fact that the procedure as outlined in article 633 of the Companies Code has been complied with and a special board of directors’ report has been prepared.

Diegem, 30 April 2013

The statutory auditor

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BV o.v.v.e. CVBA / SC s.f.d. SCRL
Represented by Geert Verstraeten