NEDSENSE

Condensed consolidated interim financial statements

30 June 2015

Report of the Board of Directors

First half 2015

This report covers the business activity and financial results of NedSense enterprises n.v. (the 'Company' or 'NedSense') for the half-year ended 30 June 2015.

Strategy

In October 2014, NedSense finalized the sale of the NedGraphics division, an important milestone in the transformation of the company to allow full focus on the development of its Loft division. The sale and purchase agreement (the "SPA") with the buyer, Constellation Software Inc. ("CSI") headquartered in Toronto, Canada, was announced in August 2014 and the sale was unanimously approved by the extraordinary shareholders' meeting held on October 7th, 2014. The transaction was completed on October 8th, 2014 at a purchase price of EUR 7,525,000.

On closing, NedSense received an initial payment of EUR 5,883,092 in cash. The holdback amount of EUR 1,641,908 mainly consisted of the balance of tangible assets and liabilities as agreed in accordance with the SPA (the outcome of such calculation the 'NTA Amount') while the remaining amount was meant to cover any claims CSI might have under the SPA.

The SPA provides for a mechanism to finally determine the NTA Amount. On June 29th 2015, NedSense and CSI reached agreement about the final NTA Amount as well as a final release of all claims CSI could have under the SPA. The final pay-out equals EUR 250,000. This amount is in line with NedSense' management expectations and processed in the 2014 financial statements. The loss on disposal of the NedGraphics division amounts to EUR 926 thousand.

After the successful launch of its highly innovative 3D technology, NedSense has continued its focus on the development of the Loft suite of products. Customers can access and use the products through multiple internet supported devices, be it PC's or tablets. Loft has already shown its ability to execute in furniture retail (with implementations at Crate & Barrel, Havertys, Trendhopper, Carpet Court, and DFS) as well as manufacturers (with implementations at Kravet, Donghia, Leolux, Thonet and Rubelli). LOFT is continuing its growth in market share in the home furnishing industry.

In H1 2015, the Loft core technology, '3D modeling and rendering from 2D images' was patented by the US patent and trademark office. A continuation of the patent has already been filed.

In line with current technology developments Loft has launched a first version of its roOomy platform in H1 2015. RoOomy connects home furnishings retailers and the real-estate community with consumers at the moment they are considering a home purchase or property rental, creating a new sales channel for brokers, developers and retailers. Real-estate brokers and property owners can use roOomy by subscription to virtually stage their listings at low cost with furnishing products from participating brands. RoOomy's virtual staging technology is a breakthrough for the real estate industry where it is widely acknowledged that staged properties sell better. In turn, consumers can view 3D room environments of real estate listings in roOomy, and re-decorate them in a few clicks with furnishings from participating brands. Over 17 leading US retail brands have already signed on as affiliates, making their products available for 'e-decoration' and promotion in the roOomy app. The company is currently working with leading real estate companies in the US, rolling out roOomy to their agents.

Although growth for the Loft division was foreseen, revenue for H1 2015 decreased versus the same period in 2014. The decrease in revenue is due to the company transitioning away from customized implementations of Loft, to focus on managing the roOomy platform with a subscription and referral fee business model.

Financial results

NedSense ended the first half of 2015 with a net loss of €1,900 thousand (first half 2014: €1,712 thousand loss). The decreased result is mainly the combination of an increased LOFT operating loss and higher finance costs, partially offset by an increased result from discontinued operations.

NedSense realized a gross profit of €102 thousand compared to €187 thousand in the first half of 2014, a decrease of 45%.

The Loft division reported sales of €156 thousand as compared to €271 thousand in the first half of 2014. Due to a combination of the decrease in sales, as well as higher operating expenses, the segment's loss from operations was €1,098 thousand negative (first half 2014: €683 thousand negative).

The Other operating segment includes the activities of the holding and the discontinued operation Dynamics Perspective.

Cash flow

The operational cash flow in the first half of 2015 amounted to €870 thousand negative (first half 2014: €1,262 thousand positive). The decrease from 2014 is mainly due to the disposal of NedGraphics and the operating loss of LOFT. The cash flow from investments in the first half of 2015 was €551 thousand negative (first half 2014: €1,215 thousand negative), caused by decreased investments in software development due to the disposal of the NedGraphics operating segment. The cash flow from financing in the first half of 2015 was €1,932 thousand negative (first half 2014: nil) due to early repayments on the convertible notes and government grant, net of the new convertible bond issue.

The total change in cash and cash equivalents in the first half of 2015 amounted to €3,353 thousand negative (first half 2014: €47 thousand positive).

Balance sheet

From 31 December 2014 intangible assets decreased from €3,070 thousand to €3,037 thousand. This small decrease is from software development for the LOFT product line (depreciation of prior development exceeded new investments for the period). Current receivables decreased from €1,229 thousand to €890 thousand as the Company collected on outstanding customer receivables, and from the buyer of NedGraphics. Interest-bearing loans and borrowings decreased by €1,686 thousand due to the net of the early repayments and new bond issue noted above. Primarily due to the net loss in the first half of 2015 of €1,900 thousand, total equity decreased from €3,302 thousand as of 31 December 2014 to €1,615 thousand as of 30 June 2015.

Due to negative results in the past few years, NedSense has tax losses that may be carried forward. These tax assets are not capitalized in the balance sheet as management is currently not certain that sufficient taxable profits will be made in the near future to realize the value of these tax assets.

The solvency decreased to 30.2% at 30 June 2015, from 36.4% at 31 December 2014 due to the net loss in the first half of 2015. The number of outstanding ordinary shares, with a nominal value of €0.10 each, was 29,423,232 as of 30 June 2015 (28,596,495 as of 30 June 2014).

Outlook

In H1 2015, the Loft division has been focused on maintaining and upselling within its Loft customer base. Furthermore, focus has been on implementing roOomy of which the first release was launched in June 2015. The roOomy platform will mark the transition of Loft towards subscription- and referral fee based business models. Launching partners in the real estate industry as well as home furnishings retail have been added to the roOomy community.

In 2015, NedSense will focus on a growth strategy. Crucial for this growth is the market adoption of the roOomy platform in real estate and home furnishings retail markets. The deployment of a flexible organization together with business partners will enhance the scalability which will enable NedSense to better balance its revenues and expenses and take contingency measures when necessary, however, financing will have to remain an area of focus in 2015.

Pieter Aarts
Jan-Hein Pullens
Vianen, 24 August 2015

Board of Directors' statement on the condensed consolidated half-year financial statements and the interim management report

We have prepared the half-yearly financial report 2015 of NedSense enterprises n.v. and the undertakings included in the consolidation taken as a whole in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and additional Dutch disclosure requirements for half-yearly financial reports.

To the best of our knowledge it is our opinion that the condensed financial statements in this half-yearly financial report 2015 give a true and fair view of our assets and liabilities, financial position and profit or loss of the company and the undertakings included in the consolidation taken as a whole at 30 June 2015, and of the result of our consolidated operations for the first half year of 2015 and has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the European Union.

The interim management report in this half-yearly financial report includes a fair overview of the situation at the balance sheet date, the course of affairs during the first six months of the financial year of the company and the undertakings included in the consolidation taken as a whole, and the expected course of affairs for the second half of 2015 as well as an indication of important events that have occurred during the six months ended June 30, 2015, and their impact on the condensed consolidated interim financial statements, together with a description of the principal risks and uncertainties for the second half of 2015, and also includes the major related parties transactions entered into during the six months ended June 30, 2015.

Vianen, 24 August 2015

The Board of Management

Pieter Aarts, *Chief Executive Officer*
Jan-Hein Pullens, *Chief Operating Officer*

Condensed consolidated statement of financial position

In thousands of euro

	Notes	30 June 2015	31 December 2014
Assets			
Property, plant, and equipment	8	50	56
Intangible assets	9	3,037	3,070
Total non-current assets		**3,087**	**3,126**
Inventories		18	18
Trade and other receivables	10	890	1,229
Cash and cash equivalents		1,357	4,693
Total current assets		**2,265**	**5,940**
Total assets	**6**	**5,352**	**9,066**
Equity			
Issued capital	11	2,942	2,942
Share premium	12	37,756	37,565
Legal reserves		3,037	3,070
Translation reserves		(17)	(7)
Accumulated deficit	13	(42,103)	(40,268)
Total equity		**1,615**	**3,302**
Liabilities			
Interest-bearing loans and borrowings	12	921	859
Employee benefits		55	55
Total non-current liabilities		**976**	**914**
Interest-bearing loans and borrowings	12	2,179	3,927
Trade and other payables		517	831
Deferred income		65	92
Total current liabilities		**2,761**	**4,850**
Total liabilities		**3,737**	**5,764**
Total equity and liabilities		**5,352**	**9,066**

The notes are an integral part of these condensed consolidated financial statements

Condensed consolidated statement of comprehensive income

For the six months ended 30 June

In thousands of euro

	Notes	2015	2014* Restated
Net revenue	6	156	271
Cost of sales		(54)	(84)
Gross profit		**102**	**187**
Wages and salaries		709	740
Social security charges		123	148
Amortization and depreciation		595	543
Other operating costs		561	469
Capitalized production	9	(366)	(421)
Profit (loss) from operations	**6**	**(1,520)**	**(1,292)**
Finance income		30	17
Finance costs		(450)	(312)
Net finance costs		**(420)**	**(295)**
Profit (loss) before income tax		**(1,940)**	**(1,587)**
Income tax expense		5	0
Profit (loss) for the period from continuing operations		**(1,945)**	**(1,587)**
Discontinued operations			
Income (loss) from discontinued operations (net of income tax)	7	45	(125)
Profit (loss) for the period		**(1,900)**	**(1,712)**
Other comprehensive income			
Items that are or may be reclassified to profit or loss			
Foreign currency translation differences for foreign operations		(10)	17
Other comprehensive income for the period, net of income tax		**(10)**	**17**
Total comprehensive income (loss) for the period		**(1,910)**	**(1,695)**
Profit (loss) attributable to:			
Owners of the Company		(1,900)	(1,712)
Profit (loss) for the period		**(1,900)**	**(1,712)**

**See note 7*

The notes are an integral part of these condensed consolidated financial statements

Condensed consolidated statement of comprehensive income (continued)

For the six months ended 30 June

In thousands of euro

	Notes	2015	2014* Restated
Total comprehensive income (loss) attributable to:			
Owners of the Company		(1,910)	(1,695)
Total comprehensive income (loss) for the period		**(1,910)**	**(1,695)**
Earnings (loss) per share			
Basic earnings (loss) per share (in euros)		(0.06)	(0.06)
Diluted earnings (loss) per share (in euros)		(0.06)	(0.05)
Earnings (loss) per share continued operations			
Basic earnings (loss) per share (in euros)		(0.07)	(0.06)
Diluted earnings (loss) per share (in euros)		(0.06)	(0.05)

**See note 7*

The notes are an integral part of these condensed consolidated financial statements

Condensed consolidated statement of changes in equity

For the 6 months ended 30 June

In thousands of euro

	Notes	Share capital	Share premium	Trans-lation reserve	Accum-ulated deficit	Other legal reserves	Total
		Attributable to equity holders of the Company					
Balance at 1 January 2014		2,860	37,565	(126)	(40,911)	6,905	6,293
Total comprehensive income (loss) for the period (restated)							
Profit or (loss)	7	0	0	0	(1,712)	0	(1,712)
Other comprehensive income - Items that are or may be reclassified to profit or loss							
Foreign currency translation differences		0	0	17	0	0	17
Total other comprehensive income		0	0	17	0	0	17
Total comprehensive income (loss) for the period		0	0	17	(1,712)	0	(1,695)
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
Share-based payments	13	0	0	0	71	0	71
Total contributions by and distributions to owners		0	0	0	71	0	71
Total transactions with owners		0	0	0	71	0	71
Transfer to other reserves		0	0	0	(45)	45	0
Restated balance at 30 June 2014		2,860	37,565	(109)	(42,597)	6,950	4,669

The notes are an integral part of these condensed consolidated financial statements

Condensed consolidated statement of changes in equity (continued)

For the 6 months ended 30 June

In thousands of euro

	Notes	Share capital	Share premium	Translation reserve	Accumulated deficit	Other legal reserves	Total
		Attributable to equity holders of the Company					
Balance at 1 January 2015		2,942	37,565	(7)	(40,268)	3,070	3,302
Total comprehensive income (loss) for the period							
Profit or (loss)		0	0	0	(1,900)	0	(1,900)
Other comprehensive income - Items that are or may be reclassified to profit or loss							
Foreign currency translation differences		0	0	(10)	0	0	(10)
Total other comprehensive income		0	0	(10)	0	0	(10)
Total comprehensive income (loss) for the period		0	0	(10)	(1,900)	0	(1,910)
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
Early redemption of convertible notes (net of taxes)	12	0	(138)	0	0	0	(138)
Issue of convertible notes (net of taxes)	12	0	329	0	0	0	329
Share-based payments	13	0	0	0	32	0	32
Total contributions by and distributions to owners		0	191	0	32	0	223
Total transactions with owners		0	191	0	32	0	223
Transfer to other reserves		0	0	0	33	(33)	0
Balance at 30 June 2015		2,942	37,756	(17)	(42,103)	3,037	1,615

The notes are an integral part of these condensed consolidated financial statements

Condensed consolidated statement of cash flows

For the 6 months ended 30 June

In thousands of euro

	Notes	2015	2014 Restated*
Profit (loss) for the period		(1,900)	(1,712)
Adjustments for:			
- Amortization and depreciation		595	1,179
- Change in inventories		0	(11)
- Change in trade and other receivables excluding finance income		339	1,999
- Change in trade and other payables excluding finance expense		(314)	15
- Change in provisions and employee benefits		0	(3)
- Change in deferred income		(27)	(1,209)
- Equity settled share-based payment		32	71
- Net finance costs		420	282
- Loss on re-measurement of assets held for sale, net of tax		0	655
- Corporate income tax		5	11
Interest paid		(17)	(3)
Corporate income tax paid		(3)	(12)
Cash flow from (used in) operating activities		**(870)**	**1,262**
Investments:			
- Intangible assets	9	(550)	(1,176)
- Property, plant, and equipment	8	(5)	(50)
Other		4)	11
Cash flow from (used in) investment activities		**(551)**	**(1,215)**
Proceeds from issue of convertible notes	12	800	0
Redemption convertible notes	12	(1,800)	0
Redemption grant	12	(932)	0
Cash flow from (used in) financing activities		**(1,932)**	**0**
Change in liquid assets		**(3,353)**	**47**
Cash and cash equivalents at 1 January		4,693	942
Effect of movements in exchange rates on cash held		17	7
Cash and cash equivalents at 30 June		**1,357**	**996**

**See note 7*

The notes are an integral part of these condensed consolidated financial statements

Notes to the condensed consolidated interim financial statements

1. Reporting entity

NedSense (the "Company") is domiciled in the Netherlands with registered office at Laanakkerweg 2b, 4131 PA Vianen, the Netherlands. These condensed consolidated interim financial statements of the Company as of and for the six months ended 30 June 2015 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities").

The Company is a holding company, which holds 100% of companies providing high-quality software solutions and services globally to furniture retailers and manufacturers, and the real estate industry.

2. Going Concern

As of June 30, 2015 the Company has a solvency rate of 30.2%. The Company solely has activities that are in an introduction phase. The Company plans to realize significant improvement in revenue, due in large part to the roll-out of the "roOomy" LOFT application, in 2015 and 2016. This will require significant investments in 2015 and 2016, and will result in negative cash flows. A risk exists that the increase in revenues in 2015 and 2016 does not occur at the forecasted pace or that the required investments are higher than expected.

The ability to continue as a going concern in the years 2015 and 2016, as well as thereafter, will depend on the ability to obtain new financing and on the future profitability and positive cash flows of the Company. Cost saving contingency plans are in place in case revenue does not develop as expected.

To be able to repay the convertible notes in 2015 and to be able to fund the investments and growth of the new "roOomy" business, the Company will have to obtain new financing in the second half of 2015. Management is currently in discussion with financers and is confident that new financing will be obtained.

These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. Management of the Company believes that it remains appropriate to prepare the financial statements on a going concern basis as it believes this uncertainty will be resolved.

3. Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting. They do not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Group as of and for the year ended 31 December 2014. These condensed consolidated interim financial statements were approved by the Board of Directors on 24 August 2015.

4. Significant accounting policies

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements as of and for the year ended 31 December 2014. These condensed consolidated interim financial statements have not been audited or reviewed.

5. Estimates

The preparation of interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as of and for the year ended 31 December 2014.

6. Operating Segments

Information about reportable segments:

Business segment reporting

For the six months ended 30 June

	LOFT		**NedGraphics****		**Other**		**Elimination**		**Total**	
in thousands of euro	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**
External revenues	156	271	0	4,111	0	0	0	0	156	4,382
Inter-segment revenue	0	0	0	0	0	0	0	0	0	0
Segment profit (loss) from operations	(1,098)	(683)	0	536	(422)	(609)	0	0	(1,520)	(756)
Intangible segment assets*	3,037	3,025	0	7,325	0	0	0	0	3,037	10,350
Other segment assets*	577	674	0	10,275	13,676	10,771	(11,938)	(17,476)	2,315	4,244
Total segment assets*	3,614	3,699	0	17,600	13,676	10,771	(11,938)	(17,476)	5,352	14,594

*as of 30 June 2015 and 30 June 2014
**See note 7

7. Discontinued operations

NedGraphics:

In June 2014, management committed to a plan to sell the NedGraphics operating segment. Accordingly, the statement of comprehensive income shows the results of this segment separately from continuing operations, in discontinued operations.

The 2014 comparative information has been restated to reflect the following. The net assets and liabilities of NedGraphics have been restated as of 30 June 2014 from carrying value, to the lower fair value less costs to sell based on information available at the time of publication of the 2014 half year report.

This €655 thousand restatement has resulted in the following changes to the 2014 comparative information:

- Condensed consolidated statement of comprehensive income:
  - Income (loss) from discontinued operations (net of income tax) decreased by €655 thousand, from income of €530 thousand to loss of €125 thousand.
  - Profit (loss) for the period, and total comprehensive income, have accordingly decreased by €655 thousand.
  - Earnings (loss) per share decreased:
    - Basic from (€0.04) to (€0.06)
    - Diluted from (€0.03) to (€0.05)
- Condensed consolidated statement of changes in equity:
  - Profit or (loss), Accumulated deficit, and Total equity decreased by €655 thousand.
- Condensed consolidated statement of cash flows:
  - Profit or (loss) for the period decreased by €655 thousand.
  - Loss on re-measurement of assets held for sale, net of tax has increased by €655 thousand.
- Operating segments:
  - Intangible segment assets and Total segment assets have each decreased by €655 thousand, for NedGraphics and for Total.
- Discontinued operations, NedGraphics:
  - Loss on re-measurement of assets held for sale decreased from €0 to €655 thousand.
  - Profit (loss) for the period decreased by €655 thousand from income of €537 thousand to loss of €118 thousand.
  - Net assets and liabilities of discontinued operations, Intangible assets decreased by €655 thousand.

In September 2014, the Company sold the entire NedGraphics operating segment. Management decided to sell this segment following a strategic decision to place greater focus on further developing the LOFT activities.

The final consideration for the disposal of NedGraphics is now agreed between the Company and the buyer of NedGraphics. Of the €250 thousand to be received as of 31 December 2014, €183.5 thousand was received in the first half of 2015, and the balance of €66.5 thousand was received 1 July 2015.

(a) Results of discontinued operation NedGraphics
For the six months ended 30 June
(in thousands of euros)

	2015	2014 Restated
Net revenue	0	4,111
Expenses	0	(3,563)
Profit (loss) from operations	**0**	**548**
Income tax expense	0	(11)
Profit (loss) from operations, net of tax	**0**	**537**
Loss on re-measurement of assets held for sale	0	(655)
Income (loss) on disposal of discontinued operation	45	0
Income tax on gain or loss on re-measurement or disposal	0	0
Profit (loss) for the period	**45**	**(118)**
Earnings (loss) per share		
Basic earnings (loss) per share (in euros)	0.00	0.02
Diluted earnings (loss) per share (in euros)	0.00	0.02

(b) Cash flows from (used in) discontinued operation NedGraphics
For the six months ended 30 June
(in thousands of euros)

	2015	2014
Net cash flow from (used in) operating activities	0	595
Net cash flow from (used in) investment activities	0	(535)
Change in liquid assets	**0**	**60**

(c) Net assets and liabilities of discontinued operation NedGraphics*
(in thousands of euros)

	2015	2014 Restated
Property, plant, and equipment	0	(217)
Intangible assets	0	(7,325)
Inventories	0	(6)
Trade and other receivables	0	(2,074)
Cash and cash equivalents	0	(787)
Employee benefits	0	72
Trade and other payables	0	1,390
Deferred income	0	2,957
Net assets and liabilities	**0**	**(5,990)**

*as of 30 June 2015 and 30 June 2014

Dynamics Perspective, Inc.:

In June 2013, the Company decided to discontinue the activities of its wholly owned subsidiary Dynamics Perspective, Inc. (DPI). The decision to discontinue the activities was made to allow the Company to further focus on its core activities. After carefully weighing all options and given current economic conditions, it was determined that continuing the DPI activities was no longer viable.

(a) Results of discontinued operation DPI
For the six months ended 30 June
(in thousands of euros)

	2015	**2014**
Net revenue	0	0
Expenses	0	(7)
Profit (loss) from operations	**0**	**(7)**
Income tax expense	0	0
Profit (loss) from operations, net of tax	**0**	**(7)**
Earnings (loss) per share		
Basic earnings (loss) per share (in euros)	0.00	0.00
Diluted earnings (loss) per share (in euros)	0.00	0.00

(b) Cash flows from (used in) discontinued operation DPI
For the six months ended 30 June
(in thousands of euros)

	2015	**2014**
Net cash flow from (used in) operating activities	0	(8)
Change in liquid assets	**0**	**(8)**

(c) Net assets and liabilities of discontinued operation DPI*
(in thousands of euros)

	2015	**2014**
Trade and other payables	0	27
Net assets and liabilities	**0**	**27**

*as of 30 June 2015 and 30 June 2014

8. Property, plant and equipment

Acquisitions and disposals:

During the six months ended 30 June 2015 the Group acquired assets with a cost of €5 thousand (six months ended 30 June 2014: €50 thousand).

No assets with a carrying amount were disposed of during the six months ended 30 June 2015 (carrying amount disposed of during the six months ended 30 June 2014: none). No gains or losses on disposals were realized during the six months ended 30 June 2015 or 30 June 2014. No assets were transferred to held for sale (six months ended 30 June 2014: €217 thousand).

9. Intangible assets

Investments for the six months ended 30 June 2015 comprised capitalized production of €550 thousand (six months ended 30 June 2014: €1,176 thousand). Capitalized production included both in-house and third party expenses incurred to develop intangible fixed assets (software). For the six months ended 30 June 2015, such in-house expenses amounted to €366 thousand and third party expenses amounted to €184 thousand (six months ended 30 June 2014: €819 thousand and €357 thousand, respectively). No assets were transferred to held for sale (six months ended 30 June 2014: €7,325).

10. Trade and other receivables

In 2011, management invested €500 thousand in the share capital of the Company. At the same time the Company provided a loan to management of €500 thousand with an interest rate of 2.5%. These loans have been recognized at fair value taking the market interest rate into account (7.5%). Cash flows to be received (at 2.5%) and the total sum have been discounted over the expected life of the loan (4 years). With these assumptions, the value of the receivables at 30 June 2015 is €535 thousand including accrued interest.

On 24 April 2013 the company entered into a subscription agreement with the new investor Nantahala in relation to the investment in new shares by Nantahala. The subscription agreement also contained certain new remuneration arrangements which were conditional to the investment by Nantahala. The arrangements have been approved by General Meeting in June 2013. One of the new remuneration arrangements was that the Investors agreed that the loans of Management members with the company shall be written-off. The Supervisory Board however, has postponed a final decision on the write-off as it seeks to minimize tax consequences of this write-off for both the company and Management Board members personally. No costs for the write-off are recorded as of 30 June 2015.

11. Share capital

At 30 June 2015, the issued share capital comprised 29,423,232 ordinary shares (31 December 2014 29,423,232) with nominal value of €0.10, which have been fully paid up.

12. Loans and borrowings

Early repayment of debt

The Company has negotiated early repayment of its convertible loans and government grant.

As a result of these negotiations, 50% or €1,800 thousand of €3,600 thousand of the convertible loans was repaid in the first half of 2015. The remaining €1,800 thousand of these convertible loans, of which €1,700 thousand is subject to a call option by a third party, will be repaid by 31 December 2015. If the call option is exercised, this €1,700 thousand payment will not be due until 31 August 2016. Early repayments of the convertible loans have resulted in charges to finance costs of €104 thousand and equity of €138 thousand, net of tax.

Furthermore, €900 thousand of the government grant was repaid in April 2015 in addition to quarterly payments made according to the payment schedule. Early repayment of the grant has resulted in a charge to finance expense of €99 thousand net of tax.

Bond issue
Existing shareholders of the Company have invested €800 thousand of additional capital in the Company in the first half of 2015, which was approved by the general meeting of shareholders in June 2015. The investment is structured as a subordinate bond that pays no interest, is due in June 2020, and is convertible to equity at a price of €0.16 per bond. These loans have been recognized at fair value, taking a market interest rate into account. The interest rate of the liability part is equal to the market interest rate. In the case of NedSense this is determined at 17.1%. This implies that the debt value of the face amount of €800 thousand is originally reduced to €361 thousand and the remainder of the value is recognized as equity. The interest charge will be 17.1% of the carrying amount.

13. Share-based payment

At 30 June 2015 the Group has the following share-based payment arrangements:

Share option program (equity settled):

During the years 2009-2011, options were granted to management and key personnel based on performance criteria as set by the Supervisory Board of the Company. Total costs related to this plan during the six months ended 30 June 2015 amount to €3 thousand.

Share program (equity settled):

A new remuneration plan is in effect for 2012 through 2015. The plan has a share payment component that provides for the Board of Directors and key employees.

During the years 2012-2015, shares of the Company will be granted to management and key personnel based on performance criteria as set by the Supervisory Board of the Company. Total costs related to this plan during the six months ended 30 June 2015 amount to €29 thousand.

14. Subsequent events

There are no subsequent events.