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Annual General Meeting of Shareholders
27 March 2015
Michiel Wolfswinkel

EC Development Grants - audit



EC commissioned audit by KPMG late 2013, early 2014.

First EC audit ever for TIE.

Three EC projects audited : period 2008-2011 (OMELETTE/NEXOFRA/SOA4ALL)

Outcome audit report KPMG:

Total Development Grants (costs) audited : € 1.819.793

Total Development Grants (costs) rejected : € 1.243.394 (=68%)

Main findings by KPMG. :

- Staff costs incurred by other TIE companies than TIE Nederland BV
- Overhead incurred by other TIE companies than TIE Nederland BV
- Hourly rate calculations per employee not recalculated every year

EC Development Grants - damage



EC position on implementation of audit findings:

1. SOA4ALL and NEXof-RA : EC will send debit notes
2. OMELETTE: TIE may recalculate, adjust and refile
3. All other FP7 closed projects: TIE has to recalculate, adjust and refile
4. All open FP 7 projects: TIE has to recalculate prior periods, adjust and include in current filings

Wrongly claimed subsidies now visible:

- | | | |
|---------------------------------|---|-----------------|
| 1. € 705K, debit notes received | } | € 1,139 million |
| 2. € 0 | | |
| 3. € 408K | | |
| 4. € 26K | | |

Max damages (incl legal fees/admin costs) of € 1,5 million.

Uncertainties: EC position and EY process

EC Development grants - share issue



TIE requests AGM approval for the following share issues:

1. Guarantee costs: € 300k
2. Immediate damage Soa4All/NexofRA: € 705k
3. Subsequent damage and costs: max € 800k -> expect € 500-600k

MAXIMUM SCENARIO

Total share issue of € 1,5 million + € 300k

294.599 shares to be issued

-> 20,7% dilution

EXPECTED SCENARIO

Total share issue of € 1,3 million + € 300k

261.866 shares to be issued

-> 18,8% dilution

Timing of share issues:

1. Asap
2. Asap
3. Only if and when damage arises

AGM approval



AGM approval is requested to issue maximum of € 2,3 million (376,432 shares at € 6.11) to the guarantor to cover damages and costs following the EC audit of development grants.