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Option NV

Statutory auditor's report to the shareholders' meeting on the annual accounts for the year ended 31 December 2016

The original text of this report is in Dutch

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Statutory auditor's report to the shareholders' meeting of Option NV on the annual accounts for the year ended 31 December 2016

As required by law and the company's articles of association, we report to you in the context of our appointment as the company's statutory auditor. This report includes our report on the annual accounts together with our report on other legal and regulatory requirements. These annual accounts comprise the balance sheet as at 31 December 2016 and the income statement for the year then ended, as well as the summary of accounting policies and other disclosures.

Report on the annual accounts – Disclaimer of opinion

We were assigned to audit the annual accounts of Option NV ("the company") , prepared in accordance with the financial reporting framework applicable in Belgium, which show total assets of 9,452 (000) EUR and a loss for the year of 7,894 (000) EUR.

Board of directors' responsibility for the preparation of the annual accounts

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

Statutory auditor's responsibility

Our responsibility is to express an opinion on these annual accounts based on our audit.

Because of the matter described below in the "Basis for disclaimer of opinion" section, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. As such, we were unable to obtain the explanations and information necessary for performing our audit from the company's officials and the board of directors.

Basis for disclaimer of opinion

During 2016, the company and its subsidiaries (together "the group") again did not realize the objectives it had initially set under the business plan of the board in terms of turnover and gross margin. As a result, the group has continued to incur significant negative cash flows which impacted severely its financial position per 31 December 2016. The group has not been able to stop the cash burn in the first months of 2017. As such and despite securing an additional bridge financing for 2.6 million EUR in March 2017, of which 1.6 million EUR has already been received, the financial means of the group are very limited at the date of our report. As a consequence, there exists an important uncertainty with respect to the continuation of the group's activities. As disclosed in the note on going concern in the annual accounts, the group's ability to continue as a going concern on the short term depends on the extent to which the group is able to timely and simultaneously realize the following assumptions:

- Achieve the assumptions used in the group's cash forecast for the next 12 months, including the receipt of the remaining 1 million EUR of the March 2017 bridge financing in the next weeks;

- Generate the budgeted positive EBITDA as of the second semester of 2017 as included in the business plan 2017, which assumes an accelerated growth in revenues in the next quarters;
- Successfully (re)negotiate payment plans with existing suppliers and other creditors to ensure a positive cash position in the coming months; and
- Secure a credit line of sufficient size for funding of additional working capital resulting from the budgeted sales ramp up for the second half of 2017 and thereafter.

The accumulation of conditions that need to be timely and simultaneously fulfilled present a fundamental uncertainty about the going concern of the company and about the relevance of the 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 company no longer be able to continue its operations. In particular, the company's balance sheet includes capitalized development expenses amounting to 427 (000) EUR and inventories amounting to 619 (000) EUR, which could be subject to significant impairments in case the company would not be able to continue as a going concern.

Additionally, the company has 3 defined contribution plans which qualify as defined benefit plans due to the minimum return guarantees in the Belgian regulation. The financial statements include a provision for the underfunding in the plan as of 31 December 2016. However, the board of directors and management were unable to provide us with sufficient evidence to determine whether this provision was sufficient in light of the company's entire pension liability.

Disclaimer of opinion

Because of the importance of the matters referred to in the "Basis for disclaimer of opinion" section, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion and cannot assess the positive cumulative effect of those matters on the annual accounts. Accordingly, we do not express an opinion on the annual accounts.

Report on other legal and regulatory requirements

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

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 statements, which do not modify the scope of our opinion on the annual accounts:

- The director's report, prepared in accordance with articles 95 and 96 of the Companies Code and to be filed in accordance with article 100 of the Companies Code, includes, both in form and in substance, the information required by law, is consistent with the annual accounts and, except for the effect on the director's report of the matters described in the "Basis for disclaimer of opinion" paragraph, is free from any material inconsistencies with the information that we became aware of during the performance of our mandate.
- The social balance sheet, to be filed in accordance with article 100 of the Companies Code, includes, both in form and in substance, the information required by law and is free from any material inconsistencies with the information available in our audit file.

- Because of the impossibility to obtain sufficient appropriate evidence as well as the matters referred to in the "Basis for disclaimer of opinion" section, we are unable to express wehther the accounting records are maintained in accordance with the legal and regulatory requirements applicable in Belgium.
- The appropriation of results proposed to the general meeting is in accordance with the relevant requirements of the law and the company's articles of association.
- Except for the below violations, no transactions have been undertaken or decisions taken in violation of the company's articles of association or the Companies Code such as we would be obliged to report to you:
  - At the date of this report the company does not have three independent directors as prescribed by article 14 of the articles of association; and
  - The annual general shareholders meeting was not held on the date as foreseen in article 24 of the articles of assosciation, i.e. last working day of May.
- In accordance with article 523 of the Companies Code, we report to you on the following decisions of the board of directors during the accounting year 2016:
  - The decision of the board of directors on 7 January 2016 and 24 February 2016 to enter into a bridge financing agreement of 1 million EUR with Mr Jan Callewaert for the acquisition of the Innolumis entities, which represented a conflict of interest for Mr Jan Callewaert as president of the board of directors.
  - The decision of the board of directors on 28 April 2016 and 3 June 2016 to conclude a bridge financing agreement for a maximum of 2 million EUR with Mr Jan Callewaert to ensure the going concern of the company for the following months, which represented a conflict of interest for Mr Jan Callewaert as president of the board of directors.
  - The decision of the board of directors on 28 April 2016 to issue warrants for 4 million EUR to Danlaw Inc., which represented a conflict of interest for board member Mr Raju Dandu.

  The financial consequences linked to these decisions are explained in the section "Related parties transactions – Conflict of interest procedure" of the annual report.
- The company's net assets have fallen below 61 500 EUR. As a result, as stipulated in article 634 of the Companies Code, every interested third party can request the dissolution of the company before the Court of Commerce. In such case, the Court can allow the company time to rectify this situation. Moreover the company applied the procedure as described in article 633 of the Companies Code in 2013, which was the first moment the company's net assets decreased below half of its share capital. The procedure has not been updated since that date.

Zaventem, 1 June 2017

The statutory auditor

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