



Notulen van de

**JAARLIJKSE ALGEMENE VERGADERING VAN AANDEELHOUDERS VAN  
AND INTERNATIONAL PUBLISHERS N.V.**

Donderdag 16 mei 2019 om 10:00 uur

Novotel Rotterdam Brainpark,  
K.P. van der Mandelelaan 150,  
3062 MB te Rotterdam.

## Agenda

1. Opening van de algemene vergadering van aandeelhouders (de "Vergadering")
2. Mededelingen
3. Notulen buitengewone vergadering van aandeelhouders 1 februari 2019 (**ter bespreking**)
4. Verslag van de Raad van Bestuur over de gang van zaken en gevoerde beleid in 2018 (**ter bespreking**)
5. Implementatie van het remuneratiebeleid gedurende het boekjaar 2018 (**ter bespreking**)
6. Vaststelling jaarrekening 2018
  - a) vaststelling van de jaarrekening 2018 (**stempunt**)
  - b) reserverings- en dividendbeleid (**ter bespreking**)
  - c) resultaatbestemming (**stempunt**)
  - d) corporate governance (**ter bespreking**)
  - e) decharge van de leden van de Raad van Bestuur voor het door hen gevoerde beleid (**stempunt**)
  - f) decharge van de leden van de Raad van Commissarissen voor het door hen uitgeoefende toezicht (**stempunt**)
7. Delegatie benoeming Accountant (**stempunt**)
8. Verlenging aanwijzing bevoegdheid uitgifte aandelen (inclusief het verlenen van rechten tot het nemen van aandelen) (**stempunt**)
9. Verlenging aanwijzing beperking of uitsluiting voorkeursrecht (**stempunt**)
10. Stand van zaken
11. Rondvraag
12. Sluiting

## **1. Opening of the General Meeting of Shareholders (the "General Meeting")**

The Chair: Good morning to all of you. This meeting will be held partly in Dutch and partly in English, because we have a couple of non-Dutch speakers behind this table.

## **2. Announcements**

The Chair: Let me present the people behind the table to you, in case you do not know them. On my right: Barry Glick, member of the board, Sean Fernback, and our CEO Thierry Jaccoud. On my left Maarten Douma and Marco Kok, our new non-statutory financial director on an interim basis.

Welcome to all of you. It has been an eventful period last year and this year. On February 1<sup>st</sup>, we said goodbye to Hugo van der Linde, who parted after a long stint with the company. We were very lucky to find - which is a bit of an odd word - Thierry Jaccoud. He brought a new atmosphere and a new way of thinking to the company, which we like very much. We are very happy welcoming him.

Most of you will have seen the press release, which was published at 8:00. It shows the results of this year so far. I am happy to see that we are well received on the stock market. We finally left, I hope, the lowest point of this year. The share price is above € 2 now. We sincerely hope that this is going forward in the way Thierry will be going forward. First of all, he will be looking back on last year.

I want to mention a couple of formalities. 1,988,271 shares are deposited and present. This is 53.3% of the capital.

## **3. Minutes extraordinary meeting of shareholders, held on February 1<sup>st</sup>, 2019**

The Chair: Does anyone have anything to add to or comment on the minutes of the February 1<sup>st</sup> meeting, which was basically organized to welcome Thierry and to say goodbye to Hugo van der Linde? That is not the case. We consider them to be approved. Thank you.

## **4. Report of the Board of Directors on the management conducted in 2018**

The Chair: I will give the floor to Thierry then. He will say a bit about the developments in 2018. Thierry, the floor is yours.

Mr Jaccoud: Good morning everyone. Thank you for joining us, and thank you for your interest and your investment. I would like to give you a brief overview of 2018. As you could read, 2018 was still a transformative year for AND. The MapFusion technology that was announced in 2017 starts to get some traction and some initial customers. That year, we did not have any large deals like we had them in the past. In 2018, we will continue the initiative to grow in automotive and other innovative verticals. Clearly, other business initiatives will need to be addressed, in order to reduce the dependency on one-off deals. We will talk about that today. The MapFusion technology, which is not a product yet, is to foster safer and autonomous driving. It is a strong element for the future, that we are going to talk about.

I have come back to the mapping world. I used to work for another map maker in the past. I can tell you that I am really impressed. Mapping the real world is more relevant than ever. I will talk about this later on. As stated, 2019 will be a continuation of the transformation. We expect increasing success in the verticals of automotive. We will talk about our new strategy later on. We will keep the good things we have been doing in the recent past, and strengthen them above and beyond.

With that, I would like to give the word to Marco to talk about the financials. He is new to the team.

Mr Kok: Thank you, Thierry. Please allow me to briefly introduce myself. My name is Marco Kok. I started as a non-statutory part-time CFO with AND as per May 1<sup>st</sup>, for roughly one day per week. Early experiences as a financial include my position as CFO with the listed company Holland Colours NV, a listed Apeldoorn-based chemical company. I also worked with PON Holdings, Philips Electronics and I started my career with PricewaterhouseCoopers and its predecessors.

Given my recent start - this is in fact my third day - and not being part of the 2018 financial year, I lack still a bit of detailed knowledge on the financials as well as the business characteristics of AND. I will therefore try to answer detailed questions myself, but when not able to do so I will give the floor to either Jeroen Wester, who was a controller during 2018 and the first part of 2019, or to Thierry when it comes down to more general business questions.

Then I will move on to the financial performance in 2018. As indicated in the press release of March 28<sup>th</sup>, 2019, the year 2018 was more or less a transformative year. The strategic imperative to build new and more consistent revenue streams did not yet materialize, as also indicated by Thierry. Big deals were not realized as anticipated. Major new recurring sales were also below expectations. As a consequence, sales dropped by roughly € 0,4 million to a € 1.0 million level. The operating cost, on the other side, decreased by some € 0,6 million to € 3,7 million, excluding the impairment loss on

intangible fixed assets, being the database, and excluding the capitalized development costs with respect to this database. The capitalized development costs are up by nearly € 0,2 million, causing the operating result excluding impairment to be at minus € 2.2 million, which is up € 0.4 million versus the minus € 2,6 million of 2017

As said, the operating loss is negatively impacted by an impairment loss taken on the database. That database is reported in our annual report as an intangible fixed asset. The impairment loss roughly equals another € 1.6 million in 2018, whereas over the year 2017 a € 1,2 million loss was also taken in the books. I will come back to the rationale behind this write-off and the assumption taken in the calculation of this loss.

After impairment and after the financial expenses - which given the fact that we are in a credit position with our banks show a small gain - the pre-tax loss for 2018 is at minus € 3,7 million, which nearly equals the minus € 3,8 reported over the 2017 financial year. The tax burden is slightly different from the year before: in 2017 an effective tax rate of 25% was reported, whereas the level in 2018 was 15.2%, because of a correction on the previous fiscal year 2016. As a consequence, net loss after tax equals minus € 3,1 million, whereas over 2017 we were at minus € 2,8 million.

Because of the reported net loss, total equity dropped, because of the negative net results. Also, our balance sheet total dropped, partly because of the impairment loss taken on our intangibles. On aggregate, the solvency slightly dropped from 94% to a still very strong 93%.

The remaining available cash is lower than at the end of 2017. Net cashflow is minus € 1,9 million for the year, which includes a negative operational cashflow of € 1,6 million, primarily triggered by of course the minus € 3,7 million operating loss.

Those are the highlights for the 2018 financial year.

On the next slide you see the five year trends, as also included in our 2018 annual report. It shows the main trends in AND's financial results, its capital and liquidity. The most striking item in this overview - you will also see it graphically on the next slide - is the drop in sales from 2016 to 2017 and 2018, with operating costs more or less developing less volatile, because of the relative significant portion of fixed costs, which primarily relates to our personnel expenses, which by the way is logical for a labour-intensive organization as AND. The drop in sales does not only push the level of the operating results down, but also negatively impacts the need for and the outcome of the impairment test of the database. That is because of lower future realizable value, or in other words because of lower future free cashflows by means of using the database.

Looking at liquidity: the company has a credit position of still over € 2 million by the end of 2018, and is not having in place a financing arrangement, meaning that we do not have an overdraft facility or banking loans. AND is, in other words, more or less debt-free. Our solvency rates are therefore really strong. Despite being strong, both liquidity and solvency show a downward trend. The share price is also showing such downward trend. You probably know that far better than me. With the same number of shares, market capitalization dropped from € 24,9 million at the end of 2017 down to € 9,5 million by the end of 2018. After this morning's trading update, we see share prices climbing. When I looked for the last time today, aND share price was up 12%. That at least gives a good push to market cap.

The average number of fte's dropped from 102 on average in the 2017 fiscal year to 57 in 2018. The most important impact driving that was the operational closure of AND India in the course of 2018, which was initiated in an attempt to lower the company's fixed-cost base. As part of this initiative, approximately 55 staff members on an fte basis were released in June 2018, in India. I will come back to the details on the closure of AND India later on.

Here you see a slide that shows more or less the same trend as indicated on the previous slide in numbers. The trend is shown graphically here. The main takeaway on this slide, as mentioned, is that the drop in sales causes AND's top line to be at such a level that it cannot offset the company's fixed-cost levels anymore. Despite the closure of AND India in the course of 2018, cost levels are such that the operating result is pushed well below zero. The impact of the closing in India on the consolidated operating expenses in 2018 versus 2017 is roughly € 0,2 million. Those are mainly salaries or other expenses, like housing in India. The full-year effect of closing down India is roughly € 0,6 million. Because the work done in India is still required and is now at least partly being sourced

elsewhere, the “savings” of € 0,6 million are between brackets. Of course, this will push other cost items to higher levels than in 2018.

On this slide, you also see the impact of the impairment loss. In 2018 the impairment loss accounted for was at € 1,6 million and in 2017 € 1,2 million. I will elaborate on the rationale on the next slide. The impairment test is part of the annual routine performed by, in this case, our auditors. It focuses on the value of the database at balance sheet date. This database is reported as an intangible fixed asset. This is a one-time annual exercise and it is not being performed on a monthly or quarterly basis. In the trading update regarding the 2019 Q1 results we sent out this morning, we -consistently with the annual review process- did not include any remarks with respect to the reassessment of the value of the database. As the database that the company uses for its activities does not have a real market value – because there is no clear market for it, but we use it to perform our activities - we focus not on market value, but on realizable value. The explanation can be found in the annual report. The realizable value is making use of the so-called present value of future net cashflows generated with the database itself. Two periods in this calculation are being used: first the first five years, and then a more or less perpetual value for the period after that. The most important assumptions in making this calculation are mentioned on page 35 of our annual report. These assumptions are approximately the same as those used in the 2017 calculation. The outcome is unfortunately more negative, because the assumptions made in 2017 were not met in 2018. We therefore had to redo the calculations, based on new facts and revised estimates. That caused a write-off of another € 1,6 million in 2018 on the book-value of the database. This implies that the calculations are highly impacted by assumptions on future revenues. Obviously, the higher the revenues generated with the database, the smaller the risk of additional impairment losses. In other words, the strategy of focussing on new and consistent revenue streams is very important. Not only to grow AND's business in a sustainable manner, but also to maintain and secure the € 10,1 million value of the intangible fixed assets that is currently included in the balance sheet.

The next slide focuses on the company's financial position: liquidity, solvency and capital. Because of the negative net results generated over 2017 and 2018, shareholder equity decreased. The remaining equity of € 13,6 million still equals a solid 93% of the balance sheet total. In other words - I think this is of high value to the company in its current position - the company is nearly debt-free. I have already indicated that the market capitalization is back to € 9,5 million, at a share price at the end of the year of € 2,56. A day before yesterday we were at € 1,90. This morning we were at around € 2,13. That helps, but it is still a long way from where we were when the company made a solid profit two or three years ago.

Logical in this context is that the company proposes not to pay out any dividend, nor interim dividend over 2019. The decreasing liquidity because of negative net cashflows requires a prudent dividend policy. The company hardly has any debt, as I said. It is not making use of any banking arrangement. We have a bank account, but no overdraft facility which would allow us to have a debit position. We do not have that yet, but we are exploring the options. Logically, securing available funds for the future is top priority for the management at the moment. In that respect, several opportunities in this sense are currently being explored. In this case I can mention our efforts to attract innovation credit from RVO, and unlocking current trapped cash in India which we would like to make use of for our day-to-day operations in the Netherlands. Also, amongst other options, attracting a credit arrangement with a bank in the Netherlands is an option we are currently exploring to obtain more financial room for manoeuvre. At the end of 2018, liquidity amounts to € 2,2 million, which is € 1,9 million below the end-of-year 2017 level.

This is the last slide. After that, I hand it over to Thierry again to focus on the strategy of the company. As indicated in the press release, 2018 is considered to be a transition year. Also in financial terms, I think it can be referred to as a challenging or even difficult year. The company's strategy that Thierry will elaborate on in the slides ahead is all about realizing sustainable growth; growth in revenues, growth in profitability, but also growth in cashflows and, hopefully, as a consequence also growth in market capitalization. In doing so, the company can benefit from the strong balance sheet it currently has. Being more or less debt-free is a strong asset that gives room for manoeuvre. That is something the company aims to secure, for its own sake but also for the sake of its shareholders.

I hope this gives an overview of the 2018 results. Thank you for your attention.

The Chair: Thank you for your elaborate presentation. Anyone who would like to ask questions may do so in English or in Dutch. Who can I give the floor to? Please mention your name and the company if you represent one.

Vertegenwoordiger VEB: Thank you, Mr Chair. I would like to ask my questions in Dutch if that is not a problem. I prepared them in Dutch. As you said, Mr Kok, there is € 2,2 million in cash at the end of 2018. I assume it is now a bit less. You said that you see the end coming. You are considering bank loans. I am wondering what your considerations are for the choice between equity and third-party money. Is the first quarter generating cashflow by now? And when do you expect the cashflow to be positive, without any big deals?

Mr Kok: I would like to start by answering the first part of your question. There is a procedure ongoing with regard to innovation credit with a governmental body, RVO, which is looking promising. However, it will at least take a few months before we have a certainty about the decision with regard to our application for innovation credit. On the second part of your question, I do not know the exact figure by heart, but I assume that cash-flow in the first quarter of 2019 was still negative. In further reply to your question: you said that we see the end coming. Well, these were not my words. That sounds rather ominous, does it not? As the Chair indicated in view of the relation between revenues and expenses, the cashflow is negative and I can assure you that this is top priority for management. All efforts are focused to achieve this. About the consideration between borrowing and equity: 93% solvency is a very strong ratio. Growth costs money. Whether we can uphold that ratio when we achieve our ambitions is something the future will tell. Attracting new money that we require for growth will have an impact on the balance sheet. We cannot tell you now to which extent this is.

Vertegenwoordiger VEB: Thank you. Talking about solvency is wonderful, but the intangibles are also relevant. One of the assumptions for the calculation of the intangibles of 2018 is based on the revenues between 2014 and 2018. You calculate that the average revenue in those years is € 4,1 million. If I understand you correctly, you are using that as a basis for this year's calculation of the valuation of the intangibles. I believe that this is very ambitious. What are you basing the € 4,1 million on?

Mr Kok: It is ambitious. I have to admit that. But I do hope that the presentation by Thierry at the end of the session will make clear to you that we do everything reasonable to achieve this. With regards to the calculation of the intangibles: you know as well as I do that this is arbitrary to a large extent. The auditor is convinced of the quality of the assumptions, but that does of course does not mean that we will realise these assumptions. That we will have to see. And there's a number of such assumptions. It is a wide margin, I have to admit.

Vertegenwoordiger VEB: Thank you. It is stated that also 2019 will be a transformative year. In my opinion, that does not really tally up with the € 4,1 million of revenues.

Mr Kok: Well, I cannot say if the € 4,1 will be achieved this year. Once again, I do want to confirm to you that we will do our utmost. The new strategy that we have created is supporting those efforts. We may not make the target of € 4,1 million this year. If not this year, we will hopefully do so next year.

Vertegenwoordiger VEB: It may seem that I am nagging, but there is another assumption. A life cycle of fourteen years, is that not extremely long in this fast-changing world?

Mr Jaccoud: This is the thing: mapping is a very special job. If you are mapping South Africa or other places around the globe, you will not see a lot of changes. If you are mapping detailed roads around here, you will not see a lot of changes. But turn restrictions and those kinds of things change dynamically. I agree with you. So, it is a mix. The database itself is maintained. That is the main thing. I would say that it is important to maintain the core database. That has a life cycle that is quite long, if you think of it. In reality, 2% of 3% of the road network changes per year. If you maintain this 2% or 3%, you can keep the database alive. It takes a very long time to build a database. If you would start tomorrow, it will take really very long.

Vertegenwoordiger VEB: Thank you. I have one more question and then I will give other shareholders the opportunity. Revenues now mainly consist of licences and royalties. I was wondering: how locked in are paying customers and how long are those contracts?

Mr Jaccoud: It is difficult for me to give details, but if you look back - and this is the reason why we are here - you will see that most of these revenues were large revenues. There is a baseline in the revenues for multi-year contracts. The amount is not on top of my head. Several customers have great trust in our database. I think that the baseline revenue is very solid. We will talk about this in a minute. We want to create new sustainable revenue. This is what was missing in the past. We were too dependent on one-offs. We had big one-offs and a stable underlying revenue, but that one is too small. I hope that answers your question.

Vertegenwoordiger VEB : Thank you.

The Chair: Who would like to ask questions now?

Mr Engelhard: My name is Engelhard. An item of order: which agenda item is this? That is not quite clear to me.

The Chair: This is agenda item 4.

Mr Engelhard: Okay, that is clear now. If you allow me, I would like to go back to the announcements you made in the press release that was issued this morning. It is stated quite often that that was about the quarter. Unfortunately, I did not receive that press release. I was in the parking lot checking something. I thought: okay, that is quite a positive development for the share price. That is quite good. But I see that it was issued this morning at 7:30 am. The other press releases are not relevant right now, but I did not receive this press release. I think that is a bit odd.

The Chair: The press release was published on the website this morning. It was also published, for instance, on Binck at 7:45 am.

Mr Engelhard: Yes, I noticed. Indeed. But I am on the list of persons to receive press releases from AND. I checked it several times last year with Mr Spigt, I believe. I will address that later. I did not receive the message of this morning.

The Chair: Okay, you did not receive it. My apologies. We will investigate that.

Mr Engelhard: You said that we are at item 4 on the agenda. However, I believe that you skipped the discussion on the first part of the annual report, which is the report by the Supervisory Board. Will that be addressed?

The Chair: No, unless you have any questions. We focussed on the financials in this presentation, with some forward looking items. Do you have any questions on that part?

Mr Engelhard: Yes, I would like to make some remarks at least about page 8 in the annual reports on the year 2018. During part of the year 2018, Mr Van der Linde was in service of the company. He is not mentioned in the overview. Furthermore, I would like to state that of all the stakeholders, also in the past, any additional positions they hold are listed. I looked this up in the annual reports of the previous years. Mr Van der Linde was the founder of Deltilo Venture Management, which was founded in 1998. That was never mentioned in the report. I am a bit surprised about that. My question is why he never reported that.

The Chair: That is a good question. I cannot answer that, honestly. We will investigate and address that.

Mr Engelhard: I believe that that is something that is not so proper.

The Chair: I do not know what his ancillary position was.

Mr Engelhard: Well, he is the founder and manager. It seems to be a position that should have been reported.

The Chair: Okay. We will address that later.

Mr Engelhard: Now, on page 9 you can see the Management Board report. They say: we will make other parts of our company grow to lower the dependency on one-off deals. Which parts of the company were meant? Did you achieve that target?

The Chair: Well, it would be quite fast if we had already achieved that.

Mr Engelhard: We are talking about the previous year.

The Chair: Yes. We started that procedure. I hope you will be convinced after Thierry's presentation about the new elements that we will focus on to be less dependent on one-off deals.

Mr Engelhard: I do understand your response, but I repeat: we are talking about the past year. It is an agreement for the past year. Or rather, it is a statement on the past year, up to December 2018.

The Chair: That is when we started to lay the foundations for the new strategy.

Mr Engelhard: But I can conclude that you did not achieve the targets.

The Chair: Once again, that would have been really fast. You should see this as an aim, or something we strive for. If you take it literally: no, this was not achieved on December 31<sup>st</sup>.

Mr Engelhard: But you included it literally in the annual report, did you not? Furthermore, it says that you are sure that these and other opportunities will take AND to the next level and provide a consistent stream of revenue. I assume that your response to that is the same?

The Chair: Yes, indeed.

Mr Engelhard: Furthermore, I have a question to Mr Kok. You stated just now that production in India has stopped. We know that. But you also stated that the maps still have to be maintained and that this will be sourced elsewhere. My question is where, and what the costs are.

Mr Kok: I would like to pass this question on to Mr Jaccoud. He has a better insight in where the activities actually take place.

Mr Jaccoud: I assume the question is how we update maps in the future. Is that correct?

Mr Engelhard: No, in the present. Mr Kok just told us that the production that took place in India is now maintained, but elsewhere. My question is where that is; in England, or in another country? And what are the costs linked to that?

Mr Jaccoud: I can certainly answer the where-question. We are still working with a source in India. Right now, I would not like to mention the name, but it is lead by a former member of AND India. We managed to collaborate with them. So, we do make the maps in India. You need to know that in 2018 and in the past years, we released a new map twice a year. There is a long process behind the release twice a year. We will talk about this a little bit later. We have established a way to produce and update those maps. We are happy that this process is now stable. The first answer is therefore India. As to the costs, it is a bit early to tell. We are confident that we can do better than in the past, with less resources. We have modernized our tools and equipment, so that things can be done more effectively than in the past. I think we will be able to talk about this later on this year. The good news is that we stabilized the production.

Mr Engelhard: That in itself is clear. However, years ago you specifically chose India. That was mainly in order to save costs.

Mr Jaccoud: I was not there years ago, but I have been in this industry for a long time. I would say that none of the map makers have no resources in India. That sentence was a bit complex; sorry for that. Everyone has a resource in India. That is not only because of the costs. I think that there is a lot of knowledge there, for example in the Pune area. Everyone in the mapping business has resources in India. I think that it is a mix of a cost-efficient position - that is clear, because a lot of work is done



manually - and the knowledge you can find there. As you all know, they are very strong in ICT and software. I think that is the reason. We have a long history there. We managed to keep the good people.

Mr Engelhard: I have a remark for the Supervisory Board. On page 10, it says that the transition of the business is well on its way, and that you are confident that Mr Jaccoud and his team will be successful in achieving business targets in 2019 and 2020. Can you explain that to me?

The Chair: I hope that you will be confident after the explanation that you will receive on agenda item 10.

Mr Engelhard: Then the report of the Management Board, on page 11. You reported that it was stated in November that Mr Van der Linde would leave AND. I quote from the press release, which indeed I received at the time. "I have indicated that I wanted to leave, but only on the condition that I can leave AND in a proper state. This condition has now been met." Then there is another sentence following that. This statement gave me a confident feeling. However, after seeing the annual result for 2018 I was disappointed. How can you justify this statement two months prior to the end of the financial year?

The Chair: Once again, it was a statement made looking forward. That is how you have to see it. It pertains to 2019 and the years beyond. At that time, Hugo said that he had great confidence in his successor and that if anyone could do it, it would be him. And once again, we are also confident. AND is in the right hands; that is the essence of his message.

Mr Engelhard: It may be the essence, but it reads that "this condition has now been met". That is past tense.

The Chair: Indeed, by appointing Thierry. That is how he meant it.

Mr Engelhard: That is how he meant it, but it was not understood that way. At least, not by me.

The Chair: That is a semantic discussion, but this is how it was intended.

Mr Engelhard: On page 13, it says at the bottom line that 23% of the revenue in 2018 was generated by dollar contracts. It is expected that sales of navigation maps of North America will increase the number of dollar contracts with American market players. What do you base this positive expectation on? As far as I know, no map of North America has been sold for over a year.

Mr Jaccoud: Good question. One thing I would like to highlight, is that we are a Dutch company. That is clear. Our business is done globally. A big part of it is done in the US, and in US dollars. Our US map is sold in the US, but we do not only sell maps. I will show you later on. We must be transparent on what we are selling. I will show you an overview of what we are selling. What we do a lot in the US is called 'map intelligence'. Let us call this: services. We are confident, as we see a lot of traction over past years and also this year. We are confident that there is growth in the various segments. One is services, as I said, and there are products too. There is a strong interest there. I was in the Bay Area a couple of weeks ago, where I met some customers and prospects. That is also why we choose English as our language: despite the fact that we are a Dutch company, we are an international company. Looking at the numbers, it may not look like that. We can grow here. We have a lot of opportunities in the Netherlands, but also outside of the Netherlands, for example in the German, US and other markets. I hope that is an answer.

Mr Engelhard: Linked to my previous questions, it seems like your employee in the United States is no longer employed by AND. Is that correct, and can you explain that?

The Chair: Yes, that is correct. It is a matter of considering expenses and revenues.

Mr Engelhard: Why did you not communicate that?

The Chair: Well, would you like to have seen a press release on that?

Mr Engelhard: At least a notification, because it was communicated in a press release at the time.

The Chair: A press release seems overdone, but it should have been mentioned separately in the annual report.

Mr Engelhard: At least, I believe. And you did not hire another staff member?

The Chair: No.

Mr Engelhard: I have a question on the last paragraph.

The Chair: We would like you to limit the number of questions that you have, because there will definitely be more people who want to ask questions. You can also address this in a second round.

Mr Engelhard: I have one remaining question, after which I will pass the microphone to any other person. In the last paragraph, it says that you are sure that new opportunities will arise within the present fast-changing market and its developments. I would like to hear more about that in the presentation.

The Chair: You will indeed. Thank you for your questions. Who would now like to take the floor?

Mr. Heindryckx: Good morning. I have one question with regard to the top three customers. With regard to risk management, the annual report lists that the top three customers represent 48% of the revenue in 2018. That is € 480,000. The year before, this was 66% or € 900,000. The year before that, it was nearly 90% and € 6 million, but that was a very exceptional situation. Can you tell me anything about the composition of the top three? Is it stable, or something that changes drastically every year?

Mr Jaccoud: I would like to answer this question. It is a very good question. It was one of the first things I looked into. It is the base revenue, as I call it. I will talk about this a little bit later. I am very confident here. We looked and analysed the details, and also talked to those customers that make out the baseline revenue. We know that they are satisfied. They also had a couple of complaints that we addressed. We created a roadmap to satisfy them. They are very closely monitored by account management. We talk to them on a regular basis. They are in a long-term contract anyway, but they are happy with what they get from us. We are working on giving them even better services. I am very confident about those baseline customers. We have just a few. This is one of the things we have to fix. We cannot be dependent on just a few customers and a few one-off deals. That is my focus. One of the first things I looked at was the baseline revenues and the main customers, and make sure they are happy. I am confident about this.

The Chair: Anybody else who would like to ask a question?

Vertegenwoordiger VEB: I will try this one in English. I have read the reports for 2016, 2017 and 2018. Nothing was mentioned about this in 2016. I will quote from the 2017 report: "Based on the current state of affairs, it is justified that the financial reporting is prepared on a going concern-basis." Then, in 2018: "Based on the current situation, preparing financial reporting as an ongoing concern is justified." On page 27 of the 2018 annual report, it says that, contrary to last year, going concern is still the base for bookkeeping. This is only based on four assumptions. Are you worried, or is this something that the auditor forced you to include here?

Mr Jaccoud: I do not understand the question.

The Chair: The question is not entirely clear.

Vertegenwoordiger VEB: I will rephrase it. In 2016, there was nothing in the annual report about bookkeeping on a going concern-basis. In 2017 there was, and in 2018 too, but with a qualification that was a bit stronger. Putting it in there is like a banker who says in 2009 that the balance sheet is very solid. If you read between the lines, you are worried. So, are you worried? Did the auditor force you to include this?

The Chair: Basically, these are the words of the auditor. He is qualifying this a bit. You know what auditors are like. I think that with two loss-making years in a row it is logical that he is becoming a bit more cautious. I think that we should see it from that perspective.

Mr van Lookeren Campagne: If I am correct, it is the auditor who forced you to put this in here.

The Chair: More or less.

Mr van Lookeren Campagne: What does more or less mean?

The Chair: In Dutch: min of meer.

Mr Jaccoud: One thing that I would like to share is that we are happy to have Marco on board here. He is a financial expert and has a lot of experience. Jeroen is in the room. He helped us here. I think we will get better in expressing things in financial terms. Are we worried? Yes and no. At the end of the day, the result was bad. There is no question about that. Can we be satisfied with it? No. That is why I am here: we have to fix it. Is it fixable within six months? I do not think so. We really need time to do things right. That was not done in the past and we talk about that. So yes, we are worried within the company about making things better right now. It is not so that it keeps me awake at night, but I would say that I am constantly focused on how we can improve this for the long, mid and short terms. The basic thing we talk about is: why is it like this? This is what we need to fix. The root cause needs to be fixed. That is what we are working on now. I will give you a couple of numbers. By the way, the presentation is online as well and will be shared. The market in which we are operating is huge. There is no reason to fail. There is absolutely no reason for that.

Mr Kok: To elaborate a bit on your question: the alternative for setting up the financial statements based on going concern, is that you define your figures based on termination or liquidation value. That seems quite unjustified and would have triggered much more questions, I assume. So, alternatively the board indicated that the consolidated financial statements have been prepared based on going concern. Despite the negative trend when it comes to profitability and cash-flow, they have underpinned the rationale behind choosing just this setup: defining your figures based on going concern. If management had limited itself by just stating that financial figures were defined based on going concern, period; that would, I think, also have raised a lot of questions, given profitability and cash-flow trends. So, we have more or less underpinned this. Apparently, this also raises questions, but not too many, I think We are just providing more information. But I am also looking at Mr Heuvelman, who has to file an opinion on statements about this.

Mr Heuvelman: Going concern was a not key audit issue for us. It is also not mentioned in our audit opinion. Basically, when an auditor looks at going concern, he will look at a horizon of twelve months after the signing of the financial statements. Of course, we discussed the situation with management. Sometimes, an explanation is included, as Marco said, to avoid questions. Then again, this can also raise questions. I think there are some indications for looking at going concern issues on a longer horizon, given the cashflow of the company in recent years. I think that is why it is justified to include these comments in the financial statements for 2018. In our audit statement, this was not a key audit issue.

Vertegenwoordiger VEB: Thank you. Mr Jaccoud, you mentioned that it is fixable, but not within six months. The previous CEO mentioned in the press that there were many talks with multiple and big customers. Some worked out, but not a lot. Why did those conversations not work, in your view?

Mr Jaccoud: It is a bit difficult for me to make a statement about the past. I was not there. In general, that is the nature of this kind of large business: the dependency on investments from potential customers. It is dependent on many factors: their strategy, vision on the future, and so on. We are ready to serve. We have a very good database and a good product. But we are dependent on their strategy or roadmap; if they want to have a map of North America, and so forth. The reason why it does not work, is that it is the nature of these kind of large deals. They are very strategic and have a long sales cycle. They are quite unpredictable in terms of lead time. It is not a transactional business. It is not that a customer comes up with a potential need and says: it is either you or someone else. If they did not choose you, they have not chosen anyone. They just did not make the strategic investment they were thinking of, because they had other priorities. They may come back and then we

are happy to serve them at any time. That is the nature of the dependency that we have. Large deals are massively strategic deals.

Vertegenwoordiger VEB: Thank you. Then one last question, if I may, about 2018. There were deals with, among others, Mapbox, the Dutch government, TalkingMaps and LocationSmart. Which collaborations are the most promising in the long term? It is very hard for me to get that.

Mr Jaccoud: I think that none of them is the one. All of them clearly show the need for location data, at a different level. Mapbox is a different use-case than TalkingMaps. TalkingMaps is a Dutch project that we are really proud of. We will make sure that it does well. We will talk about that a little today, in the trade report. I think that none of them will be the 'one and only'. This is exactly what we need to fix. We need to have multiple contacts with multiple opportunities, in multiple countries and multiple verticals: automotive, non-automotive, et cetera. None of them is an ongoing relationship that I am very confident of.

Vertegenwoordiger VEB: But if you need to name one?

Mr Jaccoud: I could not. TalkingMaps is very interesting technology, on our MapFusion platform. Developing this will lead to others interested. Mapbox is an interesting partner. None of them is unique, or the only one. I am sorry. I would like to say more, but that is the truth.

Vertegenwoordiger VEB: Let me then try and rephrase it a little bit. If you talk to institutional investors, what do they underestimate the most about AND?

Mr Jaccoud: I think the core value of the team and the product, really, and the core database as the most important asset that we have. We have a very strong team and a very strong core asset. But the go-to-market is what is missing today.

Vertegenwoordiger VEB: There is no hidden gem, or something?

Mr Jaccoud: Well, there are many. I think we have a couple of unique things. Especially the people; I am very happy about them. People have been in the company for thirty years and have a unique set of abilities. They are my pearls.

Vertegenwoordiger VEB: Thank you.

The Chair: Is there anybody with other questions? That is not the case.

## **5. Implementation of remuneration policy during the financial year 2018**

The Chair: Does anyone want to speak about this agenda item?

Mr. van Lookeren Campagne: Linking up to the question of Mr Engelhard, I believe, about the previous CEO: I understood that parties have split their ways by mutual consent. Is that correct?

The Chair: That is correct.

Mr. van Lookeren Campagne: I think it is rather odd that Mr Van der Linde received at least one annual salary if he left voluntarily. His leaving seems to be less voluntarily than presented. On behalf of the Dutch Stockholders Association, I would like to say that this is inappropriate.

The Chair: I would like to give the floor to Mr Douma. He is a specialist in this field.

Mr Douma: Well, that is too much honor. You said it as it is. This was with mutual consent. In such a case, you reach a settlement agreement. Of course, we obtained legal advice. Then this is what you end up with, observing the contract that he had and legislation as it stands.

Mr. van Lookeren Campagne: I do understand. A settlement agreement does not mean that it was a voluntary department. You said that it was with mutual consent.

Mr Douma: That is what it was. These things happen. It takes a long time. You have a review each year and then at some point both parties feel that this is it, more or less. It was good for him and it was good for us. At that time there were two routes to take. You discuss the way you want to split up. It happened in mutual consultation, but with legal advice and in a business-like manner, at the same time trying to find a successor. We found him in Thierry. We were also negotiating his remuneration structure and level with him. That is what was finalized in 2018.

Mr van Lookeren Campagne: Thank you. I have one more question. I read two different sentences. One is on the payment upon termination of contract: "The Management Board and one other employee qualify under certain conditions for payment of one year's salary upon ending of the employment following from a public offer." Afterwards I see another sentence. Under Payment upon public offer, it says that there is payment in the event of a change of control. The board then receives a bonus of one year's salary. To be sure: does that mean two year's salaries?

Mr Douma: That is a very good question, actually. We were looking at this phrase in the context of this annual report. This was true for the previous Management Board. As per balance sheet date, obviously Mr Van der Linde was still the managing director. This is now different.

Mr. van Lookeren Campagne: What is different? Is it now one year?

Mr Douma: No. As you have seen in the annual report, the current managing director has an option programme in place. Hopefully, this aligns his interests with yours. Also, it replaces the termination payment in the event of a change of control. The options then vest, and that is then where that amount comes from. The report over this year, to be published ten months from now, will be different on this point.

Mr. van Lookeren Campagne: Okay, thank you.

Mr Engelhard: I have a question that is linking up to that. I look back at the annual report on 2018. I wonder why this sum has already been incorporated. Mr Van der Linde was still active in this year.

Mr Douma: Yes, that is bookkeeping. If you know that you have to pay something during that financial year, you have to list it.

Mr Engelhard: Did you actually make a payment to him by now?

Mr Douma: Yes, but not in the year 2018. That is what it says.

The Chair: Anybody else on this item? That is not the case.

## **6. Adoption of annual accounts 2018**

The Chair: We now have a few formal items.

### **a. Adoption of annual accounts 2018**

The Chair: Does anyone want to make remarks on the adoption of the annual accounts? If not, the Supervisory Board proposes to adopt them. Does anybody wish to cast votes? That is not the case, so that I can assume that they are adopted.

### **b. Provision and dividend policy**

The Chair: There is a nice sentence in the annual report on this: AND is a growing company and as such has to be prudent with money. That last thing is true, totally. But it may be clear that with this result, no dividend will be paid out.

### **c. Appropriation of the result**

The Chair: As stated in article 30.1 of the articles of association, the profits reserved were approved by the Supervisory Board. The net result for 2018 was minus € 3,113 million in total. The Supervisory Board proposes to the shareholders to withdraw the results for the financial year 2018 from the reserves. Does anybody want to vote on that? That is not the case, so that this is what will happen.

#### **d. Corporate governance**

The Chair: Corporate governance is included on page 16 to 18 of the board report on 2018. Does anyone want to make remarks on that? That is not the case.

#### **e. Discharge of members of the Management Board for the policy conducted by them**

The Chair: Does anybody want to cast votes on this item?

Mr. Engelhard: I do not want to cast votes, but I would like to make a remark. Last year, during the meeting, I submitted that the report was written in the English language. You communicated during the meeting with a civil-law notary, who confirmed that this was allowed. I indicated that, in accordance with the regulations of AFM this is in my view not allowable, because you did not meet certain conditions. Next, I sent the direct links to AND, but nothing happened with these. I do not appreciate that.

The Chair: We mentioned this to AKD, our lawyers and legal advisors. We are simple people and not councils. The way in which we do this is okay. Thank you for sending the link to AFM to us, but they did not believe that the arguments were strong enough to change the policy.

Mr Engelhard: But is it not so that AFM is, in this respect, the supervisory or legislative body? Perhaps the representative of the Dutch Stockholders Association knows about this. I see that he does not. Thank you.

The Chair: Is anybody against discharge of the members of the Management Board? If not, the proposal is accepted.

#### **f. Discharge of members of the Supervisory Board for the policy conducted by them in the year 2018**

The Chair: The question is the same. I see that you accept this proposal unanimously.

### **7. Appointment of auditors**

The Chair: We are very sorry that our auditor, Grant Thornton, has decided to change their company policy and to opt to no longer be active for smaller listed companies. If I am expressing this in an incorrect manner, please tell me. This is what will change as per July 1<sup>st</sup>. They had just become well acquainted with the company, but we therefore have to find a new auditor. The choices are limited, because a number of similar auditors have followed the same policy. Discussions are ongoing. The question to you is whether you would delegate us to appoint a new auditor. We assume that we will find one. Otherwise, we would not be in the right position. I assume that you agree to that?

Vertegenwoordiger VEB: Well, the Dutch Stockholders Association sees it as a mandate to the Management Board, or rather the Supervisory Board, to find an auditor by themselves. We have no idea. We can guess who it should be, but we have no idea who it will be and why. The general meeting does not play a role in finding this auditor and therefore, we are against it.

The Chair: Which will be noted. The procedure is ongoing as of the announcement. There is a limited number of auditors available. That is not a secret. Practically it is very difficult to find a new auditor during the financial year. And it is difficult to obtain the shareholders' approval. What we ask you to do is to please trust that we will appoint an auditor who acts in everybody's interest and in the interest of the business. But I do admit that it would have been great if these negotiations had been completed on January 1<sup>st</sup> or 2<sup>nd</sup>. Unfortunately, we did not manage to do so. So, this is the only option we have right now.

Vertegenwoordiger VEB : Thank you. I do trust in your qualities. If I understand you correctly, you will put this item on the agenda in a different manner next year if you find an appropriate auditor.

The Chair: Yes, I hope so.

### **8. Extension of the authority to issue shares**

The Chair: This item is split up in two items. These are formal items, but I will indeed read them aloud.

**Proposal a** is to grant the Management Board the authority, and extend it for a period of eighteen months, starting from May 16<sup>th</sup> 2019, in accordance with article 2.96 of the Dutch Civil Code, as the corporate body that will have the authority, with the approval of the Supervisory Board, to issue and/or grant rights on subscribing to shares up to 10% of the present issued share capital - therefore up to a maximum of 372,713 shares - which is 10% and which can be used for various purposes, including, but not limited to, financing mergers and acquisitions. Does anybody want to make a remark on that? That is not the case.

**Proposal b** is to grant the Management Board the authority, and extend it for a period of eighteen months, starting from May 16<sup>th</sup> 2019, in accordance with article 2.96 of the Dutch Civil Code, as the corporate body that will have the authority, with the approval of the Supervisory Board, to issue and/or grant rights on subscribing to shares for an additional 10% of the present issued capital - therefore up to a maximum of 372,713 shares - which 10% can exclusively be used with regard to or for mergers and acquisitions. Is this clear? There is one question.

Mr Engelhard: Is this also for the financing of shares?

The Chair: Yes, but that is what proposal a is about. This is mainly intended for additional financing or funding. If it became clear that we are on the right track, we hope that there will be interest from outside or inside shareholders to enhance equity. That is what we will use the 10% for. Now, I assume that everyone agrees to that and is in favour. That is the case.

#### **9. Extension for the appointment to limit or exclude preferential rights**

The Chair: The present authority to exclude or limit the preferential right will stop on November 17<sup>th</sup>, 2019. It is proposed to extend this authority of the Management Board for a period of eighteen months, starting on May 16<sup>th</sup>, 2019, and to appoint the Management Board as the authorized body to, with the supervision of the Supervisory Board, limit or exclude the preferential right on issue of the subscription to common shares in the case these shares and/or rights are issued by using the authority as specified under agenda item 8 a and b . Is everybody in favor of this item on the agenda?

Mr. Heindrickx: We wish to abstain with regard to this item.

The Chair: You wish to abstain? Okay. We will take note of that.

Mr. Lemoine: I also wish to abstain.

The Chair: Okay. We will take note of that. Thank you.

#### **10. State of affairs**

The Chair: Thierry has prepared a good presentation on this.

Mr. van Lookeren Campagne: Actually, the auditor makes a statement at each shareholders' meeting to indicate what they have done. Why do you not do that?

The Chair: That can be done as part of Any other business. But we can do it now, if you want to. Do you expect an explanation on the report as printed in the annual report? It is rather comprehensive in itself.

Mr. van Lookeren Campagne: It is, but I do have an additional question.

The Chair: Please, ask that question now.

Mr. van Lookeren Campagne: A key audit matter is the valuation of the intangibles. If you had to qualify that, would you then say that the underlying assumptions are rather aggressive, or rather conservative?

Mr Heuvelman: I believe that these are rather conservative, because a model is used that is also based on historic results of the company. In a valuation model we normally look at future cashflows exclusively. The problem with the company activities of AND is that it is very difficult to assess the scope and also the pattern in which these revenues will be beneficial to the organization. Therefore,

with regard to the model of the database we chose to link up to historic results in previous years. So, it is a rather conservative model.

Mr. van Lookeren Campagne: Thank you. I would like to ask another question. The assumption is that you take the average turnover of the past five years as a basis for 2019. But if we looked at, let us say, three years, that would perhaps be much more realistic in this fast-changing world. Is that correct? There would be much more depreciation in that respect. What is your view on that?

Mr Heuvelman: That is correct. However, if a big deal would have been materialized last year or next year, then the consequence would be the opposite: you would have to take back the impairments we have done in the past. The difficulty still is whether big deals materialize for the business or not. In our assessment of the valuation model, we talked comprehensively with management about sales. The probability that some orders will indeed materialize is one aspect. Additionally: would that be in 2019? Or would that be in March 2020? That all has an impact on the valuation model that we have.

The Chair: Thank you. I would now like to give the floor to Thierry, who will give us a forward look to the future. I hope that it will become clear what the positive spirit is within the business right now. I have to say that the expectations - and I refer to the € 4,1 million revenue, et cetera - are rather optimistic. But nothing is impossible in this life. We are very confident that we are on the right track. Thierry, the floor is yours.

Mr Jaccoud: Let me give you a little bit of a look into the future. I also put the trading update into the presentation. I will go through the press release that was published today. In case you have not received it, as I heard, I apologize. We see an increase in our sales, quarter to quarter. That is good. It is a positive spin in the beginning of the year. We are also happy because it is a bit more spread over the various customers than in the past. We are now also focussing more on recurring revenue. There are many ways to make a proposal. One is a one-off. You can also make a proposal in the form of selling updates, as we are in the database business. One thing that I am really proud of is that, as part of the MapFusion project, we could deliver the first commercial HD map for autonomous driving. For us as a company, that is a major milestone. We already talked about welcoming Marco to the team. Again, I am very happy to have you here. I just wanted to go through this, in case you have not read it yet.

I think it is also typical to make a hundred-day assessment. I would like to run a little bit through what I have seen. As mentioned by Marco, we have had a high attrition rate of people, especially in the Netherlands. People left because they were uncomfortable about the future. The good thing is that the core team and the knowledge of the business is still there and strongly supporting the future. As Mr Engelhard mentioned, AND India has had an impact on our operations. This was one of the things we had to fix very quickly. I am happy to see that this is, sort of, back to production level. Looking at sales: as you know from my profile, I have been in sales for many, many years. We have been touching on this a couple of times. Sales have been very dependent on one type of sales: maybe a large deal, but maybe also smaller deals that really are one-off - one service, one time. We have talked about the baseline of revenues. That is solid, but small. I think we have very long-standing customers, who have been with us for multiple years, as in more than ten years. They really like what we do, but we just do not have enough of them. The one-off deals that you see in the past sales figures constitute the peak. We have a high reliance on that. The good thing about the situation we have now, since Hugo left, is that we really see clearly what we have to fix. We mentioned as well that the sales team has been reduced. Some of them have left the company. We also decided to stop our efforts in the US. So, we are really down to a very small team. As you can notice from the website, marketing activities are very limited. It is pretty much a corporate website. That is a decision we made in the past. There is nothing bad about it, but that did not help us. Nowadays, websites are here to help us selling. We are in a digital business, remember? We should have an all singing and dancing website.

What have we done so far? I would like to mention that this is not only my achievement. I must say that I found a very strong team. I will make a couple of additions. It is all about letting them do the right thing and giving the right directions. In terms of human resource, I am happy to mention that we had no attrition this year. We have created a structure that I will show to you in a minute and that is really focused on product management. One of the things that was lacking in the past, was a clear product strategy and roadmap. There are two levels. One is our core database. It has a lot of information. Out



of this, you can make license agreements for the database, but you can also make products: API's and those kind of things.

We have now created a structure around creating and launching innovative products on a regular basis. A few of them will come very soon. With the partner that we have in India we now manage to ensure business continuity in terms of production. I am very, very confident that that is the right thing to do. Potentially, costs will even be lower than before. That is what I am seeing from the first indications. In the pipeline, we are using a CRM system as we are a very modern company. We have had a couple of opportunities that I have had to review in detail. We had to clean up a little bit. Thank you to the auditors. They have been very critical. I would like to point out that it was a collaboration. I heard the word 'forced'. I do not feel that we were forced to do anything. I feel that we had a sparring partner. It was very good to work in a team with you. I am sad that this is not continuing next year.

The main thing of the strategy that the team and me have selected - because we really worked as a team and did a workshop together - is really focused on generating controllable revenue; having your own product, making your own marketing and being in control of your sales. Basically, with a large deal we were not in control. We were very dependent on others to make a decision. Despite the fact that we have a good product, it is still the other guys' decision to buy it or not. Also, we hired a few new resources, solely focussed on making things happen. You will see a little bit of this later. We analysed the product offering. We have a couple of pearls. We have a couple of really good products. We are working with the Dutch government, for example. Sort of no one knows about that. We will work on this now, making sure that it is up to date, freshened up as you would expect nowadays for APIs and those kinds of things. We will make strong promotion for it.

I have looked at the market, at our competitors and at where things go live. We have defined a vision and mission for 2020 that I would really like to share with you today. There were initial talks with prospects and customers about the direction, really carefully. That was very positive. That seems to be the right thing to do right now.

Here is the leadership team that we have on board today. Again, this presentation will be shared. It is sometimes a bit small, so I will read it to you. We have Marco Kok, who started on May 1<sup>st</sup> as interim and part-time non-statutory CFO. We also have Pepijn Van Amstel, who is a strategic advisor for us in terms of products and services. The rest of the management team has a head of product management, head of operations, head of sales and a head of HR. They are all very experienced people who did a lot of great things in the past. On average, they have been working for AND for 13 or 14 years. We have a couple of people that we think can add to our success. A key thing is marketing. I do believe very strongly in automated marketing, or marketing automations. We have hired an expert who will start on June 1<sup>st</sup> and who will complete the team and push things forward. You will hear a lot of positive things in the future.

One thing I would like to highlight is based on market research. I do not know if everyone is conscious of the market we are operating in. In 2018, the market for digital maps - and you will find many sources that prove this - was roughly \$ 4 billion. That is the market we are operating in today. You know our revenue, so I do not need to tell you that. This is where we are today. This is why we are literally just scratching the surface. When you are scratching the surface, you see each small peak very clearly. This is where we need to get to. We need to get to those volumes. We are in a huge market. Look at the growth in this market. It is tremendous. There are a lot of strong players in this market. There is no question about that. They are names you know, of global players. We believe that there is place for us as a niche supplier, with a talented team with access to the market to play a role there.

The market is split into several verticals. I do not know if you know the term 'vertical', as in energy, utilities, construction, logistics, government, defence or automotive. The biggest revenue, if you look back, is in automotive. There, we do almost nothing today. Then there is retail, real estate, transportation and logistics as the strongest part of our business today. I would like to say that there are many verticals in which geographic data are relevant today. Each one of them is extremely interesting and we take only a portion of the market there, it can be big. There is a heavy tilt towards automotive and retail, but this market in general has a lot of verticals that we can and will work on. On the next slide, I would like to highlight what we do today. Maybe a little bit of education here, but I hope you appreciate it as an investor. I think that this was not really transparent in the past and I would like to be more transparent. You see five pillars for our revenue today, and for our products. On the left side you see what we call mapping intelligence. We are helping companies that are building digital maps for their own product roadmap. We have been very intimate with large customers, helping them

to understand how address systems are done in Chili in South America, in Spain in Europe, in Russia, or wherever. This means that we are selling our knowledge on mapping there. That is what I call mapping intelligence. What we also do for customers and what is part of our revenue today, is what we call location-aware data ingest. Companies have location-aware data; maybe addresses, or that kind of thing. We help them to ingest these data. What is very specific to this market, is putting this in their database, or sometimes in our database. A recent project involved Chili, which is a very interesting country. Addressing is totally weird there. In Western Europe, and especially in the Netherlands, addressing is very well done. Your post system is very clear and everyone knows their zip code. In Chili, there is an official zip code that literally no one uses, which is interesting. Through research and active work paid by a customer, in this case, we found an addressing system. We are sort of going through the dirt in understanding how it works in reality. Now we are even talking to the government in Chili. They are interested in our knowledge. Then, location-aware content is the basis of our business today, with a global digital map, a navigation map, and a customized HD map that we talked about. Also, on the right side, we have data analytics. It includes services such as geo coding and that kind of thing. Then, there is content delivery, where today we are doing most of this the way it used to be done in the old days, delivering data files and that kind of thing. We will still obviously be doing that. But we are also working on APIs and other modern ways of delivering content. As it stands today, I am quite proud to say that we are one of the unique vendors that are able to offer end-to-end mapping intelligence. Most of them offer products. They are on the far right side. They deliver content. But we are able to deliver knowhow on building maps too.

I deliberately refer to our vision as Vision 2020+, so as not to give an end date. I would like to read it through. Our vision is to create and deliver market-leading, relevant, innovative and tailored location-aware content, which fosters a safer and more sustainable world. I do strongly believe that if there is anything that we should worry about, it is our environment. Things will get very complicated in the next couple of years. As of today, none of our competitors are really focused on that. I do think that the company will have to make decisions and that the government will have to make decisions based on location-aware data. The same applies to safety. Road safety is a worry. Not only in government, but in any sort of life. Also walking in a safe environment is important. These are the two things that we really want to work on. Today, the business of, for example, autonomous driving and MapFusion is already part of this vision on offering a safer world through data. Also in the logistic sector, where we are quite active, optimizing routing and resources is more sustainable. We would like to work above and beyond that. Our initial talks about this area of safety and sustainability resonated quite well in the market, but it is very difficult to get it there. It is not something that you can source and put a label on. So, we will have to work on this.

This is a new direction, probably for the next decade. We will focus on the creation and maintenance of content in the future. We will bid on strengths that we have today in transportation and also mobile devices. We will maintain our unique global, digital map. I am not aware of many others that are able to give you a roadmap from New York to Sidney, outside the water. We have roads that are crossing every continent and literally every country. It is quite a unique asset, that has not really been sold well. We will also add new delivery forms. I mentioned the APIs, that will be there very soon. A new API is coming out, and other relevant ways of delivering our content.

We tend to call HD maps robotaxi maps internally, to be honest. We have interest there from our leading customers, as we also shared in public. We see that this is growing, although that growth is slow. Autonomous driving is not part of everyday life, as you can see. But it will come, in whatever shape or form. I strongly believe that. Potentially, robotaxi will be the first, as a strongly controlled area. We have a role to play there. What our customers like about it, is that it is really adaptive and flexible for our business partners. Our larger, and arguably much larger competitors have very stringent price lists. We are flexible to the customers' needs.

That is the strategy, in a nutshell. We will share more as things get more concrete. We are now looking at the short term, until the end of the year. As we were pointing out, our current customer base is very important to us. We will make sure that we maintain and grow them. As I already shared, we will hire strong marketing and sales personnel. A new sales talent is starting on June 1<sup>st</sup> as well, in Capelle. Our website is something that I am extremely focused on. It has to be our best salesman; it has to sell for us. We will update the website. We have to work from inside first, so that we have real products there. MapFusion, which has been communicated in 2017, will continue. We see traction in the robotaxi maps application. We will continue on that. That is something that has a long-term return

on investment. I guess nothing between and 2020, 2021 or 2022 will be in volume in robotaxi. But if we do not invest now, we are not going to be invited to the party.

You will also see some marketing campaigns that are coming up. We will be present at IAA in September. We will make more announcements on our road ahead. One thing I am particularly proud of sharing today is our Talking Maps progress. We have had a press release on this, so that there is no news since. We are continuing there. We are using our joint technology, creating what we call our MapFusion ingest server to ingest data. The use case really is to improve the quality, or the maintenance, of the road in North Brabant. I think that we will be able to share to you some initial results by July 2019. That is a long-term partnership, which was announced last year. We are making good progress. So, nothing really new to share today, but I would just like to keep you a little bit up to speed on this work.

That is it from me. One thing I would like to highlight is our new location-aware content, which advances safety and sustainability. You will see more of that. That will be a strong worry for us looking forward. Thank you. Are there any questions?

Mr Engelhard: Thank you for your clear presentation. I have one question, and perhaps more questions for any other business. I am very happy to hear that you intend to improve the website. In the past, I made remarks on that on a regular basis. You said that MapFusion is by now available and that you have been able to deliver it. Can I conclude that you have a paying customer for that?

Mr Jaccoud: Yes, we have a paying customer. MapFusion, as such is a project under development. I would call it a research project. We have initial traction for initial delivery. Today, we will not call it a commercial product. By nature, autonomous driving is not something you see every day. I would say that we have a partner that collaborates in the development. I am really happy about that. But we still have to invest. It is a long way until a fully finished product. I believe that will be there once the market is there as well. We are learning as we go. The industry does not have any reference there, as it is totally new. How do you do these kinds of things? We are learning with our partner and with other requests that we have. We get RFQs and RFIs about HD maps, and on what is really needed out there. The whole industry is learning right now. We have had a lot of talks, also in the Bay Area when I was there recently. I think we are in the middle of a discussion on how to make this product available. I hope that answers your question.

Mr Engelhard: Yes, thank you.

Mr. Heindryckx: About the mix of direct and indirect sales: you indicated that you have reduced the sales team to 1.5 fte. What is your vision on the number of people you need for direct sales? Recently, you announced the German partnership with the subsidiary of PTV. How do you see the involvement of the sales team in the go-to-market strategy?

Mr Jaccoud: The 1.5 fte is basically what I inherited. It is by no means enough to work the market like this. It is a bit early to say what the amount of direct services is today, in one-to-one marketing. My vision would be that it is a big part of it, so that we have controllable sales and base revenue when the first API is launched and the first product will go to market. I foresee that we will grow this team as and when we see products selling well. Right now, the person I referred to will join in June. She will focus on the Benelux. She speaks Dutch and perfect English. She will focus on our near market. If this works well, then we will grow with maybe French speakers, or German speakers, and so on. That being said, it is always smart to have multiple channels to the market. DDS, as we announced, is a company that is well established in Germany. They have long-term customers in verticals to which we do not really have access today. The point of having a partner is that you can work together in developing the market. We will keep looking forward and keep having one-to-one relationships with major accounts. We will have a direct sales channels. Today, that is zero. We will also have distributors and resellers that help us to access the market. We need to make sure that all services have the right pricing, so that the distributor can leave well and that we can do well too. It is just a matter of being sensitive to the various channels. I do think that it is a billions market. We are not going to be able to sell alone, and we are not going to let everyone else do it for us. We have to fight our corner. That also answers the question why we said goodbye to our people in the US. I think it is a bit early to have someone outside of Capelle. I think we will have to grow from here, from the strong team that we have, with the Dutch people and others that we have here. Once this is going well, we will grow further and extend to people outside the Netherlands. The nature of our product is very

technical, so you really have to know the product. It is not something you can sell off the shelf, except for APIs. These are off the shelf products. The rest is one-to-one: you have to discuss them. It is solution selling. It is difficult for someone who is out in the woods, so to say, to make this successful. I therefore think that it was a good decision to stop the US for now and revisit our sales footprint once we have a solid basis here in Capelle. Does that answer the question? Good. Thanks.

Mr. van Lookeren Campagne: I have a question about the competitive position, which is very difficult for me as an outsider to assess. So, I hope you can help me. As an outsider, I would say that Google has much more resources and is able to create a better product and to deliver and not ask money for a product, just to corner the market. How can you compete against them?

Mr Jaccoud: I like this question, because it is a very good question. How do you compete with free rides? Google is obviously a great company and everyone knows it. By the nature of what they do, they have a very specific interest to verticals like retail, and others. But they sell the space on their map; not their map. As I said, we are in a \$ 4 billion market. It has niches. A 1% market niche of the \$ 4 billion global sales is big enough for us. You can do the maths yourself. This is the thing that we do. That is why safety and sustainability are relevant. It is a very niche-like content. That is where we can compete, being more focused on a vertical, a type of content, making innovative products, and being flexible. There is a big cake out there, but there are always slices left. You just have to think about the scale. As I said, 1% market share would already be huge for us.

Mr. van Lookeren Campagne: Thank you. I agree. I guess there are also other smart niche players. Is there a change in the competitive environment in this area?

Mr Jaccoud: It is extremely dynamic. It always changes. I would say that the industry is pretty much focused now on anything related to automotive. We see a lot of efforts towards HD maps and that kind of thing. But things are changing every day. Watching the competition is always interesting and should be done, but it is more interesting to focus on what we do ourselves. If we believe that this is the right thing to do, we should do it. Market intelligence is always good, but we should really think about us. I believe that we do the right things.

Mr van Lookeren Campagne: If you could kill one competitor, which one would it be?

Mr Jaccoud: First of all: I will not kill anyone. I was always in competitive spaces. I was in automotive before. Although it is tough, it makes you better. I used to work for a company called Navteq. We had less competition in those days, but the competition we did have made us better. Yes, Google is a tough competitor, but it makes us think smarter and work harder. I will not remove any one of them. Let us focus on us being good. The rest can do whatever they want.

Mr van Lookeren Campagne: I have two more questions. I read in the annual report about the GDPR. Is it more difficult to generate data because of this? Is it a problem in the future?

Mr Jaccoud: I would not say that it is a problem, because it is something that everyone else has to deal with. GDPR is, I think, also part of Mr Engelhard's problem here: he may have been removed from a list. It is making things a little bit more complex, for sure. But there is nothing that cannot be solved. Our marketing approach will be different than just buying e-mail addresses. I think that is not the right thing to do marketing today. People like you and me receive many, many e-mails every day. 99% of them are deleted. We have to be aware of that. We have to make sure that we apply the law. But I do not think that this stops us from being successful.

Mr van Lookeren Campagne: Thank you.

The Chair: Anybody else for a question?

Vertegenwoordiger van VEB: Thank you for your presentation and your vision for 2020. We were just talking about Google, direct sales and API. What I miss on the website, is options like those of Amazon, where you can have widgets or APIs that you can use for your mapping. That is also a way to do direct sales, without a sales team, but with a service team.

Mr Jaccoud: I cannot agree more. You will see this coming. Absolutely.

Vertegenwoordiger van VEB: It is like Locatienet. We have all those services, but we do not sell them. We have all the postcode areas, but do not sell them.

Mr Jaccoud: Yes, we have unique things. We have zip codes in the US. That makes me very confident. That is an easy fix. It is no rocket science. We are working on this. You will see something coming soon.

Vertegenwoordiger van VEB: Good luck, succes.

Mr Jaccoud: Dank u wel. We are all looking forward.

The Chair: Anybody who has a question following the presentation? If not, I would like to close this agenda item. I would like to thank Thierry for his interesting presentation.

### **11. Any other business**

Shareholder: Mr Chair, it is well known that there is a shortage in staff in the software market. You see many adverts for vacancies. You have about 25 own fte. I also notice at TomTom that they have a large demand and that they are short of staff. They have a cashflow of € 250 million after the refund on the share capital. The value of staff members is not on the balance sheet. They can be taken or bought from you. Would it be useful to perhaps approach TomTom to cooperate with them, to collaborate with them? Or have they already contacted you? I think Mr Goddijn has much more to do in finalizing his business and spending money wisely. The cashflow is € 9 or € 10 million, or even more; you can imagine, and you feel it in the air, that you may be too small to survive. I do understand that the market is a niche market, but the continuity and the cashflow are not solid. So, perhaps it is unfeasible in the end to keep up a consistent company. Do you have collaboration agreements, are you approaching people or will you approach, for example, TomTom?

The Chair: It is difficult to address that, of course. Of course, you do not want to copy or duplicate Google. That is impossible. I do hope that from the former presentation it has become clear that in view of the size of the market, finding niches in that market will enable us to earn a lot of money. The idea is that when revenues increase, the number of staff will grow, and the presence in the market is becoming increasingly important. But collaboration agreements, et cetera, are not up for discussion right now, other than the marketing agreement in Germany that was just mentioned. Similar initiatives are always possible, of course. Agreements in the field of collaboration with mapping businesses is not something we would like.

Shareholder: The question is also whether, if you do not do anything and with the huge shortage in staff, others will buy your staff members, even though they have been working with your business for a long time. I can image that if TomTom needs people, it would be very easy to use their cashflow to make a bid on your people. In that case, you will have a continuity issue as well.

The Chair: Indeed. If they paid millions, then it would be a different issue. It has also been stated that since January, no staff members have left us. What we want is an atmosphere within the business that is challenging, and a nice working environment. That will engage people and make them stay with us. Of course you can handcuff them with golden handcuffs, but we are not in that position. That is not quite usual in this industry either. But if a person from TomTom comes and says: I offer you € 1 million, we cannot stop him. But by giving them challenging targets and creating a proper working environment, we hope that we can keep our key staff members.

Shareholder: Good luck to you with that.

Mr van Lookeren Campagne: I have two questions. One is about the Continental deal of September 2017. What about that? And will that yield nice results?

Mr Jaccoud: The announcement about Continental concerned a collaboration. As it stands today, Continental has other priorities. I would say that the project may be on hold.. There is no news from that perspective. It is a technology that also needs to be adopted by the market. So far, we do not see a lot of movement. We keep an eye on them and talk to them. I cannot predict anything, really. Again,

we depend on another party here. We keep up the good work, but we also have to make sure that we have the future in our own hands.

Mr van Lookeren Campagne: My last question. Thank you for your presentation. I wish you all the best. In the minutes of the extraordinary meeting of 2019, I read somewhere that you said that, last year, you managed to have a tenfold of the order intake somewhere in your previous job. That is quite impressive. I guess I would settle for that for AND. What is your philosophy? I guess that, in a small company, the CEO is key. Could you elaborate on that?

Mr Jaccoud: I think it is clear that you have to do things right. What may take a little bit of time is to have a clear structure, and clear roles and responsibilities. The nature of a small company is that everyone does everything. That is nice, but it reduces the efficiency of people. My philosophy is to build things like a pyramid: to have a solid basis and make sure that people are satisfied. We understand the frustration of the people. You have to work with the people and with the products. You have to do things in the right order. There is no point in improving the website as long as we do not have attractive products. So, let us work on the attractive products. They will come from people who are committed to making good products. My philosophy is to build things on a solid basis, and to understand the market. That is behind the success story. Even if I am the CEO, I need to be near the customers, to understand their needs, their problems, and to understand where the niches are that our competitors do not really look at. In a nutshell, it is being involved and taking care of people. Then, the rest will come.

Mr. van Lookeren Campagne: Thank you. You mentioned having a clear structure and doing everything in the right order. That sounds like a very good idea in a very big company. How do you not lose the dynamics?

Mr Jaccoud: I think clear structures do not have to do with big or small companies. As I will say again, we have people who are really good at what they do. They are distracted by doing other things. What I did, was make a clear structure and add a few people to relief the experts, so that they can do the best they can. This will increase the dynamics, and not decrease it. If you do what you are good at, you will just do it better and keep on doing it. It is fantastic if I am good at doing something and my boss recognizes it and lets me do more of that. That is more rewarding. It has to be a good mix between being a vertical organization, like in big corporates, where you are really one small cog in a wheel and involved in only a couple of things. Things have to match, so the function of one person has to fit in and has to fit with the ability of that person. There is no point in having someone do something they are not good at, or not very good at. There is a certain balance. Maybe I can write a book about this one day. I think that this is what I have always been doing in the past: looking at people and trying to build a job around them, to make sure that they do the best they can and they are allowed to do so. To me, the rest is natural.

Mr van Lookeren Campagne Thank you. I wish you all the best.

The Chair: Anyone else a question for any other business?

Mr Engelhard: Thank you. As I stated, I have a few remarks and questions. First of all, I want to compliment AND on the fact that they have been able to attract a number of hotshots as Supervisory Board members. They have a lot of experience. That made me more confident in the future, although I was a bit disappointed in the past few years. What I wanted to state to you, is the following. For the gentlemen, it is - in so far as I can see it - just a hobby. Or am I wrong?

The Chair: Well, a hobby job ... I do not know if that applies to everyone.

Mr Engelhard: Well, a membership of a supervisory board is different from a fulltime position. I would like to make a request to you for the future. That is on the adoption of the minutes of a general meeting. These can only be adopted during the next general meeting, and not in an extraordinary shareholders' meeting that is scheduled mainly for a specific purpose.

The Chair: I will indeed take that into account. I do not know if we can, technically, or if this is legally possible.

Mr Engelhard: It is. I also asked that question last year. The reply was: we will consider this. But you did not do that. That is why I would like you to give me the promise that you want to do it.

The Chair: Yes, if that is in accordance with the articles of association and the law.

Mr Engelhard: You discussed the website. I have made remarks about that for many, many years. I am happy that you are doing a thorough job on that now. Then I have specific questions on the press release from last week on DDS. Is this a new contract, or an existing contract that has been renewed? That was not clear to me.

Mr Jaccoud: It is a bit of both. It is a new contract, but with the partner PTV it was a renewal of the partnership with that company. It is a new contract, and a renewal of our collaboration with them. That is because of the structure of the organization. So, it is new and also setting a new tone. We are really focussing on partnerships. We had a couple of discussion and meetings. Both of us are small companies. We have a lot to gain from working together. There were a couple of ideas on content that they have and that we have. We are setting a new tone. That is why we thought it was worth putting it up front. That is just to highlight the fact that we would like to work with partners more in the future.

Mr Engelhard: Thank you. Furthermore, I did not receive that press release either. It is right now only available on the English part of the website, and not on the Dutch language part of the website. Furthermore, I have a question. If I understood you correctly in your presentation, you talked about a collaboration with the Dutch Directorate-General for Public Works and Water Management, Rijkswaterstaat. I recently saw a television program that demonstrated a car of Rijkswaterstaat that was collecting and processing test details. I assume that AND is engaged in that development. However, I saw all sorts of logos of companies that were collaborating with Rijkswaterstaat and I did not see AND's logo. Perhaps that is something you need to pay attention to. And I also found that, on the website, the six months report is issued also in a Dutch version. I assume that the annual report will first of all be written in Dutch and then translated into English. I am therefore asking you to provide the report in Dutch, at least on your website.

The Chair: If it is written in a Dutch version initially, this should not be a problem. I am however not quite sure whether that is true.

Mr. Engelhard: I say this because I found that the six months' report ...

The Chair: The six months' report consists of one page only.

Mr. Engelhard: No, no. It has figures and everything. You also mentioned in the presentation that a website is being developed. You demonstrated a slide with all sorts of colours. That website is currently offline, but I have already seen these images.

The Chair: Yes, they were published at 10:00 am this morning.

Mr. Engelhard: Well, I even saw them last week. If I enter "AND.nl", the full concept of the website is already online. I do not think that this is as intended.

The Chair: This is a surprise. It is clear that there is some room for improvement still.

Mr. Engelhard: Thank you. There is one other item. In the past year, we concluded an agreement with an American business. As far as I understood, they are working in border control. Do you know what I am talking about? They use your data for users that are in another country and they want to achieve something in that country to exclude them.

Mr Jaccoud: That is a very interesting product. We have also put this on the list of things we would like to highlight more. Disputed borders are something I am very much aware about. This is difficult to make, but very important. We have put this on the list of products we would like to promote more in the future.

Mr. Engelhard: In that respect, my question is whether you have been in contact with the Dutch government about that.

Mr Jaccoud: I cannot tell you. Not me personally, but the team is in contact with the Dutch government on a regular basis for sure.

Mr. Engelhard: There is a lot of complaining about the difficulty that there is so much gambling going on in the Netherlands. I have the idea that these data may be able to prevent that. Technically I am not fully aware, but this could be an idea. I think it may be very profitable if this can be used.

Mr Jaccoud: Thank you for your ideas. They are good for all of us.

The Chair: Thank you, Mr Engelhard. Anybody else?

Mr Troisfontaine: There are a few items I would like to discuss: the website, and also the new site that is upcoming. I also noticed it yesterday and I took pictures of it. Would it be possible that, similar to other mainly listed businesses, you created these flags? In that way, it could be very easy to add new languages in the future. If I hear Mr Jaccoud talk about Chili: they do not use Dutch that much over there, so that this idea could be worthwhile. It would be great for the Netherlands, where you communicate with Rijkswaterstaat, to make sure that information is available in Dutch and can simply be translated into another language. When it is set up in that way, you can simply add another languages. I am also telling you this because you say that we have to make sure that our name becomes known and that our products become known. Can you confirm that you support this idea and you want to execute it?

The Chair: I think this is a very good suggestion. We will certainly consider it in the restructuring of the website. It seems to be a very good suggestion indeed: a small banner on top.

Mr. Troisfontaine: Thank you. I have another point. As the gentleman just said about people working in IT, it seems so old fashioned to see adverts in both English and Dutch with information from the past. It seems like you are selling old stuff. So why not remove the old dates? Perhaps you can change it from time to time, because this is too old fashioned.

The Chair: Yes, it is a bit embarrassing. I have to agree with you there.

Mr Jaccoud: Let me make a comment on this. It is easy to pick on the website. Before I joined AND, I did the same. It is all down to resources and people who have to take care of it, and to expertise. So far, we have not really had dedicated resources for marketing at all. That is what I am changing right now. Starting June 1<sup>st</sup>, we have one dedicated resource on marketing. I would say that what you say is common sense. We are an international company. In my opinion, the main language should be English, as we are an international business company. Nevertheless, if we want to attract customers from Spain and wherever, we obviously have to speak their language. That is for sure. Again, this is part of the roadmap. Thank you for highlighting the fact that the new website is a stage website, as I call it. It is a kick-around website that should not be available outside of our company. There are some IT issues that we will fix. I am sure that there is someone nervous in Capelle now. We will fix that. At the end of the day, I can only support your statement. We have to do a lot on the website. We have to have someone focussing on this and we have to invest. Everything we are talking about costs money. It does not come for free. We have to do it properly. As I said, we have to do things internally first before we fix things outside.

Mr. Troisfontaine: Thank you. Maybe a very odd example: in some of my businesses I work a lot with internships. I have just come past Erasmus University. I begin to wonder that there must be people who can take care of the internet and who speak international languages. If you could compensate them slightly, you do not have to hire people. You can hire a well-paid intern. You will have the final say. It cannot be a problem for German, because if I read it correctly, you are German of origin. So, you can be in control there.

Mr Jaccoud: I am Swiss of origin and my mother's tongue is French. I have been living in Germany for so long that my second mother's tongue is German. Yes, I speak German, French and English fluently. There are many ways of doing things. This is not about having an intern. We do have one right now, by the way, who is working on data sheets. It is about knowing how to make websites in general. That requires a lot of knowledge today. It is a commercial website for online sales. That takes



a lot of knowledge. It is not only about, so to speak, painting. It is really about making sure that you have the right assets on the website. We do get help. But again, you need people to take care of it.

Mr. Troisfontaine: Thank you. I had forgotten about French. So, that is another advantage.

The Chair: Does anybody else have anything for Any other business? That is not the case.

## **12. Closing**

The Chair: You will find some sandwiches and other snacks. Please eat them, because you may be slightly peckish. Thank you for being here and asking good questions. I think we have had a very serious meeting this time. We can close with a positive note: the share price was € 2,90 per share just now. We hope for big revenues. Or € 3,50, even better. We have become a lot richer today, not just from what you have heard, but also financially. Let us state that for today. Thank you very much. I wish you a safe journey home.