

Press release

NedSense launches roomy and publishes Annual results 2014

- roomy platform on the verge of market introduction
- Transitioning company strategy to subscription and referral business model
- Sale of NedGraphics
- Q1 update: launching partners added to roomy community

Key figures

	2014	2013 Restated*
Results from continued operations (in thousands of euros)		
Net revenue	479	822
Operating result	(2,690)	(1,909)
Net result	(3,195)	(1,704)
Cash flow	3,734	141
Employees (in FTE's)		
Average number of staff in continued operations, including staff hired out	19	19
Balance sheet information (in thousands of euros)		
Balance sheet total	9,066	17,119
Shareholders' equity	3,302	6,293
Guarantee capital	3,302	6,293
Ratios (in %)		
Operating result / net revenue	(561.6)	(232.2)
Net result / net revenue	(667.0)	(207.3)
Solvency (based on guarantee capital)	36.4	36.8
Liquidity	1.2	2.5
Figures per share (amounts in euros)		
Average number of shares outstanding	28,682,566	25,116,877
Result per share	(0.11)	(0.07)
Cash flow per share	0.13	0.01

*Restated to remove discontinued operations

Strategy update

In August 2014, agreement was reached with Constellation Software Inc. (CSI) on the sale of the NedGraphics division, and the decision was unanimously approved by the extraordinary shareholders' meeting held on October 7, 2014. The sale secures a future for NedGraphics, whilst also creating funding for the LOFT business. The proceeds of the transaction have been used to reduce debt and further invest in LOFT so as to enter new markets and stay ahead of competition. Nantahala and Bertioia, two existing shareholders in the company, have agreed to invest additional capital in the company to provide growth capital however financing will have to remain an area of focus in 2015. Although growth for the LOFT division was foreseen, revenue for the full year 2014 equals EUR 479k, a decrease of EUR 343k versus 2013. The decrease in revenue in 2014 is due to the company transitioning away from customized implementations of LOFT, to focus on managing the roomy platform with a subscription and referral fee business model, and the related generic version of LOFT. NedSense' operating expenses excluding NedGraphics, increased by approximately 4% resulting in an operating result of approximately EUR -2.7 million. Including the divested NedGraphics division, NedSense's operating result in 2014 is almost unchanged from 2013.

The NedSense portfolio encompasses the customer experience solution LOFT™ and roomy. The LOFT core technology enables easy conversion of 2D photos into an interactive 3D environment which can be decorated with real products of leading retail brands. The roomy platform connects real estate with retail and consumers providing real estate agents the service to virtually stage their property listings resulting in increased conversions at higher valuations. For retailers, the platform offers the digital opportunity to connect with home shoppers at the right point in time. For consumers, roomy is a user friendly App to view and decorate their (future) homes.

Financial results 2014

NedSense concluded 2014 with a net loss of € 3.20 million (2013: € 1.70 million loss). The lower result was primarily due to a decrease in net revenue of € 0.34 million, an increase in capitalized production and related amortization of € 0.30 million, and a decrease in results from discontinued operations of € 0.64 million due to the sale of NedGraphics as of September 30th, 2014. The operating result for 2014 amounted to € 2.69 million negative (2013: € 1.91 million negative).

Activities focus on the LOFT development of software. LOFT net revenue decreased from € 0.82 million in 2013 to € 0.48 million in 2014. Operating result decreased to a loss of € 1.52 million (2013: € 0.89 million loss) as LOFT continues to further develop its products. The discontinued activities of NedGraphics and Dynamics Perspective resulted in a net profit of € 0.08 million in 2014 (full year 2013: € 0.72 million).

Cash flow, investments, financing

The operational cash flow in 2014 amounted to € 0.50 million positive (2013: € 0.25 million positive). The cash flow from investments in 2014 was € 3.15 million positive (2013: € 2.61 million negative). The increase from 2013 was primarily due to the disposal of NedGraphics. The cash flow from financing in 2014 amounted to € 0.09 million positive (2013: € 2.51 million positive). The total change in cash and cash equivalents in 2014 amounted to € 3.75 million positive (2013: € 0.11 million positive).

Balance sheet

From 31 December 2013, non-current assets decreased from € 11.69 million to € 3.13 million. The decrease is mainly due to the disposal of NedGraphics. Due to the negative results in recent years, NedSense has 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.

Shareholders' equity decreased from € 6.29 million as of 31 December 2013 to € 3.30 million as of 31 December 2014. This € 2.99 million decrease was mainly caused by the negative result. Solvency decreased to 36.4% at 31 December 2014 from 36.8% at 31 December 2013.

The number of outstanding ordinary shares, with a nominal value of € 0.10 each, was 29,423,232 as of 31 December 2014. Please see the accompanying financial statements and the notes to those statements for additional information.

Q1 2014 trading update

In the first quarter, the company has performed in line with expectations. The Loft division has been focused on maintaining and upselling within its LOFT customer base. Furthermore, focus has been on implementing roomy of which the first release is expected to be launched in April 2015. The roomy 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 roomy community.

In the first quarter Loft also released Havertys' room planner which is deployed on both their website and as an iOS App. The application has been built on LOFT's 3D technology.

In 2015, NedSense will focus on a growth strategy. Crucial for this growth is the market adoption of the roomy 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.

Annexes:

- * Consolidated statement of financial position as of 31 December 2014
- * Consolidated statement of comprehensive income for 2014
- * Consolidated statement of cash flows for 2014
- * Consolidated statement of changes in equity for 2014

For further information:

Pieter Aarts, CEO
Telephone: +31(0) 347 7600 10

About NedSense enterprises n.v.

NedSense is an innovator in the 3D visualization of home furnishings in rooms. Its LOFT core technology enables photographs of a room to quickly be turned into a 3D environment that can be redecorated, and is used by leading branded furniture retailers. Its cloud based platform roomy enables virtual staging and redecoration in 3D of real estate listings, connecting home furnishings retailers and the real estate community with consumers at the moment they are considering a home purchase.

NedSense is listed on NYSE Euronext Amsterdam [NEDSE]. More information is available on <http://www.nedsense.com> and <http://www.loft-nedsense.com>.

Consolidated statement of financial position
Before appropriation of result
As of 31 December
In thousands of euro

	2014	2013
Assets		
Property, plant, and equipment	56	271
Intangible assets	3,070	10,961
Other receivables	0	455
Total non-current assets	3,126	11,687
Inventories	18	13
Trade and other receivables	1,229	4,477
Cash and cash equivalents	4,693	942
Total current assets	5,940	5,432
Total assets	9,066	17,119
Equity		
Issued capital	2,942	2,860
Share premium	37,565	37,565
Legal reserves	3,070	6,905
Translation reserves	(7)	(126)
Accumulated deficit	(40,268)	(40,911)
Total equity	3,302	6,293
Liabilities		
Interest-bearing loans and borrowings	859	4,342
Employee benefits	55	134
Total non-current liabilities	914	4,476
Interest-bearing loans and borrowings	3,927	0
Trade and other payables	831	2,141
Deferred income	92	4,209
Total current liabilities	4,850	6,350
Total liabilities	5,764	10,826
Total equity and liabilities	9,066	17,119

Consolidated statement of comprehensive income
For the year ended 31 December
In thousands of euro

	2014	2013 Restated*
Net revenue	479	822
Cost of sales	(154)	(104)
Gross profit	325	718
Wages and salaries	1,354	1,519
Social security charges	269	266
Amortization and depreciation	1,076	842
Other operating costs	1,056	809
Capitalized production	(740)	(809)
Profit (loss) from operations	(2,690)	(1,909)
Finance income	24	42
Finance costs	(602)	(556)
Net finance costs	(578)	(514)
Profit (loss) before income tax	(3,268)	(2,423)
Income tax expense	2	0
Profit (loss) for the period	(3,270)	(2,423)
Discontinued operation		
Income (loss) from discontinued operation (net of income tax)	75	719
Profit (loss) for the period	(3,195)	(1,704)
Other comprehensive income, items that are or may be reclassified to profit or loss		
Foreign currency translation differences for foreign operations	119	(10)
Other comprehensive income for the period, net of income tax	119	(10)
Total comprehensive income (loss) for the period	(3,076)	(1,714)
Profit (loss) attributable to:		
Owners of the Company	(3,195)	(1,704)
Profit (loss) for the period	(3,195)	(1,704)
Total comprehensive income (loss) attributable to:		
Owners of the Company	(3,076)	(1,714)
Total comprehensive income (loss) for the period	(3,076)	(1,714)
Earnings (loss) per share		
Basic earnings (loss) per share (in euros)	(0.11)	(0.07)
Diluted earnings (loss) per share (in euros)	(0.10)	(0.06)
Earnings (loss) per share continued operations		
Basic earnings (loss) per share (in euros)	(0.11)	(0.10)
Diluted earnings (loss) per share (in euros)	(0.10)	(0.09)

*Restated to remove discontinued operations

Consolidated statement of cash flows

For the year ended 31 December

In thousands of euro

	2014	2013
Profit (loss) for the period	(3,195)	(1,704)
Adjustments for:		
- Amortization and depreciation	2,029	2,135
- Change in inventories	(15)	(6)
- Change in trade and other receivables	2,373	(623)
- Change in trade and other payables	(6)	(6)
- Change in provisions and employee benefits	(25)	15
- Change in deferred income	(2,238)	(90)
- Equity settled share based payment	85	173
- Net finance costs	578	484
- Loss on disposal of discontinued operations, net of tax	1,056	0
- Corporate income tax	2	9
Interest paid	(144)	(133)
Corporate income tax paid	(2)	(9)
Cash flow from (used in) operating activities	498	245
Investments:		
Intangible fixed assets	(2,073)	(2,485)
Property, plant, and equipment	(67)	(210)
Disposals:		
Property, plant, and equipment	5	61
Disposals of discontinued operations, net of cash disposed of	5,274	0
Other	9	24
Cash flow from (used in) investment activities	3,148	(2,610)
Net proceeds from issuance of shares	0	2,150
Proceeds from grant	152	356
Redemption loans	(64)	0
Cash flow from (used in) financing activities	88	2,506
Change in liquid assets	3,734	141
Cash and cash equivalents at 1 January	942	830
Effect of movements in exchange rates on cash held	17	(29)
Cash and cash equivalents at 31 December	4,693	942

Consolidated statement of changes in equity

In thousands of euro

Attributable to equity holders of the Company

	Share capital	Share premium	Translation reserve	Accumulated deficit	Other legal reserves	Total equity
Balance at 1 January 2013	2,108	36,167	(116)	(39,015)	6,540	5,684
Total comprehensive income (loss) for the period						
Profit or (loss)	0	0	0	(1,704)	0	(1,704)
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)	(1,704)	0	(1,714)
Transactions with owners, recorded directly in equity						
Contributions by and distributions to owners						
Issue of new shares (net of transaction costs)	752	1,398	0	0	0	2,150
Share-based payments	0	0	0	173	0	173
Total contributions by and distributions to owners	752	1,398	0	173	0	2,323
Total transactions with owners	752	1,398	0	173	0	2,323
Transfer to other reserves	0	0	0	(365)	365	0
Balance at 31 December 2013	2,860	37,565	(126)	(40,911)	6,905	6,293
Balance at 1 January 2014	2,860	37,565	(126)	(40,911)	6,905	6,293
Total comprehensive income (loss) for the period						
Profit or (loss)	0	0	0	(3,195)	0	(3,195)
Other comprehensive income - Items that are or may be reclassified to profit or loss						
Foreign currency translation differences	0	0	119	0	0	119
Total other comprehensive income	0	0	119	0	0	119
Total comprehensive income (loss) for the period	0	0	119	(3,195)	0	(3,076)
Transactions with owners, recorded directly in equity						
Contributions by and distributions to owners						
Share-based payments	82	0	0	3	0	85
Total contributions by and distributions to owners	82	0	0	3	0	85
Total transactions with owners	82	0	0	3	0	85
Transfer to other reserves	0	0	0	3,835	(3,835)	0
Balance at 31 December 2014	2,942	37,565	(7)	(40,268)	3,070	3,302