

Minutes of the 2015 Annual General Meeting of
NedSense enterprises n.v.,
held on Thursday 18 June 2015 at 11.00am (CET)
at NedSense enterprises in Vianen.

ATTENDANCE LIST OF SHAREHOLDERS

Name	Shares
Project Holland Deelnemingen – represented by Mr. B. Timmer	6,249,999
Bertoia	3,320,346
Todlin – represented by Mr. M. Hartog	3,238,711
Nantahala Capital Partners II, Limited Partnership	2,686,028
Blackwell Partners LLC	1,107,077
Mr. P.A.J.J. Aarts	916,091
Mr. H.J.J. Pullens – represented by Mr. P.A.J.J. Aarts	855,743
Nantahala Capital Partners Limited Partnership	831,604
Mr. W.J. Turkstra	126,000
Mr. J. van Diemen	20,000
Klanten Rabobank Nederland – represented by VEB	12,610
Mr. Niemeijer	500
Mrs. Niemeijer-Foppen – represented by Mr. Niemeijer	500
Mr. P. van Woerden	450
Mrs. M. van Woerden-Visser – represented by Mr. Van Woerden	50
VEB – represented by Mr. M. Diaz	102
Stichting Rechtsbescherming Beleggers – represented by Mr. C.M.A. Stevense	100
Value8 N.V. – represented by Mr. P. Ezinga	1
TOTAL	19,365,912

BEHIND THE TABLE

- Mr. M. McCleary, chairman Supervisory Board of NedSense enterprises n.v. (through web conferencing))
- Mr. R. Louwers, member Supervisory Board of NedSense enterprises n.v.
- Mr. P. Aarts, CEO NedSense enterprises n.v.

AUDIENCE

- Mrs. A. van Huisstede, NedSense enterprises n.v.
- Mr. F. van het Kaar, KPMG Accountants N.V.

CHAIRMAN

- Mr. M. McCleary, chairman Supervisory Board

It appears from the timesheets signed today that 19,365,912 are represented during the meeting. That is 65,8% of all outstanding NedSense shares of total 29,423,243.

The agenda is as follows

1. Opening
2. Statement by Supervisory Board
3. Report of the Board of Directors for the year 2014
4. Financial statements 2014 NedSense
 - 4a. Discussion of the Annual Report
 - 4b. Discussion of the implementation of the remuneration policy of the Board of Directors
 - 4c. Discussion and adoption financial statements at 2014 (*voting item*)
 - 4d. Notes to the reservation- and dividend policy
 - 4e. Allocation of profits (*voting item*)
 - 4f. Granting discharge members of the Board of Directors for the fulfillment of their duties (*voting item*)
 - 4g. Granting discharge to members of the Supervisory Board for the fulfillment of their duties (*voting item*)
5. Amendment of the Articles of Association of NedSense (*voting item*)
6. Proposal to appoint the envisaged new Supervisory Board Members (*voting item*)
7. Proposal to adopt the Supervisory Board Remuneration (*voting item*)
8. Proposal to provide the Board of Directors with the authority to issue new shares in the capital of NedSense and to exclude pre-emption rights (*voting item*)
9. Proposal to enter into the transaction contemplated by the convertible bond agreements (*voting item*)
10. Proposal to appoint the auditor (*voting item*)
11. Any other business
12. Closure

1. Opening

Mr McCleary

Welcome to the annual shareholders meeting. I apologise for not being there physically, however I want to thank you all for joining.

We meet here today in compliance with all requirements of the Dutch law including the notification and public information, but not limited to those things. I'd like to quickly set some ground rules for today's meeting. As was decided last year, today's meeting will be held in English, so if possible, please state your questions in English. If not, we understand. When you are speaking please state your name and the organisation you represent for the record. Lastly if everyone could take a look at their cell phone and silence it or turn it off. For the report of the shares I will leave it to Richard.

Mr Louwers

I can announce that of the total outstanding shares of 29,423,243 shares today 19,365,912 shares are present, which represents 65.82% of all shares.

2. Statements by the Supervisory Board

Mr. McCleary

I am going to be brief with regards to the Supervisory Board Report. From our perspective the year 2014 was marked by the dual challenges of the sale of NedGraphics and the development and launch of a new exciting business model for the LOFT product. These activities have been accompanied by negotiations with bond holders and continuous monitoring of financial performance and cash flows. It has been a challenging year in some respects. In many others it has been exciting, fulfilling and invigorate. We believe that there is significant opportunity for NedSense and all of its stakeholders on the horizon. At this time, I will hand the presentation over to Pieter and go over to the report of the Board of Directors and the discussion of the financials.

3. Report of the Board of Directors for the year 2014

Mr Aarts

Thank you for attending the meeting. Let me get straight to the point. 2014 has been a turnaround year, not only because of the sale of NedGraphics, but also due to the fact that we were not able to sign the LOFT deals that we had planned to sign. These deals did not come in, mainly due to the fact that the company was transitioning away from customized implementations of LOFT, to a strategy developing roOomy, based on subscriptions and reference fees and the related generic version of LOFT. As a result the company could not deploy resources to customise the LOFT technology for customers in 2014.

The LOFT revenue for 2014 equals € 479,000, a decrease of € 343,000 versus 2013. NedSense operating expenses excluding NedGraphics increased by approximately 4% resulting in an operating result of approximately minus € 2,7 million. Before we take a deeper dive into the analysis of the financial results, I would like to provide an overview and demo of the roOomy platform. I am actually sharing a few of the slides that are published on our website, so you will be able to find these slides on the NedSense.com website as well as the LOFT-NedSense.com website. RoOomy has been introduced to the market in April 2015 which is conform planning. It was a preliminary version that has been deployed to the market as we wanted to reach out to real estate companies in order to grow content in the roOomy database. So what is roOomy? RoOomy is a virtual staging solution for real estate, home furnishing retailers and consumers. Starting point for roOomy has been the LOFT core technology which enables easy conversion of 2D photos into an interactive 3D environment as well as 3D scene decoration with real products of leading retail brands.

The roOomy platform connects Real Estate with Retail and Consumers providing:

1. Agents the service to virtually stage their property listings resulting in increased conversions at higher valuations.
2. Retailers the digital opportunity to connect with home shoppers at the right point in time.
3. Consumers an user friendly App to view and decorate their (future) homes.

Mr. Aarts shows a demo of the roOomy platform.

The primarily workflow roOomy supports can be described as:

1. real estate agents subscribe to the RoOomy platform. They pay a subscription fee to join the platform. We convert the 2D image into 3D and we stage the room, we decorate the room with roOomy 3D assets;
2. Home shoppers visiting the websites of agents, can view the staged properties, change floors and walls and furniture to their liking;
3. roOomy refers the shoppers to retailers and enable direct target offerings. So that is an important element in the business model. A number of US retailers have already been contracted as affiliate. Leads generated through roOomy will be compensated and when the experience results in a purchase, we will have a fair revenue share.

Real estate and retail are hampered by the inability to visualise what spaces would look like redecorated. Basically, there is no easy instant way for real estate agents to virtual stage the property. Home shoppers have the desire to really view the possibilities of the space, to decorate the space with their preferred furniture and walls and floors.

The last slide shows the partners we are working with in the US today. On the real estate side we are currently working with two companies. It is Prudential in Los Angeles, and on the East Coast we are collaborating with Modern Spaces, a New York City brokerage firm. On the right side I have displayed our partners in retail and manufacturing or basically our US partners. Again and let me elaborate a little bit on that, we have launched the app globally, however commercial activities are focussed on the US only. I like to make these successful and build a success in the US before we focus ourselves on Europe and Asia. So we are displaying the US brands here. A good win this year, back in January, is Wayfair, today the biggest online home furnishing retailer in the US. We have added a few more brands

like Zuo and Blu Dot, as well as DwellStudio and Birchlane, basically manufacturers who have decided to invest in 3D modelling and to display their products in the roOomy Platform.

Do you have any questions about the app, the technology, the offering, before I continue with the financial highlights?

Mr Timmer

Can people sell their own house without involvement of realtors ?

Mr Aarts

Yes, we have a procedure for people to upload their photos in roOomy and we will display their photos in the explore property section with a seamless neutral brand.

Mr. who didn't state his name.

Hebt u veel last van concurrentie? Companies die op dezelfde manier proberen binnen te komen?

Mr Aarts

So, the question is whether we are facing competition in the field. First of all, we recently got word from the US Patent bureau that our core technology has been patented. So we are awaiting the confirmation and formal documentation, but we already received an allowance of the claims that we filed for the core technology. That is a big win and offers some kind of competitive protection. However, the staging industry is offering more solutions than 2D to 3D conversions only. I already mentioned the physical staging, just upgrading the property and reinvesting in new furniture and make it look nice. For sure there is the 2D staging industry, I would say, photo shopping, which is well-known, which is the virtual staging solution that has been used for many years.

Mr Diaz

Is roOomy able to combine more pictures? There is one perspective and you cannot look behind?

Mr Aarts

Two answers here. First of all, you are able to make a panorama photo and use that as a feed for roOomy and the LOFT core technology as it has been from the beginning. However, I truly believe that the next stage is working with 3D scans. As soon as we will have our own 3D scanner, embedded in our mobile devices, we have to be ready to work with that more complex feed as well. Last time when we were here, Jan-Hein mentioned our prototype that we delivered with one of the leading 3D scanning firms in the US, Matterport.

Mr unidentified

How much to you charge a real estate agent to convert from 2D to 3D for one apartment?

Mr Aarts

For virtual staging we are charging US\$ 79 per room and that includes the 2D to 3D conversion. You have seen me doing it. It is a matter of a few clicks. When we need to clean up the space first, ie remove existing furniture, we are charging US\$ 129 per room.

I would like to go back to the report.

First, I'd like to highlight the sale of NedGraphics. Early this year we have communicated that there was a dispute with CSI about the proceeds or let's say the finalization of the transaction. That has been resolved, meaning that there is an agreement with the buying party, CSI, about the hold back amount. The payback of the holdback amount has been settled at € 250.000.

Our legal advisers are currently finalizing documentation regarding this settlement. In October 2014 we finalised the sale of NedGraphics, I think an important milestone in the transformation of the company to allow full focus on the developments of roOomy and the LOFT division. The sale was announced in August. We have been together here on October 7th and the transaction was completed the next day,

October 8th at a purchase price of € 7,525,000. On closing, October 8th, NedSense received an initial payment of € 5,883,000 in cash and the hold back amount of € 1,641,000 was held by CSI and consisted mainly of a balance of tangible assets and liabilities as agreed in the sales and purchase agreement. The remaining amount of € 500,000 was meant to cover any claims CSI could have under the SPA. And again, we have an agreement with the binding party currently being formalised in a document that confirms the pay out of € 250,000.

Mr Diaz

I am representing the Association of Shareholders, VEB. Could you tell me more in detail why the hold back amount was held back. When we agreed for the sale of NedGraphics in October, we were told we were going to receive € 7,5 million. Now we have got substantially less, which gives us problems because we have to do a lot of investments in roOomy. I understand the discussion with the buying partner concerning the assets. Can you tell me some more what the discussion is about?

Mr Aarts

There must be a misunderstanding. In the agenda including the notes to the agenda for the October meeting, we already explained that there will not be a pay out of € 7,525,000, so the total hold back of € 1,6 million was already mentioned in the notes, basically balancing the tangible assets and liabilities. The € 500,000 were meant to cover any claims the buying partner could have under the SPA. Looking at the claims they have filed, basically concerned the accounts receivables and a bonus for management. That was the reason why we settled for € 250,000.

Mr Diaz

What concerned the discussion about the accounts receivables?

Mr Aarts

Not collected accounts receivables. Obviously the accounts receivables were included in the closing balance at transaction and ground for the calculation of the final purchase price. We have included 'language' in the SPA for the collections, so the buying party had a responsibility to collect the account receivables. Unfortunately, an amount couldn't be collected resulting in a settlement of euro 250,000.-

4. Financial statements 2014 NedSense

a. Discussion of the Annual Report

Mr Aarts

Let me highlight a few items in the annual report. I hope you had the opportunity to analyse the annual report. The 2014 financial statements are marked by a decrease of revenue in the LOFT division, a strong performance of NedGraphics in the first nine months and a decrease of total OPEX including NedGraphics over the first nine months. NedSense concluded 2014 with a net loss of € 3,2 million. The low results were due primarily to a decrease in net revenue and an increase in capitalised production in the LOFT division and related amortisation of € 300,000. A decrease in results of discontinued operations of € 640,000 due to the sale of NedGraphics as of September 30th, 2014. Regarding LOFT, LOFT net revenue decreased, I already mentioned the amounts before. The operating result decreased as a result of a decrease of revenue to a loss of € 1,5 million for the LOFT division as LOFT continued to further develop its products i.e. the roOomy platform. The discontinued activities of NedGraphics and the dynamics perspective, the DPI division that was discontinued in 2013 and finalised in 2014, resulted in a net profit of € 80,000 in 2014, so for the full year more or less the same level as 2013.

I also like to mention the significant events in 2015. First of all the redemption of the convertible notes and that actually triggered the redemption of the innovation loan. In January 2012, the Ministry of Economic Affairs granted the company an innovation loan of € 1,7 million and the purpose of this loan was obviously to further develop LOFT with an annual interest rate of 6.5%. Per December 31st, 2014

the loan has been fully drawn and the total liability amounts to approximately € 1,9 million including the accrued interest. Again, as a result of the redemption of the convertible notes we agreed with the Department of Economic Affairs to redeem a € 900,000 which was transferred in April 2015. The agreement was formalised in March. The other instalments remain as originally agreed and are included in the annual report, roughly an amount of € 30,000 on a quarterly basis this year increasing to a € 175,000 quarterly from 2016.

The redemption of convertible notes. We contracted convertible notes that were issued in 2011 with a maturity of five years. The convertible notes have contractual stipulations attached to them. Accordingly the notes have been repaid partially from the proceeds of the sale of NedGraphics. In March 2015 we agreed to redeem 50% with the note holders. That has already been repaid from the cash obtained from the NedGraphics transaction. As part of the agreement it was also agreed that the remaining parts of the notes will be paid on or before December 31 this year, 2015.

Last but not least, also mentioned in the press release based on the agreements made with Bertoia and Nantahala, the US major shareholders, they obtained a call option on the remaining parts of the notes.

In terms of significant events communicated in the same press release, in April the company announced the agreement with Nantahala and Bertoia, the same US major investors for further financing the company for an amount of € 800,000 of convertible notes that will be issued after shareholder approval to be obtained today. These convertible notes bare 0% interest and have an access price of € 0,16 per share with a term of five years.

Maybe a few words on the valuation of the LOFT software, the intangible assets of the company and impairment testing. The total intangible assets per December 31st 2014 amounts to € 3,1 million and relates to the capitalised LOFT software, so that includes the roOomy platform since last year. The software is being amortised over a period of five years. An amount of approximately € 700,000 has been capitalised in 2014 and added to the capitalised total production of LOFT. You might have mentioned the WACC and the calculations. The WACC is based on a peer group that has been defined and has been significantly increased actually from 2013 into 2014. It is now at a level of 19.1% versus 13.3% in 2013, mainly due to an increased risk profile for the company.

I now like to take questions about the annual report and financial statements 2014.

Mr Stevense

Het is nou een model gericht op de verkoop van abonnementen en daar is dat RoOomy bijgekomen. Daarin is ook weer € 800,000 geïnvesteerd. De schulden zijn met NedGraphics afbetaald. Onze vraag is, op wat voor moment kunt u zonder kosten omzet draaien?

Mr Louwers

Ik neem aan dat u vraagt wanneer het winstgevend wordt.

Mr Stevense

Ja.

Mr Louwers

Dat is eigenlijk de vraag.

Mr Aarts

Obviously, I will answer in English if you don't mind, that saves a lot of translation, Mr Stevense. If you don't mind.

Mr Louwers

To repeat for Macky, the question is, when will the company become profitable.

Mr Aarts

You are familiar with the fact that NedSense is not sharing any forward looking statements regarding profitability. The transition to the new business model has started in 2014. And is a major transition, moving away from the traditional licensing model to a subscription model is significant. Again, you can't expect any forward looking statements, Mr Stevense, but I do agree that time is short. What I can add to that in terms of technology is that we're applying our already developed core technology. So there is no need do more research for roOomy in particular. What we need, is volume now we have launched RoOomy. Volume means adding more agents to the platform. I would say, the next of couple of weeks are going to be pretty defining for the RoOomy platform now we are going viral in the US market. We are starting our marketing campaign in August/September. The response to our technology as well as our PR campaign, are going to be defining. For sure you will have the question about future cash flows and whether our current cash position is sufficient. It will not be sufficient. In order to fund the required working capital and also looking at the future redemption of the remaining 50% of outstanding convertible notes, we will soon reach out to the investor community in the US. These investors do have challenges valuating the company and the company in this case is NedSense, being a listed company in the Netherlands. In our conversations with US investors I am offering the possibility to invest directly in the LOFT division.

Mr Stevense

Met de huidige kosten. Dan gaat de zaak rollen.

Mr Aarts

I completely understand that, Mr Stevense. However, I will not mention these numbers. You can review the current cost level for the LOFT division. We will not increase costs versus 2014 in 2015 in terms of development effort. We will increase cost of the LOFT division in sales and marketing. We have to go viral with the solution and we have to reach out to the real estate and retail industry, so we will have to invest in sales and marketing. That is basically the situation.

Mr McCleary

Pieter, Do you mind if I step stand in. I just wanted to add one thing on the business model chosen. I think over the last several years the LOFT product was well perceived; however we were not able to extract the relevant revenues to that product. I personally belief the new business model will restore profitability. The new business model addresses our long standing price challenge with this amazing product and may allow us to extract relevant value for the service.

Mr Stevense

Een paar jaar geleden was u nog positief over het binnenhalen van wat grotere klanten hier in Europa. In een optimistische bui zei u op een goed moment, Ikea. Wat is daar nou mis mee gegaan dat dat niet gelukt is.

Mr Aarts

Yes, Mr Stevense, I can't remember that I have mentioned that we will win Ikea, so please don't put these words into my mouth. For sure, we have been more positive regarding sales in Europe in general as we have been positive that we were able to win bigger deals in the US. Please allow me to summarize the strategic discussion we have had in the company last year. By the end of 2013 we were very successful winning a number bigger deals in both Europe and the US. In 2014 we have been fully utilised implementing these new customers. We were not able to make the progress on research and developments, improvements of the LOFT core technology necessary to stay ahead of the competition. That was one reason for deciding to transition the company to our own roomy platform. These implementations took too long and too much of our capacity basically due to the fact that these retailers wanted to have their own customizations. By saying customizations you have to think about integrations; integrating the LOFT technology with their back end systems, their CRM systems, their logistic systems. The other reason for deciding to transition the company to the platform, is more about following market developments. When reviewing the software industry in the US, I must say that most of our peers or competitors, are migrating to a subscription model. These days

you no longer contract or buy a software license, you subscribe to a platform and you pay a fee to make use of a platform. More and more retailers were asking for a subscription model; that was exactly the reason why we launched LOFT for brands almost two years ago. LOFT for brands already was a platform owned by the LOFT company to service the retailers. By launching RoOomy we obviously discontinued LOFT for brands and we merged the LOFT for brands content in RoOomy.

Mr Diaz

Thank you. The profitability of the NedSense company is a long term concern for the VEB. I heard your comments about that. I hope the sales of RoOomy gets traction. I would like some more clarity about the potential investments. I didn't actually understand your statement about getting investors from the US and which form you are looking for.

Mr Aarts

What I have mentioned is that for US investors and especially corporates, it is harder to invest in NedSense being a listed company. There is traction, but this relates to the LOFT division only. The division for me is a combination of the LOFT entity in Holland and our LOFT entity in the US.

Mr Diaz

In the past you talked about the usefulness of the public listing of NedSense. Is the discussion about that still going on?

Mr Aarts

It is going on and will go on with our new Supervisory Board. The answer is yes, that is still an important topic on our agenda.

Mr Diaz

But we are still listed, so the conclusion up till now is that it is profitable to have a public listing.

Mr Aarts

I would say that the cost of a delisting do not level the advantages of the delisting itself.

Mr Diaz

That is only short term cost.

Mr Aarts

I agree.

Mr Diaz

I have one more question. You told us about future investments, I understand, those are not investments in the LOFT product, but most of the investments are in sales and marketing. That will mean that the depreciation cost in the future will decrease. Is that right?

Mr Aarts

What I have been saying is that we will not increase our investments in new developments. For sure we will need to continue to offer new features in RoOomy and LOFT. Be aware that our LOFT license customers are also expecting new features. They are paying maintenance fees in order to acquire new features. We will also have to keep up to speed with new releases in iOS, Apple's mobile platform, and browser platforms. We just have to continue to maintain the LOFT platform. We will not increase the investments in the technology.

Mr Diaz

Okay, so the normal cash flow will be continued.

Mr Aarts

Yes.

Mr Diaz

Okay, thank you.

Mr Van Woerden

Ik heb een simpel vraagje over de waardering van de software. Is dat gewoon een kwestie van het optellen van alle kosten en dat is het dan of mag u daar als u een pessimistisch of een optimistisch mens bent, daar een bepaalde afwaardering voor doen of zijn daar standaardregels voor. Dat is mijn eerste vraag en mijn tweede vraag is, maakt u ook gebruik van bepaalde subsidies van het Ministerie van Economische Zaken voor bepaalde innovatieve dingen die u ontwerpt en heeft u ook bij de start ups in Delft wel eens iets gedaan? Dat waren mijn vragen.

Mr Aarts

For sure the valuation is not as simple as just adding up costs and capitalise the costs. We are obviously reporting conform IFRS, so we have implemented all regulations in terms of capitalised production and we are performing an impairment test every year. That has been stipulated extensively in the annual report. Going to your last question about subsidies. The LOFT division is being granted the WBSO subsidy and I have already mentioned the innovation credit.

Mr Van Woerden

Pitch ups, start-ups in Delft.

Mr Aarts

I am not familiar with Delft. I will discuss that with you over the coffee after this meeting. Looking forward to that.

Mr Ezinga

I am representing Value8. First of all I have got some questions on the business model and after that I have got some questions on the cash position and the listing itself. You told us that RoOomy was introduced a couple of months ago. Can you tell us how many downloads there have been since that moment?

Mr Aarts

I have shared with you that we launched a preliminary version, so again without any PR around that. We are currently looking at a follower base of 41,000 followers on Instagram, resulting in a number of downloads of, per last week, 5,000.

Mr Ezinga

And based on the user base of 5,000, did you already have any paying customers?

Mr Aarts

With the related retailers we have affiliate agreements, now we are starting to generate leads to them. We are being paid through that channel, so the answer is yes. However, with this lower amount of downloads, it is not a real significant number. On the real estate side our launching customers Prudential and Modern Spaces, they are on board at a price level of \$79 per staged room.

Mr Ezinga

Those were my questions on the commercial side. Then going to the financial side. I read the annual report and the cash position based on the previous years I guess the burn rate for the company to be about € 250,000 or € 3 million a year. Can you elaborate on or confirm that amount?

Mr Aarts

I think roughly speaking you are right, yes.

Mr Ezinga

Then another question. At how much would you estimate the cost relating to the listing? Because you would no longer have those costs if you were to be delisted. For example the audit fee of € 92,000 during previous year, you would not have those costs if you were not listed.

Mr Aarts

That is correct.

Mr Ezinga

So, how much do you estimate those costs?

Mr Aarts

I think if you review the annual report in detail, you will find some out of pocket costs, related to the listing. For companies like NedSense the out of pocket costs are roughly € 175,000 and on top of that and may be even more important, it is time invested by our staff and management. That is not included in the € 175,000.

Mr Ezinga

That would be an upside from a possible delisting. You also said that the reason for not delisting is that the costs are too high. How much do you estimate the costs for a delisting to be?

Mr Aarts

I don't have a precise number.

Mr Louwers

How much do you estimate to be?

Mr Ezinga

We don't delist companies, we only list companies.

Mr Louwers

You must have had some experience.

Mr Ezinga

We never delisted a company, no.

Mr Louwers

But you have done the research I guess? You have spoken to lawyers.

Mr Ezinga

No, no.

Mr Aarts

It is part of your business model though.

Mr Ezinga

No, no, we do reverse listings. Okay. Then also in the annual report you stated, we are currently working on attracting new investors, however, if we don't succeed in attracting new investors we will cut costs and we have got measures in place. Can you elaborate on what measures you will take if you don't succeed in raising additional funding?

Mr Aarts

I don't think that our contingency plan is rocket science, it is basically reducing our development capacity.

Mr Ezinga

Are these employees not contracted for a longer period?

Mr Aarts

Most of the, all of our staff is in our payroll, so for sure we will have some costs associated with the reduction. Maybe even more important, we are working with outsource partners in Poland and India and these contracts can be terminated on a monthly basis.

Mr Ezinga

Those were my questions, thank you.

Mr Aarts

More questions about financials?

Mr Diaz

First I have another question about Mr Pullens. Maybe Macky mentioned it, but I am missing Mr Pullens.

Mr Aarts

Let me explain why Jan-Hein Pullens is not here. We both moved to the US in November last year, because we really would like to spend our time in sales and marketing as much as possible. Since he is living in the US, we decided not to fly him in for this meeting. Hopefully you respect the fact that he is not life with a web conference connection in this meeting. We are dealing with a time difference of nine hours. So it is now three o'clock in the morning.

Mr Diaz

From a cost aspect I understand, for the discussion it is a good thing if everyone is present. I have a question on the intangible assets, the € 3,1 million intangible assets. There has not been an impairment in this annual report. There does not have to be an impairment when the future cash flow is sufficient to pay for the assets. I have got a question for the independent auditor, how did he do his check on the impairment test. When I look at the statement at the end of the financial statements, there was a check on the passed forecast and how they finally were realised. I think that the expectations have not been met. How did you consider in that in your impairment test or the check of the impairment test.

Mr Van het Kaar

Maybe we can address this question when I am giving the presentation in a minute.

Mr Dias

Okay, if you can address that point.

Mr Aarts

May be it is a good moment to switch to KPMG.

Mr Van het Kaar

My name is Frank van het Kaar, I am the external auditor from KPMG. As is customary nowadays, I will give a short presentation about the audit that we performed. For the Dutch shareholders, I did prepare my presentation in Dutch, so the slides are in Dutch, but I will give my presentation in English. I am happy to take any questions after my presentation, also in Dutch and I am happy to translate. That is not a problem. Maybe as a short introduction, our audit covers both the consolidated as well as the parent financial statements. In the process maybe it is good to remind you of course, that it is the responsibility of the Board to actually prepare the financial statements. The Supervisory Board also has

to review it, because they both have to sign it and then it is up to us to audit it. We do that in accordance with Dutch legal requirements and the financial statements are based on International Financial Reporting Standards, as is mandatory for listed companies. Basically we have two phases in our audit. The first one is the interim audit in which we test most of the processes and of course we also perform our year end audit. It is also good to mention that we always look at the director's report, het directieverslag, where we check whether that is in line with the financial statements which are also in the bag and where we check whether they are in line with Dutch legal requirements. We also report over that at the end in our audit opinion and there you can see that we did not have any comments to make there. Then if you look at our audit process at NedSense, first of all we look at new developments to update our audit approach. The most important development was of course the divestment of the NedGraphics activities. There are some complex topics, one of them being the impairment test, but also the share based payments for example. There we engage our specialist. Finally what we always do, is that we discuss our audit approach and our risk assessment up front with both the board as well as the Supervisory Board. We have contact with the Supervisory Board two times, the first time in the 4th quarter, mostly when we discuss our audit plan and the risks that we identified. We always double check whether the Supervisory Board sees any additional risks that we should address in our audit. Then we perform our year end audit in the first quarter and we discuss what we call, our auditor's report with management and the Supervisory Board to go over our findings. Then an important one of course is the materiality and that is also disclosed in our audit opinion. The materiality that we applied at NedSense is € 1,000 which is approximately 3% of the result before tax. Result before tax is a common benchmark to use. What you mostly see, is that materiality is between 3 and 5%, so we are a little bit at the low end of the range in that sense, if you compare it to other audits. Then if you look at coverage, that is always an important topic to discuss in international companies. How much do you do at all the foreign entities. NedSense is not a very large company, especially after divestment of the NedGraphics activities. That basically means that we as KPMG the Netherlands do the audit of all entities. That also results in a coverage of 100%. Basically we see everything. In total that concerns five entities. Then if you look at our risk analyses that we did upfront to identify the most important topics and what we also call the key audit matters. It is a little bit low, but it is here, where we both look at probability as well as the impact that an error could have. Then the four most important topics are of course going concern, that has been discussed before and also extensively disclosed in our audit opinion. We look at the valuation of the software, the capitalised software, the discontinued operations where of course we had to look in detail to the arrangement made with CSI and also the dispute and the valuation of the amount to be received. As Pieter indicated, the amount that was included in the financial statements is in line with the final settlement which is currently being worked at by the lawyers as I understand. The last one is the share base payment which simply entails a lot of complicated accounting under IFRS, so that is also something where it is easy to make a mistake and that we look into a lot of detail. Then the other side of the slide indicates that our approach is top down, so that means that the most difficult topics are covered at the holding company or on top of the organisation. Of course items like working capital, the receivables and turnover is in the local entities where we audit those. Then of course or I hope you noticed that we now have a new auditor's opinion. It is in the back of the financial statement, but I am not sure that you came that far. We put a lot of effort in it, because it is something new. In the past the audit opinion was fairly short and we only gave an opinion on the financial statement as a whole, but we now include the key audit matters that we identified and also what kind of audit procedures we performed on those. We also specifically include materiality, that was also something that was not disclosed in the past as well as the scope. Both of them were also addressed by me early in the presentation. This is the last slide. The kernpunten or key audit matters. You can see them on the right. That was going concern, the valuation of capitalised cost, the discontinued operations and share based payments. That was in line with our risk assessment, all of them have been addressed in our auditor's opinion. As said, they are based on the items that have a higher risk, but I think you agree that if you look at an entity as NedSense, that probably you don't miss any specific topics. That brings me to your question about the capitalised software. There we also stated in our financial statements that of course in principle the amount that you capitalise, are the actual cost that are related to the development of the software. Then you have to do the impairment test which is a difficult word, but basically it means that you see whether the future cash flow or the market value would be less than the amount that you have

capitalised, so you would never increase value, but if you think that it is worth less, then you would have to impair and include a lower amount in the balance sheet. That is something that we looked at. Basically we looked at two topics. One of them being what is called, the discounted cash flow method to which you also referred. That is difficult in a company as NedSense, because especially the RoOomy activities are in an introduction phase, so it is very hard to predict what the future cash flow will be. But if you look in the financial statement, in the notes, there you can see the assumptions that have been used and the growth percentages and the WACC that Pieter already mentioned. That is all disclosed in the financial statement. But then IFRS also says that you have to look at the market value minus the cost to sell it and that is also an important indicator that we looked at. Then of course the question is, what is the market value of basically the LOFT software, because that is the only thing that is remaining in the company. There we looked at the market capitalisation of the company, because that basically also is an external valuation by you as shareholder what you think that the company is worth. Then if you look at it that also indicates at least that you would not have to impair. Basically the market also thinks that the value of the software is higher than the € 3,1 million that is included in the balance sheet. Those are the two indicators that we looked at. Because they are higher, the management did not determine a reason to impair and that is what we look at as well in our audit. I think that was the last slide, so I am happy to take any questions.

Mr Turkstra

The annual report stated that it is amortised in a period of five years. As far as I am aware, intangible assets are capitalised until the moment they are put in use and only after that moment are amortised. So why the company did chose to already amortise the development cost while the product was not finished yet.

Mr Van het Kaar

Maybe that question should be answered by Pieter, but my indication would be is that the thing that you develop, is the LOFT software and not as much the new business model.

Mr Aarts

That is the correct answer. I don't think there was any time in between the launch of the platform versus the investments. So for sure potentially you could have separated the integration part, the platform part from the LOFT technology, but we haven't found any reason to do that. Other questions?

Mr Van Woerden

Ik heb nog een vraag aan de accountant. In de rapportage van u aan de company, kunt en wilt u zeggen wat de allerbelangrijkste opmerking daarin was?

Mr Van het Kaar

The most important topics that were included in the report, were in relation to the key audit matters. Those are the ones that were included in my presentation.

Mr Louwers

Other questions?

Mr Stevense

Wat wij gemist hebben, u bent ook in Amerika bedrijven gaan bezoeken. Zo niet, bent u dat van plan om dat dit jaar te doen? Wat zijn de belangrijkste drivers om dit al dan niet te gaan doen? De andere vraag gaat over NedGraphics. Dat is toch een tegenvaller geweest. U vond het niet nodig om daar nog even extra controle op los te laten?

Mr Van het Kaar

Dat zijn drie vragen, laat ik ze stuk voor stuk beantwoorden. Wij zijn niet in Amerika geweest, maar dat is ook niet noodzakelijk, want in de huidige elektronische tijd kun je gewoon van hier in de administratie kijken. Zoals gezegd, wanneer wij dat wel gedaan zouden hebben, is bijvoorbeeld als mijn Amerikaanse

collega's de audit in Amerika hebben gedaan, want dan zou ik dat met hen willen bespreken, zoals wij dat ook bij andere ondernemingen doen. Zoals gezegd, ook de Amerikaanse entiteit is door ons zelf vanuit Nederland gecontroleerd. Dat is een. Het tweede is, over dit jaar. 2014 was het laatste jaar dat KPMG auditor was, want in verband met de veranderingen in wet- en regelgeving moet de onderneming overgaan naar aan andere accountant. Die zal ook later worden benoemd. Wellicht dat u de vraag dan nog aan hem kunt stellen, wat zijn plannen zijn. Overigens zie je dat de maximale termijn bij het bedrijf zou zijn tot 2015. Om daarmee misschien vragen te voorkomen, de reden waarom het een jaartje eerder is, is omdat naast de verandering van accountantskantoor het ook zo is dat je maar zeven jaar accountant mag zijn, ook binnen een kantoor. Als u terugkijkt naar alle oude jaarrekeningen, dan zult u zien dat mijn naam eronder staat vanaf 2008, dat betekent dat 2014 het laatste jaar is dat ik het nog mocht doen en heb ik de onderneming geadviseerd om, als je dan toch een andere accountant moet hebben of een andere partner, het verstandig is om dan meteen te switchen van kantoor. Dat is de reden waarom dat andere besluit voorligt. Het laatste is, NedGraphics, de activiteiten zijn in de jaarrekening uitgebreid toegelicht. Daar is een aparte noot aan gewijd, dat heet met een ingewikkelde term discontinued operations of beëindigde bedrijfsactiviteiten. Dat maakt deel uit van de jaarrekening, dus daaraan hebben wij in onze audit aandacht besteed. Ook dat hebben wij aangegeven, omdat discontinued operations een van onze key audit matters was, wat wij daaraan gedaan hebben en dat wij goed hebben gekeken naar het verkoopcontract en dergelijke. Dat kunt u teruglezen in onze accountantsverklaring achter in de financial statements.

Mr Stevense

Alleen we hadden verwacht dat het in de presentatie nog even speciaal benoemd zou worden.

Mr Van het Kaar

Maar wat had u dan verwacht dat benoemd zou worden?

Mr Stevense

Vooral dat de Canadezen toch problemen hadden om het laatste stuk te betalen in verband met eventuele claims.

Mr Van het Kaar

Ja, maar het staat ook in de jaarrekening toegelicht, dus ook het dispuut en dat het ging om de debiteuren, waar wij verschillend naar kijken. Dat staat in de noot met de bedragen erbij. Daar kunt u ook zien dat het ongeveer in het midden is uitgekomen. Pieter heeft het ook toegelicht en ik heb daar niet zoveel aan toe te voegen.

Mr Aarts

I can confirm that we have notified the dispute in our annual report, Mr Stevense.

Mr Louwers

Other questions? That brings us to the next topic, if there aren't any further questions, which is the discussion of the implementation of the remuneration policy of the Board of Directors.

b. Discussion of the implementation of the remuneration policy of the Board of Directors

Mr Louwers

It is not so much an implementation, but it is an application. The remuneration policy has been set for four years which will end by the 31 December this year. There have been no changes and in my view, there is nothing to discuss.

c. Discussion and adoption financial statements at 2014 (voting item)

Mr Louwers

More or less we already discussed the financial statements 2014 and I would like to put it up for voting, the adoption of the financial statements. The voting procedure is the same as we have done over the last couple of years. We will first give the floor to people that will vote against, then we will give the floor to people who want to refrain from voting and automatically the other people have voted in favour of the adoption. Is there anyone who wants to vote against the adoption of the financial statements, I would like him to raise his hand? No hands. Anyone wants to refrain? That means that the financial statements have been adopted.

d. Notes to the reservation and dividend policy

Mr Louwers

The notes to the reservation and dividend policy are on the agenda every year. It is a loss making company, so there is not going to be any discussion about paying out dividend. We are also not cash flow positive, so there is no reason to pay out dividend.

e. Allocation of profits (voting item)

Mr Louwers

Again I would like to put up for voting the allocation of profit, we want to add the losses to the accumulated losses. Anyone against that? No one. Anyone wants to refrain? No one. That means that the losses will be added to the accumulated losses.

f. Granting discharge members of the Board of Directors for the fulfilment of their duties (voting item)

Mr Louwers

Next topic is the granting of discharge for the members of the Board of Directors for the fulfilment of their duties. I like to put that up for voting as well. Anyone against? No one. Any one wants to refrain?

Mr Diaz

I would like to refrain. When I look at the results, the past years have always showed losses. NedSense does not give any forward looking statements, so it is hard for us to evaluate the functioning of the Board of Directors. I would like to refrain. The same for the next agenda item.

Mr Louwers

Okay, so you want to refrain. I would like to follow the procedure if you don't mind. You are the one refraining from voting. The others are voting in favour of granting discharge to the members. So the discharge is granted.

g. Granting discharge to members of the Supervisory Board for the fulfilment of their duties (voting item)

Mr Louwers

Anyone against? Mr Diaz has explained that he wants to refrain from voting. That means that also the Supervisory Board members have been granted discharge.

5. Amendment of the Articles of Association of NedSense (voting item)

Mr Louwers

I don't know whether you have noticed, but I have taken over the role of Macky because of the technological problems that we are facing. I am just filling in his role, I can't stand in his shoes. I guess Pieter, you would like to say a few words about the reasons behind the changes of the articles of association.

Mr Aarts

Yes, basically we have three kinds of changes on the agenda. I am referring to the notes to the agenda for this meeting and 'het drieluik' produced to present the changes. We are facing three types of changes. First of all there is the changes related to legal changes over the past 2,5 years. These have not been changed in our articles before, so the notary has asked me to make these changes in order to comply with legislation. Secondly and that was obviously the trigger for the changes, is first of all the allowance of granting shares and share plans to the Supervisory Board. The appointment of our new chairman is on the agenda later today. The articles of association of NedSense describe that we can't grant Supervisory Board members with equity. The change proposed in our articles is to allow compensation related to equity in the company. Last but not least, it is about publishing the agenda for the shareholders meetings. I would say, that is still an older article in the articles of association, so we are still forced to publish our agenda in the Financieele Dagblad which costs us € 5,000 for every meeting. Those are the proposed changes.

Mr Louwers

Any questions, remarks or comments on the proposed changes? Then we are back to the voting procedure. Anyone wants to vote against changing the articles? Anyone wants to refrain from voting? That means that the articles of association have been changed.

6. Proposal to appoint the envisaged new Supervisory Board Members (voting item)

Mr Louwers

One is Kai Guldemond, who is present here, I will ask him in a few minutes to make himself known to you and to give the floor to anyone who wants to ask questions. We are proposing to appoint Elisabeth DeMarse. Here we have a nice novelty again, because Elisabeth has chosen not to be here, but she has sent in a very nice introduction of herself by video. Pieter is going to have her introduce herself by video.

Ms DeMarse

Good day, my name is Elisabeth DeMarse and I am very happy to meet all of you by video. I am so thrilled to join the Supervisory Board of NedSense as chairman. We have a very exciting future ahead of us. Today innovation is driven by technology. At NedSense we have the opportunity to revolutionise real estate in a most interesting way. Not just real estate, but decorating. Not just decorating, but architecture itself. I am so proud to be included in this wonderful opportunity. The market for NedSense is enormous, the market knows no geographic boundaries, the market knows no class or income boundaries. The entire world will be able to use RoOomy and LOFT someday. Everyone will be able to use RoOomy and LOFT to confidently develop a beautiful utilitarian useful home, quickly and easily. Technology is changing so quickly and the culture at NedSense is committed to make use of infrastructure and back end innovation to constantly improve the experience. This commitment to constant innovation is imperative that we may win. As for my background, I spent my entire career in technology. My companies include Bloomberg, Bankery, Creditcards.com, ZipRealty and The Street. I am excited about collaborating with the NedSense team. I apologize for not being able to meet with you in person, but again, it is an honour to be part of the NedSense team.

Mr Louwers

We are very excited that Elisabeth has made herself available to be part of the Supervisory Board of the company. Elisabeth has tonnes of experience and I think she will do great. I need to mention that she is the one that is actually nominated by Nantahala which is part of the investment agreement that was already in place in 2013. She is the one nominated by Nantahala and she will be the chairman of the Supervisory Board. The other nominated person has chosen to be present. He is Dutch, so he can introduce himself in English or in Dutch, whatever he wants. We will have minutes in English and Dutch anyway, so it is going to be nice to read the minutes. Kai Guldemond, the floor is yours.

Mr Guldemond

My name is Kai Guldemon. I am an attorney in Amsterdam, I am also qualified as attorney in Germany. My clients comprise small businesses but also some very large companies. In many cases my role is being a diplomat between different cultures, countries and legal systems. I think this makes me very suitable to be a supervisory director. I think it is also very helpful to have an additional anchor in the Netherlands next to Ms DeMarse who also has a great commercial impact. I am very excited about the developments that are going on as we speak with RoOomy. In any event it will be interesting and challenging. I think I can act as an intermediary to all kinds of interest. I think it is also good for the company to have a person involved with a legal background. I hope in that respect to add value to NedSense. Any questions?

Mr Diaz

I have a question, not directly for Mr Guldemon. I was a bit surprised to see two new Supervisory Board members, because when we look at the current Supervisory Board, they were appointed in 2013 and 2012 and the term has not ended yet, but they are stepping down. I would like to know what the reason is why we need new Supervisory Board members. I don't think it is a good thing that the whole Supervisory Board is stepping down at once. For the continuity of supervising it is a good habit that the stepping down is phased. Could you give some clarity on that?

Mr Louwers

Macky, if you don't mind I will answer the question. To answer for Macky, Macky has taken on a new responsibility and he will not have sufficient time to fulfil his obligations in the Supervisory Board. As far as I am concerned I do agree with the point made by Pieter and Jan-Hein on the horizon where this company needs to go to. I don't necessarily agree with the way towards that point. That is why I have decided to step down.

Mr Diaz

What is the discussion about?

Mr Louwers

The future is clear. I do support the change of the business model, I do not necessarily support the way to change that business model. We have agreed to disagree and I think this company is best served by two new people that will help Pieter and Jan-Hein reach their goals.

Mr Diaz

But you think, there is a better route towards the future? What would that be?

Mr Louwers

I do agree that there is a better route, but I cannot tell the future, Mr Diaz. I am not the one who has the wisdom to tell what's up next. Again, there have been many discussions about this and I have decided to step down. Nothing more, nothing less. There are going to be two very good new Supervisory Board members.

Mr Diaz

I am still interested in the discussion. The Board of Directors wants to go a certain way and you think that is not the right way.

Mr Louwers

I agree with the way, I don't agree with the pace.

Mr Diaz

How can the pace be different then? Should it be faster, slower.

Mr Louwers

I just want to leave it at that, it has been long discussion, no need to have those discussions again. You have the ability to vote for two new Supervisory Board members. I am going to step down, nothing more, nothing less.

Mr Diaz

Okay, I understand you don't want to comment. I would like to hear the opinion of Mr Aarts on this topic.

Mr Aarts

I can't speak for Richard. I do agree that we have had lengthy discussions about the route. Different scenarios have been discussed. What is important I think, is the future of NedSense and RoOomy. The company has decided for the transition from the license model to a subscription based model. This basically means the company is transitioning away from customized implementations of Loft, to focus on managing the roOomy platform with a subscription and referral fee business model. My personal opinion is that we had to take that decision last year and implement the new business model as soon as possible, especially now real estate in the US is changing, new technologies are being adopted by real estate, so timing wise, this is the moment to step in and make ourselves available for real estate companies. I am very happy with the two new Board Members. As described in the agenda, Elisabeth has an extensive network in both real estate as well as in the investor community, so I am expecting her to help us with growth. She has been in the same position before when she was managing her own start-up. Her relationship with Realogy is important, Realogy being one of the two leading brokerage firms in the US. I am very happy with Kai his nomination, because despite the fact that we are only a small company, we are facing a number of complex matters. Those issues relate to the Netherlands versus the US, NedGraphics versus LOFT and are about the future. I think with Kai we have a very good representative for all shareholders of NedSense.

Mr Diaz

Okay, thank you for some more clarity.

Mr Louwers

Next question.

Mr Turkstra

One question left, because I always wait till the others have the same questions I have written down. I do regret that the Supervisory Board is stepping down, because there are a lot of changes of in the Supervisory Board, especially Mr Louwers with the financial background. I think that is an important aspect that is a little bit lacking in this company the last couple of years. I have one question about the remuneration, or should I wait till the next point?

Mr Louwers

If you don't mind. I just want to put up for voting, if there are no further questions we have one other question, comment or remark.

Mr Hartog

My name is Maarten Hartog, I am representing Todlin. Actually it will not be a comment, may be a message for the new Supervisory Board. First I want to thank the stepping down members for their time and effort for getting this company ready for the future. Richard and Macky, thank you from the side of Todlin. As I stated on the AGM last year when we decided to approve the sale of NedGraphics, I said it was time that we could create value for this company and of course for the shareholders being the owners of the company. I hope that the new members will be able to guide the Executive Board towards that value creating moment. Of course we will not be presented with any future guidance, so that is not what I am asking, but I want the company be able to create the value or at least capitalise on the value created in the LOFT and roOomy software. That is the message I want to give you. I think the product of LOFT is very promising, but sadly it has been promising for five years now and we had five years of losses. Of course it is like venture capital, listed venture capital at NedSense and we also understand at

Todlin that not everything that was predicted, was reached. Also not the issue, but I think it is time that we can capitalise on what was done and build here. I want the new Supervisory Board to take that into account. Remuneration of the Supervisory Board but also of the Executive Board is more or less in shares, so there is the same alignment, not for you, but for the chairman to be, chairwoman to be. I hope we can all profit from a rise in the share price. We as Todlin discussed with both members of the Supervisory Board in the past years the loan of the Executive Board members and the fiscal way that this will be treated. I want to emphasize that we as Todlin will not agree with taking the fiscal matters as a company, but it should be the members of the Executive Board. I want to emphasize this, this is one important thing going forward.

Mr Louwers

Thank you very much, Maarten.

Mr Timmer

Bart Timmer, Project Holland Fonds. I just want to agree with Maarten on both points. Thanking the Supervisory Board for their time, and also on the fiscal consequences of the loan of the management team.

Mr Louwers

Thanks. Then I would like to put up for voting the appointment of Kai and Elisabeth. I will do that separately. For Elisabeth, anyone against appointing? Anyone wanting to refrain? No one, that means that Elisabeth is herewith appointed. Kai, is anyone against appointing Kai? Anyone wants to refrain? No, then Kai, congratulations, you are also appointed. That means, Macky you and I, after this meeting, will no longer be a Supervisory Board member. I want to thank you for working together and I wish you good luck in your new job.

7. Proposal to adopt the Supervisory Board Remuneration (voting item)

Mr Turkstra

My name is Jelle Turkstra. I am here on behalf of myself. Ms DeMarse receives 200.000 shares as part of her package. When we look to the share price going down overtime and probably issue new shares, the most likely is that the share price will go down more in the near future. Are there any guarantees given for the share price to Ms DeMarse.

Mr Louwers

No guarantees.

Mr Diaz

Ms DeMarse is paid in shares. Mr Hartog called it alignment of interest, but also beholds that she is no longer independent and that is an important issue for the VEB. Concerning that we would like to withhold our vote on the remuneration.

Mr Louwers

So even before I put it up for voting, Mr Diaz? Any other questions, comments or remarks. If not, I would like to put up for voting the remuneration package for both Elisabeth and Kai. Anyone against the remuneration for the Supervisory Board? No one. Anyone wants to refrain? Mr Diaz has said that he will refrain. Anyone else? No, that means that the remuneration is also confirmed for the Supervisory Board.

8. Proposal to provide the Board of Directors with the authority to issue new shares in the capital of NedSense and to exclude pre-emption rights (voting item)

Mr Louwers

Pieter, can I give the floor to you?

Mr Aarts

Maybe a formality. Basically this agenda item is to ensure the fulfilment of obligations of NedSense related to the shares being granted to the Management Board as well as Ms DeMarse since today.

Mr Louwers

Any questions, comments or remarks? No. I sound like a broken record, but I put this up for voting. Anyone against or wants to refrain? No, that means that this one is also confirmed.

9. Proposal to enter into the transaction contemplated by the convertible bond agreements (voting item)

Mr Louwers

Pieter.

Mr Aarts

I already mentioned the new convertible loan that the company agreed with Nantahala and Bertoia. The two shareholders invested for the first time in 2013 in NedSense. We agreed with Nantahala and Bertoia them to invest additional capital in NedSense to provide the additional capital for LOFT growth including the roOomy platform. The investment has been structured as a bond that pays no interest, is due in June 2020. It is convertible to equity at a price of € 0,16. For your information, NedSense major shareholders including Project Holland Fund, Todlin, Bertoia and Nantahala together representing approximately 59% of NedSense issued shares have already confirmed and will support the new convertible bond agreement and vote in favour.

Mr Diaz

I am glad to see that there are still parties who want to invest in NedSense. I was wondering what information those parties get before they were willing to the additional finance. I asked Mr Aarts for a forward looking statement and he said he was not going to disclose that, but if I would give extra money to NedSense, I would that only when I had a look at the future. If those parties like Nantahala would have received that information, some shareholders have more information than other shareholders. From a corporate governance point of view that is not a good thing. I think all shareholders should get the same information at the same time. Could you react on that please?

Mr Aarts

First of all, while entering negotiations regarding the new convertible loan, we agreed on non-disclosure. Not only with Nantahala and Bertoia, but also with Project Holland Fund and Todlin. That is one. Secondly we did share key indicators for future business, so related to the number of agents that will subscribe to the platform. Last but not least we shared development roadmaps, i.e. when technology will become available. That is basically what we shared under NDA with our major shareholders.

Mr Diaz

But they are not allowed to disclose that information, but are they allowed to act on that information, like selling shares or buying additional shares. Is there a hold back period in that agreement or a fine when that information is used in anyway.

Mr Aarts

They are released from their obligations and restrictions related to the NDA until publication of the agenda for this AGM.

Mr Diaz

I don't think it is a good thing to inform certain shareholders, in this case the big shareholders and not giving that information to the other shareholders. I hope the Supervisory Board and also the Board of Directors will take that in future cases.

Mr Louwers

That is noted. Any further questions? Then I would like to put up for voting. Anyone against closing the agreement, anyone wants to refrain? That means that the company is able to enter into the transaction.

10. Proposal to appoint the auditor (voting item)

Mr Aarts

As the term of KPMG has ended, the Board of Directors and the Supervisory Board propose to appoint a new accountant starting financial year 2015, following a procedure BDO Audit and Assurance has been selected and proposed as the new auditor for a period of two years. As such for the audit of the financial statements of 2015 and 2016.

Mr Stevense

Dank u wel, mijnheer de voorzitter. Wij zijn blij dat met dit onze wensen zijn ingevuld, eenmalig tweejarig en na steeds volgend op het jaar waarin wij een Algemene Vergadering van Aandeelhouders hebben. Het was mij net even ontschoten dat er een nieuwe accountant benoemd zou worden, toen u erover begon, dacht ik, het is waar. Het is ook een beetje een standaardvraag van ons. Wij zijn blij dat u gevolg heeft gegeven aan onze wensen.

Mr Louwers

Dank u wel.

Mr Diaz

Can you tell me something about the selection procedure? Was the new Supervisory Board involved in the selection of BDO?

Mr Aarts

Let me start with the second question. The new Supervisory Board was not involved in the selection. We reviewed the selection and procedure with the new Supervisory Board and they were in agreement with the proposed appointment of BDO being the new accountant. First question, procedure, first of all we invited a short list of potential new partners. We started with five names and narrowed that down to two in a first round based on a number of criteria. Obviously you are interested in the criteria I guess. That is a combination of pricing, being familiar with the industry and activities in the US in combination with the Netherlands and being familiar with most of the topics that have been discussed today. So share based payments and impairment testing, but also valuation of convertible bonds and so on. In a final phase we negotiated with two parties regarding the agreement and BDO was selected being the most favourable party for NedSense.

Mr Louwers

Any further questions? Then I put it up for voting. Anyone against, anyone wants to refrain. No, that means, Frank, you are now released from your duties and BDO is the new auditor of the company for a period of two years.

11. Any other business

Mr Louwers

It is my final AGM, it is Macky's final AGM for NedSense. Is there any other topic that you would like to discuss with any of us?

Mr McCleary

I just want to say thank you to Richard and the stakeholders of NedSense. It is morning here in America and after a long night, I think morning is coming for NedSense. Good luck and God speed to you all.

Mr Louwers

Thank you very much, Macky.

12. Closure

Mr Louwers

Thank you very much for coming. I close the meeting.