OPTION

Annual report 2015

CONTENTS

1. MESSAGE TO SHAREHOLDERS

Dear Option Shareholders,

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.

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.

Jan Callewaert
Executive Chairman

2. CONSOLIDATED AND STATUTORY REPORT 2015 OF THE BOARD OF DIRECTORS OF OPTION NV

Ladies and gentlemen,
Dear shareholders,

We hereby present to you our report relating to the statutory and consolidated results of Option NV (also referred to as the "**Company**") for the financial year that ended on 31 December 2015.

The consolidated results include the financial statements of the parent company Option NV and all of its subsidiaries as per the end of the financial period, i.e.: Option Wireless Ltd. (Cork, Ireland), Option Germany GmbH (Augsburg, Germany), Option Inc. (Alpharetta, United States of America), Option Wireless Japan KK (Tokyo, Japan), Option Wireless Hong Kong Limited (Hong Kong, PR China), Option Wireless Technology Co. Ltd. (Suzhou, PR China), Option Wireless Hong Kong Limited Taiwan Branch (Taipei, Taiwan) (jointly "**Option**" or the "**Group**"). Intra-group trading has been eliminated upon consolidation.

OVERVIEW OF RESULTS AND ALLOCATION OF RESULTS OF THE COMPANY

Consolidated results

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 837k, the normalized gross margin would have reached 46.1 % in 2015

During 2015, the operating expenditure decreased with EUR 385k 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 (11.0) 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.

Statutory results

Full year statutory operating income was EUR 5.6 million (based on EUR 4.5 million turnover, EUR 0.8 million capitalized development costs, decrease in stocks in finished goods, work and contracts in progress EUR (0.9) million and EUR 1.2 million other operating intercompany income and recovery of expenses). This operating income decreased compared to 2014 revenues of EUR 8.8 million (based on EUR 4.6 million turnover, EUR 2.3 million capitalized development costs and EUR 1.9 million other operating intercompany income).

The operating charges decreased from EUR 18.4 million to EUR 16.4 million resulting in a negative operational result or EBIT of EUR 10.8 million compared to a negative EBIT of 9.6 million in 2014. In 2014 a reversal of the write off on intercompany positions for an amount of EUR 2.2 million was included.

The financial income improved slightly from 2014. The financial costs increased from EUR 1.4 million in 2014 to EUR 2.2 million in 2015. This is mainly due to the interests to be paid on the convertible bonds and currency translation differences.
The extraordinary cost relates to the impairments on the financial and intangible assets.

Due to the above, the net result changed from a net loss of EUR 11.1 million in 2014 to a net loss of EUR 14.1 million in 2015.

The intangible assets decreased from EUR 3.1 million to EUR 0.9 million, mainly due to a lower capitalization of development projects in 2015. The tangible assets decreased from EUR 0.3 million to EUR 0.1 million due to general depreciations. The financial fixed assets decreased from EUR 1.3 million in 2014 to EUR 0.6 million in 2015, due to an impairment of EUR 0.7 million on the participation in Autonet Mobile, Inc.

The inventory position decreased from EUR 3.1 million to EUR 1.5 million, mainly due a write–off.

The trade and other receivables increased from EUR 6.4 million in 2014 to EUR 6.7 million in 2015.

Cash and cash equivalents only increased over the year from EUR 1.2 million in 2014 to EUR 3.9 million at the end of 2015, which taking into account the additional financing of EUR 8.7 million represents a further cash burn of EUR 6 million

The long term debts increased from EUR 18 million in 2014 to EUR 27.2 million in 2015, mainly due to a bridge loan of EUR 2.7 million and a new convertible bond of EUR 6 million.

The amounts payable within one year increased from EUR 12.5 million in 2014 to EUR 14.6 million at the end of 2015, mainly due to agreed payment plans with extended terms.

On a balance sheet total of EUR 13.7 million, the total equity as of 31 December 2015 amounted EUR (29.2) million.

Allocation of the statutory result

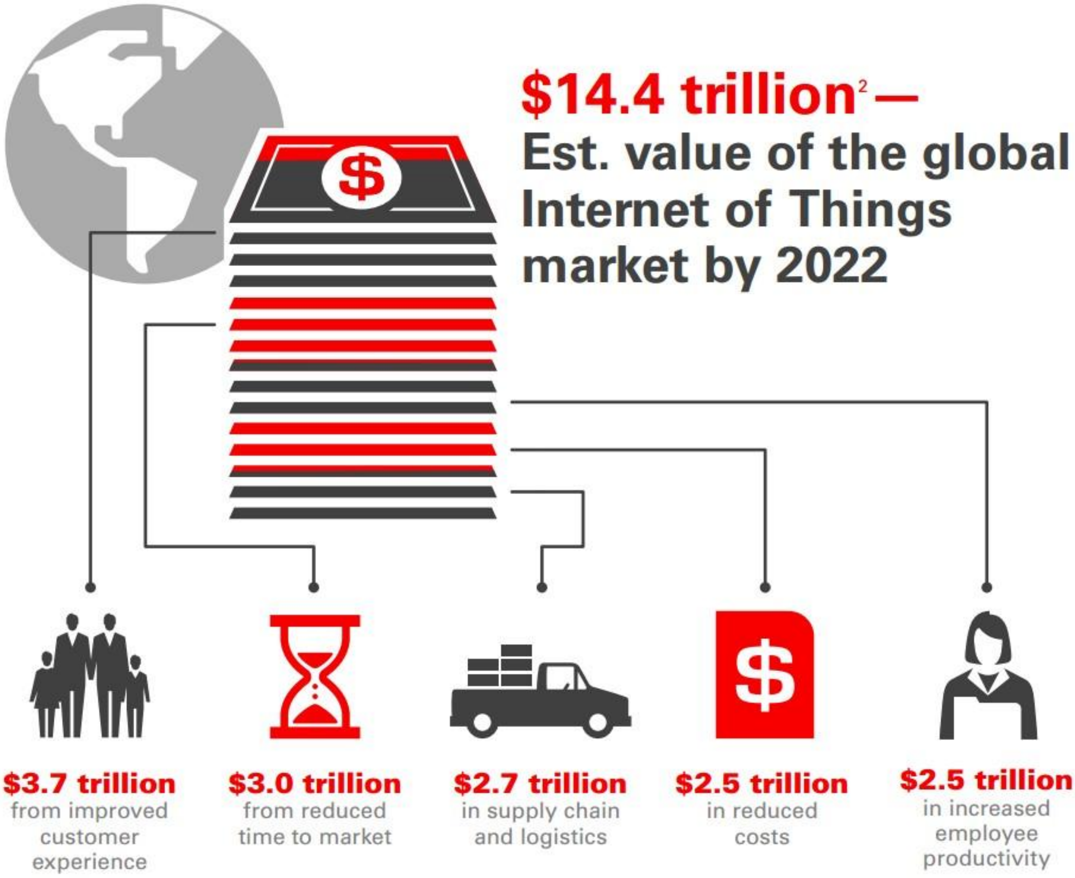
The statutory accounts of the Company (Belgian GAAP) reported a net loss for the year 2015 of EUR 14.1 million, compared with a net loss of EUR 11.1 million in 2014.

The Board of Directors proposes to add the non-consolidated net loss of EUR 14.1 million of 2015 to the loss carried forward from the previous years.

Abridged allocation account (According to Belgian Accounting Standards)		
December 31- in Thousands EUR	2015	2014
Profit/(loss) carried forward from previous year	(23 953)	(12 875)
Profit/(loss) for the period available for appropriation	(14 067)	(11 078)
Profit/(loss) to be appropriated	(38 020)	(23 953)

ACTIVITIES IN THE FIELD OF RESEARCH AND DEVELOPMENT AND THE POSITION OF THE COMPANY AND THE GROUP

Market overview



Cisco predicts the global IoT market will be $14.4T by 2022. Industry-specific use cases will generate $9.5T (66%) including smart grid, connected personal vehicles. Cross-industry use cases will generate $4.9T (34%) including future of work initiatives (telecommuting and collaboration technologies), and travel avoidance. (Source: Embracing the Internet of Everything To Capture Your Share of $14.4 Trillion, white paper published by Cisco.)

Companies selling into IoT markets see reasonable growth but still the immaturity of markets continues to limit growth unnecessarily. New markets which consider completely new, potentially disruptive solutions, take a lot of time to develop, because the value chain partners explore quite new grounds of product, service and cooperation. The more big corporate companies are involved the more their complex decision making processes potentially lengthen the time to market for all players in the value chain.

The transition to 4G technology for M2M in the US is continuing swiftly probably also supported by the closure of 2G networks and the desire to be upwards compatible, if applications require more bandwidth in the future. Remote device management has been proven to be an important enabler for IoT strategies and the cost of 4G modules have reached price levels to support the trend. We expect LTE to be the predominant wireless backhaul technology for the US M2M market. In Europe where LTE deployment is slower and operator assures on continued availability of 2G coverage, we expect this transition to take longer. In Europe we continue to see the emergence of some "parallel" M2M networks such as SigFox and LoRa that are focussed on delivering very low per unit fixed and recurring cost and low power consumption for backhaul of very small quantities of data.

We continue to see a steady stream of new entrants into the market of IoT Applications and IoT Enablement. The consolidation of those will continue and established companies complement their business portfolio by the acquisition of IoT start ups and other innovative companies.

Option's position

Option has strongly enhanced its position in the connected vehicle market of IoT by partnering with Danlaw Inc. from Novi, Michigan, the leading US company in telematics and connected vehicle solutions. Those solutions cover amongst others fleet management (Azuga) and IoT telematics solutions with superior OBD hard- and software like usage based insurance (UBI), road usage charging (RUC). Synergies in adjacent markets for Danlaw IoT solutions and Cloudgate IoT solutions will be exploited going forward beyond other excellent business opportunities of cooperation in the future.

Through the acquisition of InnoLumis B.V., Amersfoort NL, the Company has a complete Smart Lighting Solution, generating a vivid interest from numerous cities and municipalities. The standing products of Innolumis are well differentiated and recognised in the market also due to their innovative concept of mesopic light. When being exposed to Innolumis Smart Lighting Solutions the human eye sees more light and more colours with less energy consumed than traditional LED would use. Innolumis will continue to increase revenues while being already the base for advanced smart city projects with several cities and municipalities.

On the Cloudgate business Option continued in 2015 to sell the Cloudgate platform as a horizontal enabler for IoT solutions which has proven in market the strong appreciation of our high quality & highly flexible hard - and software platform. Unfortunately the control over the time to market and the progress of the projects was difficult for Option in this set up and the required acceleration of the business was not sufficient to deliver the desired financial results.

In the future Option will focus on delivering e2e solutions to customers and control the business process tighter to ensure the required acceleration of the business ramp up. Sensor propositions resonate quite well in the market and Option plans to bring those as e2e solution to customers together with technology and channel partners.

Option will continue to supply its Cloudgate hard – and software platform to partners who build their solutions on it, as the platform is much appreciated for the flexibility and fast time to market capabilities. It represents an upswing potential for the business and leverages the efforts from the past.

Engineering

In line with the plan set forth in 2013, the Company continued to run the dedicated team that focuses on building end-to-end solutions using LuvitRED as the fundamental building block on top of our hardware. Customers highly appreciated the significant acceleration of the time to market also enabled by the broad availability of major software building blocks for IoT verticals. (f.i. KNX & BacNET for smart buildings and Modbus for smart energy). This team strongly interacts with the end customers, in a consulting role as well as actual developers. This strengthened the Companies position to provide complete e2e solutions and become a "one stop shop" for M2M and IoT solutions.

The appreciation of LuvitRED by the vast majority of customers and prospects has triggered the implementation of license keys into the software stack to enable the company to charge for advanced IoT software building blocks going forward.

The Lab & Engineering services further ramped up their activities and have finished customer projects successfully in the area of general wireless system designs, simple and complex antenna designs, system architecting, performance measurement and engineering of wireless systems, system integrations of GSM modules into other technology domains. This whole activity leverages the significant capabilities and experience of Option Wireless N.V. in wireless technologies.

Dedicated expansion cards of Cloudgate have been developed for Monnit wireless sensors and Lora solutions as well as a dual mode Bluetooth card (Classic + Bluetooth low energy).

Organization

Option Wireless will initially split its organization into three entities which will be managed with their own P&L: Engineering Services, Innolumis Lighting Solutions and Cloudgate Solutions. Engineering services have proven in the market that they can create revenues which fund the organization profitably.

Innolumis Lighting solutions are well differentiated in the market and the entity ramps up its business continuously while smart lighting solutions represent upswing potential for the mid and long term future.

The focus on e2e solutions will allow a dedicated Cloudgate team to manage closer the ramp up of the business. Lots of customers appreciate the quality, capabilities and flexibility of the product in comparison to competing solutions in the market.

Initially the connected vehicle business opportunities from Danlaw and Option will be exploited by the Cloudgate Solutions organization while we will review the business set up later in the year.

Operations

For the manufacturing of its products the Company works with specialized production partners to whom the assembly on the printed circuit boards is outsourced. For this process the Company mainly works with Jabil Circuit in their plant in Wuxi, China. All manufacturing companies provide services such as component purchase, production, testing, quality control, fulfillment and logistics. The Manufacturing test process is designed and monitored by the Company. This enables the Company to guarantee highest product quality and limits dependency of third party manufacturers.

At the final phase of the manufacturing process the products are customized to customer specific requirements. This process is executed by Option NV, the Belgian (Leuven) site of the Company or outsourced to the production partners.

SIGNIFICANT EVENTS THAT TOOK PLACE AFTER THE END OF THE FINANCIAL YEAR

On January 21, 2016 Option announced the acquisition of the shares of the Dutch LED lighting companies Lemnis Public Lighting BV 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 trough 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 takeover 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. The extraordinary Shareholder's Meeting of the Company decided 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 EUR 4 million, 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).

On March 9, 2016 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.

CRITICAL JUDGEMENTS

Going concern

Given the continued cash drain in 2015 and 2016, the Board is looking for further cost alignment, development project- and financial funding.
On the day of the publication of the report, the Company has limited financial means. The Board has however secured new financial commitments which together with the latest sales outlook, should allow the company to fund the next 6 months and secure the short term going concern.
The latest sales outlook incorporates a growth compared to actual sales realized in the first months, the company is confident it will be able to realize the outlook as it was based on concrete discussions with customers.
After this period of six months, new financing will be required. The Board has already started first actions in this respect to strengthen the group's financial position by means of capital increase or partnering on group or subsidiary level.
Therefore the Board has decided to prepare the annual accounts under the going concern principle.

CORPORATE GOVERNANCE STATEMENT

The Belgian Corporate Governance Code

The main aspects of the company's corporate governance policy are set out in the corporate Governance Charter of Option NV (the 'Charter', which is published at www.option.com). Option NV has adopted the 2009 version of the Belgian Corporate Governance Code (the 'Code') as its benchmark. This Code can be downloaded at www.corporategovernancecommittee.be. More factual information regarding corporate governance and on the application of certain statutory provisions is contained in this corporate governance statement.

The 2009 Code has a high degree of built-in flexibility, enabling it to be adapted to each company varying size, activities and culture. It is based on a "comply or explain" system, which allows companies to deviate from the provisions of the 2009 Code when their specificities so justify, subject to providing adequate explanation.

The Belgian Act of 6 April 2010 regarding the reinforcement of corporate governance in listed companies and autonomous government institutions and the amendment of the professional ban in the banking and finance sector has institutionalized the Corporate Governance Code, making it mandatory for all listed companies. However, a number of recommendations set forth in the Corporate Governance Code can still be deviated from if the 'comply-or explain' principle is complied with.

Option adopts the "comply or explain" system with regards the following topics:

- *The combination Nomination Committee – Remuneration Committee*: given the size of the Group, the Board of Directors decided to combine the two so that the Remuneration Committee is also exercising the function of a nomination committee (principle 5.4 of the 2009 Code).
- *Executive Chairman*: Since the termination of the mandate of FDVV CONSULT BVBA, represented by Mr. Frank Deschuytere as director and CEO of the Company on March 9, 2016 the Board decided to entrust the Chairman with the daily management of the Company given his experience as previous CEO which the Board values as beneficial to guide the Company through the difficult period of the Company today . Given the size of the Group and the experience of the Chairman as previous CEO, the Board has decided that the Chairman is capable of combining both roles and thus executing the daily management until a new CEO has been nominated (principles 1.5 and 4.7).
- Mr. Raju Dandu is appointed as director for the maximum period of 6 years, in deviation of the principles of the Code that directors are appointed for a maximum duration of four years. This decision is part of an overall investment whereby Danlaw Inc has invested in Option as part of a long term strategy. (principle 4.6 of the 2009 Code).

Composition of the Board of Directors

The articles of association stipulate that the Board of Directors is composed of a minimum of three and a maximum of nine members, who are appointed by the general shareholders meeting for a maximum period of six years. In accordance with the principles of the Code the Company's directors are appointed for a maximum duration of four years, except for MR Raju Dandu who is appointed for a period of 6 years. The Board of Directors must include at least three independent directors.

As of 31 December 2015, the Board was composed of seven members, namely:

Mr. Jan Callewaert, executive Chairman
Raju Dandu, as from 1 December 2015, non-executive director
FVDH Beheer BVBA, represented by Mr. Francis Vanderhoydonck (permanent representative), non-executive independent director
FDVV CONSULT BVBA, represented by Mr. Frank Deschuytere, executive director
Qunova BVBA, represented by Mr. Jan Vorstermans (permanent representative), non-executive independent director
JINVEST BVBA, represented by Mr. Jurgen Ingels (29 May 2015 – 26 January 2016), non-executive independent director
Sabine Everaet, non-executive independent director

As per the Board Meeting of May 25, 2012 Mr. Jan CALLEWAERT was appointed as executive Chairman of the Board. Since the termination of the mandate of Mr. Frank Deschuytere as CEO of the Company on March 9, 2016, the Board entrusted Mr. Callewaert with the daily management as from 9 March 2016.

FDVV CONSULT BVBA, represented by Mr. Frank Deschuytere was appointed director and CEO of the Company on October 21, 2013. The Board has decided to terminate these mandates with effect as of March 9, 2016. The decision to terminate the mandate as director of the Company will be proposed for acceptance and approval of the Shareholder's Meeting of May 31, 2016.

The Extraordinary Shareholders Meeting of January 26, 2016 has approved the appointment of Mr. DANDU Raju Satyanarayana, domiciled 305800 Sudbury Cl, Farmington Hills, MI 48331-1368 (USA), with Bis-registration number 514101-491-61 for a period of 6 years starting December 1, 2015.

The Extraordinary Shareholders Meeting of January 26, 2016 accepted and approved the dismissal of DIMITRI DUFFELEER BVBA, registered at 8970 Waregem, Fazantenlaan 17, RPR Kortrijk with registration number 0552.764.495, represented by Mr. Dimitri Duffeleer as from September 1th, 2015 . The appointment of Dimitri Duffeleer BVBA as director was accepted and approved by the Shareholders' Meeting of May 29, 2015.

The Shareholders' Meeting of May 29, 2015 decided to renew the mandate of FVDH BEHEER BVBA, registered at Kommandant Lothairelaan 53/55, 1040 Etterbeek, represented by Mr. Francis Vanderhoydonck as independent director for a period ending after the General Shareholders' Meeting of 2018.

The Board of Directors of May 26, 2015 decided to co-opt JINVEST BVBA, registered at Clemenceaustraat 177, 2860 Sint-Katelijne-waver, represented by Mr. Jurgen Ingels, as independent director, which decision will be put for acceptance and approval by the General Shareholder's Meeting of May 31, 2016. JINVEST BVBA has decided to terminate its mandate as independent director on January 26, 2016, which decision will be proposed for acceptance and approval of the General Shareholder's Meeting of May 31, 2016.

The term of office of An Other Look To Efficiency SPRL, represented by Mr. Olivier Lefebvre (permanent representative) has expired at the General Shareholder's Meeting of May 29, 2015.

The term of office of independent director Sabina Everaert, domiciled at Lenniksestraat 7, 1755 Oetingen, and independent director Qunova BVBA, registered at Londenstraat 60/161, 2000 Antwerp, represented by Mr. Jan Vorstermans will expire after the General Shareholder's Meeting of 2017.

Finally, the Board of Directors refers to the Belgian Act of 28 July 2011 prescribing that any listed company needs to take appropriate measures in order to assure that within the legal timeframe, the Board of Directors has to be composed of one third of female directors by 2017. In light of the gender diversity, it is the intention of the Company to appoint a second female director in due time. Various stakeholders of the Company have been contacted to send potential femal candidate directors for Option to be able to meet these criteria.

Functioning of Board of Directors

In 2015, the Board of Directors met 19 times.

Name	Board meetings attended	
	Attendance	*%*
Jan Callewaert	18/19	94.74%
FDVV Consult BVBA	19/19	100%
FVDH Beheer BVBA	18/19	94.74%
An Other Look To Efficiency SPRL	6/8	75%
Qunova BVBA	19/19	100%
Sabine Everaet	14/19	73.68%
Dimitri Duffeleer BVBA	13/13	100%
Jinvest BVBA	3/11	27.27%
Raju Dandu	1/1	100%

In the course of 2015 the non-executive directors met on a regular basis in order to discuss and permanently evaluate the relationship with the CEO as well as the executive management of the Company as a whole. This evaluation process was led by FVDH Beheer, represented by Mr Francis Vanderhoydonck, and comprised different topics such as the operation of the Board and the committees, the contribution of each director, the interaction with the executive management and the Board's or committee's composition.

Activity Report

The board of Directors exercised its powers during financial year 2015 in line with the principles as described in the Corporate Governance Charter.

In addition to its usual activities, the Board of Directors has intensively worked on a further reinforcement of the strategy and various financing options, developed by way of an interactive process between the Board and Option's management.

Related parties transactions – Conflict of interest procedure

During 2015, the conflict of interest procedure foreseen in Article 523 of the Belgian Code of Companies was applied by the Board of Directors on March 9, 2015 (issue of bridge financing by Mr. Callewaert and Quaeroq)). It was stated as follows:

> *Before further discussion on this item, Messrs. Jan Callewaert and Dimitri Duffeleer (as representative of Quaeroq) inform the Board in accordance with the provisions of Article 523 of the Code of Companies that as prospective lenders they may have a conflicting interest of a monetary nature with the Company in respect of the decisions that the Board may take in relation hereto. Therefore, in accordance with the provisions of the aforementioned Article 523 of the Code of Companies, Jan Callewaert and Dimitri Duffeleer leave the meeting and do not take part in the further discussion, deliberation and voting.*
>
> *The Board discusses the terms and conditions of the draft loan agreements (all substantially in the form as attached hereto as Annex 2). The bridge financing agreements foresee inter alia in different possible draw-downs by management (subject to prior approval by the AC chairman), have a fixed term of 24 months, and an interest rate of 7% per annum (to be accrued on the effectively draw-down amounts). In aggregate, the Company will be able to draw down moneys up to an amount of at least EUR 2.5 million by June 30, 2015 at the latest.*
>
> *The Board considers these conditions to be very beneficial for the Company taking into account the current market conditions. Furthermore, the Board is of the opinion that entering into the loan agreements will provide the Company with a buffer that enables it to bridge the time required to successfully realize and close the envisaged sales.*
>
> *Therefore, after discussion, the Board RESOLVES*
>
> *To formally approve the entering into by the Company of the different loan agreements under the commercial conditions as described above*
>
> *To mandate management to do what is necessary or useful for the execution and further implementation of the above mentioned loan agreement in accordance with the agreed upon terms and conditions.*

In 2015, the Board of Directors also applied the procedure foreseen in Article 523 of the Belgian Code of Companies on November 6, 2015 (issue of warrant plan).
It was stated as follows (Dutch version only):

Onverminderd de vaststelling dat de uitgifte van de naakte warrants "Warrants Option - 2015" van belang is voor de vennootschap, hebben de bestuurders vermeld onder 2. (Jan Callewaert) en 3. (Frank Deschuytere) in de aanwezigheidslijst verklaard ten eerste, dat zij rechtsreeks of onrechtstreeks als mogelijke begunstigden betrokken zijn bij de uitgifte van deze naakte warrants "Warrants Option - 2015", ten tweede, dat zij bijgevolg een in artikel 523 van het Wetboek van vennootschappen bedoeld strijdig belang hebben, en, ten derde, dat zij bijgevolg niet zullen deelnemen aan de beraadslaging en de stemming over het hierna vermelde Eerste besluit betreffende de uitgifte van de naakte warrants "Warrants Option - 2015".
Vervolgens stelt de raad van bestuur vast dat hij geldig kan beraadslagen en besluiten, en neemt de raad van bestuur de agenda in behandeling waarover, na beraadslaging, de volgende besluiten worden genomen".

***

The policy with regard to transactions between the Company or any of its affiliated companies on the one hand and members of the Board of Directors or the Executive Management Team (or members of their immediate families) on the other hand that could give rise to conflicts of interest (other than those defined in the Belgian Companies Act) has been defined in the Corporate Governance Charter.

In the course of normal operations, related party transactions entered into by the Group have been contracted on an arms-length basis.

Audit Committee

As per 31 December 2015 the Audit Committee of the Company was composed of three independent directors, FVDH Beheer BVBA, Jinvest BVBA, and Sabine Everaet.

Mr. Francis Vanderhoydonck, representing FVDH Beheer BVBA has substantial financial experience. He is Master of Law and Economic Sciences and obtained an MBA from New York University. From 1986 to 1998, he worked at Generale Bank, where he held a number of positions in the investment banking department. From 1995 to 1998, he was responsible for this department. Now, he works with Maple Finance Group, which is specialized in the management of private equity investment funds and corporate finance.
In addition, Mr. Jurgen Ingels, representing Jinvest BVBA, has a rich experience in financial and capital markets. Mr. Ingels is founding and managing partner of Smartfin Capital, a European Private Equity fund investing in Smart Technology growth companies. Previously, he was the founder and CFO of Clear2Pay, a leading payments technology company.
Mrs. Sabine Everaet has gained an expertise in driving change based on creative and strategic thinking, conceptualizing innovative operating models across different geographies and executing major programs with significant business impact. As CIO Europe of The Coca-Cola Company she holds the end-to-end responsibility for IT in Europe. She serves as a member of the European Management Team, leads the Social Enterprise (digital marketing) and Big Data programs on an international level and is member of the customer digital taskforce to assess eCommerce opportunities & operating models. Before joining the The Coca-Cola Company she worked for Price Waterhouse Management Consultants and KPMG Management Consultants.

The Audit Committee met four times in 2015; on March 9 2015, on May 26 2015, on August 24 2015 and on November 17, 2015. The AC reported to the Board of Directors on its activities and findings. The individual attendance rate figures (i.e. the attendance of the individual Committee member during the time he was member of the Committee) were as follows:

Name	Audit Committees attended	%
FVDH Beheer BVBA	4/4	100 %
An Other Look To Efficiency SPRL	1/2	50 %
Dimitri Duffeleer BVBA	3/3	100 %
Sabine Everaet	1/1	100 %
Jinvest BVBA	0/2	0 %

Another Look at Efficiency SPRL was replaced by Jinvest BVBA, represented by Jurgen Ingels as member of the Audit Committee as from August 24, 2015.

Sabine Everaet replaced Dimitri Duffeleer BVBA as member of the Audit Committee as from November 17, 2015.

Activity Report

The Audit Committee gives guidance and controls the financial reporting of the Company. It ensures the presence of sufficient internal control mechanisms and, in co-operation with the statutory auditor of the Company, investigates questions relating to bookkeeping and valuation. The main role of the audit committee is to direct and supervise the financial reporting, the accounting process and the administrative records. Each half year, the financial reports are discussed, with special attention to valuation decisions regarding portfolio participations and funds. The audit committee also monitors the efficiency of internal control and risk management within Option.

Remuneration and Nomination Committee

As per 31 December 2015, the Remuneration and Nomination Committee was composed of three non-executive, independent directors, being Mrs. Sabine Everaet (Chairwoman), FVDH Beheer BVBA and Qunova BVBA. There were no changes to the constitution of the Remuneration and Nomination Committee during 2015.

The Remuneration and Nomination Committee's role is to provide for a fair policy of remuneration for the employees and to ensure best international practices are respected when determining the remuneration and incentives of Directors Officers and Executive Management Team, and the appointment of the latter. Furthermore, The Remuneration and Nomination Committee advises the CEO of the Company regarding the compensation for the Executive Management Team. Given the size of the Group, the Remuneration Committee is therefore also combining the function of a Nomination Committee. The Remuneration and Nomination Committee met two times on November 4, 2015, and December 16, 2015 in relation to the issue of warrants and reported to the Board of Directors on its activities and findings.

The individual attendance rate figures (i.e. the attendance of the individual Committee member during the time he/she was member of the Committee) were as follows:

Name	**Remuneration Committees attended**	**%**
Sabine Everaet	2/2	100 %
FVDH Beheer BVBA	2/2	100 %
Qunova BVBA	2/2	100 %

Activity Report

During the financial year 2015, the Remuneration and Nomination Committee has further examined and monitored a number of recurrent activities such as the remuneration policy for the executive management and various scenarios to ameliorate the retention of the staff. In addition, the Committee has discussed, advised and decided upon the implementation of a new warrant plan, as well as the remuneration policy for newly appointed executive management members.

REMUNERATION REPORT

The remuneration of non-executive directors is decided by the General Shareholder Meeting based on a proposal that the Board formulates after an advice of the Remuneration Committee. The remuneration of the CEO is decided by the Board upon advice of the Remuneration Committee. The remuneration of executive management members is decided by the CEO or the managing director after consultation of the Remuneration Committee. No individual can decide on his/her own remuneration. This procedure is applied both in determining the remuneration policy and in determining the individual remuneration of directors and executive managers, and will, in the opinion of the Board of Directors, not be altered in the upcoming two financial years.

As far as the level of remuneration for the non-executive directors is concerned, the Company can offer a competitive package in line with their roles in the Board and Committees that is composed of a fixed base compensation plus attendance fees.

In setting the level of remuneration for the executive managers the Company offers a competitive total compensation based on a combination of base salary, variable salary, extra legal benefits and warrants. The methodology for setting the targets for and evaluating the performance and the variable salary of executive managers is reviewed by the Remuneration Committee.

The Remuneration Committee is assisted by remuneration specialists when needed and investigates market best practices and market reference data from time to time in order to advice on competitive remuneration levels.

Remuneration of the directors

The directors are remunerated for the execution of their mandate in accordance with the decision made by the general meeting of shareholders. The remuneration can include both a fixed amount for Board membership and an attendance fee for the meetings of the Board of Directors and the meetings of the Committees of the Board.

The remuneration per director is limited to a maximum of EUR 30 000 (2014: EUR 30k) with an exception for the Chairman of the Audit Committee where the maximum remuneration is fixed at EUR 32 000 (2014: EUR 32k).

The remuneration is composed of the following elements:

- an annual retainer of EUR 6 600;
- an attendance fee of EUR 2 000 per Board meeting in person, provided the above maximum amount of director's annual remuneration is not exceeded:
- an attendance fee of EUR 500 per Board meeting via conference call, provided the above maximum amount of director's annual remuneration is not exceeded;
- an attendance fee of EUR 500 per Committee meeting, provided the above maximum amount of director's annual remuneration is not exceeded.

The remuneration of the Board members for 2015 was as follows.

Given the company's current difficult financial situation, FVDH Management BVBA and Qunova BVBA have definitively and irrevocably waived the compensation to which they were entitled in 2015.

Name	***Total Remuneration (EUR)***
Jan Callewaert	N/A (2014: N/A)
FDVV Consult BVBA	N/A (2014: N/A)
FVDH Beheer BVBA	0 (2014: 25 800)
An Other Look To Efficiency SPRL	10 150 (2014: 24 550)
Qunova BVBA	0 (2014: 12 850)
Sabine Everaet	21 600 (2014: 10 850)
Dimitri Duffeleer BVBA	18 400 (2014: 13 350)
Jinvest BVBA	7 800 (2014: N/A)
Raju Dandu	N/A (2014: N/A)

In addition to the aforementioned remuneration directors are also entitled to out-of-pocket expenses in line with the Company policies (especially travel policy) and provided such expenses are reasonable and required for the performance of their duties as director of the Company.

In 2015, the global compensation for the Board of Directors amounted to EUR 58k (2014: EUR 113k).

Name	Board meetings attended	Audit Committees attended	Remuneration Committees attended	Total remuneration Thousands EUR
Jan Callewaert	18/19	N/A	N/A	N/A (2014: N/A)
FDVV Consult BVBA	19/19	N/A	N/A	N/A (2014: N/A)
FVDH Beheer BVBA	18/19	4/4	2/2	0 (2014: 25.8k)
An Other Look To Efficiency SPRL	6/8	½	N/A	10.2k (2014: 24.6k)
Qunova BVBA	19/19	N/A	2/2	0 (2014: 12.9k)
Sabine Everaet	14/19	1/1	2/2	21.6k (2014: 10.9k)
Dimitri Duffeleer BVBA	13/13	3/3	N/A	18.4k (2014: 13.4k)
Jinvest BVBA	3/11	0/2	N/A	7.8k (2014: N/A)
Raju Dandu	1/1	N/A	N/A	N/A (2014: N/A)

At year end 2015 the following “Warrants 2014 and 2015” were held by the executive members of the Board of Directors.

Jan Callewaert (via Mondo NV)
800,000 warrants (under warrant plan 2014)
300,000 warrants (under warrant plan 2015)

FDVV Consult BVBA (Frank Deschuytere)
500,000 warrants (under warrant plan 2014)
200,000 warrants (under warrant plan 2015)

Executive Management Team

The Corporate Governance Charter determines the composition of the Executive Management Team. As per 31 December 2015, the Executive Management Team was composed of the following members:

FDVV Consult BVBA represented by Mr. Frank Deschuytere, Chief Executive Officer (CEO) Finance Incorporated com.v, represented by Mr. Jan Luyckx, Chief Financial Officer (CFO) ST Consult BVBA, represented by Mr. Steve Theunissen, General Counsel and Secretary to the Board JP Consulting GmbH, represented by Mr Jörg Palm, Chief Marketing Officer

Executive officers compensation (Executive Management Team)

The management company of Mr. Frank Deschuytere (FDVV Consult BVBA) was acting as CEO of the Group during 2015 and received EUR 231k fixed compensation and additional benefits for an amount of EUR 12k covering car, fuel and lump sum allowance costs. The CEO is not entitled to nor is he a beneficiary of any pension scheme which is paid for by the Company.

The management company of Mr. Jan Luyckx (Finance Incorporated com.v) joined the company in July 2015 and was acting as CFO of the Group since September 30, 2015. He received EUR 78k fixed compensation (for the period July 2015 – December 31, 2015) without additional benefits.

For the year 2015, a gross amount of EUR 148k was attributed to Ms. Christine Pollie, who was acting as CFO until June 2015.

The management company of Mr. Steve Theunissen (ST Consult BVBA) was acting as General Counsel of the Group since June 1, 2015 and received EUR 82k fixed compensation (for the period June 2015 – December 31, 2015) without additional benefits.

The management company of Mr. Jörg Palm (JP Consulting GmbH) was acting as Chief Marketing Officer of the Group since December 1, 2015 and received EUR 16k fixed compensation (for the period December, 2015) without additional benefits.

In 2015, Jan Callewaert received via his management company Mondo NV, a fixed remuneration of EUR 310k for advisory and other services rendered to the Company in his capacity as executive Chairman of the Board of Directors.

The executive managers have received warrants under the 2015 Warrant Plan:
Mondo NV : 300,000 warrants
Finance Incorporated com.v : 300,000 warrants
ST Consult BVBA: 300,000 warrants
JP Consulting GmbH: 200,000 warrants
FDVV Consult BVBA : 200,000 warrants

The executive managers are not entitled to any special termination compensation, nor are they beneficiary of any pension scheme which is paid for by the Company.

No member of the Management Team is entitled to specific severance payments that would be in surplus of existing legal regulations. There exist no special rights of recovery, in addition to existing legal provisions, that would grant special powers to the Company for recovery of variable compensation granted or paid on the basis of incorrect financial data.

SHAREHOLDER STRUCTURE

For a detailed overview of the shareholder structure, reference is made to note 18 of the Financial Report - IFRS hereafter.

RELEVANT INFORMATION IN THE EVENT OF A PUBLIC TAKE-OVER BID

Transfer restrictions imposed by the law or the bylaws

Except as stated hereafter, none of the capital shares issued by the Company is subjected to any legal or statutory transfer restrictions.

Holders with special rights

Pursuant to Article 14 of the bylaws of the Company Mr Jan Callewaert has a binding proposition right for the nomination of one director for each tranche of 3% (three percent) of the total amount of issued shares of the Company he holds directly or indirectly, with a maximum proposition right for the nomination of five (5) directors. He has this right on the condition that and as long as he holds at least 15% (fifteen percent) of the total amount of shares issued by the Company.

Systems of control of any employee share scheme where the control rights are not exercised directly by the employees

There are no such employee share schemes relating to the Company.

Restrictions on voting rights

None of the capital shares of the Company is subject to any legal or statutory voting power restrictions. Each capital share entitles its holder to one vote.

The voting rights attached to the capital shares issued by the Company are however suspended in the events outlined in the Belgian Code of Companies.

Furthermore, no one may, as a general rule, cast votes at a general meeting of shareholders of the Company attached to securities that he/she has not disclosed at least twenty (20) days prior to a general meeting in accordance with the legislation on important participations (Article 545 of the Code of Companies).

The voting rights attached to shares encumbered with a life tenancy ("*vruchtgebruik*") are exercised by the life tenant. As far as pledged shares are concerned, the voting rights are exercised by the owner-pledgee.

Holders of subscription rights (warrants and convertible bonds) only have an advisory voting right at general meetings.

Shareholders' agreements

To the best knowledge of the Board of Directors of the Company there are no shareholders' agreements, which may result in restrictions on the transfer of securities and/or the exercise of voting rights.

Rules governing the appointment and replacement of the members of the Board of Directors of the Company

The directors of the Company are appointed by the general meeting of shareholders, deciding by a simple majority of votes. There are no attendance requirements for the appointment of directors.

If a legal entity is appointed director, it must appoint a permanent representative from amongst its shareholders, directors or employees, who is to be charged with the execution of the task in the name of and for the account of the legal personality-director.

Pursuant to Article 14 of the bylaws of the Company Mr Jan Callewaert has a binding proposition right for the nomination of one director for each tranche of 3% (three percent) of the total amount of issued shares of the Company he holds directly or indirectly, with a maximum proposition right for five (5) directors. He has this right on the condition that and as long as he holds at least 15% (fifteen percent) of the total amount of shares issued by the Company.

At least three (3) members of the Board of Directors must be appointed as "independent director" who must meet the criteria specified in Article 524§4 of the Belgian Code of Companies. The Company complies with this ruling.

Directors can at all times be dismissed by the general meeting of shareholders, by a simple majority of votes. There are no attendance requirements for the dismissal of directors.

The bylaws of the Company provide the possibility for the Board of Directors to appoint directors in the event of a vacancy. In that case the Board of Directors has the right to provide a temporary replacement. The next general meeting of shareholders is to decide on the definitive appointment. The new director completes the term of office of his/her predecessor.

Rules governing the amendments to the bylaws of the Company

Save for capital increases decided by the Board of Directors within the limits of the authorized capital, only the (extraordinary) general meeting of shareholders is entitled to amend the Company's bylaws.

The general meeting of shareholders may only deliberate on amendments to the bylaws – including mergers, de-mergers and a winding-up – if fifty percent (50%) of the share capital is represented. If that attendance quorum is not reached, a new extraordinary general of meeting of shareholders must be convened, which may deliberate regardless of the portion of the share capital represented.

Amendments to the bylaws are only adopted, if approved by seventy-five percent (75%) of the votes cast.

The following amendments to the bylaws require however a special majority approval of eighty percent (80%) of the votes cast:

- o Amendments to the provisions regarding the appointment and the dismissal of directors (Article 14 of the bylaws);
- o Amendments to the corporate purpose (Article 559 of the Belgian Code of Companies);
- o Modification of the legal form (Article 781 of the Code of Companies).

Powers of the Board of Directors relating to the issuance or buy-back of shares of the Company

The share capital of the Company may be increased following a decision of the Board of Directors, within the limits of the "authorized capital". The authorization thereto must be granted by an extraordinary general meeting of shareholders; it is limited in time and amount and is subject to specific justification and purpose requirements. The Board of Directors has been authorized by the Extraordinary Shareholders' Meeting of January 26, 2016 to increase the share capital of the Company with an amount of EUR 4,844,802.70 for a period of five years as from the date of the publication of said decision. The Board of Directors has furthermore expressly been authorized to use this "authorized capital" in the event of a public take-over bid, within the limits of the Belgian Code of Companies, for a period of three years from the same date.

The authorization granted to the Board of Directors of the Company to cause the Company to acquire own shares, where such acquisition is necessary to avoid serious and imminent harm to the Company, has also been renewed by said extraordinary shareholders' meeting.

Agreements between the Company and its directors or employees providing for compensation if they resign or are made redundant without valid reason or if their employment ceases because of a take-over bid

None of the agreements entered with the directors of the Company or any of its subsidiaries contains a provision providing for compensation (on top of the normal notice period) if they resign or are made redundant without valid reason or if their mandate is terminated because of a take-over bid.

EVENTS THAT COULD INFLUENCE THE DEVELOPMENT OF THE GROUP: OVERVIEW OF RISKS AND UNCERTAINTIES

In accordance with Article 96 of the Belgian Company Code, the annual report must describe the main risks and uncertainties that Option is confronted with in the market.

The most of such risks and uncertainties are related to the evolution of the market in which the Group is active. In general, this market is characterized by fast, successive introductions of new technologies. As a result the market is very dynamic and the Group must respond to important and successive changes. In particular, the following risks and uncertainties are specifically mentioned:

(1) Going concern.
Over the past years, the Group heavily invested in extending the functionality of the CloudGate platform. Although the Cloudgate remains a building block for projects and solutions, the expected pick-up of Cloudgate sales did not materialize. This has weakened the cash position of the Group and in consequence, the Group has less funds available for its operational activities. This could result in reduced funds being available for the operation of the Group's business, including marketing activities, capital expenditures, acquisitions or other general corporate purposes. As a consequence, the Company may suffer from a competitive disadvantage compared to its competitors who may have greater liquidity and capital. Furthermore, the Group may not be able to obtain the financing needed to fulfill its future capital and refinancing needs. There is no guarantee that the financing, if needed, will be available or will be available at attractive conditions. Furthermore each debt financing, if available, may contain covenants limiting the Group's freedom to do business and/or the Company could become in breach under such covenants in which case the debt financing may be stopped and the liquidity of the Group in jeopardy.

(2) Since 2014, the group has funded its historical investments and losses mainly by means of convertible bonds. As a result the Group has a negative equity and a potential requirement to repay such convertible bonds as from 2018. This could be in the disadvantage in etstablishing commercial deals in case a financial analysis of the potential vendors is executed.

(3) The Group depends on third parties to offer wireless data communications services and hosting services. If these services are not offered as anticipated, consumers would be unable to use the Group's innovative products and revenues could decline. The marketability of the Company's products may suffer if wireless telecommunications operators do not deliver acceptable wireless services or if the price of such services would become too high for mass market adoption. In addition, the future growth depends on the successful deployment of next generation wireless data networks provided by those third parties, including those networks for which the Group is currently developing products. If

these next generation networks are not deployed, delayed or not widely accepted, there will be no market for the products the Group is developing to operate on those networks. If the Group does not properly manage the development of its business, the Group may experience significant strains on its management and operations.

(4) Option is outsourcing manufacturing of its products to third parties and can be dependent upon the development and deployment of these third parties' manufacturing abilities and the overall quality of their work. The inability of any supplier or manufacturer to fulfill Option's supply requirement, demands and production schedules could impact future results. Option has short term supply commitments to its outsource manufacturers based on its estimation of customer and market demand. Where actual results vary from those estimates, whether due to execution on Option's parts or market conditions, Option could be at commercial risk. Suppliers may not continue to supply products to the Company on commercially acceptable terms, or at all.

(5) The Group may have difficulty managing its strategic repositioning, which may damage its ability to retain key personnel and to compete effectively. On the other hand, the Group may not be able to maintain and expand its business if the Group is not able to hire, retain and manage additional qualified personnel.

(6) The Group's increasingly complex products may contain errors or defects, which could prevent or decrease their market acceptance and lead to unanticipated costs or other adverse business consequences. The increasing product complexity multiplies the risk of undetected errors and defects.

(7) The market is evolving rapidly and the product life cycles are becoming shorter every year. In the event the Group would be unable to develop new innovative products that gain sufficient commercial acceptance, the Group may be unable to recover its research and development expenses and the Group may not be able to maintain its market share and the revenues could decline. The transition from pure hardware product sales to complex, wireless solution sales may further impact this as the typical sales cycle for a hardware product are shorter than those for a complex end to end solution. Furthermore, because of the short product life cycles the Group's future growth is increasingly depending upon designing and developing new products that may not have been commercially tested. The ability to design and develop new products depends on a number of factors, including, but not limited to the following;
   - the ability of the Group to attract and retain skilled technical employees;
   - the availability of critical components from third parties;
   - the ability of the Group to successfully complete the development of products in a timely manner;
   - the ability of the Group to manufacture products at competitive price and quality.

   A failure by the Group or its suppliers in any of these areas, or a failure of these products to obtain commercial acceptance, could result in the Group being unable to recover its research and development expenses and could result in a decrease in bottom line result. If the Group fails to develop and introduce new products successfully, the Group may lose key customers or product orders and its business could be harmed.

(8) If the Group fails to develop and maintain strategic relationships, the Company may not be able to penetrate new markets. A key element of the Group's business strategy is to penetrate new markets by developing new products through strategic relationships with industry leaders in wireless communications and related industry sectors (open innovation). The Group is currently investing, and plans to continue to invest, significant resources to develop these relationships. The Group believes that its success in penetrating new markets for its products will depend, in part, on its ability to develop and maintain these relationships and to cultivate additional or alternative relationships. There can be no assurance,

however, that the Group will be able to develop additional strategic relationships, that existing relationships will survive and successfully achieve their purposes or that the companies with whom the Group has strategic relationships will not form competing arrangements with others or determine to compete unilaterally with the Group.
The Group may fail effectively to identify or execute certain strategic partnerships and if it does pursue such partnerships it may fail to realise anticipated benefits to the business in a timely manner.

(9) The Group may not be able to develop products that comply with applicable government regulations. The Group's products must comply with government regulations. For example, in many countries many aspects of communications devices are regulated, including radiation of electromagnetic energy, biological safety and rules for devices to be connected to telephone networks. Additionally, the Group cannot anticipate the effect that changes in domestic or foreign government regulations may have on its ability to develop and sell products in the future. Failure to comply with existing or evolving government regulations or to obtain timely regulatory approvals or certificates for its products could materially adversely affect its business, financial condition and results of operations or cash flows.

(10) The Group might forecast customer demand incorrectly and order the manufacture of excess or insufficient quantities of particular products. Furthermore for its entire product line the Group depends on sole source suppliers for supplying some components used in its products. The availability and sale of those finished products would be harmed if any of these suppliers is not able to meet the Group's demand and production schedule.

(11) The Group's business depends on its continued ability to license necessary third-party technology, which the Group may not be able to do or it may be expensive to do so. The Group licenses technology from third parties for the development of its products. Certain licenses do not have a specified term and may be terminated by the Group or by the licensor for cause or upon the occurrence of other specified events. There can be no assurance that the Group will be able to maintain its third-party licenses or that these licenses or the technologies that are the subject of these licenses will not be the subject of dispute or litigation, or that additional third-party licenses will be available to the Group on commercially reasonable terms, if at all.

The inability to maintain or obtain third-party licenses required for its products or to develop new products and product enhancements could require the Group to seek to obtain alternative technology of lower quality or performance standards, if such exists, or at greater cost, which could seriously harm its competitive position, revenue and prospects.

(12) The Group may infringe on the intellectual property rights of others. Third parties could claim that the Group's products, or components within its products, infringe on their intellectual property rights. These claims may result in substantial costs, diversion of resources and management attention; harm the Group's reputation or interference with its current or prospective customer or supplier relation. The industry in which the Group operates has many participants that own, or claim to own, proprietary intellectual property. In the past we have received, and in the future may receive assertions or claims from third parties alleging that our products violate or infringe their intellectual property rights. The Group may be subject to these claims directly or through indemnities against these claims which the Group has provided to certain customers. Regardless of whether these infringement claims have merit or not, we may be subject to the following:

- We may be liable for potentially substantial direct, indirect or consequential damages, liabilities and litigation costs, including attorneys' fees and any other legal and court fees;
- We may be prohibited from further use of the intellectual property and may be required to cease selling our products that are subject to the claim;

- We may have to license the third party intellectual property, incurring royalty fees that may or may not be on commercially reasonable terms. In addition, there is no assurance that we will be able to successfully negotiate and obtain such a license from the third party;
- We may have to develop a non-infringing alternative, which could be costly and delay or result in the loss of sales. In addition, there is no assurance that we will be able to develop such a non-infringing alternative;
- The diversion of management's attention and resources;
- We may be required to indemnify our customers for certain costs and damages they incur in such a claim.

FINANCIAL INSTRUMENTS AND RISKS

(1) Derivative financial instruments can be used to reduce the exposure to fluctuations in foreign exchange rates. These instruments are subject to the risk of market rates changing subsequent to acquisition. The risks of these changes are generally offset by the opposite effects of hedging, however not all financial risks can be fully hedged. To the extent the Group enters into contracts that are denominated in foreign currencies and does not adequate hedge that exposure, fluctuations in exchange rates between the Euro and the foreign currencies may affect the Group's operating results.

(2) Credit evaluations are performed on all customers requiring credit over a certain amount. The credit risk is monitored on a continuous basis.

(3) Any changes to existing accounting pronouncements or taxation rules may cause adverse fluctuations in the Group's reported results of operations or negatively affect how the Group conducts its business.

(4) The Group may not be able to obtain the financing needed to fulfill its future capital and refinancing needs. There is no guarantee that the financing, if needed, will be available or will be available at attractive conditions. Furthermore each debt financing, if available, may contain covenants limiting the Group's freedom to do business and/or the Group could become in breach under such covenants.

(5) The Group is likely to continue to be further negatively affected by the impact that the recent economic downturn. The uncertainty about the further evolution of this crisis, as well as its impact on the global economic situation, limits visibility on the evolution of the results of operations. The continuing global financial crisis and current uncertainty in global economic conditions could have a material adverse effect on the results of operations and financial condition of the Group.

(6) The Group is subject to material currency risk, as the larger part of its purchase transactions are in US dollars. The Group aims to match foreign currency cash inflows with foreign cash outflows.

(7) Any acquisitions the Group makes or any sale of its divisions could disrupt its business and harm its financial condition and results of operations.

(8) The Group may require additional capital in the future, which may not be available to it. Future financings to provide this capital may dilute investor's ownership in the Group. Any additional capital raised through the sale of additional shares may dilute Shareholder's percentage ownership interest in the Group and may have an effect on the market price of the shares.

(9) The Group's quarterly operating results may vary significantly from quarter to quarter and may cause its stock price to fluctuate. The Group's future quarterly operating results may

fluctuate significantly and may fall short of or not exceed the expectations of security analysts, investors or management.

CONFLICTS OF INTERESTS

The conflict of interest procedure as set forth in Article 523 of the Belgian Code of Companies was applied in 2015 as detailed in the corporate governance statement of this annual report.

REPORT ON RISK MANAGEMENT AND INTERNAL CONTROLS

Option's Board of Directors is responsible for assessing risks inherent to the Group and the effectiveness of Internal controls. The Belgian Corporate Governance Code 2009 recommends highlighting risk factors and the measures the Board has taken to keep these risks at an acceptable level. The Group's internal control organization is based on the 5 pillars of the COSO[1] 2013 Framework:

- Control environment;
- Risk assessment;
- Control activities;
- Information and communication;
- Monitoring activities.

Control environment

The Board of Directors set up an Audit Committee and a Remuneration Committee. The Audit Committee gives guidance and controls the financial reporting of the Group. It ensures the presence of sufficient internal control mechanisms and, in co-operation with the statutory auditor of the Group, investigates questions which are in relation to accounting and valuation rules. The Remuneration Committee's role is to provide for a fair policy of remuneration for the employees and Management and to ensure best international practices are respected when determining remunerations and incentives. Management defines the management style and values as well as the skills and job descriptions needed for all functions and tasks within the organization.

The Group has adopted the Corporate Governance Charter and the Board of Directors introduced a Code of Dealing, which explains the prohibition of using inside information for dealing in Option's financial instruments.

The Group has a clear organization chart, covering the different entities belonging to the Group. For all functions, areas of responsibilities are defined.

Risk assessment

We refer to the section "overview of risks and uncertainties" and "financial instruments" of this report which describes the risks related to the evolution of the market and business, the Group is operating in.

The Board of Directors and management determines the strategy, the budget and mid- to long term business plan for the Group. During this process, risks and uncertainties are discussed and taken into account to further finalize the Groups strategy and budgets.

The most important risk categories were identified:

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[1] *COSO (Committee of Sponsoring Organizations) is a private non-governmental international body recognized on matters of governance, internal control, risk management and Financial reporting.*

Physical risks

In order to avoid a disruption in production, the Group has outsourced a part of its production to different third party manufacturers (hereafter also called "production partners"). However, this exposes the Group to a number of risks and uncertainties outside of its control. If one of these third-party manufacturers were to experience delays, disruptions, capacity constraints or quality control problems in its manufacturing operations, product shipments to customers of the Group could be delayed or rejected or its customers could consequently elect to cancel the underlying product purchase order or choose to claim late delivery penalty. The cost, quality and availability of manufacturing partners are essential to the successful production and sale of the Group's products. Force majeure risks, at any point in the production/supply chain, could lead to property and material damage, cyber risks and business interruption.

Financial risks

A detailed description of the financial risk management, being the credit, liquidity and market risk is disclosed below.

Customer risks

Product recalls is an identified risk the Group could be confronted with. The Company's products are technologically complex, consist of various components acquired from diverse parties and include a major hardware component and complex software component, and must meet stringent industry, regulatory and customer requirements. The products produced by the Group may contain undetected errors or defects, especially when first introduced or when new models or versions are released. The increasing product complexity multiplies the risk of such errors. This could lead to a rejection or recall of this particular product.

Supplier risks

Quality issues and sole dependency on one supplier for the delivery of one specific product has been identified as a risk. The availability and sale of finished products would be jeopardized if any of these suppliers is not able to meet the Group's demand and production schedule and if alternative suitable components are not available on acceptable terms.

Organizational risks

Since the Group is operating in a fast moving and competitive technology sector, strategic pillars needs to be identified, and revised where necessary. The Group embarked on an industrial transformation that is continuing since the Group moved away from the highly commoditized segments of the market.

If the Group fails to develop and introduce successfully new products in its product portfolio, the Group could lose key customers or product orders and as a result, the Groups business could be harmed. In addition, as the Groups introduces new products or new versions of its existing products, its current customers may not require or desire the technological innovations of these products and may not purchase them or might purchase them in smaller quantities than the Company had expected. This, as well as fast changing technologies, could lead to shortened life cycles.

The Group has an ERP system which is used in its major entities (SAP). A failure could lead to a major impact with respect to financial data, master data, monitoring production, procurement and sales flows.

Control activities

The control activities include the measures taken by the Group to ensure that the most important risks, which were identified, are controlled or mitigated.

The Group manages its force majeure risks, being property and material damage, business interruption, cyber risk by entering into insurance contracts covering such risks.

Before commercializing its products, the Group performs the necessary tests to reach the level of technical acceptance. In order to try to assure the best possible quality standards during production, the Company has developed in-house test and calibration systems. These systems are used in the production of most of the Company's products. The in-house developed systems allow the Company to monitor the quality parameters used during production process that takes place in the factory of the Company's subcontractors. The test results are automatically uploaded in a database of the Company allowing it to check and verify the production history of those products. Furthermore, the Group has entered into a specific insurance contract to cover all external costs resulting from a potential recall risk.

The Group has changed its procurement process which is now processed by the third party manufacturer and supervised by the Group.

The Group has identified its strategic pillars. In order to cope with changing market conditions the Board and management have a number of strategic meetings in order to determine the further strategy of the Group. Product life cycles are monitored closely.

To guarantee the continuity of ERP system (SAP), back-ups are made on a daily basis and the maintenance is performed by an experienced third party. During 2009 and 2010 the current SAP security setup and access rights have been reviewed during an "SAP security project" under which new roles were developed. The driving factors of this project were based on control of integrity (segregation of duties) and completeness of figures / data.

An important element to control activities is the annual budget exercise in which strategy, risk, business plans and intended results are tested. The performance towards the targets is monitored monthly by the Finance team and discussed in management meetings.

Information and communication

In order to transmit reliable financial information a standardized information flow process has been defined, which is consistent for all entities belonging to the Group. This process flow includes the specific tasks to be completed by all entities for each monthly closing as well as specific deadlines. The Group has an accounting manual and works with a uniform reporting format, used by all its entities, to ensure the consistency of data as well as to detect potential anomalies.

The financial information is presented to the Audit Committee and to the Board of Directors on a quarterly basis. When approved, a financial press release or business update is sent in due time to the market. Following such release, the whole organization of the Group is informed. The information shared on a regular basis with the staff is not limited to a financial update, but includes as well business updates and in case this is required, strategically updates.

Monitoring activities

Supervision is done by the Board of Directors through the Audit Committee's activities and responsibilities. The Audit Committee reviews and discusses the quarterly closings based on a presentation of the Group's financial management. Minutes of the meeting are prepared including the follow up action points. Given the structure and current size of the Group, there is no internal auditor's function.

STATEMENT

The Board, to the best of their knowledge, declares the following:

a. the annual financial statements were prepared in accordance with the applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and of the undertakings included in the consolidation taken as a whole;

b. the annual report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

Leuven, April 28th, 2016

The Board of Directors

3. FINANCIAL REVIEW

The Capital of the Company amounts to EUR 4 844 802 and is represented by 96 896 054 shares. The shares are listed on the "NYSE Euronext Brussels" stock exchange under the code BE0003836534.

At year-end 2015, all shares, except 1 (one) which existed in registered form, were dematerialized.

At year-end 2015, the Company had the following significant shareholders in accordance with the received transparency declarations:

Identity of the person, entity or group of persons or entities	Number of shares	Percentage of financial instruments held
Jan Callewaert	14 809 008	15.28%
Free float	82 087 046	84.72%
Total outstanding shares	96 896 054	100%

DISCUSSION OF THE CONSOLIDATED ANNUAL ACCOUNTS
The consolidated accounts include the following subsidiaries:

- Option Wireless Ltd, Cork (Ireland)
- Option Germany GmbH, Augsburg (Germany)
- Option Japan KK (Japan)
- Option Wireless Hong Kong Limited (China)
- Option Wireless Technology (Suzhou) Co. Ltd. (China)
- Option Wireless Hong Kong Limited Taiwan Branch (Taiwan)
- Option Wireless USA Inc. (United States of America)

Due to cost reduction measures, activities in the sites Augsburg, France and Cork were transferred or ceased in the past years. The entities in France, in Japan and in Augsburg were put into liquidation, however these liquidations were not yet finalized at the end of 2015.

The cork site is dormant now, the Paris site is under "liquidation judiciaire"[1]
as of 30 December 2014. Option France has been deconsolidated as from December 2014 due to the loss of control.

REVENUES
Total revenues for 2015 decreased by 10% to EUR 4 698k, compared with EUR 5 230k in 2014.

GEOGRAPHICAL SPREAD OF SALES
We refer to the note 3 Operating segments and entity-wide disclosures of the financial statements in this annual report for additional information about the geographical spread of sales.

GROSS MARGIN
Gross profit for 2015 is EUR 1 328k or 28% on total revenues, compared with gross margin of 44% in 2014. This decrease is due to a write-off on inventories of EUR 837k. Excluding the write-off, the normalized gross margin would have reached 46% in 2015.

[1] *It concerns a judicial liquidation where a liquidator was appointed.*

OPERATING EXPENSES
The operating expenses for the full year 2015, including depreciation, amortization and impairment charges were EUR 13 082k compared to EUR 13 467k for the previous year. This represents a decrease of 3%.

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 794k or 13% results from further cost control.

RESULT FROM OPERATIONS (EBIT)
During 2015, EBIT was EUR (11 754k) compared to EUR (11 020k) in 2014. Normalized EBIT for 2015 was EUR (9 508k) which implies an improvement of 29%.

EBITDA
EBITDA amounted to EUR (7 927k) for the full year 2015, compared to EUR (7 234k) for 2014.

FINANCE RESULT
The Group carried a negative financial result of EUR 2 312k (2014: negative of EUR 1 802k) and mainly related to interests on the convertible bond loans and the bridge loan (EUR 2 130k). The 2015 net exchange rate result amounted to EUR (208k) and was mainly related to the USD. Compared with 2014 financial costs due to interests increased with around EUR 450k while the exchange results decreased with around EUR 670k.

TAX RESULT
Following the IFRS guidance related to deferred tax assets, the Group determined in financial year 2010 that it was prudent to reverse the deferred tax asset in full. No Deferred Tax Asset is recognized in 2015.

Tax expenses in 2015 amounted to EUR 18k (2014: EUR 34k).

NET RESULT AND EARNINGS PER SHARE
The earnings per share were as follows in 2015:

Net result, for the full year 2015, amounted to EUR (14 084k) or EUR (0.15) per basic and diluted share. This compares to a net result of EUR (12 856k) or EUR (0.15) per basic and diluted share during 2014.

BALANCE SHEET
At year-end 2015, total assets amounted to EUR 7 831k compared to EUR 10 110k at the end of the previous year.

Cash and cash equivalents increased over the year from EUR 1 554k to EUR 4 068k at the end of 2015.

Trade and other receivables decreased from EUR 848k to EUR 732k at the end of 2015. This decrease was attributable to the trade receivables which decreased due to lower revenues over the full year 2015. The trade receivable portfolio is sound. Most sales in non-OECD countries are covered by letters of credit or by credit insurance, provided by Delcredere. As an autonomous body, guaranteed by the Belgian Government, Delcredere's role is to promote international economic relations by covering risks relating to exports to, imports from and investments in non-OECD countries.

Inventories decreased from EUR 3 139k to EUR 1 501k at the end of 2015. This lower inventory position is explained by decreased positions of the work in progress and raw materials. The total amortization related to the inventory amounted to EUR 2 844k compared to EUR 2 007k in 2014.

The net book value of intangible fixed assets was EUR 893k at the end of 2015, compared with EUR 3 051k as at 31 December 2014. The value of the R&D projects is determined based on an estimate of the projected contributions from the development projects in the coming quarters.

The net book value of tangible fixed assets was EUR 120k at the end of 2015, compared with EUR 255k as at 31 December 2014.

Total current liabilities increased during the year to EUR 9 428k in 2015, compared with EUR 7 803k in 2014. This increase is mainly driven by an increase in trade and other payables.
Non-current liabilities increased to EUR 26 105k, mainly due to the emission of a convertible bond of EUR 6 million and a bridge loan of EUR 2.7 million, and capitalization of interests and decreased by the conversion of EUR 0.5 million of the convertible bond of 2013 and the conversion of EUR 100k of the convertible bond of 2014

On a balance sheet total of EUR 7 831k, the total shareholders' equity represented EUR (27 702k). Therefore, at the end of 2015, the Group solvency ratio was (354%), compared to (151%) in 2014.

The cash flow generated from operating activities during 2015 represented EUR (5 438k) compared to EUR (9 227k) in the previous year.

For more detailed information, we refer to the notes.

APPROPRIATION OF THE NON-CONSOLIDATED RESULT

The statutory accounts of the Company (Belgian GAAP) reported a net loss for the year 2015 of EUR 14.1 million, compared with a net loss of EUR 11.1 million in 2014.

The Board of Directors proposes to add the non-consolidated net loss of EUR 14.1 million of 2015 to the loss carried forward from the previous years.

Abridged allocation account (According to Belgian Accounting Standards)		
December 31- in Thousands EUR	2015	2014
Profit/(loss) carried forward from previous year	(23 953)	(12 875)
Profit/(loss) for the period available for appropriation	(14 067)	(11 078)
Profit/(loss) to be appropriated	(38 020)	(23 953)

4. FINANCIAL REPORT – IFRS

4.1. Consolidated Financial Statements

4.1.1. Consolidated Income Statement

Year ended 31 December Thousands EUR	Note	2015	2014
Revenues	3	**4 698**	**5 230**
Cost of products sold	4	(3 370)	(2 949)
Gross Margin		**1 328**	**2 281**
Research and Development expenses	4-5	(4 956)	(5 345)
Sales, marketing and royalties expenses	4-5	(3 336)	(3 073)
General and administrative expenses	4-5	(4 790)	(5 049)
Total Operating expenses		**(13 082)**	**(13 467)**
Impact deconsolidation		-	166
Result from operations		**(11 754)**	**(11 020)**
Finance costs	6	(2 534)	(2 753)
Finance income	6	222	951
Finance result-net		**(2 312)**	**(1 802)**
Profit / (loss) before income taxes		**(14 066)**	**(12 822)**
Income tax benefits / (expenses)	7	(18)	(34)
Net Result of the period attributable to the owners of the Company		**(14 084)**	**(12 856)**
Earnings 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	19	(0.15)	(0.15)
Diluted earnings / (loss) per share	19	(0.15)	(0.15)

4.1.2. Consolidated statement of comprehensive income

Year ended December 31 Thousands EUR	Note	2015	2014
Profit / (Loss) for the period		(14 084)	(12 856)
Other comprehensive income			
Items that might 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)**

4.1.3. Consolidated statement of financial position

Year ended December 31 Thousands EUR	Note	2015	2014
Assets			
Intangible assets	8	893	3 051
Property, plant and equipment	9	120	255
Other financial assets	11	490	1 236
Other non-current assets	10	15	17
Total non-current assets		**1 518**	**4 559**
Inventories	12	1 501	3 139
Trade and other receivables	10	732	848
Cash and cash equivalents	13	4 068	1 554
Income tax receivable	7	12	10
Total current assets		**6 313**	**5 551**
Total assets		**7 831**	**10 110**
liabilities and shareholders' equity			
Issued capital	18	4 845	4 739
Share premium	18	5 076	3 763
Reserves and CTA	18	(37 623)	(23 769)
Total shareholders' equity attributable to the owners of the Company		**(27 702)**	**(15 267)**
Financial debt	14	26 105	17 574
Total non-current liabilities		**26 105**	**17 574**
Trade and other payables	15	9 124	7 544
Provisions	16	295	258
Income tax payable	7	9	1
Total current liabilities		**9 428**	**7 803**
Total liabilities and shareholders' equity		**7 831**	**10 110**

4.1.4. Consolidated statement of cash flows

Year ended December 31 Thousands EUR	Note	2015	2014
OPERATING ACTIVITIES			
Net Result (A)		**(14 084)**	**(12 856)**
Amortisation of intangible assets	8	2 533	3 228
Depreciation of property, plant and equipment	9	135	266
Impairment of financial assets	11	746	-
Loss/(gains) on sale of property, plant and equipment		(65)	7
Loss/(gains) on financial fixed assets		-	(166)
(Reversal of) write-offs on current and non current assets		916	226
Impairment losses on intangible assets	8	413	4
Increase / (decrease) in provisions	16	36	10
Unrealized foreign exchange losses/(gains)		42	27
Interest (income)	6	(4)	(13)
Interest expense	6	2 129	1 676
Equity settled share based payment expense	18	104	26
Tax expense / (benefit)	7	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	12	835	44
Decrease / (increase) in trade and other receivables	10	67	522
Increase / (decrease) in trade and other payables	15	1 450	(1 368)
Increase / (decrease) in deferred revenue	16	-	(200)
Use of provisions		-	-
Total changes in working capital (D)		**2 352**	**(1 002)**
Cash generated from operation		**(4 729)**	**(8 533)**
(E)=(C) + (D)			
Interests (paid) (F)		(705)	(692)
Interests 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			
Expenditures on product development, net of grants received	8	(788)	(2 348)
Acquisition of property, plant and equipment	9	-	(5)
Proceeds from sale of property, plant and equipment	9	65	-
CASH FLOW USED IN INVESTING ACTIVITIES (j)		**(723)**	**(2 353)**
FINANCING ACTIVITIES			
Proceeds from borrowings	14	8 675	12 000
Finance lease liabilities	15	-	(7)
Repayment of borrowings	14	-	(500)
CASH FLOW PROVIDED BY/(USED I) 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	13	1 554	1 623
Effect of foreign exchange difference		-	18
Cash and cash equivalents at end of year	13	4 068	1 554
Difference		**2 514**	**(87)**

4.1.5. Consolidated statement of changes in equity

Thousands EUR	Issued capital	Share premium	Share-based payment reserve	Foreign currency translation reserves	Share Issue costs	Retained earnings / (losses)	Total
At 1 january 2014	**4 125**	**1 078**	**-**	**(39)**	**(2 617)**	**(8 395)**	**(5 848)**
Net result for the year	-	-	-	-	-	(12 856)	(12 856)
Other comprehensive loss for the year, net of income tax	-	-	-	112	-	-	112
Total comprehensive loss for the year	*-*	*-*	*-*	*112*	*-*	*(12 856)*	*(12 744)*
Equity compnonent of the convertible loan	*-*	*(201)*	*-*	*-*	*-*	*-*	*(201)*
Transfer from/to	*-*	*-*	*-*	*-*	*-*	*-*	*-*
Capital Increase	*614*	*2 886*	*-*	*-*	*-*	*-*	*3 500*
Capital decrease	*-*	*-*	*-*	*-*	*-*	*-*	*-*
Share based payments	-	-	26	-	-	-	26
At 31 December 2014	**4 739**	**3 763**	**26**	**73**	**(2 617)**	**(21 251)**	**(15 267)**
Net result for 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 compnonent of the convertible loan	-	812	-	-	-	-	812
Transfer from/to	-	-	-	-	-	-	-
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)**

4.2. Notes to the consolidated financial statements

NOTE 1: Corporate information

Option NV (hereafter the Company) was incorporated on 3 July 1986 and has been publicly listed since November 1997, first on the European stock exchange ("Easdaq" later "Nasdaq Europe") and since 2003 on the Eurolist of Euronext Brussels (Ticker: OPTI - code BE0003836534).

Option NV has the legal form of a public limited company (Naamloze Vennootschap (NV) whose shares were offered for sale to the public and is incorporated under Belgian law. Its headquarters are located in Belgium (Gaston Geenslaan 14, 3001 Leuven). Option NV is present in different continents around the world. The main company is the headquarter located in Leuven. A complete list of all the subsidiaries of the Company can be found at the end of this annual report (see Note 25 Option companies).

The consolidated financial statements of the Company for the year ended 31 December 2015 comprise the Company and its subsidiaries (hereinafter jointly referred to as "Option" or the "Group"). The annual report was authorized for issue by the board of directors on 27 April 2016 and signed on its behalf by Mr. Jan Callewaert.

BASIS OF PREPARATION

The consolidated financial statements have been prepared under the historical cost convention, except for derivative financial instruments that have been measured at fair value.
The consolidated financial statements are presented in Euros and all values are rounded to the nearest thousand (€000) except otherwise stated.

STATEMENT OF COMPLIANCE

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB) and adopted by the European Union.

BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of the Company and all the subsidiaries controlled by the Company. Control exists when the Group has the power over the investee, is exposed or has rights to variable returns from its involvement with the investee and has the ability to use its power to affect its returns.

Option NV has a 100% stake in all its subsidiaries (cfr Note 25).

The results of subsidiaries acquired or disposed of during the year are consolidated from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Inter-company transactions, balances and unrealized gains on transactions between Group companies are eliminated in full in preparing the consolidated financial statements. Unrealized losses are also eliminated in the same way as unrealized gains unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

No changes were made on the presentation, nor classification and disclosures in the accounting policies.

Standards and Interpretations effective in the current period
The Group issued the same standards as previous years with exemption of some new standards and amendments applied for the first time in 2015.

- IFRIC 21 Levies, effective 17 June 2014;
- Annual improvements to IFRS 2011-2013 Cycle (Issued December 2013), effective 1 January 2015;
- Annual improvements to IFRS 2010-2012 Cycle (Issued December 2013), effective 1 February 2015;
- Amendments to IAS 19 Employee Benefits – Defined Benefit Plans: Employee Contributions, effective 1 February 2015.

Early adoption of Standards and Interpretations

List of standards and interpretations issued not yet effective in the current year to be included, as well as a comment on impact at initial adoption.

List of standards not yet effective at 31 December 2015:

- IFRS 9 Financial Instruments, effective 1 January 2018;
- IFRS 15 Revenue from Contracts with Customers, effective 1 January 2018;

  The Group will continue to assess the impact and monitors any statements from the IASB.
- Amendments to IAS 1 Presentation of Financial Statements – Disclosure Initiative, effective 1 January 2016
- Annual Improvements to IFRS 2012-2014 Cycle (Issued September 2014), effective 1 January 2016
- IFRS 16 Leases, effective 1 January 2019

The Group has elected not to adopt any Standards or Interpretations in advance of their effective dates.

ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts in the financial statements and related notes. It concerns mainly the recoverability of fixed assets, deferred taxes, intangible assets, warranty obligations and other probable liabilities on the closing date of the financial statements and the reported amounts of revenues and expenses during the reported period.

The Group uses estimates in its normal course of business to evaluate the warranty, excess and obsolete inventory, the doubtful debtors, the useful life of R&D projects, the valuation of intellectual properties, the derivative financial instruments and other reserves. Actual results could differ from these estimates.

Judgments made by management in the application of IFRS that have significant effect on the amounts recognized in the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in the relevant notes hereafter.

Going concern

Given the continued cash drain in 2015 and 2016, the Board is looking for further cost alignment, development project- and financial funding.

On the day of the publication of the report, the Company has limited financial means. The Board has however secured new financial commitments which together with the latest sales outlook, should allow the company to fund the next 6 months and secure the short term going concern.

The latest sales outlook incorporates a growth compared to actual sales realized in the first months, however the company is confident it will be able to realize the outlook as it was based on concrete discussions with customers.

After this period of six months, new financing will be required. The board has already started first actions in this respect by means of capital increase or partnering on group or subsidiary level.
Therefore the Board has decided to prepare the annual accounts under the going concern principle.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if there is a significant risk of causing a material adjustment to the carrying amounts of the assets and liabilities within next financial year.

Defined contribution pension plans
By law, defined contribution pension plans in Belgium are subject to minimum guaranteed rates of return. As a consequence of the law of 18 December 2015, minimum returns are guaranteed by the employer as follows:

- for the contribution paid as from 1 January 2016, a new variable minimum return based on OLO rates, with a minimum of 1.75% and a maximum of 3.75%. In view of the low rates of the OLO in the last years, the return has been initially set to 1.75%;
- for the contribution paid until end December 2015, the previously applicable legal returns (3.25% and 3.75% respectively on the employer and employee contributions) continue to apply until retirement date of the participants;

In view of the minimum returns guarantees, those plans qualify as Defined Benefit Plans.

The Group was not in a position to receive a complete actuarial computation under the PUC method due to the recent publication of the law.
Based on an analysis of the plans and the limited difference betwen the legally guaranteed minimum returns and the interest guaranteed by the insurance company, the Group has concluded that the application of the PUC method would have an immaterial impact.

A net liability of EUR 42k was recognized in the statement of financial position at December 31, 2015, based on the sum of the positive differences, determined by individual plan participant, between the minimum guaranteed reserves and the accumulated contributions based on the actual rates of return at the closing date.

Development costs
Development costs are capitalized in accordance with the accounting policy in Note 2. Initial capitalization of costs is based on management's judgment that technological and economical feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalized management makes assumptions regarding the expected future cash generation of the assets, discount rates to be applied and the expected period of benefits. At 31 December 2015, the best estimate of the carrying amount of capitalized development costs was EUR 893k (2014: EUR 3 051k), see Note 8 for further details.

Impairment of non-financial assets
The Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows. At 31 December 2015, the company has recognized impairment losses on the capitalized development projects for EUR 413k (2014: EUR 0k), Further details are given in Note 8.

At 31 December 2015, the company has recognized an additional write off of EUR 665k on the inventories. This analysis was based on the forecasted volumes and prices in the company's budget for 2016.

Financial assets
The Company is since 2H, 2011 shareholder of Autonet Mobile, a California (US) based company active in the automotive sector. The valuation of the participation in Autonet Mobile which is measured at acquisition value, is reviewed by the management and the Board on a regular basis in function of the progress (both commercially and financially) made by Autonet Mobile and the general evolution witnessed in the automotive market. The stocks are not tradable in an open market and are therefore measured at cost. Autonet Mobile went to a transitioning process in 2015 given that the start up was lower than expected. The company has recognized impairment losses of EUR 746k on this participation at 31 December 2015 based on the share value of a recent equity transaction at Autonet Mobile. Option holds less than 10% in Autonet Mobile.

Deferred Tax Assets
Deferred tax assets are recognized for all unused tax losses and other timing differences to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies.
The deferred tax losses are not recorded on the balance sheet as they cannot be offset with taxable profits in the near future. Although these tax losses are not recorded on the balance sheet, they do not expire nor may be used to offset taxable income elsewhere in the Group. Further details are contained in Note 7.

Warranty provision
The Group estimates the cost for the warranty coverage by applying statistical techniques on the sales recorded.
The warranty period is between 12 and 24 months determined by the location of the customer.
At 31 December 2015, there was no provision for warranty (2014: EUR 58k). Further details are given in Note 16.

Restructuring provision
A restructuring provision is recognized when the Group has developed a detailed formal plan for the restructuring as explained in the accounting policy in Note 2.

Intellectual Property Rights

In 2013 the Group revised its royalty provisions for essential patents which had been made in the past in accordance with common practice but before FRAND requirements for essential patent licenses (Fair Reasonable and Non-Discriminatory terms) became well established and not yet challenged on their validity before the courts and antitrust authorities. In order to bring the royalty provisions in line with these new developments the Group revisited these provisions and refers to the following reasons:

- The essential patent context has substantially changed. There are now external and objective criteria in order to justify a change in the position towards essential patents and the royalty burden that essential patent holders may impose for the use of their essential patents.

- The elements evidencing substantial changes in the legal framework and in the market are amongst others:

    1. The requirement that the terms and conditions of essential patent license agreements must be FRAND (Fair reasonable and non-discriminatory) compliant;
    2. The possibility to challenge the FRAND requirement before the Courts and Antitrust Authorities;
    3. The possibility for Option to require to be treated in a non-discriminatory way vis-à-vis its competitors (Chinese and other) as well for past as future royalty payments;
    4. The overall reduction of prices and margins following the mass market commoditization of virtually all 3G products.

The group concluded that no reliable estimate could be made for these and therefore the Group decided to revise its provisions, following IAS 37 § 14.

In 2015 no new contracts were signed.

NOTE 2: Significant accounting policies

1. FOREIGN CURRENCY TRANSLATION

Functional and presentation currency
The individual financial statements of each of the Group's entities are presented in the currency of the primary economic environment in which the entity operates ("functional currency"). The consolidated financial statements are presented in euro, which is the Company's functional and presentation currency. All companies within the Group have the Euro as their functional currency, except for:

- the Japanese subsidiary for which its functional currency is the Japanese Yen; and
- the Hong Kong, US and Taiwanese subsidiaries for which the functional currency is respectively the US Dollar and New Taiwan Dollar.

Foreign currency transactions
In preparing the financial statements of the individual entities, transactions in currencies other than euro are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities denominated in foreign currencies are retranslated at the balance sheet date rate. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are retranslated at the foreign exchange rate prevailing at the date when the fair value was determined. Gains and losses resulting from the settlement of foreign currency transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement of the period.

Translation of the results and financial position of foreign operations
For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (US, Japanese, Hong Kong and Taiwanese subsidiaries) are translated to euro at foreign exchange rates prevailing at the balance sheet date. Income and expense items are translated at the average exchange rates for the period unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. The components of shareholders' equity are translated at historical rates. Exchange differences arising, if any, are classified as equity and recognized in the Group's foreign currency translation reserve. Such exchange differences are recognized in profit or loss in the period in which the foreign operation is disposed of.

2. REVENUE RECOGNITION

The Group generates its revenue mainly from the sales of its products, such as intelligent M2M gateways, routers, USB devices, embedded wireless modules and to a lesser extent from services such as software licenses and engineering services.

Customers of the Group are distributors, Value Added Resellers, system integrators, Original Equipment Manufacturers, wireless service providers, global operators and end-users.

Revenue from products is recognized by the Group when

- persuasive evidence of an arrangement exists,
- the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the products sold;
- the entity has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the amount of revenue (the price) can be measured reliably,
- collection of the price is reasonably assured (it is probable that the economic benefits associated with the transaction will flow to the entity), and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

If any of these criteria are not met, recognition of revenues is deferred until such time as all of the criteria are met.

Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, and other sales taxes or duty.

The Company's product sales are generally not sold with a right of return unless the product is defective and covered by the warranty clause (See also Note 16).

The Company's sales typically include multiple product and/or service elements such as technical support for its products. In that case the total revenue is allocated to the fair value of the individual elements, each of which is then recognized in accordance with the accounting principle applicable to that element. Where the fair value of one or more of the elements cannot be determined, the revenue is spread over the expected remaining contractual lifetime. Although the products sold have embedded software, the Group believes that software is incidental to the products they provide.

Revenues from services are recognized when the services are performed, when there is no material continuing performance and payment is reasonably assured. Revenues on service arrangements contingent on final customer acceptance are deferred until such acceptance has been received, and all other criteria for revenue recognition have been met. The costs associated with these arrangements are recognized as incurred.

A part of the company's revenues have been derived from collaboration agreements. Pursuant to such collaborations, the group agrees to conduct research and test projects, as defined in the contract.

Most of these agreements provide for upfront fees for technology access, license fees and significant milestone fees. Agreements specifically related to license and software income are recognized as revenue over the period of the license.

Upfront non-refundable fees are only recognized as revenue at fair value when products are delivered and/or services are rendered in a separate transaction and the Group has fulfilled all conditions and obligations under the related agreement. In case of continuing involvement of the Group, the upfront fee would not be regarded as a separate transaction and the upfront non refundable fees will be deferred at fair value over the period of the collaboration.

Research milestone earnings are recognized as revenues when irrevocably earned, unless the Group has continuing involvement in the program. In such case the milestone revenue is only recognized in full to the extent cost has been incurred in light of the overall estimated project revenues and expenses.

Deferred revenue is recorded when cash in advance is received before the above revenue recognition criteria are met.

A limited number of sales contracts entitle customers to a subsequent credit note in case of price erosion during a specific period after the initial sale. Subsequently granted discounts resulting from this type of contract clauses are estimated at the time of the initial sale and netted against revenue.

Any commercial discount is netted against revenue.

3. ROYALTIES BASED ON THE SALE OF PRODUCTS

Under license agreements, the Group is committed to make royalty payments for the use of certain patented technologies in wireless data communication, taking into account fair market conditions.
Royalty obligations are recognized in the income statement in the caption "sales, marketing and royalties' expenses".

4. TAXES

Income tax charge on the profit or loss for the year comprises current and deferred taxation.
Income tax is recognized in the income statement except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current income tax
Current tax is the expected tax payable on the taxable income for the year. Taxable base differs from net base as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates enacted, or substantively enacted, at the balance sheet date. For further details see Note 7.

Deferred income tax
Deferred income tax is provided in full, using the balance sheet liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Enacted or substantially enacted tax rates are used to determine deferred income tax.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are recognized for all taxable temporary differences only to the extent that it is probable for management that future taxable profits will be available against which those deductible temporary differences can be utilized. Deferred tax assets are reviewed at each balance sheet date and are reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis. For further details see Note 7.

5. INVENTORIES

Raw materials (mainly electronic components) and work in progress are stated at the lower of cost or net realizable value. Cost is determined on a first-in, first-out basis.
Finished goods inventories are stated at the lower of cost and net realizable value. Cost comprises direct materials and where applicable, direct labor costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the FIFO method.

Net realizable value is the estimated selling price less the estimated costs of completion and the estimated costs necessary to make the sale.

The Group recognizes consignment stock in its balance sheet unless there has been a substantial transfer of the risks and rewards of ownership to the consignee.

The Group reviews inventories of slow-moving or obsolete items on an ongoing basis and creates allowances if needed.

6. PROPERTY PLANT AND EQUIPMENT

The Group's property, plant and equipment, including dedicated production equipment, is recorded at historical cost less accumulated depreciation and impairment losses. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset as appropriate only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. When a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are charged to the income statement as incurred.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognized.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which are as follows:

Machinery and computer equipment	2 to 10 years
Furniture and Vehicles	5 years
Leasehold improvements	3 to 9 years

The estimated useful lives, residual values and depreciation method are reviewed at each balance sheet date, with the effect of any changes in estimate accounted for on a prospective basis.

Assets under construction are stated at cost. This includes cost of construction, plant and equipment and other direct costs. Assets under construction are not depreciated until such time as the relevant assets are available for their intended use, at which stage the assets are also reclassified towards the relevant category within property, plant and equipment.

7. LEASES

Lease operations can be divided into two types of lease:

Finance lease
Leases under which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. They are measured at the lower of fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses.

Each lease payment is apportioned between reduction of the lease obligation and finance charges so as to achieve a constant periodic rate of interest on the remaining balance of the liability. The corresponding rental obligations, net of finance charges, are included in short and long-term payables. The interest element is charged to the income statement over the lease period. Assets under finance lease are depreciated over the useful life of the assets according to the rules set out by the Group. In case where it is not certain that the Group will acquire the ownership of the asset at the end of the lease term, depreciation is spread over the shorter of the lease term and the useful life of the asset.

Operating lease
Leases under which a substantial part of risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating lease are charged to the income statement on a straight-line basis over the term of the lease. For further details see Note 17.

8. INTANGIBLE ASSETS

Intangible assets acquired separately are measured upon initial recognition at cost less any accumulated amortization and any accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in profit or loss in the year in which the expenditure is incurred.

Intangible assets are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at each financial year end.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss when the asset is derecognized.

(A) Research and Development costs and related government development funding

Research expenditure is recognized as an expense as incurred.

The Group follows the cost reduction method of accounting for government research funding whereby the benefit of the funding is recognized as a reduction in the cost of the related expenditure when certain criteria stipulated under the terms of those funding agreements have been met, and there is reasonable assurance the grants will be received.

Costs incurred on development projects (relating to the design and testing of new or improved products) are recognized as intangible assets pursuant IAS 38 *Intangible Assets* if following criteria of compliance are met and the Group can demonstrate:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- its intention to complete the intangible asset;
- its ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits (e.g. existence of a market or, if it is to be used internally, the usefulness of the intangible asset);
- the availability of adequate technical, financial and other resource to complete the development and to use or sell the intangible asset; and
- its ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognized for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible assets can be recognized, development expenditure is charged to profit or loss in the period in which it is incurred.
Subsequent to initial recognition, these internally-generated intangible assets are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets acquired separately. The amortization of capitalized development costs is recognized in the income statement under the caption "Research and Development costs".

Other development expenditures are recognized as an expense as incurred. Research and Development costs recognized in the previous accounting year as an expense cannot be recognized as an asset in a subsequent period. Development costs that have a finite useful life that have been capitalized are amortized from the commencement of the commercial shipment of the certified product on a straight-line basis over the period of its expected benefit, not exceeding two years.

(B) Other intangible assets

The Group's other intangible assets include

- Concessions, patents and licenses, and
- Software for Material Requirements Planning (MRP) and consolidation purposes.

These are reported at cost less accumulated amortization and accumulated impairment losses. Amortization is computed using the straight-line method over the estimated useful lives of the assets, which are from 1.5 to 5 years depending to the specific license or software. The estimated useful life and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

9. IMPAIRMENT OF ASSETS

The Group assesses at each reporting date whenever events or changes in circumstances occur to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

For intangible assets initially recognized that no longer meet the criteria described for research and development costs (Accounting policy 8A) an impairment loss is recognized. Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. Impairment losses are recognized in the income statement.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. A reversal of an impairment loss is recognized in the income statement.

10. PROVISIONS

A provision is recognized when:

- there is a present obligation (legal or constructive) as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

If these conditions are not met, no provision is recognized.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Warranty provision
The Group provides warranty coverage on its products from date of shipment and/or date of sale to the end customer. The warranty period is in line with the applicable legislation and ranges from 12 to 24 months, determined by the location of the customer. The Group's policy is to accrue the estimated cost of warranty coverage at the time the sale is recorded. The warranty on sales from the Group outside the European Union is limited to one year only.

Restructuring provision
A restructuring provision is recognized when the Group has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the entity.

11. EMPLOYEE BENEFIT PLANS

The Group operates a number of defined contribution plans, the assets of which are held in separate trustee-administered funds or group insurances. Payments for these defined contribution plans are recognized as a current year charge. The Group adopted a retrospective approach whereby the net liability recognized in the statement of financial position is based on the sum of the positive differences, determined by individual plan participant, between the minimum guaranteed reserves and the accumulated contributions based on the actual rates of return at the closing date.
As a consequence of the law of 18 December 2015, minimum returns are guaranteed by the employer as follows:

- for the contribution paid as from 1 January 2016, a new variable minimum return based on OLO rates, with a minimum of 1.75% and a maximum of 3.75%. In view of the low rates of the OLO in the last years, the return has been initially set to 1.75%;
- for the contribution paid until end December 2015, the previously applicable legal returns (3.25% and 3.75% respectively on the employer and employee contributions) continue to apply until retirement date of the participants;

In view of the minimum returns guarantees, those plans qualify as Defined Benefit Plans.

12. SHARE-BASED PAYMENT TRANSACTIONS

The Group operates equity-settled share-based compensation plans through which it grants share options (here after referred to as “warrants”) to employees, contractors and directors. The cost of equity-settled transactions with employees for awards granted is measured by reference to the fair value at the grant date. The equity-settled share-based payments are expensed over the vesting period, with a corresponding increase in equity.

The total amount to be expensed over the vesting period is determined by reference to the fair value of the warrants granted, measured using the Black & Scholes model, taking into account the terms and conditions at which the warrants were granted. At each balance sheet date, the entity revises its estimates of the number of warrants that are expected to become exercisable except where forfeiture is only due to shares not achieving the threshold for vesting. It recognizes the impact of the revision of original estimates, if any, in the income statement, and a corresponding adjustment to equity over the remaining vesting period. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the warrants are exercised.
Further details are given in Note 18.

13. FINANCIAL ASSETS AND LIABILITIES

Financial assets and financial liabilities are recognized on the Group’s balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Trade and other receivables
Trade debtors and other amounts receivable are shown on the balance sheet at nominal value (in general, the original amount invoiced) less an allowance for doubtful debts. Such an allowance is recorded in the income statement when it is probable that the Group will not be able to collect all amounts due.

For customers for which overdue amounts rise from commercial discussions, discounts are provided against revenue. In those cases, where the credit risk arises from the possibility that individual customers may not be able to settle their obligations as agreed, are provided against an allowance for doubtful debtors.

Other receivables are stated at their nominal value (in general, the original amount invoiced) less an allowance for doubtful debts if deemed necessary.

Trade and other payables
Trade payables and other payables are stated at amortized cost. This is computed using the effective interest method less any allowance for impairment.

Cash and cash equivalents
Cash includes cash and term deposits. Highly liquid investments with maturity of three months or less at date of purchase are considered cash equivalents. Cash equivalents consist primarily of term deposits with a number of commercial banks with high credit ratings.

For the purpose of the consolidated cash flow statement, cash and cash equivalents consist of cash and short-term deposits as defined above.

14. BORROWING COSTS

Borrowing costs are recognized as an expense when incurred.

15. DERIVATIVE FINANCIAL INSTRUMENTS

In the event the Group should use derivative financial instruments such as forward currency contracts to hedge its foreign market risk, then these will initially be recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value through the income statement.

For financial instruments where there is no active market, an appropriate valuation technique is used to determine the fair value.

Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value on derivatives during the year that do not qualify for hedge accounting are taken directly to profit or loss.

16. EARNINGS PER SHARE

Basic net earnings per share are computed based on the weighted average number of ordinary shares outstanding during the period.
Diluted net earnings per share are computed based on the weighted average number of ordinary shares outstanding including the dilutive effect of warrants and conversion of the convertible bond.

17. SEGMENT REPORTING

A segment is a distinguishable component of the Group that is engaged either in providing products or services (operating segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

Segment results include revenue and expenses directly attributable to a segment and the relevant portion of revenue and expenses that can be allocated on a reasonable basis to a segment.

The operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess their performance.

NOTE 3: Operating segments and entity-wide disclosures

Segment information is presented in respect of the Group's business and geographical segments. The Group is following up on its activities on a project-by-project basis, whereby each project includes one or more products with similar technologies.

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the management of the Group in order to allocate resources to the segments and to assess their performance.

The primary segment reporting format is determined to be the business segment; each segment is a distinguishable component of the Group that is engaged in either providing products or services:

- The "Devices & Solutions" operating segment produces USB devices, routers as well as the new end to end service offerings;
- The "IOT Solutions" operating segment is related to revenues generated by Option's newest device, called CloudGate;
- The "Embedded & Solutions" operating segment is principally the production of embedded devices or module offerings and associated integration and certification services;
- The "Engineering Services" operating segment is related to revenues generated to engineering service deals, closed with third parties;
- The "Other" operating segment is mainly related to revenues generated out of the connection manager software business, mobile security solutions and other not product or not license related income. They are not reported separately at this stage since they represent less than 10% of total revenue.

The following is an analysis of the Group's revenue and results from operations by reportable segment:

Thousands EUR	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)**

The segment result represents the result for each segment including the operating expenses which could be allocated to the operating segment. The operating expenses which can be allocated are mainly amortizations, royalty expenses and staff related expenses, dedicated to the operating segment. The remaining operating expenses, mainly including the general and administrative, depreciations and staff related expenses not dedicated to a specific segment, have been reported under the "unallocated operating expenses".

The top 2 of customers represents 14% and 9% of total sales. The top 10 represents 69% of total sales.

Given the limited number of customers, the Group is following up on its sales efforts on a global basis, rather than on a regional basis. Mainly Americas, of which the US represents 49.7% and Europe (Belgium and Germany each 8%) are targeted.

Revenues	2015	2014
Europe	28%	47%
Americas	55%	34%
Asia-Pacific	11%	11%
Other	6%	8%

Since the Group does not report segments to the management of the Group on a balance sheet level, no information on assets and liabilities per segment can be disclosed.
All non-current assets are located in Belgium.

NOTE 4: Additional information on operating expenses by nature

Depreciation, amortization and impairment loss are included in the following line items in the income statement:

Thousands EUR	Depreciation on property, plant and equipment		Amortization on intangible assets		Impairment loss on intangible and financial assets		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
Cost of products sold	-	-	-	-		-	-	-
Operating Expenses including :								
- Research and development expenses	94	106	2 533	3 246	413	-	3 040	3 352
- Sales, marketing and royalties expenses	5	6	-	47	-	-	5	53
- General and administrative expenses	37	84	-	5	746	-	783	89
						-		
Total	**135**	**196**	**2 533**	**3 298**	**1 159**	**0**	**3 827**	**3 494**

In 2015, the Group reviewed the existing capitalized development projects which resulted in an additional impairment EUR 413k (2014: EUR 0k) having its source in changing technologies and fast changing market conditions.

The research and development expenses that were expensed as incurred amounted to EUR 1 916k (2014 EUR 2 348k).

In 2015 there is an impairment booked on financial assets for an amount of EUR 746k.

Payroll and related benefits are included in the following line items in the income statement:

Thousands EUR	2015	2014
Cost of products sold	467	-
Research and development expenses	2 100	2 562
Sales, marketing and royalties expenses	1 869	2 113
General and administrative expenses	1 091	981
Total	**5 526**	**5 656**

Cost of products sold

At year-end 90.3%, or EUR 3 044k of the cost of product sold relates to materials (2014: 93.5% or EUR 2 758k). In 2015, the Group incurred some in-house production payroll expenses at the Leuven offices relating to customization and rework.

NOTE 5: Payroll and related benefits

Thousands EUR	2015	2014
Wages and salaries	3 510	4 352
Social security contributions	1 363	1 442
Other personnel expenses	408	358
Contributions to pension plan	245	238
Payroll related restructuring charges	-	(47)
	5 526	**6 343**
a) Total number of people registered at year-end	61	77
b) Average number of people registered in full time equivalent	67	88
Employees	63	83
Management	4	5

As from 2003, the Company and two of its subsidiaries contribute to local pension funds, which are managed by high rated insurance companies, Delta Lloyd and Vivium. The employee contributions paid to the Delta Lloyd and Vivium is based on a fixed percentage of the salary. The contributions to the pension funds amounted to EUR 219k (2014: EUR 223k).

By law, defined contribution pension plans in Belgium are subject to minimum guaranteed rates of return. As a consequence of the law of 18 December 2015, minimum returns are guaranteed by the employer as follows:

- for the contribution paid as from 1 January 2016, a new variable minimum return based on OLO rates, with a minimum of 1.75% and a maximum of 3.75%. In view of the low rates of the OLO in the last years, the return has been initially set to 1.75%;
- for the contribution paid until end December 2015, the previously applicable legal returns (3.25% and 3.75% respectively on the employer and employee contributions) continue to apply until retirement date of the participants;

In view of the minimum returns guarantees, those plans qualify as Defined Benefit Plans.
In 2014, under the previous legal framework, the application of the PUC method was considered problematic, and there was uncertainty with respect to the future evolution of the minimum guaranteed rates of return. As a consequence, the group adopted a retrospective approach whereby the net liability recognized in the statement of financial position was based on the sum of the positive differences, determined by individual plan participant, between the minimum guaranteed reserves and the accumulated contributions based on the actual rates of return at the closing date.

The Group was not in a position to receive a complete actuarial computation under the PUC method due to the recent publication of the law.
Based on an analysis of the plans and the limited difference betwen the legally guaranteed minimum returns and the interest guaranteed by the insurance company, the Group has concluded that the application of the PUC method would have an immaterial impact.

A net liability of EUR 42k was recognized in the statement of financial position at December 31, 2015, based on the sum of the positive differences, determined by individual plan participant, between the minimum guaranteed reserves and the accumulated contributions based on the actual rates of return at the closing date.

NOTE 6: Finance result

Thousands EUR	2015	2014
Interest income	4	13
Net foreign exchange gains	194	938
Other	24	-
Finance income	**222**	**951**
Interest expense	(2 130)	(1 676)
Net foreign exchange losses	(402)	(1 067)
Other, mainly bank charges and payment differences	(2)	(10)
Finance costs	**(2 534)**	**(2 753)**
Finance net result	**(2 312)**	**(1 802)**

NOTE 7: Income tax

Thousands EUR	2015	2014
Tax benefit/(expense) comprises:		
Current tax benefit/(expense)	(18)	(34)
Deferred tax benefit/(expense)	-	-
Total tax income/(expense)	**(18)**	**(34)**
Result before tax	(14 066)	(12 822)
Tax benefit / (expense) calculated at 33.99%	(4 781)	(4 358)
Effect of non-taxable income	(71)	(41)
Effect of expenses that are not deductible in determining taxable profit	325	105
Effect of concessions and other tax credits	(88)	(88)
Effect of unused tax losses not recognized during the year	4 332	3 517
Effect of previously recognized unused tax losses and deductible temporary differences written off in the current year	109	1 073
Effect of different tax rates of subsidiaries operating in other jurisdictions	192	(174)
Tax income/(expense) recognized in the income statement	**(18)**	**(34)**

The tax rate used for the 2015 and 2014 reconciliations above is the corporate tax of 33.99% payable by companies in Belgium under Belgian tax law.

Following the IFRS guidance related to deferred tax assets, the Group determined that it was prudent to reverse the deferred tax asset in full in 2010. Although the deferred tax assets are not recorded on the balance sheet of the Group, the use of those tax losses and deductible temporary differences are still valid and unlimited in time, except for the part which relates to the notional interest deduction of 2012 and before, which is limited to a 7 year period.
Total unrecognized tax losses amounted to EUR 166 187k (2014: EUR 192 123k), which are all transferable for an unlimited period of time, except for the notional interest deduction, for which the EUR 974k expires in 2016; EUR 935k in 2017 and EUR 22k in 2018.

NOTE 8: Intangible assets

Thousands EUR	Capitalized development	Concessions, patents, licenses	Software	Total 2015
Acquisition cost				
Balance at 1 January 2015	**98 363**	**6 853**	**2 686**	**107 902**
Effect of movements in foreign exchange	-	-	-	-
Additions	-	-	-	-
Expenditures on product development, net of grants received	788	-	-	788
Transfer to other asset categories	-	-	-	-
Disposals	-	-	-	-
Other movements	-	-	-	-
Balance at 31 December 2015	**99 151**	**6 853**	**2 686**	**108 690**
Amortization and impairment loss	**(95 312)**	**(6 853)**	**(2 686)**	**(104 851)**
Balance at 1 January 2015	-	-	-	-
Effect of movements in foreign exchange	-	-	-	-
Amortization	-	-	-	-
Amortization for expenditures on product development	(2 533)	-	-	(2 533)
Impairment loss	(413)	-	-	(413)
Disposals	-	-	-	-
Transfer to other asset categories	-	-	-	-
Balance 31 December 2015	**(98 258)**	**(6 853)**	**(2 686)**	**(107 797)**
Carrying amount				
at 1 January 2015	**3 051**	**-**	**-**	**3 051**
at 31 December 2015	**893**	**-**	**-**	**893**
Acquisition cost				
Balance at 1 January 2014	**96 015**	**6 853**	**2 733**	**105 601**
Effect of movements in foreign exchange	-	-	-	-
Additions	-	-	-	-
Expenditures on product development, net of grants received	2 348	-	-	2 348
Transfer to other asset categories	-	-	-	-
Disposals	-	-	(47)	(47)
Other movements	-	-	-	-
Balance at 31 December 2014	**98 363**	**6 853**	**2 686**	**107 902**
Amortization and impairment loss				
Balance at 1 January 2014	**(92 083)**	**(6 796)**	**(2 717)**	**(101 596)**
Effect of movements in foreign exchange	-	-	-	-
Amortization	-	(57)	(12)	(69)
Amortization for expenditures on product development	(3 229)	-	-	(3 229)
Impairment loss	-	-	-	-
Disposals	-	-	43	43
Transfer to other asset categories	-	-	-	-
Balance 31 December 2014	**(95 312)**	**(6 853)**	**(2 686)**	**(104 851)**
Carrying amount				
at 1 January 2014	**3 932**	**57**	**16**	**4 005**
at 31 December 2014	**3 051**	**-**	**-**	**3 051**

Impairment of intangible assets with definite useful life

On a yearly basis, the Group reviews the existing capitalized development projects which resulted in an additional impairment for EUR 413k in 2015 (2014: EUR 0k). This analysis was based on “platform related projects” with a faster than anticipated end-of-life, projects with reduced contributions and projects with no visibility on sales beyond end of 2015. The value was determined based on an estimate of the projected contributions from these development projects in the coming quarters.

This was recognized in the income statement in the line item “Research and development expenses”.

Capitalized development only includes the IOT Solutions. The Group reports no Carrying amounts for server licenses and software.

NOTE 9: Property, plant and equipment

Thousands EUR	Machinery and computer equipment	Furniture and Vehicles	Leasehold improvements	Total 2015
Acquisition cost				
Balance at 1 January 2015	**22 112**	**1 609**	**1 012**	**24 733**
Effect of movements in foreign exchange	-	-	-	-
Additions	-	-	-	-
Disposals	-	-	-	-
Other movements	-	-	-	-
Balance at 31 December 2015	**22 112**	**1 609**	**1 012**	**24 733**
Depreciation				
Balance at 1 January 2015	**(21 896)**	**(1 572)**	**(1 010)**	**(24 478)**
Effect of movements in foreign exchange	-	-	-	-
Depreciation	(103)	(30)	(2)	(135)
Impairment loss	-	-	-	-
Disposals and cancellation	-	-	-	-
Other movements	-	-	-	-
Balance at 31 December 2015	**(21 999)**	**(1 602)**	**(1 012)**	**(24 613)**
Carrying amount				
at 1 January 2015	**216**	**37**	**2**	**255**
at 31 December 2015	**112**	**7**	**1**	**120**

Acquisition cost				
Balance at 1 January 2014	**22 215**	**1 581**	**1 014**	**24 810**
Effect of movements in foreign exchange	4	5	1	**10**
Additions	5	-	-	**5**
Disposals	(70)	(17)	(3)	**(90)**
Transfer to other asset categories	(42)	40	-	**(2)**
Balance at 31 December 2014	**22 112**	**1 609**	**1 012**	**24 733**
Depreciation				
Balance at 1 January 2014	**(21 845)**	**(1 501)**	**(1 009)**	**(24 355)**
Effect of movements in foreign exchange	(4)	(5)	(1)	**(10)**
Depreciation	(142)	(45)	(2)	**(189)**
Impairment loss	-	-	-	**-**
Disposals and cancellation	60	14	2	**76**
Transfer to other asset categories	35	(35)	-	**-**
Balance at 31 December 2014	**(21 896)**	**(1 572)**	**(1 010)**	**(24 478)**
Carrying amount				
at 1 January 2014	**370**	**80**	**5**	**455**
at 31 December 2014	**216**	**37**	**2**	**255**

NOTE 10: Trade and other receivables

CURRENT TRADE AND RECEIVABLES

Thousands EUR	2015	2014
Trade receivables	1 269	1 199
Allowance for doubtful accounts	(656)	(544)
Subtotal	613	*655*
Recoverable VAT	73	60
Other receivables	46	133
Subtotal	119	*193*
Total	**732**	**848**

For terms and conditions relating to related party receivables, refer to Note 23.
Trade receivables are non-interest bearing and are generally on 30-40 days' terms.

The other receivables consist mainly of recoverable taxes.

<u>Aging of trade receivables:</u>

Thousands EUR	Gross Amounts		Allowance for doubtful accounts	
	2015	2014	2015	2014
< 60 days	613	547	-	-
60 - 90 days	-	34	-	-
90 - 120 days	9	-	(9)	-
> 120 days	647	618	(647)	(544)
	1 269	**1 199**	**(656)**	**(544)**

See also Note 21 for further information about credit risk.

OTHER NON-CURRENT ASSETS

Thousands EUR	2015	2014
Cash guarantees	15	17
	15	**17**

Other non-current assets are cash guarantees that are mainly related to rent guarantees in the major facilities.

NOTE 11: Other financial assets

Thousands EUR	2015	2014
Other financial assets	490	1 236
	490	**1 236**

In September 2011, Option invested EUR 1 043k (representing 6.67%) in Autonet Mobile, Inc. to deliver the 1st Mobile IP based Telematics Control Unit (TCU) for the Automotive market. By entering this strategic partnership, Option will combine the knowledge of the automotive market with designing and developing wireless solutions.

In 2012 and 2013, the Group participated in two capital increases of Autonet for a total of EUR 193K.

The company has recognized impairment losses of EUR 746k on this participation at 31 December 2015. Option holds less than 10% in Autonet Mobile.

NOTE 12: Inventories

Thousands EUR	2015	%	2014	%
Raw materials	635	42,3%	605	19,3%
Work in progress	663	44,2%	1 385	44,1%
Finished goods	2 990	199,2%	3 156	100,5%
Provision for inventories	(2 787)	(185,7%)	(2 007)	(63,9%)
	1 501		**3 139**	

Raw materials consist of chipsets and components. Work in progress concern assembled printed circuit boards and finished goods are the products ready to be shipped to customers.

Inventories decreased from EUR 3 139k to EUR 1 501k at the end of 2015. At the end of 2015, the total provision for inventories amounted to EUR 2 787 (2014: EUR 2 007k). This increase is mainly explained by setting stock value to net realizable value.
The provision for inventories is set-up mainly to cover excess positions and to lower the stock value to net realizable value for certain products.

There are no inventories pledged for security. For additional information we refer to Note 2.

NOTE 13: Cash and cash equivalents

Thousands EUR	2015	2014
Short Term deposits	-	-
Bank current accounts	4 061	1 549
Cash	7	5
	4 068	**1 554**

At the end of 2014 and 2015 there are no short term deposits within the Group

NOTE 14: Financial Liabilities

OTHER FINANCIAL LIABILITIES

On 6 November 2015 the Board of Directors decided to issue a convertible bond for a total amount of EUR 6 million, indicated as "COL Option – 2015", represented by sixty bonds with a nominal value of each 100 000 euro. The exclusive rights of the stockholders will be abrogated for the benefit of the foreign company in accordance to the rights of the State Michigan (United States of America)) "DANLAW Inc", situated at Novi, Michigan 48375 (United States of America), 41131 Vincenti Court, with identificationnumber 089-014. By conversion of these bonds the capital will increase within the framework of the authorized capital. The convertible bond has an annual interest rate of 5%. Interests are capitalized and the conversion rate is € 0.228.

On 11 April 2014 the Board of Directors secured EUR 12 million via the issue of a convertible bond that has been subscribed by 16 parties. The 5-year convertible bond matures in April 2019, and can be converted into 61 544 958 new shares of Option NV at the option of the bondholder. The convertible bond has an annual interest rate of 9% with an initial conversion price of € 0.295 which is the average share price during the 30 days prior to the issuing of the convertible bond. The initial conversion price will be adjusted for dilutive corporate actions. Conversion may occur for the first time between 15 April 2015 and 30 April 2015, from then on there will be conversion periods from 15 April to 30 April and 15 October to 31 October. In the period of 15 April 2015 and 30 April 2015, the company "P.M.V.", situated at 1000 Brussel, Oude Graanmarkt 63 with identificationnumber 0455.777.660, converted one bond for an amount of 100 000 euro nominal value and EUR 6 901 intrests. This conversion results in the issue of 362 379 new shares. The interests are capitalized with the outstanding principle amount of the bond on a half yearly basis. This resulted in a long-term debt interest of EUR 1 678k and a short-term debt interest of EUR 274k at the end of 2015.

The convertible bond was treated in line with the IFRS treatment as described in IAS 39. IAS requires the issuer of a compound financial instrument to present the liability component and the equity component separately in the statement of financial position, as follows:

The issuer's obligation to make scheduled payments of interest and principal is a financial liability that exists as long as the instrument is not converted and on which interest will be recognized using the initial market interest rate as the effective interest rate. On initial recognition, the fair value of the liability component is the present value of the contractually determined stream of future cash flows discounted at the rate of interest applied at that time by the market to instruments of comparable credit status and providing substantially the same cash flows, on the same terms, but without the conversion option.

In 2013 a convertible bond was granted for a total amount of EUR 9 million. The five year convertible bond has an annual interest rate of 5%.The market interest rate used to calculate the fair value of the bond was 8%.

In 2014 EUR 3.5 million of the loan was converted into equity. In 2015 EUR 0.5 million of the loan was converted into equity.

Loan EUR 9 million

Thousands EUR	2015	2014
Proceeds of issue/at end December	**5 000**	5 500
Liability component at the date of issue/at end December	**(4 207)**	(4 623)
Equity component	**793**	**877**
Liability component at the date of issue/at end December	4 207	4 623
Interest charged calculated at an effective interest rate of 8%	1 524	1 128
Interest charged	(977)	(716)
Liability component at 31 December	**4 754**	**5 036**

Loan EUR 6 million

Thousands EUR	2015	2014
Proceeds of issue/at end December	**6 000**	
Liability component at the date of issue/at end December	**(5 104)**	
Equity component	**896**	
Liability component at the date of issue/at end December	5 104	
Interest charged calculated at an effective interest rate of 8%	-	
Interest charged	-	
Liability component at 31 December	**5 104**	

In 2014 and 2015 the Company had neither facilities nor pledges on the Company's business.

NOTE 15: Trade and other payables – deferred revenues

TRADE AND OTHER PAYABLES

Thousands EUR	2015	2014
Trade payables	5 680	4 336
Salaries, tax and payroll related liabilities	2 601	2 270
Other payables and accrued expenses	843	938
	9 124	**7 544**

Terms and conditions of the above financial liabilities:

- Trade payables are non-interest bearing and are normally settled on a 60 to 90 days terms.
- Other payables are non-interest bearing and have an average term of six months.
- Interest payable is normally settled quarterly throughout the financial year. For the 2013 bond loan the settlement is yearly, for the 2014 bond loan interest is capitalized half yearly, for the 2015 bond loan interest is capitalized yearly.
- For terms and conditions relating to related parties, refer to Note 23.

NOTE 16: Provisions

Thousands EUR	2014	Additions	(Use)	(Reversal)	2015
Warranty provision	58	-	-	(58)	-
Loss on supply agreements	200	13	-		213
Legal and other claims	-	82	-	-	82
	258	**95**	**-**	**(58)**	**295**

The warranty provision has been reversed in 2015. The provision for supply agreements was increased with EUR 13k.

A provision was set up for personnel cases for an amount of EUR 82k.

NOTE 17: Operating leases

OPERATING LEASES

Leases as lessee

Non-cancelable operating lease rentals are payable as follows:

Thousands EUR	2015	2014
Less than one year	441	540
Between one and five years	1 463	224
More than five years	1 176	-
	3 080	**764**

The Group leases a number of office locations, car rentals and office equipment under operating leases. The leases typically run for an initial period of five to ten years, with an option to renew the lease after that date. Lease payments are increased annually to reflect indexations. None of the leases include contingent rentals.
In 2015, EUR 800k was recognized as an expense in the income statement in respect of operating leases (2014: EUR 1 017k).

Leases as lessor

There are no non-cancelable operating sublease rentals as receivable.

NOTE 18: Shareholders' equity

CAPITAL STRUCTURE – ISSUED CAPITAL

As per year-end 2015, the Company has been notified of the following significant shareholders:

Identity of the person, entity or group of persons or entities	Number of shares	Percentage of financial instruments held
Jan Callewaert	14 809 008	15,28%
Free float	82 087 046	84,72%
Total outstanding shares	96 896 054	100%

The issued share capital, at the end of 2015 comprises 96 896 054 ordinary shares, for a total amount of EUR 4 844 802. The shares have no nominal value and have been fully paid-up. All shares held in the Company carry the same rights.

SHARE PREMIUM

Thousands EUR	2015	2014
At 31 December	5 076	3 763

We refer to 4.1.5 for additional information regarding the movements in equity.

WARRANTS

On 6 November 2015 the Board of Directors Meeting of the Company approved the issuance of 5 000 000 warrants "2015" within the framework of the authorized capital, to be offered to members of the Executive Management Team, employees and certain independent contractors designated by name. A total of 1 100 000 offered warrants "2015" has been accepted by its beneficiaries in 2015.

The main terms and conditions of the warrants plan "2015" governing the above warrants are as follows:

- the warrants 2015 are subject to a vesting scheme (25% vested 1 year after the grant date, 60% 2 years after the grant date, and 100% 3 years after the grant date);
- the exercise price of the above warrants 2015 amounts to EUR 0.23 per warrant granted to the designated members of the Executive Management Team, Directors and self-employed independent contractors and employees;
- the exercise must take place during exercise windows (i.e. May, September or December);
- upon conversion of their warrants the warrant holders receive one ordinary share of the Company per warrant;
- the plan provides for an accelerated vesting and exercise in the event of a change of control;
- the lifetime of the warrant is 5 years.

The warrants were priced using the Black & Scholes model. Where relevant, the expected life used in the model has been adjusted on management's best estimate. Expected volatility is based on the historical share price volatility over the past 4 years. The risk free interest rate is based on the OLO Bonds as valued by the National Bank of Belgium.

The following inputs into the model were performed for the accepted warrants "2015" in the course of 2015 including the average weighted fair value of the warrants "2015"

Inputs into the model	Warrants 2015 granted to and accepted by Directors and EMT members	Warrants 2015 granted and accepted by self employed contractors	Warrants 2015 granted and accepted by employees
Grant date	9/11/2015	9/11/2015	9/11/2015
Grant date share price	0.25	0.25	0.25
Exercise price	0.23	0.23	0.23
Expected volatility	59.09%	59.09%	59.09%
Expected lifetime of the warrants	3 jaar	3 jaar	3 jaar
Risk-free interest rate	0.20%	0.20%	0.20%
Number of warrants accepted	500 000	800 000	-
Number of shares outstanding	96 896 054	96 896 054	96 896 054
Average weighted fair value per warrant	0.10	0.10	0.10

The following reconciles the outstanding warrants granted and accepted under the plan at the beginning and end of the financial year 2015:

	Number of Warrants	Weighted average exercise price
Balance at beginning of the financial year 2015	**1 580 000**	**0,51**
Accepted during the financial year	1 300 000	0,23
Exercised during the financial year	-	-
Forfeited / lapsed during the financial year	(10 000)	0,34
Balance at end of the financial year 2015	**2 870 000**	**0,39**

The expense of the granted warrants for the financial year 2015 was calculated at EUR 104k.

None of the warrants were exercised during the financial year 2015.

All other warrants of the Company have lapsed.

CONVERTIBLE BONDS

On 28 March 2013, Option issued a EUR 9 million convertible bond, which was subscribed by 5 partners: the Flemish investment company PMV for EUR 2 million, Athos Investments for EUR 1 million, Life Science Research Partners for EUR 0.5 million, Mondo NV for EUR 0.5 million and Jan Callewaert for EUR 5 million. The convertible bond has a term of 5 years and matures in March 2018. The bonds can be converted into 31 578 947 new shares of Option NV. The convertible bond has an annual interest rate of 5% with an initial conversion price of EUR 0.285 which equaled the average share price during the 30 days prior to the issuing of the convertible bond.

By notarial deed of 2 June 2014 and 2 December 2014, the conversion of respectively 25 and 10 convertible bonds and subsequent capital increase was ascertained by the board of directors. By notarial deed of 18 June 2015, the conversion of 5 convertible bonds and subsequent capital increase was ascertained by the board of directors.

On 11 April 2014, Option issued a second convertible bond loan for a total amount of EUR 12 million. The funding was subscribed to by Quaeroq CVBA for EUR 4 million, Alychlo NV, holding company of Marc Coucke, for EUR 2.7 million, Vermec NV for EUR 1.5 million, Jan Callewaert for EUR 0.5 million, Frank Deschuytere, CEO of Option, for EUR 0.2 million and a number of private investors and companies for EUR 3.1 million. The 5-year convertible bond matures in April 2019 and has an annual interest rate of 9% with an initial conversion price of EUR 0.295, which is the average price of the Option share 30 days prior to the issuing of the convertible bond. The interest shall be capitalized with the outstanding principal amount of the bonds on a half-yearly basis. By notaries deed of 13 May 2015, the conversion of 1 convertible bond and subsequent capital increase was ascertained by the board of directors.

On 6 November 2015, Option issued a third convertible bond loan for a total amount of EUR 6 million. The funding was totally subscribed to DANLAW Inc. The annual interest rate is 5%. Interests are capitalized and the conversion rate is EUR 0.228.

Per 31 December 2015 these convertible bonds can be converted into a maximum of 89.863.362 shares. The bonds 2013 and 2014 can be converted by the holders twice a year. The 2015 Bond can be converted for the first time two years after issuance.

For more detail see Note 1 under 4.2.

NOTE 19: Earnings per share

Basic net earnings per share are computed based on the weighted average number of ordinary shares outstanding during the period. Diluted net earnings per share are computed based on the weighted average number of ordinary shares outstanding including the dilutive effect of warrants and convertible bonds.

The following is reconciliation from basic earnings per share to diluted earnings per share for each of the last two years:

Earnings per common share	2015	2014
Net result (in Thousands EUR)	(14 084)	(12 856)
Weighted average shares of common stock outstanding:		
Basic	95 964 132	87 929 977
Diluted	95 964 132	87 929 977
Per Share (in EUR)		
Basic earnings per share	(0.15)	(0.15)
Diluted earnings per share	(0.15)	(0.15)

Referring to IAS 33, warrants and the issuance of the convertible bond only have a dilutive effect when their conversion to ordinary shares would decrease the earnings per share. Taken into account the negative result of the Group in 2015, the basic and dilutive earnings per share remain equal.

NOTE 20: Capital management

The Group sets the amount of capital in proportion to risk. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the funding requirements.

The Group's objectives when managing capital are:

- to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other shareholders, and
- to provide an adequate return to shareholders by pricing products and services commensurate with the level of risk.

The Group's overall strategy and objectives remain unchanged during the years ended 31 December 2015 and 31 December 2014.

The capital structure of the Group consists of the current portion of long term debt and cash and cash equivalents, issued capital, share premium, reserves and retained earnings.

The Extraordinary Shareholders' Meeting of the Company dated 13 November 2013, decided upon the increase of the share capital with an amount of EUR 58 943 800 to bring it from EUR 12 232 134.42 to EUR 71 175 934.42 by conversion into share capital of the "Issue premium" amount and without issue of new shares, immediately followed by a subsequent decrease of the share capital by incorporation of the losses carried forward as of 31 December 2012, with an amount of EUR 67 051 004.82 to EUR 4 124 929.60, without reduction of the number of shares. From a tax point of view, given the absence of taxed reserves incorporated into the share capital, this capital decrease is completely offset from the effectively paid up share capital.

On 28 March 2013, Option issued a EUR 9 million convertible bond, which was subscribed by 5 partners: the Flemish investment company PMV for EUR 2 million, Athos Investments for EUR 1 million, Life Science Research Partners for EUR 0.5 million, Mondo for EUR 0.5 million and Jan Callewaert for EUR 5 million. The convertible bond has a term of 5 years and matures in March 2018. The bonds can be converted into 31 578 947 new shares of Option NV. The convertible bond has an annual interest rate of 5% with an initial conversion price of EUR 0.285 which equalled the average share price during the 30 days prior to the issuing of the convertible bond.

By notaries deed of 2 June 2014 and 2 December 2014, the conversion of respectively 25 and 10 convertible bonds and subsequent capital increase was ascertained by the board of directors. By notaries deed of 18 June 2015, the conversion of 5 convertible bonds and subsequent capital increase was ascertained by the board of directors.

On 11 April 2014, Option issued a second convertible bond loan for a total amount of EUR 12 million. The funding was subscribed to by Quaeroq CVBA for EUR 4 million, Alychlo NV, holding company of Marc Coucke, for EUR 2.7 million, Vermec NV for EUR 1.5 million, Jan Callewaert for EUR 0.5 million, Frank Deschuytere, CEO of Option, for EUR 0.2 million and a number of private investors and companies for EUR 3.1 million. The 5-year convertible bond matures in April 2019 and has an annual interest rate of 9% with an initial conversion price of EUR 0.295, which is the average price of the Option share 30 days prior to the issuing of the convertible bond. The interest shall be capitalized with the outstanding principal amount of the bonds on a half-yearly basis. By notarial deed of 13 May 2015, the conversion of 1 convertible bond and subsequent capital increase was ascertained by the board of directors.

On 6 November 2015, Option issued a third convertible bond loan for a total amount of EUR 6 million. The funding was totally subscribed to DANLAW Inc. The anual interest rate is 5%. Interests are capitalized and the conversion rate is EUR 0.228.

In 2015 the debt, which is defined as long- and short-term borrowings (excluding derivatives) has increased with EUR 8 069k, due to the issuance of a new convertible bond of EUR 6 million and a bridge loan of EUR 2.7 million and the conversion of the previous bond into equity of EUR 0.5 million and EUR 0.1 million, giving a net increase of EUR 8 531k. (2014: increased with EUR 9 007k), The gearing ratio at year-end was as follows:

Thousands EUR	2015	2014
Current portion of financial liabilities	-	-
Cash and cash equivalents	4 068	1 554
Net	4 068	1 554
Equity	(27 702)	(15 267)
Gearing ratio	**NA**	**NA**

Note 21: Financial risk management

The Group Corporate Treasury function monitors and manages the financial risks relating to the operations of the Group, which include credit risk, liquidity risk and market risk on an ongoing basis.

The Group primarily attempts to manage the currency risk by closing contracts in strong currencies. (USD, EUR) Such risks may be naturally covered when a monetary item at the asset side in a given currency is matched with the monetary item at the liability side.

Categories of significant financial instruments:

Thousands EUR	Notes	2015	2014
Financial assets measured at cost or amortized cost			
Cash and cash equivalents	13	4 068	1 554
Trade receivables	10	613	655
Recoverable VAT	10	73	60
Income tax receivable	7	12	10
Other financial assets	11	490	1 236
Financial liabilities measured at cost or amortized cost			
Trade payables	15	5 680	4 336
Salaries, tax and payroll related liabilities	15	2 601	2 270
Current financial liabilities	14	-	-
Income tax payable	7	9	1

CREDIT RISK

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

Before accepting any new customer, the Group uses external scoring systems to assess the potential customer's credit quality and defines credit limits by customer, this in respect of the internal "Credit Management Policy". Limits and scoring attributed to customers are reviewed on a regular basis.

Credit evaluations are performed on all customers requiring credit over a certain amount. The credit risk is monitored on a continuous basis.

Option grants credit to customers in the normal course of business. Generally, the Group does not require collateral or any other security to support amounts due. Management performs ongoing credit evaluations of its customers. All receivables are fully collectible except those doubtful accounts for which an allowance is accounted for.

Trade receivables consist of a large number of customers, spread across geographical areas. The receivables for customers who belong to the same group, in different geographical areas, are treated separately. 1 customer had balances of 20% of the net trade receivables of the Group for the year ended 31 December 2015. The balance of this customer was not due at year end.

The average credit period on sales of goods is 47 days. No interest is systematically charged on overdue payments. The group has performed a detailed analysis of its accounts receivable, which were more than 60 days overdue during 2015.

The carrying amount of financial assets recorded in the financial statements, represents the Group's maximum exposure to credit risk.

Included in the Group's trade receivable balance are debtors with a carrying amount of EUR 0 (2014: EUR 108k) which are past due for more than 60 days at the reporting date for which the Group has not provided as there has not been a significant change in credit quality and the amounts are still considered recoverable. The Group does not hold any collateral over these balances.

Aging of past due, but not impaired:

Thousands EUR	2015	2014
60 - 90 days	-	34
90 - 120 days	-	-
> 120 days	-	74
	-	**108**

Movement in the allowance for doubtful debts:

Thousands EUR	2015	2014
Balance at the beginning of the year	544	539
New reserves	112	5
(Write-offs)	-	-
(releases)	-	-
	656	**544**

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the considerable spread in the customer base.

Aging of impaired trade receivables:

Thousands EUR Gross amounts	2015	2014
60 - 90 days	-	-
90 - 120 days	9	-
> 120 days	647	544
	656	**544**

LIQUIDITY RISK

The Group manages liquidity risk by continuously monitoring forecasts and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The Company has no existing credit agreements apart from the convertible bonds issued in 2013, 2014 and 2015 (see note 14) and the bridge loan of 2015. No credit lines were available for the Group.

The following table details the Group's remaining contractual maturity for its financial liabilities:

Thousands EUR	2016	2017	2018	2019	2020
2016					
Non-current financial debt	336	3 011	5 336	18 731	7 986
Trade payables	5 680	-	-	-	-
Salaries, tax and payroll related liabilities	2 601	-	-	-	-
Income tax payable	9	-	-	-	-
Credit facilities and other loans	-	-	-	-	-
	8 626	**3 011**	**5 336**	**18 731**	**7 986**

Thousands EUR	2015	2016	2017	2018	2019
2015					
Non-current financial debt	275	275	275	5 775	18 770
Trade payables	4 336	-	-	-	-
Salaries, tax and payroll related liabilities	2 271	-	-	-	-
Income tax payable	1	-	-	-	-
Credit facilities and other loans	-	-	-	-	-
	6 883	**275**	**275**	**5 775**	**18 770**

MARKET RISK: INTEREST RATE RISK

The Group is not subject to material interest risk since the Group has no floating rate financial assets or liabilities and no interest rate derivatives.

MARKET RISK: FOREIGN CURRENCY RISK

The Group is subject to material currency risk, as the larger part of its purchase transactions are in US dollars. The Group aims to match foreign currency cash inflows with foreign cash outflows. On the basis of the average volatility of the USD, the Company estimated the reasonably possible change of exchange rate of this currency against the euro as follows:

2015	Closing rate December 31, 2015	Possible volatility in %	Possible closing rate December 31, 2015
EUR/USD	1.0887	3.51	1.0505 – 1.1269
2014	Closing rate December 31, 2014	Possible volatility in %	Possible closing rate December 31, 2014
EUR/USD	1.2141	5.93	1.1421 - 1.2861

The Group's exposure in USD as of 31 December 2015 and 2014 is as follows:

Carrying amounts - Thousands USD	31/dec/15	31/dec/14
Trade payables	(1 592)	(1 051)
Trade receivables	843	868
Cash and cash equivalents	451	278
	(298)	**95**

NOTE 22: Contingent liabilities

Via patent license agreements, the Group has committed to make royalty payments to certain companies for licensing in some of their essential patents that are used in 2.5G and 3G wireless products.

The Group has revised its royalty provisions for essential patents which had been made in the past in accordance with common practice but before FRAND requirements for essential patent licenses (Fair Reasonable and Non-Discriminatory terms) became well established and not yet challenged on their validity before the courts and antitrust authorities. In order to bring the royalty provisions in line with these new developments the Group revisited these provisions and refers to the following reasons:

- The essential patent context has substantially changed. There are now external and objective criteria in order to justify a change in the position towards essential patents and the royalty burden that essential patent holders may impose for the use of their essential patents.

- The elements evidencing substantial changes in the legal framework and in the market are amongst others:

  1. The requirement that the terms and conditions of essential patent license agreements must be FRAND (Fair reasonable and non-discriminatory) compliant;
  2. The possibility to challenge the FRAND requirement before the Courts and Antitrust Authorities;
  3. The possibility for Option to require to be treated in a non-discriminatory way vis-à-vis its competitors (Chinese and other) as well for past as future royalty payments;
  4. The overall reduction of prices and margins following the mass market commoditization of virtually all 3G products.

Taking into account the fact that a reliable estimate cannot be given for the licensing, the Group decided, based on IAS 37 § 14 to disclose this as a contingent liability and not as a provision on its balance sheet. We refer to note 15 for additional information.

Some ex-employees of Option France have started litigation against the company claiming in essence that their dismissal was not based on economic grounds. The Company believes it has arguments to defend the position that it was forced to terminate its French activities on the basis of the economic and financial issues it was facing.

NOTE 23: Related parties transactions

In the course of normal operations, related party transactions entered into by the Group have been contracted on an arms-length basis.

Board of directors compensation

Given the company's current difficult financial situation, FVDH Management BVBA and Qunova BVBA have definitively and irrevocably waived the compensation to which they were entitled in 2015.

In 2015, the global compensation for the Board of Directors amounted to EUR 58k (2014: EUR 113k).

Name	Board meetings attended	Audit Committees attended	Remuneration Committees attended	Total remuneration Thousands EUR
Jan Callewaert	18/19	N/A	N/A	N/A (2014: N/A)
FDVV Consult BVBA	19/19	N/A	N/A	N/A (2014: N/A)
FVDH Beheer BVBA	18/19	4/4	2/2	0 (2014: 25.8k)
An Other Look To Efficiency SPRL	6/8	1/2	N/A	10.2k (2014: 24.6k)
Qunova BVBA	19/19	N/A	2/2	0 (2014: 12.9k)
Sabine Everaet	14/19	1/1	2/2	21.6k (2014: 10.9k)
Dimitri Duffeleer BVBA	13/13	3/3	N/A	18.4k (2014: 13.4k)
Jinvest BVBA	3/11	0/2	N/A	7.8k (2014: N/A)
Raju Dandu	1/1	N/A	N/A	N/A (2014: N/A)

At year end 2015 the following "Warrants 2014 and 2015" were held by the executive members of the Board of Directors.

Jan Callewaert (via Mondo NV)
800,000 warrants (under warrant plan 2014)
300,000 warrants (under warrant plan 2015)

FDVV Consult BVBA (Frank Deschuytere)
500,000 warrants (under warrant plan 2014)
200,000 warrants (under warrant plan 2015)

Executive management compensation

The management company of Mr. Frank Deschuytere (FDVV Consult BVBA) was acting as CEO of the Group during 2015 and received EUR 231k fixed compensation and additional benefits for an amount of EUR 12k covering car, fuel and lump sum allowance costs. The CEO is not entitled to nor is he a beneficiary of any pension scheme which is paid for by the Company.

The management company of Mr. Jan Luyckx (Finance Incorporated com.v) joined the company in July 2015 and was acting as CFO of the Group since September 30, 2015. He received EUR 78k fixed compensation (for the period July 2015 – December 31, 2015) without additional benefits.

For the year 2015, a gross amount of EUR 148k was attributed to Ms. Christine Pollie, who was acting as CFO until June 2015.

The management company of Mr. Steve Theunissen (ST Consult BVBA) was acting as General Counsel of the Group since June 1, 2015 and received EUR 82k fixed compensation (for the period June 2015 – December 31, 2015) without additional benefits.

The management company of Mr. Jörg Palm (JP Consulting GmbH) was acting as Chief Marketing Officer of the Group since December 1, 2015 and received EUR 16k fixed compensation (for the period December, 2015) without additional benefits.

In 2015, Jan Callewaert received via his management company Mondo NV, a fixed remuneration of EUR 310k for advisory and other services rendered to the Company in his capacity as executive Chairman of the Board of Directors.

The executive managers have received warrants under the 2015 Warrant Plan:
Mondo NV : 300,000 warrants
Finance Incorporated com.v : 300,000 warrants
ST Consult BVBA: 300,000 warrants
JP Consulting GmbH: 200,000 warrants
FDVV Consult BVBA : 200,000 warrants that have become void on termination

The executive managers are not entitled to any special termination compensation, nor are they beneficiary of any pension scheme which is paid for by the Company.

No member of the Management Team is entitled to specific severance payments that would be in surplus of existing legal regulations. There exist no special rights of recovery, in addition to existing legal provisions, that would grant special powers to the Company for recovery of variable compensation granted or paid on the basis of incorrect financial data.

NOTE 24: 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.
The Group has not yet finalized the purchase price allocation of this business combination as the main focus has been on securing the continuity of the Group as a whole.

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 trough 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 takeover 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 EUR 4 million, 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).

On March 9, 2016 the Board of Directors has decided to terminate the mandate of the CEO, Frank Deschuytere, with immediate effect and without any termination compensation. The Board has decided to entrust its Executive Chairman, Mr. Jan Callewaert, with the daily management of the Company

NOTE 25: Interests in Subsidiaries

List of companies, integrally consolidated in the financial statements

Name of the subsidiary	Registered office	% of shareholding
BELGIUM		
OPTION NV	Gaston Geenslaan 14 3001 Leuven, België	Consolidating company
IRELAND		
OPTION WIRELESS Ltd, Cork	Kilbarry Industrial Park Dublin Hill, Cork	100%
GERMANY		
OPTION GERMANY GmbH	Beim Glaspalast 1 D-86153 Augsburg - Germany	100%
UNITED STATES		
OPTION WIRELESS USA INC.	1600 Gold Road Suite 1200 Rolling Meadows, IL 60008 Illinois, USA	100%
JAPAN		
OPTION WIRELESS JAPAN KK	5-1, Shinbashi 5-chome Minato-ku Tokyo 105-0004, Japan	100%
CHINA		
OPTION WIRELESS HONG KONG LIMITED	35/F Central Plaza 18 Harbour Road Wanchai Hong Kong, China	100%
CHINA		
OPTION WIRELESS TECHNOLOGY CO. LIMITED	909-1 Genway Building 188 Wangdun Road Suzhou Industrial Park (SIP) Suzhou 215123, Jiangsu Province, China	100%
TAIWAN		
OPTION WIRELESS HONG KONG LIMITED,TAIWAN BRANCH	4F Theta Building 10, Lane 360, Ne-Hu Road, Sec 1, Taipei City, TAIWAN	100%

On the 25 October 2012 the Group announced that, with respect to a cost reduction plan, the core activities of the software facility at Augsburg (Germany) would be transferred to the Leuven (Belgium) site and announced its intention to close the German subsidiary. This liquidation has started in 2012 and has not yet been finalized. On 25 April 2013 the Group announced its intention to also close the site in Paris (France), the liquidation has not been finalized yet. Option France has been deconsolidated as from December 2014 due to the loss of control. In September 2015 the Group announced its intention to close the site in Japan, the liquidation has not been finalized yet.
There are no restrictions on the company's ability to access or use assets, and settle liabilities.

NOTE 26: Information on the auditor's assignments and related fees

The following auditor's fees were recognized as an expense in the reporting period:

Thousands EUR	2015	2014	2013
Worldwide audit services for the annual financial statements	100	109	100
Worldwide tax and legal services	14	15	18
Other worldwide services	15	-	-
	129	**124**	**118**

5. AUDITOR'S REPORT

Deloitte Bedrijfsrevisoren /
Reviseurs d'Entreprises
Gouverneur Roppesingel 13
3500 Hasselt
Belgium
Tel. + 32 11 89 39 50
Fax + 32 11 89 39 51
www.deloitte.be

Option NV

**Statutory auditor's report
to the shareholders' meeting on the
consolidated financial statements
for the year ended 31 December 2015**

The original text of this report is in Dutch

Deloitte Bedrijfsrevisoren / Reviseurs d'Entreprises
Burgerlijke vennootschap onder de vorm van een coöperatieve vennootschap met beperkte aansprakelijkheid /
Société civile sous forme d'une société coopérative à responsabilité limitée
Registered Office: Berkenlaan 8b, B-1831 Diegem
VAT BE 0429.053.863 - RPR Brussel/RPM Bruxelles - IBAN BE 17 2300 0465 6121 - BIC GEBABEBB

Member of Deloitte Touche Tohmatsu Limited

Deloitte.

Deloitte Bedrijfsrevisoren /
Reviseurs d'Entreprises
Gouverneur Roppesingel 13
3500 Hasselt
Belgium
Tel. + 32 11 89 39 50
Fax + 32 11 89 39 51
www.deloitte.be

Option NV

Statutory auditor's report to the shareholders' meeting on the consolidated financial statements for the year ended 31 December 2015

To the shareholders

As required by law, we report to you in the context of our appointment as the company's statutory auditor. This report includes our report on the consolidated financial statements together with our report on other legal and regulatory requirements. These consolidated financial statements comprise the consolidated statement of financial position as at 31 December 2015, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, as well as the summary of significant accounting policies and other explanatory notes.

Report on the consolidated financial statements – Disclaimer of opinion

We have audited the consolidated financial statements of Option NV ("the company") and its subsidiaries (jointly "the group"), prepared in accordance with International Financial Reporting Standards as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium.

The consolidated statement of financial position shows total assets of 7.831 (000) EUR and the consolidated income statement shows a consolidated loss (group share) for the year then ended of 14.084 (000) EUR.

Board of directors' responsibility for the preparation of the consolidated financial statements

The board of directors is responsible for the preparation and fair presentation of consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium, and for such internal control as the board of directors determines is necessary to enable the preparation of consolidated financial statements 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 consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the statutory auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the statutory auditor considers internal control relevant to the group's preparation and fair presentation of consolidated financial statements 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 group'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 consolidated financial statements. We have obtained from the group's officials and the board of directors the explanations and information necessary for performing our audit.

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.

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Basis for disclaimer of opinion

During the past year, the group has again been unable to realize the 2015 objectives it had initially set under the business plan of the board in terms of both turnover and gross margin. As a result, the group has again incurred significant negative cash flows which have severely further eroded its financial position per 31 December 2015. This situation has continued in the first months of 2016 and as such the financial means of the group are limited at the date of our report. The group was able to secure financial commitments from its stakeholders which should allow them to bridge the next six months if sales targets are met. As a consequence there exists an important uncertainty with respect to the going concern. The group's ability to continue as a going concern on the short term will depend on the extent to which the group is able to:

- Realize the budgeted revenues in its 2016 business plan which represents a growth compared 2015 and an increase compared to the first months of 2016;
- Continue to realize sufficient revenues, as was the case in the first months of 2016, to avoid negative cash flows within its newly acquired subsidiary Innolumis Public Lighting. The annual report does not contain all the disclosures as required under IFRS as the group has not yet finished the purchase price allocation for this business combination.
- Sustain the assumptions used in the Group's cash forecast, i.e. maintaining the current favourable payment and financing conditions; and
- Secure sufficient funding by the end of the third quarter of 2016 to maintain the going concern thereafter since the financial commitments only allow the going concern for a limited period.

The accumulation of conditions that need to be fulfilled present a fundamental uncertainty about the going concern of the group and about the relevance of the consolidated financial statements. 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 group's balance sheet includes capitalized development expenses amounting to 893 (000) EUR and inventories amounting to 1.501 (000) EUR, which could be subject to significant impairments in case the group would not be able to continue as a going concern.

Disclaimer of opinion

Because of the importance of the matters and the potential interaction of the uncertainties referred to 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 and cannot assess the possible cumulative effect of those matters on the financial statements. Accordingly, we do not express an opinion on the financial statements.

Emphasis of Matter

Additionally, we draw your attention to note 1, section *Accounting Estimates, Judgement and Assumptions – Intellectual Property Rights* of the consolidated financial statements, in which the group describes its reasons for not recording a provision for essential patents.

Deloitte.

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 consolidated financial statements.

As part of our mandate and in accordance with the Belgian standard complementary to the International Standards on Auditing applicable in Belgium, our responsibility is to verify, in all material respects, compliance with certain legal and regulatory requirements. On this basis, we make the following additional statement, which does not modify the scope of our opinion on the consolidated financial statements:

- The directors' report on the consolidated financial statements includes the information required by law, is consistent with the consolidated financial statements and, except for the effect on the director's report of the matters described in 'Basis for disclaimer of opinion' paragraph, is free from material inconsistencies with the information that we became aware of during the performance of our mandate.

Hasselt, 29 April 2016

The statutory auditor

DELOITTE Bedrijfsrevisoren / Reviseurs d'Entreprises
BV o.v.v.e. CVBA / SC s.f.d. SCRL
Represented by Dominique Roux

6. ABBREVIATED STATUTORY ACCOUNTS OF OPTION NV AND EXPLANATORY NOTES

The following documents are extracts of the statutory annual accounts of Option NV prepared under Belgian GAAP in accordance with article 105 of the Company Code.

Only the consolidated annual financial statements as set forth in the preceding pages present a true and fair view of the financial position and performance of the Option Group.

The statutory auditor's report is a "disclaimer of opinion" on the non consolidated financial statements of Option NV for the year ended 31 December 2015.

6.1. Abbreviated statutory balance sheet (according to Belgian Accounting Standards)

Assets Thousands EUR	2015	2014	2013
Fixed assets	**1 565**	**4 662**	**5 836**
Intangible assets	894	3 115	4 000
Tangible assets	120	251	439
Financial assets	551	1 297	1 397
Current Assets	**12 133**	**10 772**	**3 715**
Stocks and contracts in progress	1 498	3 137	191
Accounts receivable within one year	6 660	6 384	2 555
Cash & cash investments	3 939	1 227	963
Deferred charges and accrued income	36	24	6
Total Assets	**13 699**	**15 434**	**9 551**

Liabilities Thousands EUR	2015	2014	2013
Capital and reserves	**(29 176)**	**(15 716)**	**(8 138)**
Capital	4 845	4 739	4 125
Share premium	3 387	2 886	-
Legal reserve	612	612	612
Profit/(loss) carried forward	(38 020)	(23 953)	(12 875)
Provisions	**295**	**46**	**-**
Creditors	**42 580**	**31 104**	**17 689**
Long term financial liabilities	27 246	18 039	9 000
Amounts payable within one year	14 600	12 471	8 022
Accrued charges and deferred income	734	595	667
Total liabilities	**13 699**	**15 434**	**9 551**

On a balance sheet total of EUR 13.7 million, the total equity as of 31 December 2015 amounted EUR (29.2) million.

6.2. Abbreviated statutory income statement (according to Belgian Accounting Standards)

abbreviated profit and loss account Thousands EUR	2015	2014	2013
I. Revenues	**5 598**	**8 822**	**7 459**
Turnover	4 511	4 607	1 200
Increase (decrease) in stocks in finished goods, work and contracts in progress	(864)	-	-
Capitalized development costs	788	2 348	2 788
Other operating income (mainly intercompany transactions) dochterondernemingen)	1 163	1 867	3 471
II. Operating charges	**16 419**	**18 418**	**19 589**
Raw materials, consumables and goods for resale	1 435	2 390	279
Services and other goods	4 775	6 344	7 404
Remuneration, social security costs and pensions	5 300	6 275	7 774
Depreciation of and other amounts written off formation expenses, intangible and tangible fixed assets	2 726	3 421	3 821
Increase, decrease in amounts written off stocks, contracts	-	-	-
Contracts in progress and trade debtors	1 919	(76)	276
Provision for contingencies	249	46	(98)
Other operating charges	15	18	133
III. Operating profit/(loss)	**(10 821)**	**(9 596)**	**(12 130)**
IV. Financial income	**146**	**21**	**17**
V. Financial charges	**(2 226)**	**(1 397)**	**(505)**
VI. Profit/(loss) on ordinary activities before taxes	**(12 901)**	**(10 972)**	**(12 618)**
VII. Exceptional income	**-**	**-**	**98**
VIII. Exceptional charges	**(1 160)**	**(100)**	**(103)**
IX. Profit/(loss) for the period before taxes	**(14 061)**	**(11 071)**	**(12 623)**
X. Income tax expense	**5**	**7**	**8**
XIII. Profit/(loss) for the period available for appropriation	**(14 067)**	**(11 078)**	**(12 631)**

abbreviated appropriation account (According to belgian accounting standards) Thousands EUR	2015	2014	2013
Profit/(loss) to be appropriated	(23 953)	(12 875)	(67 295)
Profit/(loss) for the period available for appropriation	(14 067)	(11 078)	(12 631)
Capital decrease, by incorporation of reserves	-	-	67 051
Profit/(loss) carried forward from previous year	(38 020)	(23 953)	(12 875)

6.3. Summary of most significant valuation rules - Abbreviated statutory accounts - Belgian GAAP

Formation expenses
Formation expenses are charged against income except for costs capitalized.

Intangible assets
Patents, licenses and software are linearly depreciated at rates of 20% to 50%.

Machinery and equipment
Lab equipment, test equipment and computer equipment are linearly depreciated at rates of 20% to 50%. Test equipment (under lease) is linearly depreciated at a rate between 10% and 50%.

Research and development
As from January 1st 2005:
Research expenditure is recognized as an expense as incurred.
Costs incurred on development projects (relating to the design and testing of new or improved products) are recognized as intangible assets only if all of the following conditions are met:

- An asset is developed that can be identified;
- It is probable that the asset developed will generate future economic benefits; and
- The development costs of the asset can be measured reliably.

Other development expenditures are recognized as an expense as incurred. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period. Development costs that have a finite useful life that have been capitalized are amortized from the commencement of the commercial production of the product on a straight-line basis over the period of its expected benefit, not exceeding three years.

Vehicles
Vehicles are linearly depreciated at rate of 20%.

Office Furniture
Office furniture and equipment are linearly depreciated at rates of 10% to 33.3%. Leased office equipment is linearly depreciated at rates between 20% and 50%.

Financial assets
During the financial period investments are not revalued.

Stocks
Stocks (raw materials, consumables, work in progress, finished goods and goods for resale) are valued at acquisition cost determined according to the FIFO-method or by the lower market value.

Products
The products are valued at costs that only directly attribute.

Contracts in progress
Contracts in progress are valued at production cost.

Debts
Liabilities do not include long-term debts, bearing no interests at an unusual low interest.

Foreign currencies
Debts, liabilities and commitments denominated in foreign currencies are translated using the exchange rate of 31 December 2015. Transactions are converted at the daily exchange rate.
Exchange differences have been disclosed in the annual accounts as follows:

- Positive exchange results in caption IV. Financial income of the profit and loss account;
- Negative exchange results in caption V. Financial charges

6.4. Explanatory notes - Abbreviated statutory accounts - Belgian GAAP

PARTICIPATING INTERESTS

The following participations in subsidiaries are retained with mention of the number of registered rights and percentage of ownership:

31/dec/15	Shares held by company (by number)	% held by company	% held by subsidiaries
Option Germany GMBH – Augsburg (D)	1	100%	0%
Option Wireless Ltd – Cork (IRL)	2 000 000	100%	0%
Option Wireless Hong Kong Limited – China	10 000	100%	0%
Option France SAS *	10 000	100%	0%

* This company is under "liquidation judiciaire" since 31 December 2014.

STATEMENT OF CAPITAL

Issued Capital 31/dec/15	Amounts (in EUR)	Number of shares
At the end of the preceding period	4 738 965	94 779 290
At the end of the period	4 844 802	96 896 054

Authorized capital

On 31 December 2015 the authorized (but non-issued) capital amounted to EUR 4 844k.

7. INVESTOR RELATIONS AND FINANCIAL CALENDAR

7.1. The Option Share on Euronext

Option's ordinary shares were originally listed in USD on NASDAQ Europe (ex EASDAQ) following the Initial Public Offering of November 26, 1997. Option's shares started to be listed in EUR on the First Market of Euronext Brussels as from August 5th, 2003. Option NV's shares are quoted on the continuous trading market under the trading symbol "OPTI".

With a view to increasing the liquidity of the Option shares and their visibility to the US investors, Option has decided to implement a Level I American Depositary Receipts ("ADR") Program. An F-6 registration statement has been filed with The Securities and Exchange Commission.
This Level I ADR Program has the following characteristics:

- ADRs are U.S. securities issued by a depositary bank representing shares of a non-US company. In this case, The Bank of New York has been selected as depositary bank;
- An ADR gives, investors a voting right and future dividend rights according to the terms and conditions of the deposit agreement entered into between The Bank of New York, Option and future ADR holders;
- An ADR gives US investors access to the Option shares through the over-the-counter market on which ADRs are freely negotiable in the US. The ADR ticker is OPNVY.

7.2. Share history in 2013-2015 on Euronext

	2015	2014	2013
Number of shares outstanding	96 896 054	94 779 290	82 498 592
Year-end share price	0.24	0.29	0.29
Market capitalization (million)	23	27	24
Share price High	0.35	0.78	0.34
	(March 6, 2015)	(May 5, 2014)	(January 14, 2013)
Share price Low	0.20	0.26	0.19
	(August 11, 2015)	(March 13, 2014)	(May 17, 2013)
Free float	84.72%	84.38%	82.05%

During 2014, a total of 48 951 435 shares were traded on Euronext on 256 trading days, meaning an average for the year of 191 217 shares per day.

7.3. Financial calendar

Option intends to release its biannual financial information in 2016 on the following date – before market hours:

- Half Year 2016 results & Interim Financial Report: Thursday August 25, 2016

General Meeting of Shareholders 2016: Friday May 31, 2016 at 10 AM in Leuven

For clarification concerning the information contained in this annual report or for information about Option NV and about transparency filings regarding declaration of interests of shares, please contact:

Option
Gaston Geenslaan 14
B-3001 Leuven, Belgium
Phone: +32 (0)16 31 74 11
Fax: +32 (0)16 31 74 90
E-mail: investor@option.com

8. CERTIFICATION OF RESPONSIBLE PERSONS

The undersigned, Jan Callewaert, Managing Director of Option NV, and Jan Luyckx, CFO of Option NV, confirm that to the best of their knowledge:

a) the consolidated financial statements for the year ending December 31, 2015 have been prepared in accordance with IFRS (International Financial Reporting Standards) and give, in all material respects, a true and fair view of the consolidated financial position and results of Option NV and of its subsidiaries included in the consolidation;
b) the management report for the year ending December 31, 2015 gives, in all material respects, a true and fair view of the evolution of the business, the results and the situation of Option NV and of its subsidiaries included in the consolidation, as well as an overview of the most significant risks and uncertainties with which Option is confronted.

Leuven, April 28^{th} , 2016

Jan Callewaert
Managing Director
Option NV

Jan Luyckx
CFO
Option NV

9. INFORMATION SHEET BY END 2015

NAME	OPTION NV
FORM	Limited Company as per Belgian Law
ADDRESS	Gaston Geenslaan 14, B-3001 LEUVEN
PHONE	+32(0)16 31 74 11
FAX	+32(0)16 31 74 90
E-Mail	investor@option.com
WEBSITE	www.option.com
ENTERPRISE No.	0 429 375 448
VAT	BE 429 375 448
ESTABLISHMENT DATE	July 3rd, 1986
DURATION	Indefinite duration
AUDITOR	Deloitte-Auditors represented by Mr. Dominique Roux
FINANCIAL YEAR CLOSING	31 December
CAPITAL	4 844 802 EUR
NUMBER OF SHARES	96 896 054
ANNUAL MEETING	Last business day of May
LISTING	Euronext -– continumarktStock – Ordinary Stock – Continuous – compartment B – ticker OPTI
DEPOSIT BANK	BNP PARIBAS FORTIS
MEMBER OF INDEX	Bel Small
OTHER LABELS	Ethibel Pioneer SRI Kempen

10. GLOSSARY

BOOK VALUE PER SHARE
Total Shareholders' equity divided by the number of weighted average number of ordinary shares.

CASH FLOW PER SHARE
Net result plus non-cash charges such as depreciation and impairment loss divided by number of weighted average number of ordinary shares.

EBIT
Earnings Before Interest and Taxes.
Profit from operations.

EBITDA
Profit from operations plus depreciation and amortization.

EPS
Earnings Per Share.
Net result divided by the weighted average number of ordinary shares.

NET CAPEX
Acquisitions of property and equipment, intangible assets and the expenditures on product development, minus proceeds from sale.

NET FINANCIAL DEBT
Non-current and current debts minus cash.

WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES
Number of shares outstanding at the beginning of the period, adjusted by the number of shares cancelled, repurchased or issued during the period multiplied by a time-weighting factor.

WORKING CAPITAL
Current assets less current liabilities.

11. CORPORATE SOCIAL RESPONSIBILITY

STATEMENT OF BUSINESS ETHICS

Option is mindful of its responsibilities to behave in an ethical manner in the course of pursuing its business goals and therefore makes the following ethical statement. Option NV, including all its subsidiaries, affiliates and/or consolidated holdings adopts the following practices:

Investment
We will not invest in any of the following areas:

- marketing, development or production of nuclear, chemical or biological weapons
- marketing, development or production of weapons of war or other armaments
- marketing, development or production of products involving animal fur or animal testing
- production of strategic parts of weapon systems of any kind.
- marketing, development or production of pornography, the sex industry, hard drugs or tobacco

Employment
We will not engage in any of the following activities:

- use of children under the legal age for employment
- use of forced, bonded or compulsory labour

Discrimination
We will not discriminate against our employees in any of the following areas:

- on the grounds of race, colour, sex, sexual orientation, religion, political opinion, age or nationality
- on the grounds of pregnancy or maternity leave

Purchasing
We will put into place checks, controls and procedures to ensure all our suppliers and sub-contractors:

- have ethical standards that do not compromise any of the above
- have checks, controls and procedures that ensure their suppliers or sub-contractors do not compromise any of the above

Prevention of Corruption
We will include in our distribution and supply agreements antibribery standard clauses. Our employment policies outline measures that can and will be taken in order to prevent corruption. Option, as a public company, respects the Corporate Governance rules, as it is member of the ETHIBEL Sustainability index.

LANGUAGE OF THIS ANNUAL REPORT

Pursuant to Belgian Law, Option is required to prepare its Annual Report in Dutch. Option has also made an English language translation of this Annual Report. In case of differences in interpretation between the English and Dutch versions of the Annual Report, the original Dutch version shall prevail.

AVAILABILITY OF THE ANNUAL REPORT

The Annual Report is available to the public free of charge upon request to:

Option NV
Attention Investor Relations
Gaston Geenslaan 14
3001 Leuven, Belgium
Phone: +32(0)16 317 411
Fax: +32(0)16 317 490
E-mail: investor@option.com

An electronic version of the Annual Report is also available, for information purposes only, via the internet on the website of Option (address: www.option.com). Only the printed Annual Report, published in Belgium in accordance with the applicable rules and legislation is legally valid, and Option takes no responsibility for the accuracy or correctness of the Annual Report available via the Internet. Other information on the website of Option or on any other website does not form part of this Annual Report.

FORWARD-LOOKING STATEMENTS

This Annual Report contains forward-looking statements, including, without limitation, statements containing the words "believes", "anticipates", "expects", "intends", "plans", "seeks", "estimates", "may", "will", and "continue" and similar expressions. Such forward-looking statements involve known and unknown risks, uncertainties, and other factors which might cause the actual results, financial condition, performance or achievements of Option, or industry results, to be materially different from any future results, performance, or achievements expressed or implied by such forward-looking statements. Given these uncertainties, the public is cautioned not to place any undue reliance on such forward-looking statements. These forward-looking statements are made only as of the date of this Annual Report. Option expressly disclaims any obligation to update any such forward-looking statements in this Annual Report to reflect any change in its expectations with regard thereto or any change in events, conditions, or circumstances on witch any such statement is based, unless such statement is required pursuant to applicable laws and regulations.