Press release interim consolidated financial statements TIE KINETIX N.V.
Financial information in this interim report is unaudited

TIE KINETIX: first half year 2016

Breukelen, the Netherlands, May 18th, 2016

First half year results (period Oct, 1, 2015 – March 31, 2016).

- SaaS and hosting revenues grow 7,2% to € 4.812k (H1 2015: € 4.485k)
- Consultancy revenue grows 2,2% to € 3.202k (H1 2015: € 3.133)
- Total revenue, excl. EU projects, increase by 3,6% to € 9.842k (H1 2015: € 9.495k)
- EBITDA, excl. EU projects, amounts to € 1.009k (H1 2015: € 380k)
- EBITDA, incl. EU projects, amounts to € 701k (H1 2015: € 353k)
- no one-time costs
- EBIT, incl. EU projects, amounts to € 92k (H1 2015: - € 2.051k)
- Three year contract value, incl. EU projects, amounts to € 27.900k (H1 2015: € 31.848k)

Highlights:

Table 1: Operational performance

| **In EURO x 1.000** | **Business Integration** | | **E-Commerce** | | **Business Analytics** | | **Demand Generation** | | **Eliminations** | | **Total Operations** | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Year-to date** | **2016** | **2015** | **2016** | **2015** | **2016** | **2015** | **2016** | **2015** | **2016** | **2015** | **2016** | **2015** |
| Licenses and hardware | 234 | 298 | 0 | 1 | 0 | 0 | 5 | 2 | 0 | 0 | 239 | 301 |
| Maintenance and Support | 1.513 | 1.486 | 0 | 12 | 0 | 0 | 0 | 0 | 0 | 0 | 1.513 | 1.498 |
| Consultancy and implementation | 1.306 | 881 | 399 | 643 | 1.091 | 919 | 408 | 690 | -2 | 0 | 3.202 | 3.133 |
| Software as a Service | 2.411 | 1.703 | 336 | 1.055 | 533 | 373 | 1.530 | 1.354 | 3 | 0 | 4.812 | 4.485 |
| Other Income and intercompany | 38 | 122 | 154 | 45 | 183 | 88 | 287 | 59 | -587 | -236 | 76 | 78 |
| **Total income** | **5.503** | **4.490** | **889** | **1.756** | **1.807** | **1.380** | **2.230** | **2.105** | **-586** | **-236** | **9.842** | **9.495** |
| | | | | | | | | | | | | |
| **Total cost of sales** | **-1.687** | **-1.620** | **-508** | **-1.160** | **-1.270** | **-959** | **-1.462** | **-1.594** | **469** | **193** | **-4.458** | **-5.141** |
| **Gross margin** | **3.815** | **2.869** | **381** | **596** | **536** | **421** | **768** | **511** | **-117** | **-43** | **5.383** | **4.354** |
| *Gross Margin %* | *69%* | *64%* | *43%* | *34%* | *30%* | *31%* | *34%* | *24%* | *-39%* | *25%* | *55%* | *46%* |
| Wages and salaries | | | | | | | | | | | -2.928 | -2.525 |
| Other operating expenses | | | | | | | | | | | -1.446 | -1.449 |
| **Total Operating expenses** | | | | | | | | | | | **-4.374** | **-3.974** |
| | | | | | | | | | | | | |
| **EBITDA (excl one-time expenses)** | | | | | | | | | | | **1.009** | **380** |
| One time expenses | | | | | | | | | | | 0 | -609 |
| **EBITDA** | | | | | | | | | | | **1.009** | **-229** |
| **Depreciation and amortization** | | | | | | | | | | | -607 | -512 |
| **EBIT** | | | | | | | | | | | **402** | **-741** |

Table 2: EU projects and total performance

| In EURO x 1.000 | Operations | | EU projects | | Consolidated | | |
|---|---|---|---|---|---|---|---|
| **Year-to date** | **2016** | **2015** | **2016** | **2015** | **2016** | **2015** | **Diff** |
| Licenses and hardware | 239 | 301 | 0 | 0 | 239 | 301 | -62 |
| Maintenance and Support | 1.513 | 1.498 | 0 | 0 | 1.513 | 1.498 | 15 |
| Consultancy and implementation | 3.202 | 3.133 | 0 | 0 | 3.202 | 3.133 | 69 |
| Software as a Service | 4.812 | 4.485 | 0 | 0 | 4.812 | 4.485 | 327 |
| Other Income and intercompany | 76 | 78 | 333 | 969 | 409 | 1.047 | -637 |
| **Total income** | **9.842** | **9.495** | **333** | **969** | **10.175** | 10.464 | **-288** |
| | | | | | | | |
| **Total cost of sales** | **-4.458** | **-5.141** | **-463** | **-729** | **-4.922** | -5.870 | **948** |
| | | | | | | | |
| **Gross margin** | **5.383** | **4.354** | **-130** | **240** | **5.253** | 4.594 | **660** |
| *Gross Margin %* | *55%* | *46%* | *-39%* | *25%* | *52%* | *44%* | |
| Wages and salaries | -2.928 | -2.525 | -11 | 0 | -2.940 | -2.525 | -414 |
| Other operating expenses | -1.446 | -1.449 | -167 | -267 | -1.613 | -1.716 | 102 |
| **Total Operating expenses** | **-4.374** | **-3.974** | **-179** | **-267** | **-4.553** | -4.241 | **-312** |
| | | | | | | | |
| **EBITDA (excl one-time expenses** | **1.009** | **380** | **-309** | **-27** | **701** | 353 | **348** |
| One time expenses | 0 | -609 | 0 | -1.283 | 0 | -1.892 | 1.892 |
| **EBITDA** | **1.009** | **-229** | **-309** | **-1.310** | **701** | -1.539 | **2.240** |
| Depreciation and amortization | -607 | -512 | -1 | 0 | -608 | -512 | -96 |
| **EBIT** | **402** | **-741** | **-310** | **-1.310** | **92** | -2.051 | **2.143** |
| | | | | | | | |

TIE Kinetix, the leading provider of cloud-managed Integration, Analytics, Demand Generation and E-Commerce services today released interim results for the first half year of its fiscal 2016, covering the period October 1, 2015 – March 31, 2016.

**EU subsidies repayment**
As at March 31st the initial claim of € 705k has been fully repaid plus an amount of € 10k in interest. No further claims have been received. On December 30, 2015 TIE Kinetix issued 170.536 new shares to cover EU damages:

- 15.397 shares to complete the initial emission dated March 31, 2015;
- 49.100 shares as agreed guarantee fee;
- 106.039 shares for expected remaining EU Project damage costs and costs of support.

In return for the shares issued TIE Kinetix has received a total amount of € 652.976.

**Revenue (excl. EU projects)**
Revenue grew with € 347k or 3,6% to € 9.842k (H1 2015: € 9.495k), including a currency effect of € 250k.
SaaS revenue grew with € 327k or 7,2% to € 4.812k (H1 2015: € 4.485k), including a currency effect of € 99k.
Consultancy revenue grew with € 69k or 2,2% to € 3.202k (H1 2015: € 3.133k), including a currency effect of € 48k.

The following highlights the developments in our four business lines:

- Business Integration: we continue to see a strong demand for our offering particularly in the Netherlands and in the US. Conversion of existing license based customers into our SaaS offering drives our growth rate beyond market growth rate in the Netherlands. In the first six months, our Business Integration revenue increased with 22,5% to € 5.502k (H1 2015: € 4.490k), fuelled by 48% higher consultancy revenue at € 1.306k (H1 2015: 881k) and 41,5% higher SaaS revenue at € 2.411k (H1 2015: € 1.703k).
- E-commerce: our E-commerce proposition delivers webshop back-end solutions with full back office integrations. Our customers are typically large telecommunications companies such T-Mobile. In the first half year KPN decided to consolidate certain of its labels as a result of which TIE Kinetix lost KPN-Hi and KPN-Telfort as a customer. Our E-commerce revenue declined with 49,4% to € 889k (H1 2015: € 1.756k).
- Demand Generation: in the US we experience a reduction in customer win rate as the competition seems better positioned to engage in bespoke development. New implementations in Europe are the fundament under growth of our Demand Generation business. In the first six months, our Demand Generation revenue increased with 5,9% to € 2.230k (H1 2015 € 2.105k).
- Business Analytics: in order to stimulate customers moving to cloud based solutions, Google has suspended the availability of the Google Search Appliance in the license model. Even though this has slowed down the growth of our Analytics business, we are still able to book a 30,9% growth to € 1.807k (H1 2015: € 1.380k).

Jan Sundelin (CEO) said: "We are happy to see growth numbers of our SaaS revenue, replacing the loss of customer KPN at the end of FY 2015. With the EC matters contained we have been able to focus on improving our operations and focusing on our core business: delivering excellent SaaS propositions in the supply chain. We have focused our development team towards our new product FLOW, launched at our AGM end of March. With FLOW, TIE Kinetix will be able to bring together the functionality from all its business lines and platforms into one single offering. We expect significant upsell and cross sell opportunities in our current customer base which today only consist of customers served with products from one single business line platform."

Operating margin

| **In EURO x 1.000** | **1HY 2016** | **1HY 2015** |
|---|---|---|
| Total Revenue | 10.175 | 10.464 |
| Gross Profit | 5.253 | 4.594 |
| *Gross Profit %* | *51,6%* | *43,9%* |
| | | |
| Employee Benefits | -2.940 | -2.525 |
| Other Operating Expenses | -1.613 | -1.716 |
| | | |
| **EBITDA (excl. One time expenses)** | **701** | **353** |
| | | |
| One time expenses | 0 | -1.892 |
| | | |
| **EBITDA** | **701** | **-1.539** |
| *EBITDA %* | *6,9%* | *-14,7%* |

All employee expenses related to consultants are included as direct costs in the business line in which the consultant performs its activity. Operating Expenses only reflect indirect costs (including sales costs, SG&A, non-allocated consultancy hours and management overhead). Furthermore, in 2015 expenses with a non- recurring nature (acquisition costs, EU subsidy support costs, severance and restructuring) are excluded and reflected separately under 'one-time costs'. In FY 2016 we did not incur such costs.

The following table provides a breakdown of the Total Operating Expenses:

| In EURO x 1.000 | 1HY 2016 | 1HY 2015 |
|---|---|---|
| Employee Benefits | 2.940 | 2.525 |
| One time expenses | 0 | 1.892 |
| Depreciation and amortization | 608 | 512 |
| Other operating expenses | 1.613 | 1.716 |
| **Total operating expenses** | **5.161** | **6.645** |

Operating Expenses (excl. One-time Costs and Depreciation and Amortization) for the first six months 2015 increased with 7.3% to € 4.553k (H1 2015: € 4.241k), caused by currency appreciation effects, lower direct hours allocated to EU projects, lower capitalized hours and lower WBSO.

In the first six month of FY2016 no 'one-time expenses' have been incurred (H1 2015: € 1.892k).

FLOW
A new product has been developed under the name "FLOW". For TIE Kinetix' customers the product Flow combines functionality from different Business Lines which, until now, is being sold separately. Flow is a SaaS product and will not be sold in license modules. Creating a seamless end-user experience and buyers' journey, FLOW will be sold to higher segment customers than the typical EDI/Integration customer. FLOW allows customers to work seamlessly with independent channel -, and trading partners.
To strengthen working capital and to fund the development of FLOW 144.791 shares were issued against a cash contribution of € 1.459.348. The future funding need, if any, will, amongst others, depend on the size and timing of the commercial adoption of FLOW.
With the introduction of FLOW, TIE Kinetix has revised its amortization policy of Intangible Fixed Assets. The Concept Digital Channel will now be amortized taking into account a useful life of 7 years (previously having an indefinite useful life) and a useful life of the FLOW product level modules of 5 years (our existing software products will continue to have a useful life of 3 years), in line with best practice and industry standards. The total costs for amortizing FLOW are estimated at €97k in FY 2016.

TIE Kinetix Germany: headroom Intangible Fixed Assets.
Cash generating units are identified in line with the way management monitors the business. This is based on the internal reporting to the Executive Board as main decision-making body in the company. With respect to TIE Kinetix Germany management assessed the following. The former owner TFAG committed to a revenue guarantee expiring at December 31st 2015. In the succeeding periods the actual revenue developed at a lower level, which could be considered as a triggering event. Consequently management conducted impairment testing taking into account actual business performance and the best estimate planned performance. As in prior years we have used a discounted cash flow model to determine the value in use, based on 12% WACC and a 10 years horizon. Based on the chosen assumptions, management assessed that for the cash generating unit TIE Kinetix Germany the Value in Use [IAS 36.30-57] exceeds Carrying Value [IAS 36.8-9]. However, management notes that the available headroom for the cash generating unit TIE Kinetix Germany was reduced and remains limited as at March 31st 2016. New impairment testing will be conducted at year end FY2016, or earlier upon the occurrence of a triggering event.

TIE Kinetix Germany: bank facility and vendor loan
Following the expiration of the revenue guarantee from Tomorrow Focus AG TIE Kinetix has considered the funding of TIE Kinetix Germany. Following the changing business relation with TFAG, TIE Kinetix is considering to replace the current vendor loan from TFAG (€800k) with internal funding. TIE Kinetix is also in dialogue with German DZ Bank to replace current loan financing with internal

funding. The outcome may be expected to be a replacement of the working capital facility (€470) and (part of) the remainder of the acquisition financing (€550k) with internal funding from TIE Kinetix NV.

EU projects

'EU projects' are projects for which TIE Kinetix claims, and periodically receives, EU Development grants. Depending of the Development Grant Regime in which the projects are executed, these grants are intended to cover direct staff costs incurred plus a limited compensation for overhead. All costs incurred and development grants claimed are separated out from the ordinary operations and reflected under 'EU Projects'.

In the first half year of 2016 EU projects generated a total Grant revenue of € 333k (H1 2015: €969k), due to lower activity levels following by completion of several projects.

Corporate income tax

The deferred tax movements represent non-cash movements of temporary differences predominantly for goodwill and deferred revenue between commercial books (in accordance with IFRS) and the US tax books. As at the end of March 2016, the deferred tax position has not been recalculated at its actual value as the US tax position will only be recalculated at year end. Taxes are paid in France and in the US. The income tax charge relates to normal taxes paid on local profitable income.

Net profit

| In EURO x 1.000 | 1HY 2016 | 1HY 2015 |
|---|---|---|
| EBITDA | 701 | -1.539 |
| Depreciation | -139 | -161 |
| Amortization | -469 | -351 |
| Net financial charges | -115 | -75 |
| **Profit before tax** | **-23** | **-2.126** |
| Income tax | -48 | -11 |
| Net Profit | **-71** | **-2.137** |
| | | |
| Net profit before acquisition costs and one-time expenes | -71 | -244 |
| | | |
| Earnings per share in € | -0,05 | -1,87 |

Net income before acquisition costs and one-time expenses increased to € -71k (H1 2015: € -244k).

Development activities

In H1, 2016 the company capitalized € 419k (H1 2015: € 556k), primarily on FLOW and to a lesser extent on its Demand Generation offering.

Liquidity and cash flow

Operating cash flow (€ -594k) suffered from increased receivables from trade debtors and the European Commission and reduced accounts payables with trade creditors, banks and tax authorities.

The cash position at the end of March 2016 was positive € 1.791k compared with positive € 524k at the end of March 2015.

Three year contract value projection

The three year contract value projection is the value of our current customer contracts with a going forward contract duration of three years or more. As at the end of Q2, 2016, the total three year contract value amounts to € 28 million and is primarily driven by multi-year maintenance agreements, SaaS and Hosting agreements and to a lesser extent by EU projects. The decline of € 4 million is attributable to lower EU project activity (€ 0.9 million), lower maintenance projections ( € 1 million) and shorter SaaS contracts for Demand generation portals (€ 2.1 million) for TIE Germany. In calculating the three year contract value the following assumption is made: SaaS, Maintenance and support, and hosting contracts run between 12 and 36 months with an automatic renewal for 12 months. Since contracts may be renewed during the projected period of three years, the contracted value is adjusted based on historical churn rates. The table indicates the allocation over the various sources of revenue.

| In EURO x 1.000 | Maintenance | Consultancy | SaaS | EU | Total |
|---|---|---|---|---|---|
| Q2, 2015 | 8.574 | 599 | 21.135 | 1.576 | 31.884 |
| Q2, 2016 | 7.577 | 645 | 18.999 | 678 | 27.900 |

Business highlights
As from October 1, 2015 up to now, TIE Kinetix has reported the following highlights (legal and financial):

01-10-2015: Strong Order Intake Q4 - 2015;

18-11-2015: Increased focus pays off with strong Q4 performance;

01-12-2015: Order Intake in excess of € 1 million;

09-12-2015: 50.000 shares issued following conversion of warrants;

30-12-2015: Publication of Annual Report 2015;

31-12-2015: Issue of shares;

05-01-2016: Order Intake in excess of € 1 million;

04-02-2016: TIE Kinetix suspends strategic partnership with Leaseweb;

16-02-2016: TIE Kinetix first 3-star partner of Optimizely in Germany;

17-02-2016: Profitable operations and strong order intake Q1- 2015;

17-02-2016: Convocation Annual General Meeting of Shareholders;

04-03-2016: Order Intake in excess of € 1 million;

29-03-2016: Issue of shares;

05-04-2016: Order Intake in excess of € 1 million;

05-04-2016: voting results Annual General Meeting of Shareholders;

And the following commercial highlights have been reported in this period:

17-03-2016: Business Integration for Drabbe;

31-03-2016: TIE Kinetix launches FLOW: The World's First Self Service Automation Platform;

Management Board Responsibility statement

The Management Board hereby declares that, to the best of their knowledge:

The half year financial statements give a true and fair view of the assets, liabilities, financial position as per March 31, 2016 and the profit for the half-year ended March 31, 2016 of the Company and its consolidated entities;

The half year Management Board report for the first six months of the financial year 2016 includes a true and fair review of the position as per March 31, 2016 and of the development and performance during the first six months ended March 31, 2016 of the Company and its consolidated entities, of which the information is included in the interim financial statements. In addition, the interim report gives a true and fair review of the expected developments, investments and circumstances of which the development of revenue and profitability depend.

Forward looking statement/Guidance

This report contains information as referred to in the articles 5.59 jo. 5:53, 5:25d and 5:25 w of the Dutch Financial Supervision Act (Wet op het financieel toezicht). Forward looking statements, which can form a part of this report refer to future events and may be expressed in a variety of ways, such as 'expects', 'projects', 'anticipates', 'intends' or similar words. The Company has based these forward looking statements on its current expectations and projections about future events.

Risks and uncertainties

Risks and TIE Kinetix's risk management strategy are detailed in the 2015 annual report and have not changed during the first half of 2016.

*This document may contain expectations about the financial state of affairs and results of the activities of TIE Kinetix as well as certain related plans and objectives. Such expectations for the future are naturally associated with risks and uncertainties because they relate to future events, and as such depend on certain circumstances that may not arise in future. Various factors may cause real results and developments to deviate considerably from explicitly or implicitly made statements about future expectations. Such factors may for instance be changes in expenditure by companies in important markets, in statutory changes and changes in financial markets, in the EU grant regime, in the salary levels of employees, in future borrowing costs, in future take-overs or divestitures and the pace of technological developments. TIE Kinetix therefore cannot guarantee that the expectations will be realized. TIE Kinetix als refuses to accept any obligation to update statements made in this document.*

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About TIE Kinetix

TIE Kinetix transforms the digital supply chain by providing Total Integrated E-commerce solutions. These solutions maximize revenue opportunities by minimizing the energy required to market, sell and deliver online. Customers and partners of TIE Kinetix constantly benefit from innovative, field tested, state-of-the-art technologies, which are backed by over 25 years of experience and prestigious awards. TIE Kinetix makes technology to perform, such that customers and partners can focus on their core business.

TIE Kinetix is a public company (NYSE Euronext: TIE Kinetix), and has offices in the United States, the Netherlands, France, Australia, UK, Spain, Germany, Austria and Switzerland.

Unaudited interim condensed
Consolidated financial statements

31 March 2016

1. Interim consolidated statement of financial position.
As at March 31, 2016

| **Assets**<br>**(€ x 1,000)** | **31 March 2016** | | **30 September 2015** | |
|---|---|---|---|---|
| **Non Current Assets** | | | | |
| Intangible fixed assets | | | | |
| Goodwill | 4.560 | | 4.547 | |
| Other intangible fixed assets | 2.840 | | 2.879 | |
| | | 7.400 | | 7.426 |
| Tangible fixed assets | | | | |
| Property, Plant and Equipment | 437 | | 533 | |
| | | 437 | | 533 |
| Financial fixed assets | | | | |
| Loans and Receivables | 787 | | 895 | |
| Deferred Tax Asset | 1.201 | | 1.168 | |
| | | 1.988 | | 2.063 |
| **Total Non Current Assets** | | **9.825** | | **10.022** |
| **Current Assets** | | | | |
| Trade Debtors | 3.599 | | 3.211 | |
| Income Tax Receivable | - | | 78 | |
| Taxation and Social Security | 84 | | 20 | |
| Other Receivables and Prepayments | 2.624 | | 1.828 | |
| | | 6.307 | | 5.137 |
| Cash and Cash Equivalents | | 1.791 | | 692 |
| **Total Current Assets** | | **8.098** | | **5.829** |
| **Total Assets** | | **17.923** | | **15.851** |

**Equity and Liabilities**

| (€ x 1,000) | 31 March 2016 | | 30 September 2015 | |
|---|---|---|---|---|
| **Equity** | | | | |
| Shareholders' Equity | 7.060 | | 4.308 | |
| Convertible Bonds | 45 | | 45 | |
| **Total Equity** | | **7.105** | | **4.353** |
| **Non Current Liabilities** | | | | |
| Loans | 976 | | 1.165 | |
| Deferred Tax Liability | 80 | | 80 | |
| Contingent Consideration | 55 | | 55 | |
| Deferred Revenue | 814 | | 886 | |
| Provisions | 313 | | 492 | |
| **Total Non Current Liabilities** | | **2.238** | | **2.678** |
| **Current Liabilities** | | | | |
| Provisions | 7 | | 29 | |
| Short term debt | 434 | | 860 | |
| Bank overdraft | 604 | | 692 | |
| Trade Creditors | 972 | | 1.171 | |
| Deferred Revenue | 3.653 | | 3.187 | |
| Taxation and Social Security, Income tax | 509 | | 743 | |
| Other Payables and Accruals | 2.401 | | 2.138 | |
| **Total Current Liabilities** | | **8.580** | | **8.820** |
| **Total Equity and Liabilities** | | **17.923** | | **15.851** |

2. Interim consolidated income statement.
For the 6 month period ending March 31, 2016

| **(€ x 1,000)** | **1HY 2016** | | **1HY 2015** | |
|---|---|---|---|---|
| **Revenues** | | | | |
| Licenses | 239 | | 301 | |
| Maintenance and Support | 1.513 | | 1.498 | |
| Consultancy | 3.202 | | 3.133 | |
| Software as a Service | 4.812 | | 4.485 | |
| **Revenues** | | 9.766 | | 9.417 |
| EU Projects | | 333 | | 969 |
| Onetime income and other income | | 76 | | 78 |
| **Total Revenue** | | **10.175** | | **10.464** |
| Third party hire | | (298) | | (599) |
| Direct Purchase Costs | | (4.624) | | (4.586) |
| **Gross Profit** | | **5.253** | | **5.279** |
| | | | | |
| **Operating Expenses** | | | | |
| Employee Benefits | 2.940 | | 3.210 | |
| Acquisition costs and onetime expenses | - | | 1.893 | |
| Depreciation and Amortization | 608 | | 512 | |
| Impairments | - | | - | |
| Release of Contingent Consideration | - | | - | |
| Other Operating Expenses | 1.613 | | 1.715 | |
| **Total Operating Expenses** | | **5.161** | | **7.330** |
| **Operating Income/(loss)** | | **92** | | **(2.051)** |
| Interest and other Financial Income | | 15 | | 5 |
| Interest and other Financial Expense | | (130) | | (80) |
| **Income/(loss) before Tax** | | **(23)** | | **(2.126)** |
| Corporate Income Tax | | (48) | | (11) |
| **Net Income/(loss)** | | **(71)** | | **(2.137)** |

| **Comprehensive Income** | **1HY 2016** | **1HY 2015** |
|---|---|---|
| **Net Income/(loss)** | **(71)** | **(2.137)** |
| Items that will be reclassified subsequently to profit and loss: | | |
| Exchange differences on translating of foreign operations | 64 | 357 |
| **Total Comprehensive Income/(loss) net after Tax** | **(7)** | **(1.780)** |

| **Attributable to Shareholders of TIE:** | **1HY 2016** | **1HY 2015** |
|---|---|---|
| Income after Tax | (71) | (2.137) |
| Comprehensive Income net after Tax | (7) | (1.780) |
| | | |
| Net result per share – basic | (0,05) | (1,87) |
| Weighted average shares outstanding – basic (thousands) | 1.374 | 1.142 |

3. Interim consolidated statement of changes in equity.
For the 6-month period ending March 31, 2016

| ( € x 1,000) | Notes | Share Capital (Incl Surplus) | Retained Earnings | Foreign Currency translation reserve | Share-holders Equity | Convertible Bonds | Total Equity |
|---|---|---|---|---|---|---|---|
| **Balance per September 30, 2014** | | **58.045** | **(51.911)** | **(159)** | **5.975** | **45** | **6.020** |
| Foreign currency translation reserve | | - | - | 300 | 300 | - | 300 |
| Net Income | | - | (2.366) | - | (2.366) | - | (2.366) |
| **Total Comprehensive Income (loss)** | | **-** | **(2.366)** | **300** | **(2.066)** | **-** | **(2.066)** |
| Share based payments | | - | 13 | - | 13 | - | 13 |
| Other movements | | 386 | - | - | 386 | - | 386 |
| **Balance per September, 2015** | | **58.431** | **(54.264)** | **141** | **4.308** | **45** | **4.353** |
| Foreign currency translation reserve | | | | 64 | 64 | - | 64 |
| Net Income | | - | (71) | - | (71) | - | (71) |
| **Total Comprehensive Income (loss)** | | **-** | **(71)** | **64** | **(7)** | **-** | **(7)** |
| Share based payments | | | (3) | - | (3) | - | (3) |
| Other movements | | 2.762 | - | - | 2.762 | - | 2.762 |
| **Balance per March 31, 2016** | | **61.193** | **(54.338)** | **205** | **7.060** | **45** | **7.105** |

4. Interim consolidated statement of cash flows.
For the 6-month period ending March 31, 2016

| (€ x 1,000) | 1HY 2016 | | 1HY 2015 | |
|---|---|---|---|---|
| **Income before tax** | | **(23)** | | **(2.126)** |
| *Adjustments:* | | | | |
| Share based payments expense | (3) | | - | |
| Depreciation and amortization | 608 | | 512 | |
| Impairments | - | | - | |
| Release Contingent Consideration | - | | - | |
| Increase (decrease) provisions | (201) | | 1.333 | |
| | | **404** | | **1.845** |
| *Working Capital Movements* | | | | |
| (Increase) decrease in debtors and other receivables | (1.029) | | 170 | |
| (Decrease) increase in deferred revenue | 355 | | 517 | |
| (Decrease) increase in liabilities | (214) | | (71) | |
| | | **(889)** | | **616** |
| Cash generated (applied) in operations | | **(508)** | | **335** |
| Interest paid | | (53) | | (70) |
| Interest received | | 15 | | 5 |
| Sales taxes paid | | (48) | | (56) |
| **Net Cash flow from operating activities** | | **(594)** | | **214** |
| Investments in intangible fixed assets | (419) | | (556) | |
| Divestments of intangible fixed assets | - | | - | |
| Acquisition of subsidiary net of cash acquired | - | | - | |
| Investments in tangible fixed assets | (40) | | (140) | |
| **Net Cash flow generated / (used) in investing activities** | | **(459)** | | **(696)** |
| Increase (decrease) loans | (615) | | (344) | |
| Issue of new shares | 2.762 | | 700 | |
| Net Cash flow generated / (used) by financing activities | | **2.147** | | **356** |
| **Net increase (decrease) in Cash and Cash Equivalents** | | **1.094** | | **(126)** |
| Cash and Cash Equivalents | | 5 | | 56 |
| Opening balance Cash and Cash Equivalents | | 692 | | 594 |
| **Closing balance Cash and Cash Equivalents** | | **1.791** | | **524** |

## Notes to the interim consolidated financial report

### General Information

TIE Kinetix N.V. is a public limited company established and domiciled in the Netherlands, with its registered office and headquarters at De Corridor 5d, 3621 ZA in Breukelen. The Interim Consolidated Financial report of the company for the half year ended on March 31, 2016 include the company and all its subsidiaries (jointly called "TIE Kinetix"). The financial year of TIE Kinetix commences on October 1 and closes on September 30. The Interim Consolidated Financial report for the six months has been authorized for issue by both the Supervisory Board and the Management Board on May 17, 2016.

### Auditor's Involvement

The interim financial report has not been audited by our external auditors. The Annual General Meeting of shareholders has appointed BDO on March 31$^{st}$, 2016 as external auditor for the year commencing on October 1, 2015.

### Statement of Compliance

The Management Board has considered and approved the interim condensed consolidated financial statements for the period October 1, 2015 – March 31, 2016.
The Interim Consolidated Financial report has been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU. The Interim Consolidated Financial report does not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the annual financial statements as at September 30, 2015.
We consider the accounting policies applied to the effect that the interim condensed consolidated financial statements give a true and fair view of the Group's assets, liabilities and financial position as at March 31, 2016 and of the results of the Group's operations and cash flow in the period October 1, 2015 – March 31, 2016.

### General Accounting Principles

The accounting policies used in the preparation of the Interim Consolidated Financial report are consistent with those followed in the preparation of the Group's annual financial statements for the year ended September 30, 2015. The Interim Consolidated Financial report is presented in € x 1.000 unless otherwise indicated.

### Accounting Estimates

The preparation of the financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, the determination of results and the reported contingent assets and liabilities. For a list of the judgments, estimates and assumptions, reference is made to the financial statements for 2015. No important changes occurred in the first six months of financial year 2016.

### Segment Information

After the acquisition of TIE Kinetix Germany in December 2013, the Company adjusted its internal reporting. The segment reporting in these Interim consolidated Financial Statements are aligned with the internal reporting to the Executive Board as Chief Operating Decision Maker in the Company. Reporting is primarily based on business line segments. All revenue, direct costs and fee earning staff are allocated to business lines. To avoid arbitrary and volatile allocation, indirect costs and non-free earning staff are not allocated directly to business lines, but rather allocated to country operations (or holding functions).
TIE has four business lines: Integration, E-Commerce, Demand Generation and Analytics &Optimization and operations in the Netherlands, in the US, in Germany, and in France. The business lines are primary reporting segment for both internal and external reporting. Country operations are

secondary reporting segment for internal reporting and externally for statutory reporting purposes only. In preparing this segment information, the accounting principles applied reflect the same as those in the preparation of the Consolidated Statement of Financial Position and Consolidated Statement of Income. Any transactions between reporting segments are accounted for at cost. These items are adjusted for the segment information presented under Eliminations.

Risks and Risk Management

In the Annual Report 2015 (pages 52-53) we have outlined the strategic, operational and financial risks we face; the risk management and control mechanisms we have in place; and the risk analysis and assessments we conduct regularly. We believe that the nature and potential impact of these risks have not materially changed in the first half of 2016. We will continue to monitor the key risks closely and manage our internal control systems as new risks may emerge and current risks may change in the second half of 2016.

Seasonal Effects

There are little seasonal effects on the operations and therefore the results of the Company. Despite the holiday season, the second half year (April-September) sales have proven to be strong during this period over the last few years. Due to the increased importance of SaaS, the company's revenue and results have become less vulnerable for seasonal effects. However there may be some effect on Consultancy and R&D development as a result of the holiday's season. Therefore the Company may face some impact on the results of the second half year.

Intangible Assets

The capitalization of development costs amounts to € 419k (H1 2015: € 556k).

Tangible Assets

The investment in tangible assets amounts to € 40K (H1 2015: € 140k).

Cash

On March 31, 2016 the Company held a net positive cash and cash equivalents position of € 1.791k (September 30, 2015 € 524k) as follows:

| **Cash at bank in hand (€ x 1,000)** | **March 31, 2016** | **March 31, 2015** |
|---|---|---|
| Regular bankpositions | 1.660 | 118 |
| EU funds received in advance | 131 | 406 |
| **Total** | **1.791** | **524** |

The net cash flow from operating activities in H1, 2016 amounted to € -594k (H1 2015: € 214k).

Options

During the reporting period no movements occurred.

## Equity

| Equity (number of shares) | 2016 | 2015 |
|---|---|---|
| Balance as of October 1 | 1.227.377 | 1.127.377 |
| Issued | 365.327 | 100.000 |
| **Balance as of March 31** | **1.592.704** | **1.227.377** |
| | | |
| In € (x 1,000) | 159 | 123 |

The issued shares in 2015 relate to the first draw-down of the guarantee covering damages of the EU subsidies repayment.
The issued shares in 2016 relate to the conversion of warrants (50.000 shares), the second draw down of the guarantee covering damages of the EU subsidies repayment (170.536 shares) and to a 10% issue for general purposes (144.791 shares).

## Personnel

The total number of FTE of the Company by country are:

| By country | March 31, 2016 | March 31, 2015 | Change |
|---|---|---|---|
| NL | 51 | 63 | -12 |
| US | 33 | 32 | 1 |
| DACH | 40 | 47 | -7 |
| France | 11 | 11 | 0 |
| **Total FTE** | **135** | **153** | **-18** |

Breukelen, May 18, 2016

M. Wolfswinkel
J.B. Sundelin
Executive Board