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OPTION REPORTS FULL YEAR 2017 RESULTS

FINANCIAL INFORMATION – REGULATED INFORMATION - INSIDE INFORMATION

Leuven, Belgium – March 9, 2018 – Option N.V. (EURONEXT Brussels: OPTI; OTC: OPNVY), today announced its unaudited results for the full fiscal year 2017 ended December 31, 2017. The financial information reported in this release is presented in Euros and has been prepared in accordance with the recognition and measurement criteria of IFRS as adopted by the European Union. The accounting policies and methods of computation followed in the attached financial statements are essentially the same as those followed in the most recent annual financial statements.

FINANCIAL HIGHLIGHTS OF THE FULL FISCAL YEAR 2017

- Total revenues for the year 2017 were EUR 5.2 million compared with EUR 4.2 million realized in 2016. CloudGate realized an increase of 57% in 2017, compared to last year. Total products revenue increased with 30% compared to last year as revenues from embedded modules and devices are fading out. Revenues from engineering services increased with EUR 0.2 million.

EUR million	2017	2016	Increase (Decrease)
Revenues	5.2	4.2	25%
Products	3.7	2.8	30%
Services	1.6	1.4	13%
Gross Margin	2.7	1.9	41%
Normalized Gross Margin	2.5	2.4	5%
Normalized Gross Margin %	47.1%	55.9%	

- Gross margin for the year 2017 was 51.5 % on total revenues compared with a gross margin of 45.4 % in 2016. The normalized gross margin i.e. the gross margin excluding the reversal of write-off on inventories of EUR -227 thousand, would have reached 47.1 % in 2017 compared with a normalized gross margin excluding a write off on inventories of EUR 440 thousand, of 55.9% in 2016.
- During 2017, the operating expenditure decreased with EUR 2.9 million from EUR 7.5 million in 2016 to EUR 4.6 million in 2017. At the beginning of 2018 the recurring operating expenditures have further decreased to EUR 2.7 million. The latter implies that the Company would be in a quasi breakeven position when realizing the same gross profit margin. The Company will continue with its strategy to cost saving measures and debt restructuring under its new management.
- The financial result increased from EUR -2.7 million in 2016 to EUR 1.0 million in 2017, mainly as a result of restructuring of debt on the convertible bonds and the bridge funding.

- In 2017, EBIT amounted to EUR -1.9 million compared to EUR -5.6 million in 2016.
- In 2017, EBITDA amounted to EUR -1.4 million compared to EUR -4.3 million in 2016.
- The cash position decreased from EUR 774 thousand at the end of 2016 to EUR 480 thousand at the end of 2017. Of the two bridging loans pledged in 2017, for a total of EUR 2.6 million and a total of EUR 1.625 million respectively, only EUR 195 thousand of the latter still to be received on 31 December 2017. Today all is fully paid.
- The net result for the full year 2017 amounted to EUR -959 thousand or EUR -0.003 per basic and diluted share. This compares to a net result of EUR -7.9 million or EUR -0.08 per basic and diluted share during 2016.
- During 2017, 199,141,545 new shares were created as the result of the conversion of financial debt in equity instruments of the company. The share capital increased by EUR 10 million and the share premium by EUR 12.1 million. The total equity amounted to EUR -14.0 million compared to EUR -35.1 million at the end of 2016. The financial debts have decreased from EUR 29.1 million at the end of 2016 to EUR 9.2 million at the end of 2017.
- Intangible fixed assets decreased from EUR 427 thousand at year-end 2016 to EUR 86 thousand. All development costs were directly expensed in the income statement in 2017.
- Trade and other payables decreased by EUR 2.3 million, coming from EUR 7.5 million at the end of 2016. New payment plans have been agreed.

CORPORATE

Debt restructuring

In March and June 2017, two rounds of debt restructuring resulted in the increase of the share capital through a total contribution of € 9,957,077, the details of which are shown below:

in EUR	Nominal value at emission	Nominal Value 31/12/2016	Capital Increase March 2017	Capital Increase June 2017	Proceeds / Repayments 2017	Nominal Value 31/12/2017
Convertible debt 2013	9.000.000	5.000.000	-2.600.000	-2.400.000		-
Convertible debt 2014	12.000.000	11.500.000	-6.200.000	-4.800.000		500.000
Convertible debt 2015	6.000.000	6.000.000	-2.921.000	-3.079.000		-
Total	27.000.000	22.500.000	-11.721.000	-10.279.000		500.000
Bridge Loans	8.875.000	4.650.000	-432.600	-1.367.400	3.410.000	6.260.000
Contribution			-12.153.600	-11.646.400		
Issued Capital		4.922.127	4.133.877	5.823.200		14.879.204
Share Premium		3.765.973	8.019.723	5.823.200		17.608.896

Since these two operations, the situation of convertible bonds has remained unchanged; bridging loans increased to EUR 6.26 million at the end of 2017, and to EUR 6.455 million at the end of February 2018.

On **6 March 2017**, a total amount of EUR 12,153,600 of financial liabilities (bridging loans and bond loans) was converted into equity instruments of the Company at EUR 0.147 per share, which corresponded to the average closing price of the stock over 30 days up to the day of the transaction. For each new share, EUR 0.05 was reckoned as new capital and EUR 0.097 was included as a share premium.

As a result of the capital increase, 82,677,545 new shares were issued, bringing the total number of shares from 98,442,546 to 181,120,091 shares after listing.

The share capital was accordingly increased by EUR 4,133,877.25, increasing the in capital from EUR 4,922,127.30 to EUR 9,056,004.55 after the capital increase. In total, EUR 8,019,722.75 was included as a share premium.

In addition, the Company secured new financing in March 2017 for a total amount of EUR 2.6 million. These funds are structured as a new loan over 2 years with 1% interest in the first year and 2% in the second year.

On **30 June 2017**, a second round of the conversion of financial liabilities (bonds and debts) took place. A total of EUR 11,646,400.00 of liabilities was contributed into capital of the Company at an average stock price of EUR 0.10 per share, which resulted in an increase of EUR 5,823,200 in capital, going from EUR 9,056,004.55 before the transaction to EUR 14,879,204.55 after the transaction with the issue of 116,464,000 new shares.

As a result of the debt rescheduling, 199,141,545 new shares were issued in 2017. The total number of shares amounts to 297,584,091 shares without nominal value.

On **27 November 2017**, the Company announced that it would take further steps in its restructuring plan.

As part of an agreement with the major shareholders, the Board announced that a minimum of EUR 8,100,000 of the outstanding financial debt will be contributed to the capital of the Company, including the 2017 bridges, issued for the repayment of historical but critical non financial debt.

In the meantime, the Company will in all likelihood be able to convert all remaining financial debts at 2 cents per share in 2018, subject to approval from the shareholders, including the interest charges that are still payable on these financial debts, together in the amount of EUR 9.4 million, subject to a total amount of EUR 1.1 million that is still under negotiation.

Furthermore, the Board announced that 100% of the shares of Crescent NV will be acquired at EUR 10,125,000, by issuing new shares at 2 cents per share, to strengthen the net assets of the Company and to allow the Company to successfully evolve to end-to-end IoT solutions for its growing customer base. A new company is being created (Newco) with a strategic focus on the provision of integrated IoT solutions for both industrial and public sector customers.

In the meantime the Board has discussed and chosen the name CRESCENT as name for NEWCO.

Finally the Board announced Mr. Guy Coen, as CEO.

On **1 March 2018**, an additional amount of EUR 750,000 in interest-free bridge financing was committed by various investors.

In addition, Alychlo NV and Van Zele Holding NV committed to additional financing of EUR 150,000 each with a view to possible future acquisitions.

All financial debts and loans mentioned above (historical, 2017 and 2018) will be offered for contribution to the capital of the Company at 2 cents per share, subject to shareholders' approval.

The entire transaction will be completed by the end of the month of April 2018.

On **February 20, 2018**, Mr. Jan Callewaert informed the Company of his resignation as director of the Company.

On 31 December 2017, the Company had the following major shareholders, based on the transparency declarations received:

BASIC DATA

(a) Total share capital	€ 14,879,204.55
(b) Total number of voting securities	297,584,091
(c) Total number votes (= the denominator)	297,584,091

Shareholders (>3%)	%
(A) Jan CALLEWAERT	23.94%
(B) Danlaw Inc.	17.02%
(C) Eric VAN ZELE	11.40%
(D) ALYCHLO	7.42%

Based on last known transparency declarations (February 2018), the Company had the following major shareholders:

CAPITAL STRUCTURE OPTION NV FEBRUARY 2018

BASIC DATA

(a) Total share capital	€ 14,879,204.55
(b) Total number of voting securities	297,584,091
(c) Total number votes (= the denominator)	297,584,091

Shareholders (>3%)	%
(A) Jan CALLEWAERT	17.39%
(B) Danlaw Inc.	17.02%
(C) Eric VAN ZELE	11.40%

Continuity of the company

At the beginning of March 2018, the Company concluded additional interest-free bridge financing with its main investors for an amount of EUR 1,050,000.

Together with the other financial debts and liabilities, these financings will be contributed to the capital of the company as a result of the transaction scheduled for 29 March 2018, but its target date has been moved to the end of April 2018.

In addition, the Company continues its negotiation with the banks for a credit line of EUR 2 million, to finance additional working capital needs and the remaining historical debt obligations.

In the meantime, the Company continues to take the necessary measures to further reduce its operational costs in order to reach a recurring breakeven position in the course of 2018.

Given the current outlook, the expected additional sources of financing and an expected EBITDA positive contribution of the Crescent group, the Board of Directors has decided to prepare the financial information under the continuity principle.

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

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER

For the full year period 31 December Thousands Euro except number per share	Dec 31, 2017	Dec 31, 2016 (* Restated)
Revenues	5 246	4 210
<i>Product revenue</i>	5 246	4 210
Cost of products sold	(2 546)	(2 297)
Gross Margin	2 700	1 913
Research and development expenses	(1 866)	(2 673)
Sales, marketing and royalty expenses	(690)	(1 394)
General and administrative expenses	(2 079)	(3 435)
Total operating expenses	(4 635)	(7 502)
Profit / (loss) from operations (EBIT)	(1 935)	(5 589)
Depreciation, amortization and impairment losses	499	1 315
EBITDA	(1 436)	(4 274)
Result from operations	(1 935)	(5 589)
Finance costs	(299)	(3 013)
Finance income	1 274	340
Finance result - net	975	(2 673)
profit / (loss) before income taxes	(959)	(8 262)
Income tax benefits / (expenses)	0	1
Net result of the period	(959)	(8 261)
Result of discontinued operations	0	340
Net result of the period attributable to the owners of the company	(959)	(7 921)
Earning per share		
Basic weighted average number of ordinary shares	225 107 312	97 880 569
Diluted weighted average number of ordinary shares	225 107 312	97 880 569
Basic earnings / (loss) per share before discontinued operations	(0,00)	(0,08)
Diluted earnings / (loss) per share before discontinued operations	(0,00)	(0,08)
Basic earnings / (loss) per share	(0,00)	(0,08)
Diluted earnings / (loss) per share	(0,00)	(0,08)

(*) The financials of previous year are restated:

- With a re-class of EUR 252 thousand from research and development expenses to cost of products sold, for the labour expenses spent.

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

For the full year period 31 December

Thousands Euro except number per share

	Dec 31, 2017	Dec 31, 2016
Profit / (Loss) for the period	(959)	(7 921)
<u>Other comprehensive income</u>		
Items that may be reclassified subsequently to profit or loss		
Exchange difference arising on translation on foreign operations	(21)	0
Other comprehensive income / (loss) for the period (net of tax)	(21)	0
Total comprehensive income / (loss) for the period attributable to the owners of the parent	(980)	(7 921)

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**CONDENSED CONSOLIDATED STATEMENT
OF FINANCIAL POSITION**

Thousands Euro	Dec 31, 2017	Dec 31, 2016 (* Restated)
Assets		
Intangible assets	86	427
Property, plant and equipment	23	20
Other financial assets	1	137
Other non-current assets	45	9
Total non-current assets	155	593
Inventories	432	619
Trade and other receivables	780	1 103
Cash and cash equivalents	480	774
Income tax receivable	15	19
Total current assets	1 707	2 515
Total assets	1 862	3 108
Liabilities and shareholders' value		
Issued capital	14 879	4 922
Share premium	17 610	5 466
Reserves	0	0
Retained earnings / (losses)	(46 446)	(45 486)
Total shareholders' equity attributable to the owners of the company	(13 957)	(35 098)
Financial debt	7 438	27 076
Provisions	138	0
Total non-current liabilities	7 576	27 076
Financial debt	1 784	1 984
Trade and other payables	5 174	7 481
Provisions	191	422
Taxes payable	1 094	1 243
Total current liabilities	8 243	11 130
Total liabilities and shareholders' value	1 862	3 108

(*) The financials of previous year are restated:

- With a re-class of withholding taxes amounting to EUR 1,073 million from trade and other payables to taxes payable.

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**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER**

For the full year period 31 December Thousands Euro	Dec 31, 2017	Dec 31, 2016
OPERATING ACTIVITIES		
Net Result (A)	(959)	(7 921)
Amortization of intangible assets	341	904
Depreciation of property, plant and equipment	21	100
Impairment of financial assets	137	311
Loss / (gains) on sale of property, plant and equipment	0	(19)
Loss / (gains) on sale of financial assets	0	(378)
(Reversal of) write-offs on current and non current assets	(158)	375
Impairment losses on intangible assets	0	0
Increase / (decrease) in provisions	(68)	122
Unrealized foreign exchange losses / (gains)	(22)	49
Interest (income)	(1 130)	(3)
Interest expense	273	2 633
Equity settled share based payment expense	20	57
Tax expense / (benefit)	0	(1)
Total (B)	(586)	4 150
Cash flow from operating activities before changes in working capital	(1 545)	(3 771)
(C) = (A) + (B)		
Decrease / (increase) in inventories	356	622
Decrease / (increase) in trade and other receivables	257	(445)
Increase / (decrease) in trade and other payables	(2 473)	(409)
Increase / (decrease) in deferred revenue	19	0
Use of provisions	(24)	5
Total changes in working capital (D)	(1 865)	(227)
Cash generated from operation	(3 410)	(3 998)
(E) = (C) + (D)		
Interests and other finance costs (paid) (F)	(273)	(862)
Interests and other finance revenue received (G)	0	0
Income tax (paid) / received (H)	4	0
Cash flow from operating activities (I) = (E) + (F) + (G) + (H)	(3 679)	(4 860)

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	Dec 31, 2017	Dec 31, 2016
INVESTING ACTIVITIES		
Expenditure on product development, net of grants received	0	(438)
Acquisition of property, plant and equipment	(25)	0
Proceeds from sale of property, plant and equipment	0	19
CASH FLOW USED IN INVESTING ACTIVITIES (J)	(25)	(419)
FINANCING ACTIVITIES		
Proceeds of borrowings	3 710	2 485
Finance lease liabilities	0	0
Repayment of borrowings	(300)	(500)
CASH FLOW PROVIDED BY / (USED IN) FINANCING ACTIVITIES (K)	3 410	1 985
Cash flow from discontinued operations	0	0
Net increase / (decrease) of cash and cash equivalents = (I) + (J) + (K)	(294)	(3 294)
Cash and cash equivalents at beginning of year	774	4 068
Effect of foreign exchange difference	0	0
Cash and cash equivalents at end of period	480	774
Difference	(294)	(3 294)

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

In Thousand EUR	Issued Capital	Share premium	share-based payment reserve	Currency translation reserve	Share issue costs	retained earnings / (losses)	Total
At 1 January 2016	4 845	5 076	130	199	(2 617)	(35 335)	(27 702)
Net result of the year	-	-	-	-	-	(7 921)	(7 921)
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	-	-	(7 921)	(7 921)
Equity component of the convertible loan	-	11	-	-	-	-	11
Transfer to/from Capital increase	77	379	-	-	-	-	456
Capital decrease Share based payments	-	-	57	-	-	-	57
At 31 December 2016	4 922	5 466	187	199	(2 617)	(43 256)	(35 098)
Net result of the year	-	-	-	-	-	(959)	(959)
Other comprehensive income for the year, net of income tax	-	-	-	(21)	-	-	(21)
Total comprehensive loss for the year	-	-	-	(21)	-	(959)	(980)
Equity component of the convertible loan	-	(1 699)	-	-	-	-	(1 699)
Transfer to/from Capital increase	9 957	13 843	-	-	-	-	23 800
Capital decrease Share based payments	-	-	20	-	-	-	20
At 31 December 2017	14 879	17 609	208	178	(2 617)	(44 214)	(13 957)

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Thousand Euros	Revenues from external customers	Operating segment result
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	Dec 31, 2017	Dec 31, 2016 (* Restated)	Dec 31, 2017	Dec 31, 2016 (* Restated)
Products	3 692	2 838	(609)	(2 026)
Engineering Services	1 554	1 372	627	897
Totals	5 246	4 210	18	(1 129)

Unallocated Operating Expenses		(1 816)	(4 150)
Finance (costs) / income		839	(2 982)
Income taxes / (expenses)		0	1
Result of discontinued operations		0	340
Net result		(959)	(7 921)

Option is currently finalizing its IFRS financial statements for the year ended 31 December 2017. The auditor has not yet completed his audit procedures as of today, particularly with respect to the assessment and assumptions taken regarding IFRS treatment of pensions and convertible bonds. Should any adjustments arise during the audit finalization, the Annual Report for the year 2017 will be adopted accordingly; it is not expected however that the result from operations will be significantly impacted.

Option expects to be able to publish its fully audited Annual Report for the year 2017 on or before April 30, 2018.

This press release contains forward-looking information that involves risks and uncertainties, including statements about the company's plans, objectives, expectations and intentions. Such statements include, without limitation, discussions concerning the company's strategic direction and new product introductions and developments. Readers are cautioned that such forward-looking statements involve known and unknown risks and uncertainties that may cause actual results to differ materially than those set forth in the forward looking statements. The risks and uncertainties include, without limitation, the early stage of the market for connectivity and integrated wireless products and solutions for portable and handheld computers and mobile telephones, the management of growth, the ability of the company to develop and successfully market new products, rapid technological change and competition. Some of these risk factors were highlighted in the Consolidated and Statutory Report 2016 of the Board of Directors which can be found in the Annual Report 2016. The forward-looking statements contained herein speak only as of the date of this press release. The company expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any such statement to reflect any change in the company's expectations or any change in events, conditions or circumstance on which any such statement is based.

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ABOUT OPTION

Option connects Things to the Cloud. With more than 30 years of experience and many industry's firsts in the wireless industry, the Company is ideally positioned to bring the most efficient, reliable and secure wireless solutions to business markets (B2B) and industrial markets (M2M). The Company partners with system integrators, value added resellers, application platform providers, value add distributors and network operators to bring tailor made solutions to end-customers. Option is headquartered in Belgium and maintains offices in Europe, the US and Australia. More information: www.option.com

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