TIE Kinetix N.V.

ANNUAL REPORT 2015

TIE KINETIX
total integrated e-commerce

David Turón Bes
Software Architect
TIE Kinetix

“At TIE Kinetix, we aim to eliminate factors that drive complexity. Everyone should be able to login from any location and take immediate action.”

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TIE Kinetix N.V.

ANNUAL REPORT 2015

TIE Kinetix enables the **seamless connectivity** across a network of relationships in supply chains. TIE Kinetix front- and back-end solutions serve the purpose to **support**, **optimize** and **streamline digital exchange of information** through the entire supply chain.

KEY FIGURES

(EUR in thousands except number of employees and per share amounts)

FINANCIAL RESULTS	2015	2014
Total Revenue	22,263	20,474
EBITDA	(134)	1,100
Depreciation and Amortization Expense	1,172	857
Impairment Loss (Gain)	84	-
Operating Result	(1,390)	243
Net Income	(2,366)	439
Cash Flow from operating activities	656	1,982
Net Cash Flow generated	58	383

SHARE PRICE		
Last Trading Day in reporting period	7.12	8.15
Highest	8.30	8.35
Lowest	3.90	5.42

EMPLOYEES (expressed as full time equivalents)		
Average Number of Employees	149	142
Average Revenue per Employee	149	144

EQUITY		
Total Assets	15,851	15,994
Total Shareholders' Equity	4,308	5,975
Total Equity Instruments	45	45
Total Equity	4,353	6,020
Solvency Ratio	27%	38%

PER SHARE OF ORDINARY SHARES*)		
Net Income	(1.93)	0.39
Shareholders' Equity	3.55	5.34
Number of Shares Outstanding at year-end (x 1.000)	1,227	1,127
Weighted Average Number of Shares Outstanding (x 1,000)	1,177	1,083
Weighted Average Number of Shares adjusted for calculation diluted earnings per share (x 1,000)	1,182	1,085

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PERFORMANCE HIGHLIGHTS

TOTAL REVENUE

8,3%

2015: €22,263k – 2014: € 20,474k

EBIT

€ -1,390k

2014: € 243k

NET INCOME

€ -2,366k

2014: € 439k

FTE EMPLOYEES AT YEAR END

136

2014: 148

NUMBER OF OUTSTANDING SHARES

1,227k

2014: 1,127k

OPERATIONAL CASH FLOW

€ 656k

2014: € 1,982k

SHAREHOLDER EQUITY

€ 4,308k

2014: € 5,975k

SAAS REVENUE

15%

2015: € 9,180k – 2014: € 7,959k

OTHER INCOME

€ 2,365k

2014: € 1,256k

LICENSE REVENUE

€ 804k

2014: € 1,053k

CONSULTANCY REVENUE

-6,3%

2015: € 6,897k – 2014: € 7,362k

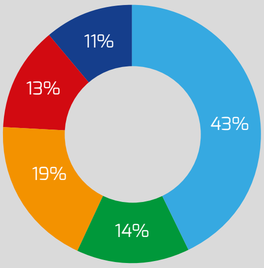
MAINTENANCE AND SUPPORT REVENUE

€ 3,019k

2014: € 2,844k

REVENUE BREAKDOWNS (€ X 1,000)

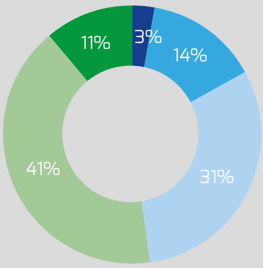
2015



Revenue per Business Line

	2015		2014	
Integration	9,540	43%	8,967	44%
E-Commerce	3,145	14%	3,445	17%
Demand Generation	4,237	19%	4,584	22%
Analytics & Optimization	2,978	13%	2,222	11%
EU & Other projects	2,363	11%	1,256	6%
Total Revenue	**22,263**	**100%**	**20,474**	100%

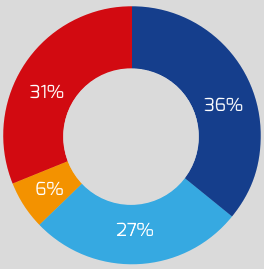
2015



Revenue per Type

	2015		2014	
Licenses	804	3%	1,053	5%
Maintenance and Support	3,019	14%	2,844	14%
Consultancy	6,897	31%	7,362	36%
Software as a Service	9,180	41%	7,959	39%
Revenues	**19,900**	**89%**	**19,218**	**94%**
Other Income	2,363	11%	1,256	6%
Total Revenue	**22,263**	**100%**	20,474	100%

2015



Revenue per Region

	2015		2014	
The Netherlands incl International	7,965	36%	7,344	36%
North America	6,085	27%	4,920	24%
France	1,240	6%	1,061	5%
DACH/TFT	6,973	31%	7,149	35%
Total Revenue	**22,263**	**100%**	**20,474**	**100%**

REVENUE TYPE BY GEOGRAPHIC REGION

The Netherlands & International	2015	2014
Licenses	135	262
Maintenance and Support	684	846
Consultancy	1,981	2,495
Software as a Service	3,305	2,646
Other Income	1,860	1,095
Total Revenue	**7,965**	**7,344**

DACH/TFT	2015	2014
Licenses	121	186
Maintenance and Support	100	213
Consultancy	3,455	3,703
Software as a Service	2,809	2,888
Other Income	488	159
Total Revenue	**6,973**	**7,149**

North America	2015	2014
Licenses	468	561
Maintenance and Support	2,099	1,631
Consultancy	1,034	806
Software as a Service	2,477	1,922
Other Income	7	-
Total Revenue	**6,085**	**4,920**

France	2015	2014
Licenses	80	44
Maintenance and Support	136	154
Consultancy	427	358
Software as a Service	589	503
Other Income	8	2
Total Revenue	**1,240**	**1,061**

KEY HEADLINES FY2015

Financial Press Releases

30-10-2014
TIE Kinetix announces repayment of EU Development Grants

10-11-2014
Statement Supervisory Board TIE Kinetix

10-11-2014
TIE Kinetix reaches agreement with guarantor to cover repayment of EU Development Grants

19-11-2014
Trading Update Q4 and Full Year Financial Statements

27-01-2015
Publication of Annual report 2014

06-02-2015
Update on Reclaim EU Development Grants

11-02-2015
Trading update: Profitable Operations, Strong Order intake and Losses on EU Projects

12-02-2015
Convocation Annual General Meeting of shareholders

06-03-2015
TIE Kinetix settles dispute with Samar

13-03-2015
TIE Kinetix appoints new Chief Technology Officer

27-03-2015
Annual General Meeting of Shareholders approves all proposals

02-04-02015
Update on EU Development Grants: new shares issued

20-05-2015
First Half year FY 2015 Results: Solid growth in Saas revenue

11-08-2015
Trading Update Q3: Strong q3 performance

18-11-2015
Trading Update Q4 and Full Year Financial Statements

Subsequent Events

01-10-2015
TIE Kinetix announces strong Q4 Order Intake

16-10-2015
TIE Kinetix and Leaseweb announce strategic partnership

Ula Al Rashd
Marketing Specialist
TIE Kinetix

"At TIE Kinetix, we provide the foundation and tools to market & sell through the entire supply chain without the complexity."

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LETTER FROM THE CHIEF EXECUTIVE OFFICER, JAN SUNDELIN

Dear Shareholder,

In our fiscal year 2015 our business lines have evolved in their own direction. Some performed ahead of plan, some in line with plan, and one performed below our plan. The latter, our E-Commerce business has lost KPN Hi as customer with KPN's commercial decision to consolidate their brand name Hi. We decided to reposition our E-Commerce offering in the market away from a stand-alone offering and to merge E-commerce functionality into our Demand Generation offering therewith giving our customers access to this expertise.

Also, our EU development organization had to change as we had to pay back development grants we had received since 2008. We were confronted with the anomaly that even though our work was performed to full satisfaction and projects were delivered successfully, the European Commission (EC) disallowed to remedy certain - relatively simple - administrative mistakes that remained uncovered by our accountant EY. Instead, the EC presented a penalty in excess of € 1 million to us. This being the case, we decided that TIE Kinetix has no future in large scale EU projects anymore. The risk is simply too high for TIE Kinetix. We will finish existing projects and will limit future involvement in small scale projects, if any. Instead, we decided to reinforce our development organization and combine all development efforts to further strengthen our SaaS portfolio contributing to further growth of our SaaS business.

We clearly see new business develop positively with our Demand Generation platform and our Analytics and Optimization business. We implemented new Demand Generation customers in France and Germany. We have launched our Analytics & Optimization offerings in the Benelux and we have realized strong order intake in Germany. For 2016 we will build on this success and expand this business in more markets and further grow it.

In our Integration business, the transition toward SaaS continues with existing accounts migrating

towards our SaaS platform and a relatively modest amount of new customers via our license reseller Epicor. In 2016 our Integration business will be focused more on new business with the expansion of our Integration solutions, offering new functions to new vertical and new geographical markets.

For 2016 we will also focus on cost control and operational efficiency to be able to continue to assure the competitiveness of TIE Kinetix. Our products are well positioned in their markets, and with the right development strategy we will be able to stay ahead of the competition.

We are thankful to our shareholders, especially those who have been patiently with us for some time and those who have supported us when we needed it. We will do our utmost to prove they made the right decision to stay with us.

Sincerely,

Jan Sundelin
CEO, TIE Kinetix N.V.

OUR CORPORATE STORY

TIE Kinetix was founded in 1987 and started as an Electronic Data Interchange (EDI) provider focused on the food and distribution markets within the Netherlands.

2000 Initial Public Offering (IPO) and listing on the Amsterdam stock exchange as an Internet orientated company. Introduction of Extensible Markup Language (XML) support and one of the first companies to offer E-invoicing solutions to companies.

2003 Development of an advanced Catalog Management product together with an article verification system influenced by the introduction of Radio Frequency Identification (RFID) technology.

2006 Acquisition of Digital Channel (DC). DC’s front-end marketing solution is in fact the predecessor of TIE Kinetix Content Syndication Platform. Before customers purchase a product, they orientate themselves based on product- and marketing information. This information is made available at the point of sale by using DC’s solutions.

2008 Addition of E-Commerce functionality to the product range. This can be a shop in a shop, but can also be a separate shop. With this, TIE Kinetix became a 100% E-Commerce solutions provider.

2012 Acquisition of Light B.V., strengthening both commercial and development teams in portal related front-end technologies.

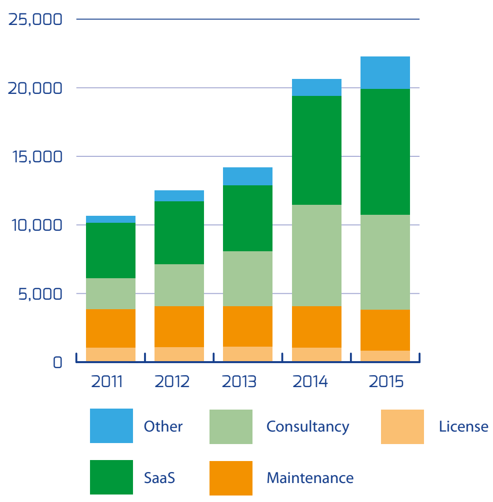
2012 Acquisition of ascention GmbH expanding geographical coverage and adding skills with respect to business intelligence solutions.

2014 Acquisition of Tomorrow Focus Technologies GmbH (TFT) expanding coverage in Germany with respect to web business performance, user experience, e-commerce strategy, consulting and hosting.

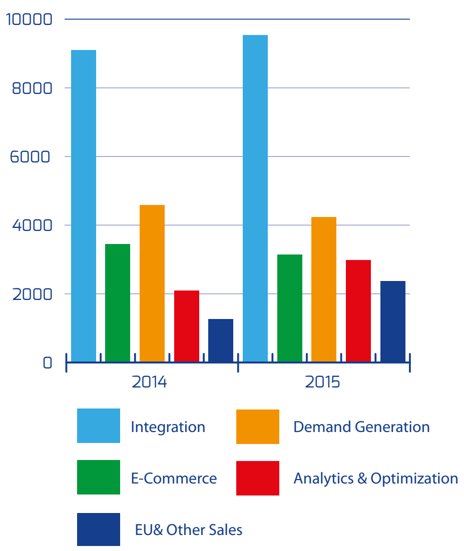
KEY BUSINESS METRICS – FINANCIAL YEAR 2015

(€ X 1,000)

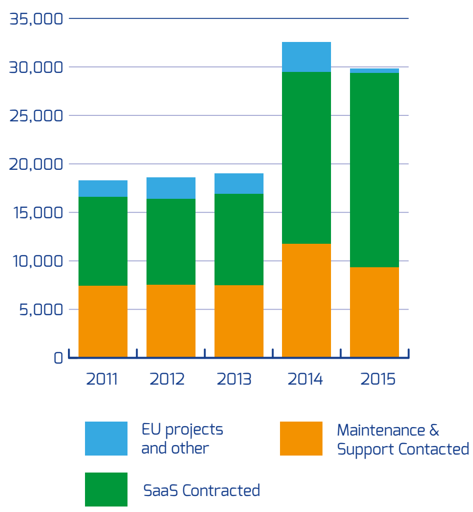
Revenue Mix Total 2011-2015



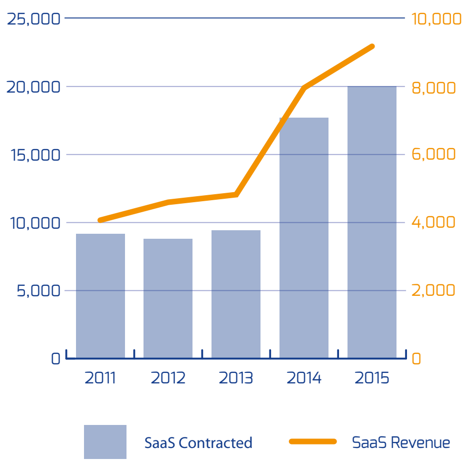
Revenue per Business Line



3yrs Contracted Value Projection 2011-2015



SaaS 2011-2015



OUR VISION

Market, Sell, Deliver and Optimize through the supply chain via the web

Our Total Integrated E-Commerce (T.I.E.) view on the digital world enables TIE Kinetix to develop and offer solutions that allow organizations to eliminate inefficient activities throughout their supply chain. Critical information needs to flow continuously and accurately through the supply chain via a number of channels. By automating and simplifying cumbersome steps in marketing, E-commerce and fulfillment through indirect channel and supply chain, TIE Kinetix has developed software solutions allowing business to accomplish more with less. Our mantra to the customer is “Making Technology perform so you can focus on your business”.

The Total Integrated E-commerce solution is a proven technology combining our proprietary solutions for Demand Generation, E-commerce (Web Shops), Supply Chain oriented B2B Integration & Integration Brokerage and Analytics & Optimization.

OUR MISSION

We provide our customers with solutions that facilitate their web-based marketing, sales and fulfillment channel strategy through the supply chain. Leveraging our platforms, TIE Kinetix will be a leading global supplier in providing customers with integrated E-commerce software solutions to facilitate them to increase sales, facilitate productivity, and provide economic vitality to the supply chain.

OUR STRATEGY

TIE Kinetix transforms the digital supply chain by providing Total Integrated E-Commerce solutions. These integrated e-commerce solutions maximize revenue opportunities by minimizing the energy and cost needed to market, sell, deliver and analyze online. Customers and partners utilizing TIE Kinetix consistently benefit from innovative, field-tested technology and are able to remain focused on their core business. TIE Kinetix develops cloud and license based solutions, backed with over 25 years of proven technology and awards.

Within the TIE Kinetix approach, the company delivers software-based web-centric solutions. These solutions empower organizations to improve their supply chain efficiency and coordination. Our integrated platforms, together called TIE Kinetix, enable trading partners to work seamlessly together on the major business processes throughout the supply chain: market, sell, deliver, optimize.

TIE Kinetix minimizes the energy needed for the major business processes through the supply chain to maximize revenue and minimize cost. Our Demand Generation platform enables channel marketeers and executives to accelerate demand generation and sales conversion for and through their independent partner community. Our E-Commerce platform provides companies with solutions that facilitate their online sales and transactions. Our Integration platform enables companies to effortlessly provide, share and control the fulfillment of transactions with trading partners through the supply chain. Our Analytics & Optimization solutions help our customers to optimize the value and revenue of their online business.

Our market focus is at specific markets where our solutions have been successful. These include Media and Publishing, Food Industry, Non Food, Telecom, IT hardware and software, Consumer Electronics, Industry & Home Improvement, Business Services and Office Supplies. Our solutions are sold in combination with strategic partners, through VARs and Distributors, and direct to end-users.

We have a longstanding historic involvement in the development of next generation technologies. Our Development is active in key topical areas such as SaaS, Cloud, Mobile, Semantics, and Interoperability in vital technologies.

OUR STORY

“We provide our customers with solutions that optimize their web-based marketing, sales and fulfillment strategy through the indirect channel and supply chain. Implementation of the TIE Kinetix platform will enhance productivity, increase demand and revenue, reduce cost and add to the bottom line.”

OUR COMPANY VALUES

TIE Kinetix has defined how it wants to achieve the goals:

» Openness and Honesty.
» Trust and Togetherness.
» Competence and Quality.

Openness and Honesty
We can only excel as an organization if we work closely with all of our stakeholders on all matters. Working closely together also means that we need to be communicative and as an organization to be open and honest in our dialogue with colleagues, clients, suppliers and shareholders.

Trust and Togetherness
Only from openness and honesty, trust and togetherness arises. We believe that we need to form a team with our colleagues, clients and all other stakeholders in all of our operations, activities and initiatives. Trust and togetherness enable us to reach our common and individual goals together.

Competence and Quality
As a software based company, we continuously build our competence and our quality on an organizational and individual level. We believe with competence and quality, in addition to software solutions, we can add value to all of our stakeholders and further strengthen our competitive edge.

OUR SOLUTIONS

From a transaction cycle perspective within a supply chain, TIE Kinetix software solutions can be grouped into four main software suites:

1

Market with: Demand Generation Solutions

Demand Generation Platform to Solutions, control and analyze content on your partner websites, email and social media to create more demand and optimize sales conversion through and for your partners

2

Sell with: E-commerce Solutions

E-commerce Solutions to put marketing instead of IT in the driver's seat of your webshop and to get ahead of the competition by being first in the market with new products

3

Deliver with: Integration Solutions

Integration Solutions to help you with the exchange of purchase orders, invoices, payment instructions and other commercial transactions with trading partners in the supply chain

4

Optimize with: Analytics & Optimization Solutions

Analytics & Optimization Solutions to turn (big) data into knowledge and to maximize the value of your solutions for online marking, sales and fulfillment.

An integration of the four software suites together forms the Total Integrated E-Commerce Solution.


TIE KINETIX
total integrated e-commerce
Reach and Exposure
Market
Analytics and Insights
Optimize
Quality and Accuracy
Deliver
Timeliness and Speed
Sell
Traffic and Intensity

DEMAND GENERATION SOLUTIONS

Business Proposition

Easily accelerate your partner program with automated content distribution, lead generation and sales conversion solutions. Join a through-partner marketing automation leader and accelerate your channel today.

For the purpose of

Companies in the B2B E-Commerce market with large numbers of independent resellers.

Revenue Model

SaaS & Consultancy (implementation)

Markets (& Geographies)

Telecom (Global)
IT (Software, Hardware) (Global)
Consumer Electronics (Global)
Home Goods (EMEA)
Insurance (US, EMEA)
Publishers (US, EMEA)

Our Showcase Partners:

Sanoma, connection, marketlogic

Our Showcase Customers:

Michelin, Fossil Group, Genesys, Hyland

E-COMMERCE SOLUTIONS

Business Proposition
Speed, agility and strategy is what sets you apart from the competition when selling online. Join TIE Kinetix in the cloud to unlock features that help increase online sales and maximize time to market.

For the purpose of
Companies in B2B & B2C that sell online.

Revenue Model
SaaS & Consultancy (implementation)

Markets (& Geographies)
Telecom (NL)
Fashion (NL)
Distribution (EMEA)
Retail (EMEA)

Our Showcase Partners:

PROGRESS SERVICE PROVIDER

Our Showcase Customers:

T-Mobile

FEGA & SCHMITT ELEKTROGROSSHANDEL

CHRIST

INTEGRATION SOLUTIONS

Business Proposition
Remove slow processing, manual work and errors from your back office. With Integration, your business will save time, money and resources through fulfillment automation.

For the purpose of
Companies that need to integrate and exchange electronic documents with their trading partners in the supply chain.

Revenue Model
SaaS, License (in combination with Managed Services) & Consultancy

Markets (& Geographies)
Food & Beverage (US, EMEA)
Manufacturing (US, EMEA)
Construction (US, EMEA)
DIY (US, EMEA)
Health & Pharma (US, EMEA)
Retail (US, EMEA)
Government (NL)

Our Showcase Partners:

Our Showcase Customers:

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ANALYTICS & OPTIMIZATION SOLUTIONS

Business Proposition
For companies doing online business, we offer services and products that raise their Business Maturity, by making web solutions fast under any circumstance, more attractive, accessible and intuitive. We aim for supporting our customers in a continuous improvement process, based on data analysis, with help of state of the art tools and lead by inspiring specialists with high expertise.

For the purpose of
To optimize the value of TIE Kinetix solutions and 3rd party online solutions for our customers.

Revenue Model
SaaS, License & Consultancy

Markets & Geographies
Across all existing markets.

Our Showcase Partners:

Our Showcase Customers:

TIE KINETIX SUBSIDIARIES & OFFICES

TIE Kinetix has offices worldwide, with our most important regions being:

» The Netherlands
» US
» Germany/DACH Region
» France

On October 1, 2015, TIE has about 149 employees, of which:
» About 37% is based in the Netherlands.
» About 25% is based in the US.
» About 29% is based in Germany/Dach region.
» About 6% is based in France.
» About 2% is based in Rest of the World

TIE Kinetix has multiple offices over the world. Below the most important offices are listed, with the number of employees and the main activities described:

1

TIE Nederland B.V. / TIE International B.V. / TIE Kinetix N.V.
The Netherlands (Breukelen)
Number of employees: 54 FTE
Activities: Headquarters and central back office (finance/legal/administration) - Executive Board and Group Management - Sales and operations (Integration, Analytics & Optimization) - Development

The operations in The Netherlands are located in Breukelen, along the highway A2.

2

TIE Kinetix DACH
Germany
Number of employees: 41 FTE's
Activity: In Munich TIE Kinetix has an office servicing the German speaking markets in Germany, Austria and Switzerland. This office serves the German speaking market in Europe (DACH region) and is the worldwide headquarter for TIE Kinetix's Analytics and Optimization products.

3

TIE Kinetix France SAS
France
Number of employees: 10 FTE
Activity: In France TIE Kinetix has an office in Montpellier and satellite sales offices in Paris and Lille. The Montpellier office provides consultancy and customer support and sales.

4

TIE Kinetix UK
United Kingdom
Number of employees: 1 FTE
Activities: Representation office for the UK clients.

TIE KINETIX SUBSIDIARIES & OFFICES

5 **TIE Commerce Inc – US (St. Paul and Boston)**

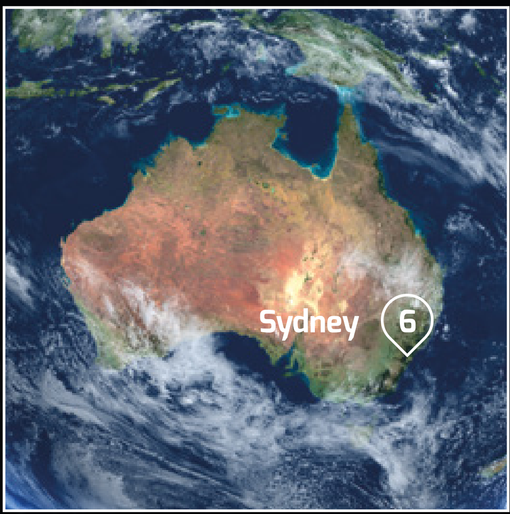
Number of employees: 36 FTE

Activity: The St. Paul office provides product support and maintenance for our integration clients. The Boston office serves the E-Commerce and content syndication market in the US and harbors TIE Kinetix's sales and marketing and technical development team for the content syndication platform. Part of TIE Kinetix's management is also stationed in this office. The Boston office also manages the development activities taking place in our off shore development center (Vietnam).

6 **TIE Kinetix Asia-Pacific Ltd. Australia**

Number of employees: 1 FTE

Activities: Representation office for the Asia-Pacific clients.




5 St. Paul
5 Boston

ORGANIZATION CHART

The Executive Board / TIE Kinetix Management Team

Chief Executive Officer:
Jan Sundelin

Chief Financial Officer:
Michiel Wolfswinkel

TIE Kinetix Management Team

Chief Operational Officer:
Brian Tervo

Chief Technology Officer:
Juan Vicente Vidagany

Chief Marketing Officer:
Patrick van Boom

Senior Vice-president
of Integration Business Line:
John Peters

Senior Vice-president Analytics
and optimization:
Erik Jan Hengstmengel

Senior Vice-president
Global Operations:
Jeanne Hentges

For a full summary of the resumes, please visit TIE Kinetix's Investor Center.

Corporate Management Structure

THE SUPERVISORY BOARD & EXECUTIVE BOARD

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THE SUPERVISORY BOARD

The role of the Supervisory Board is to exercise supervision over the policies adopted by the Executive Board and over the general conduct of business of the Company as well as to assist the Executive Board by providing advice.

In the performance of their duty, the Supervisory Board shall be guided by the interests of the Company, and shall take into account the relevant interests of all the Company's stakeholders. The Supervisory Board shall have due regard for the corporate social responsibility issues that are relevant to the Company. The Supervisory Board is responsible for the quality of its own performance.

With respect to the Supervisory Board the new legislation regarding diversity will be taken into account at the moment of new appointments of new Supervisory Board members.

Dr. Ir. A.F.L. (Ton) Veth – Chairman

Gender: **Male**
Date of birth: **October 11, 1946**
Nationality: **Dutch**
Principal position: **CEO & President, Cebra B.V.**
Other relevant positions: **None**
Date of initial appointment: **May 2003**
Current term of office ends: **May 2019**
Supervisory Board memberships of other public companies: **None**

Ton Veth has a background in electrical engineering (M.Sc) and Medicine (Ph.D). He started the first EDI projects in health care in the 80's as Director for Cendata B.V. He was appointed as Professor in EDI/eBusiness at the Technical University of Eindhoven (TU/e) in 1992. He was CEO of Cebra, a TU/e research Centre, which was dedicated to advising companies and government institutions on the application of ICT/EDI and the streamlining of their business processes and eBusiness.

Mr. Drs. E.R. (Erik) Honée

Gender: **Male**
Date of birth: **September 23, 1957**
Nationality: **Dutch**
Principal position: **Chairman Supervisory Board Applied Radar Technology B.V.**
Other relevant positions: **None**
Date of initial appointment: **May 2008**
Current term of office ends: **May 2016**
Supervisory Board memberships of other public companies: **None**

Erik Honée has a background in legal and organization sociology (Erasmus University, Rotterdam). He has over twenty years of experience as a lawyer and seven years experience as a Merger and Acquisitions consultant. In recent years, he has been a member of the Supervisory Board of Rabobank, Rotterdam (until May 2005) and member of the Supervisory Board of RT Company N.V./Vivenda Media Group N.V. (until March 2008). Erik is currently Chairman of the Supervisory Board of Applied Radar Technology B.V.,partner at Value and Creation Company (M & A), director of Merula Participaties and Beleggingen B.V., director of Honee Advocatuur Holding B.V. and investor in multiple companies.

D. (Dirk) Lindenbergh

Gender: **Male**
Date of birth: **March 6, 1949**
Nationality: **Dutch**
Principal position: **-.**
Other relevant positions: **None**
Date of initial appointment: **March 2014**
Current term of office ends: **March 2018**
Supervisory Board memberships of other public companies: **member of the supervisory board of Docdata NV, Midlin NV**

Dirk Lindenbergh obtained a Masters of Business Administration from Nyenrode Business Universiteit and studied Business Valuation at Erasmus Universiteit Rotterdam. In 2004 he followed the Advanced Management Program at Nyenrode University. In 2005 he has taken up the supervisory directors program at the same University. He has studied Philosophy at Groningen University. He founded a Company in the gaming industry which he sold in 2000 to ABN Amro Equity and NPM Capital. During the period he has also held directorships within the employers' organization of the industry on domestic and European level. He holds supervisory positions for Docdata N.V. and Midlin N.V..

THE EXECUTIVE BOARD

Chief Executive Officer

Jan brings over 15 years of executive management to TIE Kinetix. Most recently, he served as CEO and president of TallyGenicom EMEA, where he was responsible for more than € 170mln in revenue. He helped the organization return to profitability by rationalizing operations and restructuring their sales channels, and was responsible for sales and marketing in more than 60 countries.

Previously, Jan served as senior vice president of strategic planning and global sales and marketing for Minolta-QMS Mobile, a company he joined in 1989 as a sales manager and later served as EMEA president. During his tenure as senior vice president of global sales and marketing, Jan was instrumental in increasing worldwide sales from € 250mln to € 300mln. Jan Sundelin is not a member of the Supervisory Board of another listed Company.

J.B. Sundelin (Jan)
Chief Executive Officer (as of June 2008)

Date of birth: **October 21, 1960**
Nationality: **Swedish**
Date of initial appointment member of the Executive Board: **February 14, 2007**
Date of announcement reappointment as member of the Executive Board: **March 27, 2015**
Current term of office: **4 years**
Number of shares in the Company: **30,014**
Number of options in the Company: **21,148**
Number of warrants in the Company: **11,428**

THE EXECUTIVE BOARD

Dr. M. Wolfswinkel (Michiel)

Chief Financial Officer (as of August 2013)

Date of birth: **June 11, 1963**
Nationality: **Dutch**
Date of initial appointment member of the Management Board: **November 28, 2013**
Current term of office: **4 years**
Number of shares in the Company: **0**
Number of options in the Company: **0**
Number of warrants in the Company: **0**

Chief Financial Officer

Michiel Wolfswinkel (1963) studied Business Economics at the Erasmus University in Rotterdam, Business Law at the University of Amsterdam and holds a PhD in Corporate Finance/Financial Management from the Rotterdam School of Management/Erasmus University. His corporate career started with the AT&T / Unisource telecommunication venture, a subsidiary of three European PTT's, where he spent some 7 years. He subsequently held several financial management positions, taking restructuring assignments and increasingly complex mergers and acquisitions roles.

When the AT&T / Unisource venture was unwound he took senior financial management roles with MatrixOne and Eneco. At Eneco, he lead the € 250mln project financing for the off shore wind farm Amalia. In subsequent roles as CFO at the Executive Board of VDM NV and Qurius NV, both publicly quoted companies, he actively worked with capital markets in the US and The Netherlands.

IMPORTANT INFORMATION

Investors in the Ordinary Shares are reminded that their investment carries financial risks. Investors should therefore take careful notice of the entire contents of and disclosures contained within this report and the Financial Statements 2015 (October 1, 2014 September 30, 2015).

Cautionary Statement on Forward-Looking Information Certain statements contained in this report are “forward-looking statements”. Such statements may be identified by, among others:

» The use of forward-looking wording such as “believes”, “expects”, “may”, “anticipates” or similar expressions;
» By discussions of strategy that involve risks and uncertainties;
» By discussions of future developments with respect to the business of TIE Kinetix N.V.

In addition, from time to time, TIE Kinetix N.V., or its representatives, have made or may make forward-looking statements either orally or in writing. Furthermore, such forward-looking statements may be included in, but are not limited to, press releases or oral statements made by or with approval of an authorized executive officer of TIE Kinetix N.V.

Forward-looking statements are subject to risks, uncertainties and other factors that could cause actual results to differ materially from future results expressed or implied in such statements.

Important factors, which could cause actual results to differ materially from the information set forth in any forward-looking statements include, but are not limited to:

» General economic conditions;
» Performance of financial markets;
» Levels of interest rates;
» Currency exchange rates;
» Changes in laws and regulations;
» Changes in policies of Dutch and foreign governments;
» Competitive factors, on a national and/or global scale;
» TIE Kinetix’s ability to attract and retain qualified management and personnel;
» TIE Kinetix’s ability to successfully complete ongoing development efforts;
» TIE Kinetix’s ability to integrate acquisitions and manage the continuous growth of the company;
» TIE Kinetix’s ability to anticipate and react to rapid changes in the market.

Many of these factors are beyond TIE Kinetix’s control or ability to predict. Given these uncertainties, investors are cautioned not to place undue reliance on any forward-looking statement.

REPORT FROM THE SUPERVISORY BOARD

To the shareholders,

As TIE Kinetix's Supervisory Board we on the one hand advise and supervise the added value and the realization of the company's goals and strategy. On the other hand we ascertain ourselves that our span of control is aligned with the increasing complexity of the Company. Therefore an overview of what we have supervised and what we have discussed with the Executive Board is included in this report. In the financial year 2015, the Supervisory Board met 8 times and no board members were absent.

Organizational aspects

The Supervisory Board encountered some changes this year but currently consists still of three members. On November 8th, mr. Peter van Schaick resigned for personal reasons. All three members are considered independent. During his assignment Mr. Peter van Schaick holds 17,4% of the shares in TIE Kinetix, through Alto Imaging Group NV (through Jalak Investments BV) in total 213,361 shares. Therefore Mr. van Schaick could not be considered as independent according to best practice provisions II.2.2 of the Code. Since the resignation of Mr. Van Schaick, the Supervisory Board is construed in line with best practice provision III.2.1 of the Code.

The Supervisory Board notes that its composition is in line with the profile of the Supervisory Board. Each board member has his specific field of complementary expertise.

General Business

The Supervisory Board supervised and monitored the following:

The achievement of the objectives of the Company and its management

The Supervisory Board discussed the objectives of the Company and monitored the development of the results and the actual results versus the targets set. The Company aims at growing the business substantially in order to reach the scale, required for a public company, to cover the costs of being "public" and to realize a healthy profit level. First of all, the Company has shown to be able to grow autonomously. TIE Kinetix was cash flow positive (from operating activities) in the year 2015 The Supervisory Board monitored the cost structure of the Company and advised the Executive Board on all relevant aspects.

The corporate risk profile and the internal risk management and control system

The Supervisory Board discussed the Company's risk profile with the Executive Board and with the external auditor. The Supervisory Board recognizes that the risk profile of TIE Kinetix is adequately understood, monitored and acted upon by the Executive Board in a sufficient way. The Supervisory Board is satisfied with the structure and operation of the internal risk management and control system and is convinced that its (financial) consequences have been adequately reflected in the Company's processes and accounting principles.

Audit Committee

The Supervisory Board as a whole monitored the accounting and reporting processes in its functions as audit committee. In order to ensure the quality of the financial reporting process and to discuss the findings on the financial statements, the Supervisory Board has met with the Company's external auditors BDO, both with and without the Executive Board being present. The Supervisory Board closely followed whether the advices of the external auditors received a proper follow up by the Executive Board.

Meetings of the Supervisory Board

In 2015, the Supervisory Board met 8 times. The chairman advised on R&D aspects during several meetings. Additionally the other members of the Supervisory Board met several times with the members of the EB and management board in order to advice and to follow the operations closely. The Supervisory Board has also been closely involved in the process resulting from the notice TIE Kinetix received from the European Commission (EC) for a partial repayment of EU development grants.

REPORT FROM THE SUPERVISORY BOARD

The Supervisory Board Meetings financial year 2015

During the course of these meetings, the Supervisory Board evaluated the performance of the Executive Board. Hereunder the key aspects that were discussed during the year:
Number of meetings: 8

Highlights

18 November 2014
- Repayment EU Development Grants
- Budget 2015

27 November 2014
- Repayment EU Development Grants
- Samar Case
- Budget 2015
- Meeting with the external auditor E&Y accounts FY2013

1 December 2014
- Budget 2015 discussed and approved
- Remuneration Executive Board

28 January 2015
- EU Development Grants and Samar Case status update
- Remuneration Executive Board
- Terms of Reference Supervisory Board
- Preparation of Annual General Meeting 2015

12 March 2015
- Audit results in presence of Auditor BDO
- Preparation of Annual General Meeting 2015
- Terms of Reference Supervisory Board

26 May 2015
- EU Development Grants
- Preparation meeting large shareholders

11 Augustus 2015
- Financial Report
- EU Development Grants
- Strategic Plan

2 September 2015
- Strategy & Development

Remuneration Policy

The Remuneration Policy outlines the terms and conditions for the members of the Executive Board of the Company. The objective of this Remuneration Policy is to provide a structure that retains and motivates the current members of the Executive Board by providing a well-balanced and incentive based compensation.

According to article 135 of book 2 of the Dutch Civil Code, the Remuneration Policy needs the approval of the General Meeting of Shareholders. On March 27, 2015, the General Meeting of Shareholders has adopted the Remuneration Policy for 2015 and thereafter. The Supervisory Board, within the scope of the Remuneration Policy, will determine the Remuneration Plan, which will be the basis of the remuneration of the members of the Executive Board.

Term of appointment

» A member of the Executive Board will be appointed for a maximum period of four (4) years. On expiry of the four-year term, a member of the Executive Board may be reappointed for successive terms of four years each.

Termination of employment

» The contracts with the members of the Executive Board include an arrangement on the notice period required to terminate the contract.
» The contracts with the members of the Executive Board will not be renewed or will be terminated if the member of the Executive Board reaches the age of retirement, on the date as provided in the relevant pension scheme.
» Upon termination of the contract by the Company (or by a competent court on request of the Company) and provided that the special circumstances as described in the contracts with the members of the Executive Board do not apply, the member of the Executive Board will be entitled to a severance payment.

Severance Package

» The members of the Executive Board have been offered a severance package with a maximum of one (1) year's salary.

Remuneration Executive Board

» The remuneration of the members of the Executive Board may comprise of the following components:
  - salary,
  - variable compensation in the form of a cash bonus based on the realization of short term targets and the options based variable compensation as adopted by the General Meeting of Shareholders on March 27, 2015. The options based part was not implemented in 2015, because no sustainable financial performance targets were available.
  The salary includes base salary, holiday allowance, pension arrangements and lease vehicles.
» The remuneration levels are set to reflect the requirements, performance and responsibilities regarding a position in the Executive Board and the targets of the Company.
» The Supervisory Board will review the salary level of the Executive Board regularly, considering circumstances that would justify adjustments, such as changes in the individual's responsibilities, the individual as well as collective performance, developments in the business environment and developments in the salary level of personnel in the Company. The Supervisory Board shall evaluate the remuneration structure regularly in order to ensure that it meets the objective of the Remuneration Policy.
» The contract with the members of the Executive Board includes an arrangement for the reimbursement of all reasonable expenses incurred in the performance of its duties. The variable part of the remuneration is designed to strengthen the Executive Board member's commitment to the Company and its objectives. An annual bonus is linked to previously determined and objectively measurable performance targets. The Supervisory Board determined the performance targets for each individual member of the Executive Board, based on a long term operating plan. These performance targets reflect the individual responsibilities of the member of the Executive Board, such as, but not limited to, financial results and/or operational results per focus area. The performance targets are based on the Company's strategic agenda, which includes financial targets. Since these targets contain commercially sensitive information, the exact targets shall not be disclosed. However the information is available for the external auditor of TIE Kinetix.
» The Executive Board updates the Supervisory Board on the achievement against the individual performance criteria on a quarterly basis. After the end of a financial year, the Executive Board

REPORT FROM THE SUPERVISORY BOARD

prepares an evaluation of the past financial year. The evaluation includes the extent to which the individual performance targets have been met. On the basis of this evaluation and its own investigation, the Supervisory Board reviews the performance of the members of the Executive Board and decides whether the performance targets are met and therefore a member of the Executive Board should receive his bonus. The Supervisory Board may take special circumstances into consideration in determining the achievement of the targets.

Remuneration Supervisory Board

» The remuneration of the members of the Supervisory Board remained unchanged in 2015.

» The date of initial appointment and the current term of end of office of the members of the Supervisory Board is scheduled as follows:

- Dr. Ir. A.F.L. (Ton) Veth:
  Date of initial appointment: May 2003
  Current term ends: May 2019
- Mr. Drs. E.R. (Erik) Honée:
  Date of initial appointment: May 2008
  Current term ends: May 2016
- D. (Dirk) Lindenbergh
  Date of initial appointment: March 2014
  Current term ends: March 2018

Shares

» The members of the Executive Board will not be offered any TIE Kinetix shares without financial consideration, unless the specific approval of the Supervisory Board has been obtained (i.e. the shares are offered (as part of) an annual bonus). Shares in the Company, held by a member of the Executive Board, are long-term investments.

» Based upon the Remuneration Policy as adopted by the General Meeting of Shareholders of March 27, 2015, the Supervisory Board intends to introduce a Performance Share Plan in 2016 or thereafter.

Loans

» The Company does not grant its Executive Board members any personal loans, guarantees or the like, unless in the normal course of business and on terms applicable to the personnel as a whole, and after approval of the Supervisory Board. No remission of loans shall be granted.

Remuneration report J.B. Sundelin

In 2015, Mr. Sundelin had a base salary of € 234k. The remuneration including expenses (net of option expense) was paid to CAPTA Management B.V., Mr. Sundelin's consultancy company.
The Supervisory Board evaluated the performance of the CEO along the references laid down in the bonus arrangement and decided that the CEO is entitled to receive a bonus.

Remuneration report M. Wolfswinkel

In 2015, Mr. Wolfswinkel had a base salary of € 175k. The remuneration including expenses (net of option expense) was paid to Mr. Wolfswinkel.
The Supervisory Board evaluated the performance of the CFO along the references laid down in the bonus arrangement and decided that the CFO is entitled to receive a bonus.

The remuneration of the Executive Board is disclosed in detail on page 102.

A.F.L. Veth

Chairman Supervisory Board, TIE Kinetix N.V.

Bastiaan de Rijk
Support Consultant
TIE Kinetix

“At TIE Kinetix, we provide solutions that our customers can use very easily, while keeping the number of operational activities to a minimum.”

REPORT FROM THE EXECUTIVE BOARD

Developments and achievements in view of the set targets and priorities

Achievements of the last few years

Established Demand Generation business in the US with successful position and modular product offering
Established successful SaaS business model
Established E-Commerce business in new markets outside telecom, food retail and office supplies distributor.
Market leader with state-of-the-art Integration products
Stimulated Epicor to SaaS solutions in addition to license sales and international markets Asia and EU.
Acquisition and integration of Münich based TFT

Developments in financial year 2015

Further expansion of Integration offering including SAP API
Partnership with Objectif Lune
Recognition on Gartner's Magic Quadrant for Integration Brokerage
Established Google Analytics business in the Benelux
Extend coverage of Epicor relationship to Europe
Recognition of Demand Generation business by Forrester

Accountability of set targets and priorities for 2015

In 2015, we focused on organically growing our business. We planned to bring the Analytics & Optimization activity - acquired in 2014 with the acquisition of TFT - to the Benelux and expand our Demand Generation proposition in Europe. We also planned to cross sell our E-Commerce offering to other vertical and/or geographical markets. For the US, we planned to step up growth and enhance our Demand Generation and Integration business. Following the changing involvement of TIE Kinetix in EU projects, we planned to redirect and change the organization of our Development team to have a dedicated focus to develop key products for the TIE Kinetix portfolio, across all regions and business lines.

In order to achieve our goals TIE Kinetix set the following priorities for 2015:

Grow Order Intake Demand Generation	Successful
Grow Order Intake Analytics and Optimization	Successful
Cross sell E-Commerce	Not successful
Grow the 3 year contract value significantly	Successful
Launch SmartBridge III	Successful
Start to offer all solutions worldwide in all our markets	Successful
Streamline Development	Successful
Grow US revenue	Not successful

REPORT FROM THE EXECUTIVE BOARD

Review 2015

2015 was the first year in which we managed our business using Business Lines. The organization was changed to become a matrix organization, with the sales and delivery teams reporting both to the Business Line VP's as well as to local country managing directors (MD's). As with any change, transparent and clear communication plus shared goals and commitments proved to be valuable instruments in the successful adaptation of our organization model. The Management Team has taken the lead and has performed very well under sometimes challenging circumstances. Their respective teams have worked very hard in making this transition to the success it turned out to be. The Demand generation Delivery Team in the US has done an outstanding job in delivering very successful projects in Europe and the Analytics & Optimization team in Germany has been instrumental in bringing their expertise to Benelux customers.

In the summer of 2015 it became clear that we needed to change our stand alone E-Commerce offering. Our efforts to bring front-end and back-end web shop functionality to other vertical markets and to other countries turned out less successful than we planned for in 2014. We decided to integrate this functionality with our Demand Generation proposition to provide our customers with an integrated offering. We scaled down the E-Commerce management functions and the delivery team, anticipating lower activity levels.

Our Integration business has grown in line with our plan and we have been able to successfully launch our SmartBridge III platform and implement many new names such as De Bijenkorf, Bunzl, Hamilton Beach, Trident, Bechtel and Fuji Film. In fiscal year 2015, our Business Integration SaaS revenue grew with 15%. This is a solid performance in a mature market with 4-6% overall growth. We have an ambitious development road map for our Integration platforms and intend to stay ahead of the market. We are building a global delivery team to optimize the skills and expertise of our team for our customers and bring down implementation time and costs.

Our Demand Generation business successfully expanded its footprint to Europe with landmark customers Michelin and Fossil. In the US we expanded our offering with many existing accounts and delivered projects for blue chip customers such as Avaya and Infor. We were able to report growth of our Demand Generation Solution with 86% and have been recognized as Strong Performer in this market by Forrester. All in all the development of our Demand Generation business tell slightly below plan, fully due to our financial restrictions and limited investments in marketing and sales. It is becoming clear that players in this space have access to serious marketing funds to gain position in this budding market. Next to the US Demand Generation, we also report certain portal customers under Demand Generation. Without losing any customer, this part reported a 21% decline in revenue due to price erosion and fierce competition in the hosting market. TIE Kinetix intends find a strategic partner to secure access to a hybrid hosting proposition for its customers without having to invest and manage these hosting partners itself. For TIE Kinetix, such a strategic partnership should secure access to best of breed, cloud independent and cost efficient internet infrastructure in a dynamic, changing and very competitive market, allowing TIE Kinetix to focus on its core strategy – the successful delivery of a wide range of SaaS (Software as a Service) based solutions for Business-to-Business customers.

Our Analytics and Optimization business in 2015 grew with 51%. We have successfully built on the business acquired with the acquisition of TFT GmbH in December 2013. Important new customers were implemented in the Benelux (European Parliament, Landelijke Huisartsen Vereniging) and Germany (Siemens). In 2015 we were awarded Premium Partnership by Google.

In October 2014, TIE Kinetix received a notice from the European Commission for a repayment of EU development grants of € 705,075 following an audit carried out under supervision of the EC over the period

2008-2011. Furthermore, the European Commission requested that the audit findings were extrapolated over other projects that TIE Kinetix participated in. In the first half year of 2015, the full scope of the repayment of EU subsidies became clear. TIE Kinetix had to repay EU subsidies calculated at approximately € 1,085,383. for which amount a provision has been created in 2015. TIE Kinetix obtained a shareholder guarantee for EU damages up to an amount of € 2 million. On March 31, 2015 a first draw-down of € 700,000 under this guarantee was made. As at September 30, 2015 the European Commission has collected an amount of € 521,412 out of their initial claim of € 705,075. The remainder, an amount of € 183,663, may be expected to be offset against subsidies claimed by the Company for the projects the Company still participates in. As at September 30, 2015 the amount of subsidies claimed by the company for projects the company still participates in amounts to € 158,758. The Company has not yet received any further claims following its extrapolation of audit findings sent to the EC on July 15th, 2015. Depending on the final EC claim following the July 15, 2015 extrapolation, the company may have to issue additional shares under the shareholder guarantee agreement. However, at this stage the company has no indication that this second draw down would exceed an amount of € 500,000. The company and the guarantor have agreed to issue the guarantee fee of € 300,000, payable in shares to be issued at €6.11, at a later date, awaiting final completion of the EC claim process. As at September 30, 2015 the projects Simpli-city, Intuitel, Arum, Adventure and Premanus have been completed or are in the final stages of completion. The Company currently participates in the projects Alfred and SAM (both terminating Sept. 2016) and Accept (terminating Sept 2017). The company will not engage in large scale European Commission projects in future.

Integrated Report

TIE Kinetix attaches great importance to Corporate Social Responsibility (CSR), which is an essential component of our business strategy. In this Annual Report, we made provide accountability for both our financial and social performance, and describe how we strive to create added value in diverse areas.

Management Statement

In accordance with the EU Transparency Directive as incorporated in chapter 5.25c paragraph 2 sub c of the Dutch Financial Supervision Act (Wet Financieel Toezicht), the Management Board confirms to the best of its knowledge that:

a) the annual financial statements for the year ended September 30, 2015 give a true and fair view of the assets, liabilities and financial position and comprehensive income of TIE Kinetix N.V. and its consolidated companies;
b) the management report presented in the Annual Report gives a true and fair view of TIE Kinetix N.V. and its consolidated companies as of September 30, 2015 and the state of affairs during the financial year to which the report relates;
c) the annual management report describes the principal risks the Company is facing.

REPORT FROM THE EXECUTIVE BOARD

Management's Discussion and Analysis

(all amounts are in € x 1,000 unless otherwise stated)

Annual Results of Operations and Financial Position

The following table sets forth the main items in the Company's Statement of (Comprehensive) Income for the respective financial years:

Figure: Annual Result of Operations and Financial Position

Income Statement*	2015	2014**	Δ 2014
Total Revenue	22,263	20,474	9%
Direct Purchase Costs	(11,565)	(10,241)	11%
Gross Margin	10,698	10,233	5%
Total Operating Expenses	(12,088)	(9,990)	17%
Non-Recurring expenses included in Operating Expenses	(1,993)	(727)	64%
EBITDA	(134)	1,100	-921%
Operating Result	(1,390)	243	-117%
Net Income	(2,366)	439	-119%

Balance Sheet			
Shareholders' Equity	4,308	5,975	-28%
Equity	4,353	6,020	-28%
Balance Sheet Total	15,851	15,994	-1%
Solvency Ratio	27%	38%	-27%

Cash flow from operating activities			
Cash flow from operating activities	656	1,982	-67%
Normalized Net Cash Flow from operating activities	2,649	2,709	-2%

In 2015 we generated a net loss of € 2,366k (2014: net profit € 439k). Total revenue increased with 8.7% to € 22,263k (2014: € 20,474k). Operating expenses 2015 increased by € 2,098k compared to 2014. Cash Generated in operations is € 656k (2014: € 1,982k), and is negatively impacted by cash effect of onetime expenses (€ 1,993k).

Shareholders' Equity amounts to € 4,308k on September 30, 2015 (€ 5,975k on September 30, 2014). On September 30, 2015 the Company held a cash position of € 692k (€ 594k on September 30, 2014). In March 2015 additional equity of € 700k was issued for payment of the EC claim.

*) The companies included in the Company's Statement of (Comprehensive) Income are disclosed on page 108.

**) Adjusted for presentation purposes.

Revenue Analysis

The following tables provide the breakdown of total income by category and region (and the percentage of total net revenues represented by each category) for the financial years indicated:

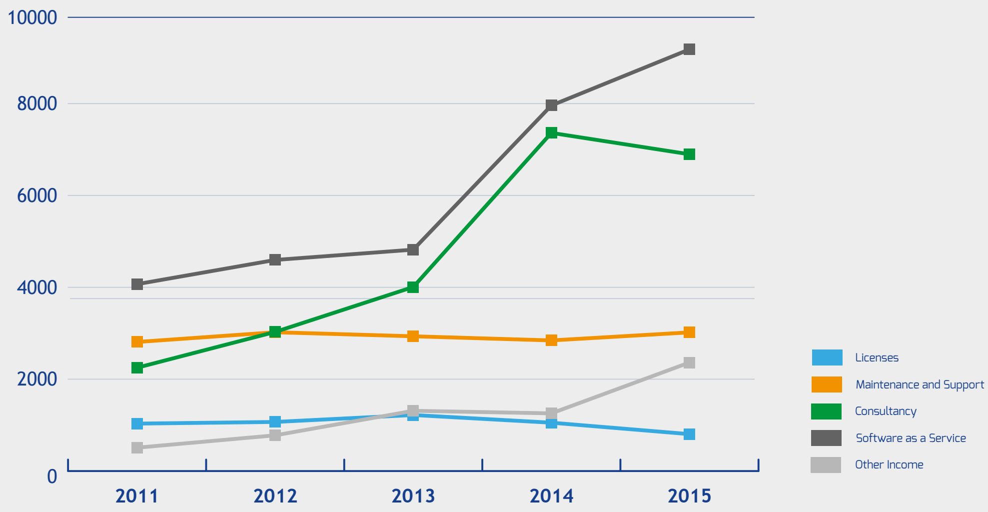
Figure: Total Revenue 2015 - 2014

Total Income and Income Net of Direct Purchase Costs	2015		2014*	
Licenses	804	3%	1,053	5%
Maintenance and Support	3,019	14%	2,844	14%
Consultancy	6,897	31%	7,362	36%
Software as a Service	9,180	41%	7,959	39%
Revenues	**19,900**	**89%**	**19,218**	**94%**
Other Income	2,363	11%	1,256	6%
Total Revenue	**22,263**	**100%**	**20,474**	**100%**
Direct Purchase Costs	(11,565)	(52%)	(10,241)	(50%)
Revenue net of Direct Puchase Costs	**10,698**	**48%**	**10,233**	**50%**

*) Adjusted for presentation purposes.

REPORT FROM THE EXECUTIVE BOARD

Figure: 5-year development of revenue for the period 2011-2015



The figure shows that revenue of Software as a Service (SaaS) is growing year on year and is the single largest revenue driver with 41% (2014: 39%). Revenue from maintenance and support activities is (in €) relatively stable over the years at € 3,019k (2014: € 2,844k). License revenue continues to decrease as our customers prefer SaaS delivery of our solution, which is fully in line with TIE Kinetix's strategy. The growth of our SaaS revenue does improve the quality of our revenues and fits our goal to generate a sustainable revenue stream.

SaaS refers to the delivery of our hosting, webEDI (TiedByTIE), EDI managed services and Value Added Network services; they all are part of the Business Integration Solution. These services are generally provided on the basis of a 12, 24 or 36 months contract whereby fees are based on actual use of the service or a subscription fee or a combination of thereof. SaaS revenue also includes revenue from Demand Generation and E-Commerce; these services are provided on a subscription basis with a fixed contract period, generally 12 months upto 36 months.

Revenues are accounted for on a percentage of completion bases based on IFRS standards. Maintenance and Support is the annual maintenance fee for maintenance/updates of sold licenses.

In FY 2015 our Consultancy Revenue has decreased with 6% compared to financial year 2014, due to lower activity in Germany, attributable to lower chargeable customer hours and in the US, partly attributable to the introduction of new time tracking tools and partly attributable to lower chargeable customer hours.

Other Income amounted to € 2,363k (2014: € 1,256k), and predominantly relates to EU Development Projects. As at September 30, 2015 the projects Simpli-city, Intuitel, Arum, Adventure and Premanus have been completed or are in the final stages of completion. The Company currently participates in the projects Alfred and SAM (both terminating Sept. 2016) and Accept (terminating Sept 2017). The company will not engage any more in large scale European Commission projects in future.

3 years Contracted 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 Q4, 2015 the total three year contract value amounts to € 31,1 million (Q4, 2014: € 32,5 million) and is primarily driven by multi-year maintenance agreements, SaaS and Hosting agreements and EU projects. This provides TIE Kinetix with a solid basis for further investments in Sales and Marketing and to further develop our SaaS offerings to service the Business to Business to Consumer markets. The decrease in three year contract value is due to the reduction in three year contract value in EU projects (Q4, 2015: 495k; Q4, 2014: € 2,983k).

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. In FY 2015, the three year SaaS value increased with 13,2% to over € 20 million as at September 30, 2015.

Customers and Resellers

The Top 10 customers contributed to 37% (2014: 30%), with an average sales value of € 819k (2014: € 611k). The increase in sales value is caused by large Analytics and Optimization contracts generating primarily SaaS and consultancy revenue.

Highlights in 2015

30-10-2014	TIE Kinetix announces repayment of EU Development Grants
10-11-2014	Statement Supervisory Board TIE Kinetix
10-11-2014	TIE Kinetix reaches agreement with guarantor to cover repayment of EU Development Grants
19-11-2014	Trading Update Q4 and Full Year Financial Statements
27-01-2015	Publication of Annual report 2014
06-02-2015	Update on Reclaim EU Development Grants
11-02-2015	Trading update: Profitable Operations, Strong Order intake and Losses on EU Projects
12-02-2015	Convocation Annual General Meeting of shareholders
06-03-2015	TIE Kinetix settles dispute with Samar
13-03-2015	TIE Kinetix appoints new Chief Technology Officer
27-03-2015	Annual General Meeting of Shareholders approves all proposals
02-04-2015	Update on EU Development Grants: new shares issued
20-05-2015	First Half year FY 2015 Results: Solid growth in Saas revenue
11-08-2015	Trading Update Q3: Strong Q3 performance

Subsequent Events

01-10-2015	TIE Kinetix announces strong Q4 Order Intake
16-10-2015	TIE Kinetix and Leaseweb announce strategic partnership

REPORT FROM THE EXECUTIVE BOARD

Operating Expenses and Non-Recurring Expenses

The following table provides a breakdown of the total operating expenses for the financial years indicated:

Operating Expenses	**2015**	**As % 2015**	**2014***	**As % 2014**
Indirect and Other Employee Costs	5,069	42%	5,084	51%
Non-Recurring Expenses	1,993	16%	727	7%
Depreciation and Amortization Expense	1,172	10%	857	9%
Impairment Customer Base	84	1%	-	0%
Other Operating Expenses				
Accommodation Expenses	655	5%	728	7%
Professional Services	567	5%	494	5%
Communication Expenses	468	4%	591	6%
Marketing	531	4%	476	5%
Travel Expenses	445	4%	451	5%
Supplies	403	3%	330	3%
General & Administration	701	6%	252	3%
Subtotal Other Operating Expenses	**3,770**	**31%**	**3,322**	**33%**
Total Operating Expenses	**12,088**	**100%**	**9,990**	**100%**

*) Adjusted for presentation purposes.

Product Development

During financial year 2015, the focus of development in TIE Kinetix has been a) the convergence of our solutions, b) the exploitation of product synergies, c) the standardization of approaches, technologies and procedures and d) the integration with 3rd party systems. The overall goal was to initiate the fusion of TIE Kinetix's solutions into one enhanced solution.

During the year, our products have been growing towards public and hybrid cloud deployment approaches so as to benefit from the latest and most efficient technologies. Additionally, an important aspect has been the production of joint data resources to advanced and customizable analytics for our customers.
TIE Kinetix's Integration Solutions have improved tremendously through the development of semantic mapping solutions and SOA (Service Oriented Architecture) capable exchange platforms, allowing TIE Kinetix to provide its customers with " out of the box", easy, solutions for data integration. Some examples of these approaches are the integration between our Demand Generation Solution and salesForce, the creation of different connectors to very popular solutions and the integration of Lead management capabilities into the TIE Kinetix Portfolio.

All these developments have been driven by an enhanced global development team, with seamless global collaboration and free exchange of knowledge flows contributing to enhanced individual and collective skills.

Financial Income and/or Expense

Interest Income relates to received interest on the bank accounts; The Interest expense consists of interest paid.

Figure: Financial Income and/or Expense

Financial Income and/or Expense	2015	2014
Interest Income	31	3
Interest Expenses	(146)	(73)
Exchange gains/(losses)	(63)	(20)
Total	**(178)**	(90)

Impairment of Intangible Assets

Cash generating units are identified in line with the way management monitors, and will continue to monitor, the business. This is based on the internal reporting to the Executive Board as main decision-making body in the company. From October 2014 onwards, our planning is primarily based on business line segments. In certain instances, such as for statutory reporting, tax reporting and recognition of cash generating units country segments are used. Starting October 1, 2014 all revenue, direct costs and fee earning staff are allocated to business lines. To avoid arbitrary and volatile allocation, indirect costs and non-fee earning staff are not allocated directly to business lines, but rather allocated to country operations (or holding functions). With the introduction of Business Lines, the company applies an intercompany transfer pricing mechanism to account for the various roles the respective country operations have in the value chain towards its customers. As the case may be, the company identifies sales roles, product ownership roles and development roles, with each role rewarded commensurate with its place in the value chain. The intercompany pricing mechanism may distort the intra year as well as the year-on-year country segment comparison.

TIE Kinetix has four business lines: Integration, E-Commerce, Demand Generation and Analytics & Optimization. TIE Kinetix currently has country operations in the Netherlands, in the US, in Germany, and in France. This leads to the cash generating units TIE Kinetix Nederland/International, TIE MamboFive, TIE Kinetix France, TIE Kinetix US, TIE Kinetix Germany incl. DACH and TIE Product Development.

As in prior years we have used a discounted cash flow model to determine the value in use, based on a 12% WACC and 10 years horizon. TIE Kinetix has assessed the assumptions regarding expected growth rates, and has conducted sensitivity tests with WACC of 11% and 12%.

Management assessed that during the year no triggering event has occurred and has conducted annual impairment testing. Management assessed that for all cash generating units the Value in Use [IAS 36.30-57] exceeds Carrying Value [IAS 36.8-9]. Furthermore, management has no indications that individual assets of any cash generating unit may be impaired.

REPORT FROM THE EXECUTIVE BOARD

Income Taxes

The carrying value of the net Deferred Tax Asset in the Netherlands amounts to € 0 (2014: € 347k, refer to page 86). Management has decided to derecognize the carrying value of the Netherlands Deferred Tax Asset pertaining to the realization of the tax loss carry forward position, because of low track record of cash flow against plan realization given the company's recent and unexpected EU damages.The carrying value of the Deferred Tax Asset in the US amounts to $ 1,310k in the US (2014: $ 1,694k). For France an amount of € 12k has been included under short term receivables due to the compensatory character of the tax position. The carrying value of the Deferred Tax Liability in the Netherlands amounts to € 251k (2014: € 233k), in Germany amounts to € 62k (2014: € 109k) and for TIE Light amounts to € 18k (2014: € 18k) and is discussed in more detail on page 95.

Cash Position

On September 30, 2015, the Company held positive cash and cash equivalents of € 692k (2014: € 594k). The cash flow generated in operations amounted to € 656k (2014: €1,982k).

Risk Assessment & Risks

The Company's activities expose it to a variety of risks, including market risks (currency risk and interest rate risk) credit risk, and liquidity risk. Financial instruments held are accounted for under Assets (Loans and Receivables) and Equity (Convertible Bonds). The risks are monitored on a recurring basis at a Management Board level, applying input received from Management in the individual geographical areas, with whom the Management Board has contact on regular basis.

The risk analysis focuses predominantly on business risks that result in managerial decisions, in particular with respect to:

» Span of control, i.e. oversight.
» Commercial dependency of our partners.
» Our churn rate and retention rate.
» Downtime of datacenters.
» Contractually agreed (SLA) obligations.
» Legal aspects.
» Financial Disclosure.
» Acquisitions.
» Entering new markets.

Financing and funding decisions are made at Management Board level, guaranteeing that management is aware of any changes and developments. Individual debtors with collectability issues are discussed on an item-by-item basis. The Company neither holds nor issues financial instruments for trading or hedging purposes.

Fair value

The Company does not hold any financial assets or liabilities accounted for at fair value through the Profit and Loss Account. Fair values disclosed are calculated based on current interest rates, taking into account the terms and conditions of the financial asset or liability. In most cases, fair values will equal the carrying value of the item.

Currency Risk

The Currency Risk is discussed on page 77 of this report.

Credit Risk

The Credit Risk is discussed on page 77 of this report.

Liquidity Risk

The Liquidity Risk is discussed on page 78 of this report.

Interest Rate Risk

The Interest Rate Risk is discussed on page 79 of this report.

Legal Cases - Samar B.V.

Since December 2007, TIE Kinetix has been involved in discussions and subsequently in legal proceedings with Samar. For further information on these proceedings, reference is made to TIE Kinetix's previous press releases on the matter.

On March 6, 2015 TIE Kinetix announced that it had reached an out of court settlement with Samar. The settlement includes 26 monthly payments of € 10,416 by TIE Kinetix to Samar commencing March 2015, and totaling an amount of € 270,816. With this payment, parties grant each other full and final discharge with regard to all claims.

As at September 30, 2015 7 instalments of € 10,416 (totaling € 72,912) is of extraordinary nature and reflected under operating expenses whilst an accrued expense has been recognized for the remaining 19 installments (amounting to € 197,904).

Acquisition Strategy

TIE Kinetix strives for long term sustainable growth of the offering of its products and services. Such growth implies a strong foothold in the world most important markets. To achieve such a position TIE Kinetix will strive to grow both organically and through acquisitions. TIE Kinetix's acquisition strategy consists of four pillars by which the acquisition candidate will be evaluated:

1. Additional expertise and know-how will be added to the existing knowledge base.
2. With the acquisition TIE Kinetix further expands its global footprint.
3. The acquisition will significantly contribute to the revenue targets.
4. Financing the acquisition by means of issuance of new shares will only be done if the earnings per share improve with the acquisition.

CORPORATE SUSTAINABILITY

It is the role of the Executive Board to manage the corporate responsibility issues that are relevant to the Company. As such the Company focuses on several subjects and the corporate responsibility aspects thereof. This chapter provides an overview of the important subjects in light of the corporate social responsibilities. As a whole, the Company is committed to achieve a correct balance between growing as a company and our corporate responsibility.

Our Employees

Employees are very important to TIE Kinetix and our employees are the driving force behind our success, and critical to TIE Kinetix's profitability, sustainability and long-term growth we strive to be a good employer and invest in engaging, supporting and developing our people and treating their safety and wellbeing as a paramount concern. Personal growth of our staff is of great value to the Company. This can be obtained through setting challenging targets, guidance by the management and education. The personal growth of the staff members is closely monitored and recurring evaluations and assessment meetings take place.

Since the worlds of mobile, social media, big data, and multi-channel are changing, TIE Kinetix and its business is changing as well. All these changes necessitate a more result-oriented approach. This belief is the reason for TIE Kinetix to further improve its existing performance and competency management towards its employees in 2016, in order to enable and optimize the realization and support of the organizational strategy.

The workforce of TIE Kinetix is diverse and multicultural as TIE Kinetix employs a large variety of nationalities. In official announcements and communication TIE uses English as the main international business language. As a result thereof the non-native English speakers may be offered training in the English language. In order to improve the integration, TIE Kinetix has additionally offered Dutch lessons to the foreign staff members in the Netherlands.

In general TIE Kinetix aims to provide its staff members with safe and healthy working conditions. The absence due to illness in financial year 2015 amounted to 0.83% (excl. pregnancy leave, 2014: 0.86%), which is low compared to the average of 3,3% in the same period for the commercial services sector in The Netherlands (source: Statistics Netherlands/Centraal Bureau voor de Statistiek).

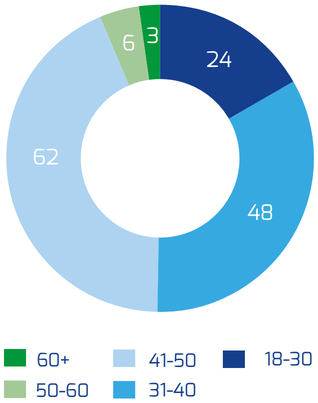
TIE Kinetix provides extra encouragement to employees in the Netherlands by offering them an extra vacation day if they have not been ill during a certain period. By facilitating its employees the possibility to balance their private life with their business responsibilities, TIE Kinetix endorses "Het Nieuwe Werken" in the Netherlands. TIE Kinetix offers flexible working hours and an extensive special leave arrangement as well.

Compliance with Laws and Regulations

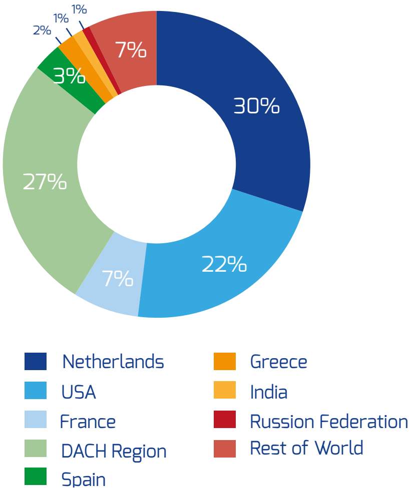
TIE Kinetix will abide by all human rights and supports the development of them wherever it operates within the legitimate role of business. TIE Kinetix rejects any restrictions to free trade other than duly enacted national and international laws.
TIE Kinetix offers its employees and applicants equal opportunities, and does not tolerate any form of harassment or unfair or unlawful discrimination based on race, age, gender, sexual orientation, disability or national origin. TIE Kinetix has a policy in place for dealing with complaints regarding harassment or discrimination. Additionally, TIE Kinetix has a Whistleblower's policy in place, allowing employees to report suspected irregularities without jeopardizing their positions.

The Code of Conduct has been drawn up to provide all of our employees with a clear set of guiding

Age distribution



Nationalities



principles on integrity and ethics in business conduct.

TIE Kinetix recognizes the employees' right to organize them in order to protect their own rights. As of 1999, TIE has a Worker's Council (Ondernemingsraad) in the Netherlands. As of 2005, this Worker's Council has continued on a voluntary basis, due to the number of employees in the Netherlands. In 2015 both members stepped down their position from the Worker's Council. As at September 30, 2015 the appointment of a new Worker's Council is pending.

Also, TIE Kinetix has regulations on insider knowledge in place, preventing trading with insider knowledge. Every employee, executive, specified person, Executive Board member and Supervisory Board member is to inform the Compliance Officer of its intention to trade in TIE Kinetix shares prior to any transaction. The Compliance Officer is the Chief Financial Officer of the Company, ensuring that every employee, executive, specified person, Executive Board member and Supervisory Board member abides by the applicable laws and restrictions. The silent period, in which every employee, executive, specified person, Executive Board member and Supervisory Board member is prohibited from trying to execute and/or executing a transaction TIE Kinetix shares, irrespective of whether or not he or she possesses insider knowledge, is published on our website and communicated at the start of every silent period.

As of October 1, 2007, personal liability insurance is in place for members of the Supervisory Board and the Executive Board. More information on compliance with laws and regulations can be found in the Code of Conduct and together with our other policies, published on our Investor Center, section Corporate Governance, Policies & Procedures.

Investor Relations

TIE Kinetix's Investor Relations objectives are aimed at maintaining and improving relationships with existing shareholders and developing relationships with new investors. The overall goal is to increase transparency, minimize information asymmetry and to reduce stock price volatility. We develop relations with analysts with the aim to clarify our strategy and achievements. We aim for transparent communication and we therefore provide detailed, clear and timely information to existing and potential shareholders, financial analysts and the media. We also operate an open-door policy with regard to enquiries.

TIE Kinetix provides its shareholders and financial market stakeholders with similar and simultaneous information about potentially price sensitive matters and is very careful with contacts between company executives and shareholders and analysts. TIE will not engage in actions that might compromise analyst independence and does not assess, comment on or correct - other than factually - any analysts' reports or analyst valuations.

CORPORATE SUSTAINABILITY

TIE Kinetix communicates with shareholders and analysts through regular meetings such as our Annual General Meeting of Shareholders or bilateral meetings as the case may be. Bilateral meetings are organized to ensure that (potential) shareholders receive a balanced and comprehensive view of our performance and strategy and the issues we face in the execution of our goals. In all our contacts we are always careful to observe the rules on fair disclosure, equal treatment of shareholders, insider trading and transparency in all our communications.
TIE Kinetix publishes an annual report, semi-annual results and quarterly trading updates. In addition, TIE Kinetix keeps its stakeholders informed through press releases. TIE Kinetix also issues press releases of a commercial or strategic nature, if and when the company deems that to be of interest to its stakeholders. Commercial sensitivity may prevent us from disclosing contract details (such as customer names, transaction value etc.). TIE Kinetix's policy is to issue a press release when it receives an order with an order value exceeding € 250,000, or an order of strategic nature or when TIE Kinetix engages in a strategic partnership. TIE Kinetix also issues a press release when its monthly cumulative order value exceeds € 1 million for any given month.
Contacts with the capital markets are always dealt with by the Executive Board (or Supervisory Board as the case may be) or other personnel mandated to this extend by our Executive Board.

Our Carbon Footprint

Our solutions

At TIE Kinetix we are dedicated to fulfill our corporate social responsibility. This dedication reflects in our continuous efforts to develop software solutions which contribute to the digital processes and connecting business processes within the E-Commerce environment. Through our solutions, TIE Kinetix improves to the sustainability profile of all stakeholders within supply chain from end to end.

An example is e-invoicing as business processes within the E-Commerce supply chain, which decreases paper-usage. With our FreeConnect platform, we provide SME's a paper-free solution to digitally process their invoices.
Our solutions in The Netherlands are predominantly hosted at LeaseWeb. LeaseWeb is dedicated to corporate social responsibility as they are constantly addressing their practices to ensure that they are kept sustainable, and for that reason LeaseWeb utilizes green datacenters. LeaseWeb is also connecting more clients to their cloud products daily, which results in improved resource utilization.

Our office in Breukelen, The Netherlands

Our office has a parking lot which is fully lit by LED-lights and is equipped with moving sensors for lighting the office. The office also accommodates charging of electric cars, various cars leased by TIE Kinetix are electric or hybrid.

Outlook for Financial Year 2016

The introduction of Business Line management and Business Line measurement within TIE Kinetix was a first step to bring more focus to TIE Kinetix, its operations and the management thereof. Since its introduction TIE Kinetix has benefitted from more efficient delivery processes, more focused sales and management. Our stakeholders have been able to reap the benefits in significantly enhanced transparency of our performance. We intend to bring further focus to our strategy and our operations. Further focus in our Development activities will become visible as our aim is to converge our solutions into one enhanced solution, to be brought to the market in 2016. Further focus in the way TIE Kinetix is purchasing hosting capacity for its SaaS solution worldwide will be achieved through partnering. This is a logical consequence of the strategic decision not to develop an own in-house hybrid hosting proposition but to partner with a strategic partner who secures access to best of breed, cloud independent and cost efficient internet infrastructure. Further focus in the Integration Business Line will be achieved in the establishment of a world-wide Integration Team, and worldwide product development. The aim is to improve efficiency, reduce cost and facilitate customer on-boarding. Ultimately this will result in the merge of Integration platforms. More focus in E-Commerce will result in enhancing our proposition by integrating E-Commerce functionality into all our platforms therewith giving our customers access to this expertise.

Financial Calendar 2016

January 27, 2016 until February 17, 2016 - Closed Period
» February 17, 2016: Publication of the Q1 Trading Update
» March 31, 2016: Annual General Meeting of Shareholders

April 28, 2016 until May 19, 2016 – Closed Period
» May 19, 2016: Publication of the 1st half year results

July 27, 2016 until August 17, 2016 – Closed Period
» August 17, 2016: Publication of the Q3 Trading Update

October 26, 2016 until November 16, 2016 – Closed Period
» November 16, 2016: Publication of the annual results

CORPORATE GOVERNANCE

The Dutch corporate governance code is an important code for Dutch listed companies, regulating the relations between the company, its shareholders and its corporate bodies, the Executive Board and the Supervisory Board. The Code is self-regulatory in nature and is based on the principle known as “apply or explain”.

This means that a company may deviate from the principles and the best practice provisions of the Code, provided that, in its annual report, it gives a sound reason as to why such deviation has been made.

Legal framework

TIE Kinetix N.V. (the “Company”), is a public limited liability company, established under the laws of the Netherlands. Its shares are listed on NYSE Euronext, Amsterdam. As such, several laws and regulations apply to the Company: the Dutch Civil Code, the Dutch securities laws such as the Dutch Financial Supervision Act, the NYSE Euronext listing rules and the Dutch corporate governance code (the “Code”). Additionally, the Company, the Executive Board, the Supervisory Board and the staff members are bound by the Company’s Articles of Association, the Terms of Reference of the Supervisory Board, the Terms of Reference of the Executive Board, the Code of Conduct, the Compensation Policy, the Insider Knowledge Regulations, the Whistleblower Policy and several internal procedures. More details and the most recent documents can be found on our website,

http://investorcenter.tiekinetix.com/corporate-governance/governance-structure.

Shares and shareholders

Up to June 3, 2015, the Company’s authorized share capital amounts to € 14 million, consisting of 2 million ordinary shares, with a nominal value of € 7,-. Subject to the decision of the General Meeting of Shareholders on March 27, 2015, the Company has changed its Articles of Association on June 3, 2015, in order to change the Company’s authorized share capital to € 500,000, consisting of 5 million ordinary shares, with a nominal value of € 0,10.
The General Meeting of Shareholders decides on resolutions with regard to the issuance of shares and may grant this authority to another company body for a period up to five years. At the issuance of shares, each shareholder has a pre-emptive right proportional to his existing shareholding, subject to statutory provisions. The pre-emptive right may be restricted or excluded by a resolution of the General Meeting of Shareholders or by another company body if it has been authorized to do so by a resolution of the General Meeting of Shareholders, for a period up to five years.

On March 27, 2015 the General Meeting of Shareholders decided the prolongation of the authorization of the Executive Board to issue shares and rights to acquire shares (options, warrants, convertibles) and to restrict or exclude any pre-emptive rights for a period of 18 months. The issuance of new shares is restricted to a maximum of 10% of the authorized capital and in case of an acquisition to an additional issuance of 10%.
The Company does not have an anti-takeover provision.

Shareholders who have reported their interest in the Company pursuant to Chapter 5.3 of the Dutch Act of Financial Supervision are Mr. P.P van Schaick (through Alto Imaging Group N.V.) 17.4%, Mr. C.J.W.A. Komen (through DW Vastgoed Beleggingen B.V.) 19.6% and Objectif Lune International Inc, 8.7% all excluding potential interests. No shareholders agreements have been concluded between the Company and these major shareholders, except with respect to one agreement for the issue of shares in order to cover the damage the Company will suffer as a result of the EU Claim. On request of the shareholder, its identity will be treated as confidential.

Shareholders meeting and voting rights

Responsible corporate governance requires the fully-fledged participation of shareholders in the decision-making in the General Meeting of Shareholders. The Company attaches great value to shareholder relations. In line with relevant laws and regulations, the Company provides all shareholders and other parties in the financial markets with equal and simultaneous information about matters that could have a significant influence on the price of the Company's listed securities, thereby taking into account possible exceptions permitted by those laws and regulations. The Company regularly issues press releases and maintains a mailing list of interested parties. The Company actively communicates its strategy and the developments of its business to the financial markets. The dates of publication of the quarterly results are announced well in advance and these publications are accessible online. Meetings with analysts, investors and shareholders are announced on the Company's website or through press releases. At least once a year a General Meeting of Shareholders is convened by a notice on the Company's website, announcing the meeting date and place, the registration date, the agenda of the meeting with explanatory notes and the procedure for attendance. In accordance with Dutch law the shareholding at the registration date is decisive for the right to attend and address the meeting and to exercise voting rights, notwithstanding a subsequent sale of the shares. Each share entitles its holder to cast one vote. Resolutions are passed by a simple majority of the votes cast, unless Dutch law or the Articles of Association require a larger majority.

Amongst other things the General Meeting of Shareholders decides on the adoption of the financial statements, the appropriation of the net results, the (re)appointment, discharge and remuneration of the members of the Supervisory Board, material changes of the Remuneration Policy, the (re)appointment and the discharge of the members of the Executive Board, the appointment of the external auditor, the authorization of another company body to issue new shares, the amendment of the Articles of Association, and other important matters such as major acquisitions or the sale of a substantial part of the Company. The Company prepares a list of decisions made during a shareholders meeting and publishes it on the Company's website. The Company also prepares the minutes, which will be set by the shareholders at the next General Meeting of Shareholders.

The Company has discussed the option to enable shareholders to vote remotely in the General Meeting of Shareholders by using electronic communication devices. At present the opinion of the Executive Board is that, given the size of the Company, the use of such devices will not improve the transparency of the decision-making process.

Amendment of the Articles of Association

At the Annual General Meeting of Shareholders of March 27, 2015, it has been decided to amend the articles of association of the Company as described above. Other amendments have not been made in 2015.

Executive Board

The Executive Board is entrusted with the management of the Company. This means that it is responsible for the achievement of the Company's targets, its strategy with the associated risk profile, the development of the results and the social aspects of doing business relevant to the Company. For its management the Executive Board is accountable to the Supervisory Board and the General Meeting of Shareholders. In the performance of its duties, the Executive Board is guided by the interests of the Company, taking the relevant interests of all stakeholders into account.

The Executive Board performs its activities under the supervision of the Supervisory Board. The Executive Board attends the meetings of the Supervisory Board with exception of the meetings focusing on the evaluation of the Supervisory Board and the Executive Board and the annual meeting with the external auditor. The Executive Board provides the Supervisory Board timely with all information essential for the Supervisory Board to exercise its duties.

The Executive Board consists of Mr. J.B Sundelin and Dr. M. Wolfswinkel. Dr. Wolfswinkel joined the company as CFO on August 19, 2013 and has been appointed to the Executive Board on November 28, 2013. Mr. J. Sundelin, CEO, has been a member of the Executive Board since February 2007. His term is renewed at the Annual General Meeting of Shareholders of March 27, 2015 and will end on March 13, 2019. The remuneration of the members of the Executive Board has been set in conformance

CORPORATE GOVERNANCE

with the Remuneration policy of the Company and is in line with the provisions of the Code. The severance package of the Executive Board is in line with best practice provision II.2.8 of the Dutch corporate governance code. More information about the remuneration of the Executive Board can be found in the notes to the consolidated statement of comprehensive income.

The Executive Board avoids (the appearance of) conflicts of interests between the Company and a member of the Executive Board. All transactions in which a conflict of interest exists or is deemed to exist must be concluded on terms at least customary in the sector concerned. Resolutions for entering into such transaction must be approved by the Supervisory Board. In the financial year 2015, there were no reports on conflicts of interest.

Supervisory Board

The role of the Supervisory Board is to exercise supervision over the policies adopted by the Executive Board and over the general conduct of business of the Company as well as to provide the Executive Board with advice. The general duties of the Supervisory Board include supervising, monitoring and advising the Executive Board on the realization of the Company's operational and financial objectives, the corporate strategy, the risks inherent in the business activities, the design and effectiveness of the internal risk management and control systems, the main financial parameters, the financial reporting process, compliance with applicable laws and regulations, the relationship of the Company with its shareholders and the corporate social responsibility issues that are relevant to the Company. In the performance of its duties, the Supervisory Board is guided by the interests of the Company and takes the relevant interests of all the Company's stakeholders into account. The Supervisory Board is responsible for the quality of its own performance.

The Supervisory Board of the Company consists of Dr. Ir. A.F.L. Veth, chairman, Mr. Drs. E.R. Honée and D. Lindenbergh. Mr. P.P. van Schaick resigned for personal reasons at the beginning of the fiscal year 2015, on November 8th 2014. Further information about the members of the Supervisory Board can be found in the report of the Supervisory Board as included in this annual report. All members of the Supervisory Board being independent, the Supervisory Board is in line with the relevant requirements of the Code. The composition of the Supervisory Board is such that its members are able to act critically and independently of one another and of the Executive Board and any particular vested interests. Each member of the Supervisory Board is capable of assessing a broad outline of the overall strategy of the Company and its business. As a whole, the composition is such that it enables the Supervisory Board to best carry out the variety of its responsibilities and duties to the Company and other stakeholders. The Supervisory Board is constituted in a balanced manner as to reflect the nature and variety of the Company's businesses and the desirability to have available expertise in such fields as finance, economics, management, legal/corporate governance and the Company's business, the national and international E-Commerce market. The Supervisory Board members are appointed by the General Meeting of Shareholders. A Supervisory Board member is appointed or reappointed for a term commencing on the date of his appointment and ending at the day of the first General Meeting of Shareholders held after the fourth anniversary of this appointment. On March 27, 2015 the General Meeting of Shareholders approved the appointment of Mr. A.F.L. Veth until May, 2019. Furthermore, the General Meeting of Shareholders approved the remuneration of the members of the Supervisory Board. The remuneration of Mr. Lindenbergh and Mr. Honée is € 10k and the remuneration of Mr. Veth is € 20k. The members of the Supervisory Board abstained from voting about their reappointment and remuneration.

In the financial year 2015 the Supervisory Board met 8 times. Since the Supervisory Board comprises only three members, no separate remuneration committee and selection and appointment committee have been formed. The audit committee consists of all members of the Supervisory Board and meets during Supervisory Board meetings. It is the opinion of the Supervisory Board that, at present, there is no need for an internal audit function in the Company.

The Supervisory Board avoids (the appearance of) conflicts of interests between the Company and a member of the Supervisory Board and/or a member of the Executive Board. In the financial year 2015, there were no reports on conflicts of interest.

Notes on the Company's corporate governance.

All members of the Executive Board and the Supervisory Board comply with the rules of Dutch corporate governance regarding the limitations of the number of board positions in Dutch large companies as all members of the Executive Board and the Supervisory Board have no other positions than their position within the Company.
BDO Audit & Assurance B.V. has been the external auditor during the financial year 2015, being appointed at the General Meeting of Shareholders of March 27, 2015.

In the bonus policy, incorporated in the Remuneration policy, a claw back clause, in line with the proposed law on claw back and best practice provision II. 2.11, has been incorporated.

Deviations

On March 27, 2015, the General Meeting of Shareholders reelected Mr. A.F.L. Veth for a fourth term. Members of the Supervisory Board of the Company are appointed for a period of four years, commencing at the date of (re-)appointment and ending at the day of the first General Meeting of Shareholders held after the fourth anniversary of the appointment. This implies that, Mr. A.F.L. Veth has completed his third term, he has been a member of the Supervisory Board of the Company from May 2003 until the date of this General Meeting of Shareholders and therefore for a period exceeding the maximum of three four-year terms as described in best practice provision III.3.5. of the Code. The Company notes that it has deviated from this provision as of May 14, 2015 because Mr. Veth has indepth knowledge of TIE Kinetix products and development, and will consider the possible deviation at a point later in the future.

Although the composition of the Executive Board and the Supervisory Board are currently not in accordance with the statutory requirements on gender diversity, the Boards recognize the importance of a gender balanced composition and will take this into account when selecting potential nominees. However, as gender is only part of diversity, the Boards will continue to select their members on the basis of their background, knowledge and experience.

In control statement

In order to ensure adequate and effective internal risk management and control systems, all internal business processes are aligned according to the internal instrument called My-TIE. This system gives the Executive Board complete visibility on all transactions that have taken place anywhere within the company and provides detailed reports on revenue costs. It also provides for strong procedures to control purchasing, order fulfillment and support. It provides information on policies and procedures, customers and prospects, human resources, assets, documentation and pricing of products and services. My-TIE is the platform to collaborate with other employees, customers and resellers. The system has been outsourced in order to ensure 24/7 global availability and free up internal resources

Functionality and design are continuously developed to further improve supporting business processes. In 2014 this platform was upgraded to the new Exact Synergy. As project that was successfully completed in Q2 of 2014. My-TIE has also proven to be a very effective instrument of the internal risk management and control system. Any shortcomings that come to light as the Executive Board continues to evaluate processes and procedures, also in light of changing circumstances and business processes, are addressed and resolved as soon as possible.

In view of the above, the Executive Board believes that with the implementation of My-TIE as a system of monitoring and reporting, it has taken adequate steps to implement an appropriate risk management and internal control system. This system provides, with reasonable certainty, reliable internal and external reports. These reports supply adequate information to determine in how far the company is achieving the strategic goals it has set and assurance that the company is operating within the boundaries of the law.

My-TIE significantly reduces, but cannot fully eliminate the possibility of poor judgment in decision-making, human errors, abuse and control processes being deliberately circumvented by employees and others, management overriding controls and the occurrence of other unforeseeable circumstances. Another limiting factor is the need to consider the relative costs and benefits of risk responses. A properly designed and implemented risk management and internal control system will therefore provide reasonable but not absolute

CORPORATE GOVERNANCE

assurance that a company will not be hindered in achieving its business objectives, in orderly and legitimate conduct of its business. It can also not provide absolute insurance that a misstatement in the financial reporting would be prevented or detected. In this context, reasonable assurance refers to a degree of assurance that would be satisfactory for a prudent manager in the management of his affairs in the given circumstances. Notwithstanding the forgoing and in view of the above, the Management Board makes the following statement:

» The Executive Board is of the opinion that it has implemented an internal risk management and control system that is adequate and effective, suitable for the company's business;
» The internal risk management and control system provide a reasonable assurance that the financial reporting does not contain any errors of material importance; the financial statements therefore provide as far as the Executive Board is aware, a fair view of the financial position, the assets and liabilities and the financial results of the company and consolidated enterprises as of September 30, 2015;
» The internal risk management and control system has worked properly in financial year 2015 and there are no indications to believe that the internal risk management and control system will not continue to function properly in financial year 2016.

The Executive Board has discussed the internal risk management and control system with the Supervisory Board.

Vadim Chepegin
Senior Software Architect
TIE Kinetix

"At TIE Kinetix, we automate relationships between partners to optimize the process of doing business."

CONSOLIDATED FINANCIAL STATEMENTS OF TIE KINETIX NV FOR THE YEAR 2015

Notes to the Consolidated Statement of Financial Position from page 69

Assets

(€ x 1,000)	Notes	30 September 2015		30 September 2014	
Non Current Assets					
Intangible fixed assets	1)				
Goodwill		4,547		4,495	
Other intangible fixed assets		2,879		3,107	
			7,426		7,602
Tangible fixed assets	2)				
Property, Plant and Equipment		533		596	
			533		596
Financial fixed assets	3)				
Loans and Receivables		895		196	
Deferred Tax Asset		1,168		1,691	
			2,063		1,887
Total Non Current Assets			**10,022**		10,085

Current Assets	4)				
Trade Debtors		3,211		3,618	
Income Tax Receivable		78		-	
Taxation and Social Security		20		10	
Other Receivables and Prepayments		1,828		1,687	
			5,137		5,315
Cash and Cash Equivalents			692		594
Total Current Assets			**5,829**		**5,909**
Total Assets			**15,851**		**15,994**

Equity and Liabilities

(€ x 1,000)	Notes	30 September 2015		30 September 2014	
Equity	5)				
Shareholders' Equity		4,308		5,975	
Convertible Bonds		45		45	
Total Equity			**4,353**		**6,020**
Non Current Liabilities	6)				
Loans		1,165		1,527	
Deferred Tax Liability		80		131	
Deferred Revenue		886		480	
Contingent Consideration		55		56	
Provisions		492		96	
Total Non Current Liabilities			**2,678**		**2,290**
Current Liabilities	7)				
Provisions		29		-	
Short term debt		860		464	
Bank overdraft		692		468	
Trade Creditors		1,171		1,420	
Deferred Revenue		3,187		2,509	
Taxation and Social Security, Income tax		743		289	
Other Payables and Accruals		2,138		2,534	
Total Current Liabilities			**8,820**		**7,684**
Total Equity and Liabilities			**15,851**		**15,994**

Consolidated Statement of Comprehensive Income for the year ending September 30, 2015

(Notes to the Consolidated Statement of Comprehensive Income from page 96 onwards)

Revenues (€ x 1,000)	Note	**2015**		2014	
Licenses		804		1,053	
Maintenance and Support		3,019		2,844	
Consultancy		6,897		7,362	
Software as a Service		9,180		7,959	
Revenues			19,900		19,218
EU Projects			1,865		1,114
Onetime income			498		142
Total Revenue			**22,263**		**20,474**
Third party hire			(933)		(1,197)
Direct Employee Costs			(7,164)		(5,992) *
Direct Purchase Costs			(3,468)		(3,052)
Gross Margin			**10,698**		**10,233**
Operating Expenses	**8**				
Indirect and Other Employee Costs		5,069		5,084	*
Acquisition costs and onetime expenses		1,993		727	
Depreciation and Amortization		1,172		857	
Impairments		84		-	
Other Operating Expenses		3,770		3,322	
Total Operating Expenses			**12,088**		**9,990**
Operating Income/(loss)			**(1,390)**		**243**
Interest and other Financial Income	9		31		3
Interest and other Financial Expense	9		(209)		(93)
Income/(loss) before Tax			**(1,568)**		**153**
Corporate Income Tax	10		(798)		286*
Net Income/(loss)			**(2,366)**		**439**

Comprehensive Income	2015	2014
Net Income/(loss)	(2,366)	439
Exchange differences on translating of foreign operations	300	108
Total Comprehensive Income/(loss) net after Tax	**(2,066)**	**547**

Attributable to Shareholders of TIE Kinetix:	**11**	2015	2014
Income after Tax		(2,366)	439
Comprehensive Income net after Tax		(2,066)	547
Net result per share - basic		(2.01)	0.41
Weighted average shares outstanding - basic (thousands)		1,177	1,083
Net result per share - diluted		(2.00)	0.40
Weighted average number of shares fully diluted (thousands)		1,182	1,085

*) adjusted for presentation purposes, refer to page 101.

Consolidated Statement of Changes in Equity for the year ending September 30, 2015

More details are explained in note 5 on page 88.

(€ x 1,000)	Share Capital (Incl Surplus)	Retained Earnings	Foreign Currency translation reserve	Share-holders Equity	Convertible Bonds	Total Equity
Balance per September 30, 2013	**56,688**	**(52,377)**	**(267)**	**4,044**	**45**	**4,089**
Foreign currency translation reserve	-	-	108	108	-	108
Net Income	-	439	-	439	-	439
Total Comprehensive Income (loss)	**-**	**439**	**108**	**547**	**-**	**547**
Share based payments	-	14	-	14	-	14
Other movements	1,357	13	-	1,370	-	1,370
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)
Shares issued and Share Premium	700	-	-	700	-	700
Costs of shares issued*	(304)	-	-	(304)	-	(304)
Share based payments	-	13	-	13	-	13
Other movements	(10)	-	-	(10)	-	(10)
Balance per September 30, 2015	**58,431**	**(54,264)**	**141**	**4,308**	**45**	**4,353**

*) refer to page 89.

Consolidated Statement of Cash Flows for the year ending September 30, 2015

(€ x 1,000)	Notes		2015		2014
Income before tax			(1,568)		153
Adjustments:					
Share based payments expense	5	13		14	
Depreciation and amortization	8	1,172		857	
Impairments	8	84		-	
Increase (decrease) provisions		425		(78)	
			1,694		793
Working Capital Movements					
(Increase) decrease in debtors and other receivables		370		(527)	
(Decrease) increase in deferred revenue		536		997	
(Decrease) increase in current liabilities		(167)		643	
			739		1,113
Cash generated (applied) in operations			**865**		**2,059**
Interest paid			(172)		(69)
Interest received	9		31		3
Income tax paid			(57)		-
Sales taxes paid			(11)		(11)
Net Cash flow from operating activities			**656**		**1,982**
Investments in intangible fixed assets		(755)		(1,481)	
Acquisition of subsidiary net of cash acquired		-		(1,998)	
Investments in tangible fixed assets		(166)		(137)	
Net Cash flow generated / (used) in investing activities			**(921)**		**(3,616)**
Increase (decrease) long term loans		(362)		660	
Issue of new shares		685		1,357	
Net Cash flow generated / (used) by financing activities			**323**		**2,017**
Net increase (decrease) in Cash and Cash Equivalents			**58**		**383**
Currency Exchange Rate Difference on opening balance Cash and Cash Equivalents			40		7
Opening balance Cash and Cash Equivalents			594		204
Closing balance Cash and Cash Equivalents			**692**		**594**

NOTES TO THE CONSOLIDATED IFRS FINANCIAL STATEMENTS

General information and Summary of significant accounting policies

Company Information

TIE Kinetix N.V. is a public company incorporated in the Netherlands with its registered address of De Corridor 5d, Breukelen. Subsidiaries are located in Asia-Pacific, France, Germany, Switzerland, the Netherlands and the US. TIE Kinetix is listed on the NYSE EuroNext in Amsterdam. In the following pages, the name “TIE Kinetix” or “the Company” will be used to refer to TIE Kinetix N.V. and its various subsidiaries. TIE Kinetix develops, sells, and distributes software and services under TIE Kinetix’s Total Integrated E-Commerce concept around the world through a network of subsidiaries and resellers. The Company has been active not only in the software development but in the standardization process as well.

The consolidated financial statements for the year ending September 30, 2015 are authorized for issuing through a resolution of the Executive Board dated December 30, 2015.

The Annual General Meeting of Shareholders, to be held on March 31, 2016 will be requested to decide on the Consolidated Financial Statements.

Statement of Compliance

The consolidated financial statements of the Company included on pages 64 to 109, have been prepared in accordance with the International Financial Reporting Standards (IFRS) and its interpretations, as issued by the International Accounting Standards Board (IASB) and endorsed by the European Commission.

Basis of Preparation

The principal accounting policies applied in the preparation of these consolidated financial statements are detailed below and have been prepared on a historical cost basis, unless stated otherwise. These policies have been consistently applied to all the presented years, unless stated otherwise.

The consolidated financial statements are presented in Euros, and all values are rounded to the nearest thousand (€ x 1,000), unless stated otherwise.

The Company has opted to prepare a condensed profit and loss account in accordance with the exemptions provided by article 2:402 of the Dutch Civil Code in the Company Only Financial Statements.

Implications of new, amended and improved standards

The accounting policies are consistent with the accounting policies applied in prior year’s consolidated financial statements with the exception of the following:

- IFRS 10: Is effective per January 1, 2014 (annual period beginning on or after), with earlier adoption permitted; New standards about control and consolidated financial statements. TIE Kinetix did adopt the amended standard; upon adoption, impact is limited to disclosures and presentation.
- IAS 32: Is effective per January 1, 2014 (annual period beginning on or after), with earlier adoption permitted; Offsetting Financial Assets and Financial Liabilities. TIE Kinetix did adopt the amended standard; upon adoption, impact is limited to disclosures and presentation.
- Amendment IAS 36: Recoverable Amount Disclosures for Non-Financial Assets. The amendment removes the requirement to disclose the recoverable amount of a cash-generating unit (CGU) to which goodwill or other intangible assets with indefinite useful lives had been allocated when there has been no impairment or reversal of impairment of the related CGU Furthermore, the amendment introduces additional disclosure requirements applicable to when the recoverable amount of an asset or a CGU is measured at fair value less costs of disposal. These new disclosures include the fair value hierarchy, key assumptions and valuation techniques used which are in line with the disclosure requirements of IFRS 13 Fair Value Measurement. TIE Kinetix did adopt the amended standard; upon adoption, impact is limited to disclosure and presentation.
- The changes in the improvement project cycle 2012-2014 did not have a material impact.

The following amendments have no impact on the Annual Accounts of the Company:

- IFRS 11 Joint Arrangements;
- IFRS 12 Disclosure of Interest in other entities;
- Amendment IAS 39: Novation of Derivatives and Continuation of Hedge Accounting;
- IAS 27 (R) Separate Financial Statements;
- IAS 28 (R) Investments in Associates and Joint Ventures;
- IFRIC 21 Levies

NOTES TO THE CONSOLIDATED IFRS FINANCIAL STATEMENTS

Future Changes in Accounting Policies and Disclosures

A number of standards and/or interpretations which have been issued, but are not yet effective, may impact future financial statements. These standards and interpretations are:

- IFRS 9 will become effective after January 1, 2018; Financial Instruments replacing IAS 39 Recognition and Measurement
- IFRS 15 will become effective after January 1, 2018; Revenue from Contracts with Customers: Replacing IAS 18 Revenue and IAS 11 Construction contracts including all relevant interpretations.

TIE Kinetix will assess the impact of the standards in due time.

Going Concern Considerations

In October 2014 TIE Kinetix received a first invoice from the European Commission ("EC") for a repayment of EU development grants of € 705,075, following an audit carried out under supervision of the EC over the period 2008-2011. Furthermore, the European Commission requested that the audit findings were extrapolated over other eligible projects that TIE Kinetix participated in. TIE Kinetix hired an interim subsidy specialist to fully recalculate all current and past EU projects and turned to Deloitte to assure that the recalculations were in line with the audit findings and EU regulations.
Management has spent a considerable effort in investigating possibilities to mitigate damages, communicate with EU officials and their auditors to try and find an amicable resolution or payment plan. In the first half year of 2015, the full scope of the repayment of EU subsidies became clear. The EU officials responded negatively to all TIE Kinetix's requests for resolution and even our request for phased payments was rejected. As a consequence, TIE Kinetix had to repay EU subsidies calculated at approximately € 1,085,383, for which amount a provision has been created in the first half year of 2015.
In order to mitigate the effect of the requested repayment on its working capital, TIE Kinetix obtained a shareholder guarantee up to an amount of € 2 million. On March 31, 2015 a first draw-down of € 700,000 under this guarantee was done.

As at September 30, 2015 the European Commission has collected an amount of € 521,412 out of their initial claim of € 705,075. The remainder, an amount of € 183,663, may be expected to be offset against subsidies claimed by the Company for the projects the Company still participates in. The Company has not yet received any further claims following its extrapolation of audit findings sent to the EC on July 15th, 2015. Depending on the final EC claim following the July 15, 2015 extrapolation, the company may have to issue additional shares under the shareholder guarantee agreement. However, at this stage the company has no indication that this second draw down would exceed an amount of € 500,000.

Based on Budget 2016, the Company expects positive operational cash flow, resulting from increased sales and strong cost control. The Company has become less sensitive for cash flow fluctuations over the last couple of years as a result of the large proportion of recurring subscription based revenue in combination with maintenance and support income. As the case may be, typically with dominant commercial counterparties, the Company accepts extended credit terms having a negative impact on its working capital. Taking everything into account, management believes it will have adequate cash to run its operations for the next year. In the event the Company needs additional funding, the Company could consider attracting additional credit facilities, or issue loans, or alternatively issue Convertible Bonds or shares. Based on all items discussed above, Management concludes that it is correct to prepare the accompanying financial statements on a 'going concern' basis.

Basis of Consolidation

The consolidated financial statements include the financial statements of TIE Kinetix N.V. and its subsidiaries.

Where the Company has control over an investee, it is classified as a subsidiary. The Company controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. The assessment of control is based on the substance of the relationship between the Company and the entity and, among other things, considers existing and potential voting rights that are presently exercisable and convertible. Subsidiaries are fully consolidated from the date of acquisition, which is the date on which the Company obtains control. It will continue to be consolidated until the date in which such control ceases.

All intra-company balances, transactions, and income and expenses resulting from intra-company transactions are eliminated in full.

Foreign Currency Translation

Foreign operations prepare their financial statements in the currency of the primary environment in which they operate (functional currency). For consolidation purposes, foreign operations are translated into Euro, the functional currency of TIE Kinetix N.V. and the designated presentation currency. Assets and liabilities are translated using the closing rate at September 30, 2015. Income and expenses are translated using weighted average exchange rates or the actual rate at the date of the transaction, if more appropriate. All resulting exchange rate differences are recognized in a special component of equity. In the event of a sale of a foreign operation, the relevant component of the special component of equity pertaining to the entity sold will be released from Equity and included in the realized gain or loss on the sale.

Per September 30, 2015, monetary assets and liabilities are translated against the closing rate. Non-monetary items carried at a cost are translated by using the exchange rate at the date of the transaction. Exchange rate differences on monetary items are recognized in income whenever they arise.

Inter-company monetary items, which form part of an enterprise net investment, are translated against the closing rate per September 30, 2015. An inter-company current account between TIE Kinetix N.V. and the US subsidiary, TIE Commerce Inc. is denominated in USD. All transactions are accounted for at the transaction rate at TIE Kinetix N.V. Currency Exchange Rate Differences are taken to the special component of Equity.

Significant Accounting Judgments and Estimates

The preparation of the financial statements involves making assumptions and estimates on the recognition and measurement of assets and liabilities, contingent liabilities and income and expense items. The most significant assumptions for future and other key sources estimation uncertainty at balance sheet date that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are in note 1, page 80 and note 5, page 89.

Impairment of Assets

Impairments of assets (intangible and tangible) are tested on a Cash Generating Unit (CGU) level. In assessing whether there are indications for impairment or reversal of impairment, management considers changes in the economic and technological environment, sales trends and other indicative data. When testing for impairment, a discounted cash flow model is applied to determine net present values of future cash flows for CGU's in order to compare with asset-carrying values. In accordance with IFRS no reversal of impairment of Goodwill has been considered.
The models applied to determine the net present value of these future cash flows encompasses management's judgment and estimates with respect to the following elements:

» Discount rate;
» Reasonable reliably estimable future cash flows;
» Estimated business growth rates.

Intangible Fixed Assets

Development Costs

Product development costs are eligible for capitalization only when a projected outcome is determined technically feasible and deemed probable that future economic benefits will flow from the released product. Also, these economic benefits must be expected to exceed capitalized development cost. In determining both technical and economic feasibility of a project, management exercises judgment with respect to the current economic and technical environment, as well as expected developments therein. This not only establishes a potential market for the product under development, but also estimates potential sales volumes.

Demand Generation

The concept Demand Generation (earlier called 'Content Syndication Platform') have been identified as a separate intangible assets against fair value upon acquisition. As no active market for this asset exists, a valuation model was used to determine the fair value of this asset. This valuation model encompasses management's judgment and estimates with respect to the following elements:

» Renewal rate customer contracts;
» Discount rate;
» Net Cash Flow starting point;
» 10 years of discounted Cash Flow;
» No new business.

NOTES TO THE CONSOLIDATED IFRS FINANCIAL STATEMENTS

Customer Base

The Customer Base of recent acquisitions has been identified as a separate intangible asset upon acquisition. The asset has been recognized at fair value. Since there is no direct active market for the Customer Base to use for valuation, a valuation model has been used to determine the fair value of the asset. This valuation model encompasses management's judgment and estimate with respect to the following elements:

- Renewal rate customer contracts;
- Discount rate;
- Net Cash Flow starting point;
- 10 years of discounted Cash Flow (5 years for Customer Base of TFT);
- No new business.

Deferred Tax Asset

In establishing deferred tax assets, management's judgment is required in assessing probability and the extent of future taxable profits.

Detailed Description of Accounting Principles

Intangible Fixed Assets

Goodwill

Goodwill is recognized as an intangible asset for interests in subsidiaries and joint ventures and is measured as the positive difference between the cost of the business combination and the Company's interest in the net fair value of the entity's identifiable assets, liabilities and contingent liabilities. Subsequently, goodwill is carried at a cost less accumulated impairment charges.
Upon disposal of an entity in relation to which a goodwill balance is held, the remaining goodwill balance will be taken to income as part of the gain or loss on disposal of the entity.

Demand Generation Concept

Upon initial recognition of the assets and liabilities and activities during 2006, a separate intangible fixed asset representing the Content Syndication Concept was recognized. The fair value has been determined as described on page 82 under Trademarks. Based on the expectation that the Content Syndication Concept can be successfully managed by current and future TIE Kinetix's management, the current level of competition, the international potential for the concept and the high technology standard, it is the opinion of TIE Kinetix's management that the period over which this asset will generate net cash inflow is indefinite. Therefore, the useful life of the assets is indefinite, and no amortization will be applied. The useful life of this asset is reassessed periodically and adjusted when circumstances give rise to such action.

Development Costs

Projects for the development of software are broken down into a research phase and development phase. The costs pertaining to research are expensed immediately. The development costs are recognized as an intangible asset after establishing the technical feasibility of the project. Future economic benefits from the project are deemed probable and sufficient resources are available and devoted to the project to facilitate successful completion.
Development costs are carried at a cost minus amortization and accumulated impairments.
Development costs are amortized based on an expected useful life of three years. The useful life assessment is based on the current experience and the present economic and technological environment. The useful life of this asset is reassessed periodically and adjusted when circumstances give rise to such action.

Software

Software purchased from third parties, as well as the related development and implementation costs, are recognized at a cost without accumulated amortization and impairment charges and are amortized based upon a straight-line method over an estimated useful life of three years. The useful life of these assets is reassessed periodically and adjusted when circumstances give rise to such action. As of 2015 the effective useful life of the Company's website and ERP system have been changed from three years to seven years resulting in € 85k lower amortization charges.

Tangible Fixed Assets

Property, Plant and Equipment

Office equipment (including Furniture, Fixtures and Office Machinery), Hardware and Leasehold Improvements are recognized as Property, Plant and Equipment and measured at cost less accumulated

depreciation and impairments. Costs include expenses directly attributable to the acquisition of the asset and the expense of replacing a part of the Property, Plant and Equipment when that cost is incurred and the recognition criteria are met. Each component of an item of Property, Plant and Equipment with an initial carrying value (cost) significant in relation to the total cost of the item is separately depreciated.
Property, Plant and Equipment is depreciated against income on a straight-line basis over its estimated useful life to its estimated residual value (generally nil). Depreciation periods are as follows:
Leasehold improvements – 10 years or the term of the lease;
Hardware – 3-5 years;
Office equipment – 3-5 years.

Useful life estimates are based on management's best estimate of the amount of time over which economic benefits from these assets will flow to the Company. For Leasehold improvements, this period has been limited to the term of the rental agreements of the respective office buildings. Computer hardware is generally replaced after a maximum of three years of service.
An annual assessment is performed to establish whether circumstances exist to call for an impairment of an individual asset. Residual values and useful lives are reviewed annually and are adjusted when appropriate. Assets are impaired to recoverable value when carrying values are found to be in excess of the recoverable amount of the individual or as part of a CGU for assets that do not generate an independent cash flow. Impairment losses for CGU's as a whole are first charged against the Goodwill balances of the CGU. Any remaining impairments are allocated to the assets of the CGU as a whole. Any reversal of an impairment loss is immediately recognized in income.
The carrying amount of an asset is derecognized in the event that no future economic benefit is expected to arise from its use or disposal. Gains and/or losses on derecognition are the differences between the net disposal proceeds and the carrying value of the asset. Gains and/or losses on derecognition are accounted for in income.

Financial Assets

Deferred Tax Assets
Deferred Tax Assets reflect the net tax effect of losses carried forward and temporary timing differences between the carrying amounts of assets for financial reporting purposes and the amounts used for income tax purposes. Deferred Tax Assets are recognized when they are considered to be realizable in the future, which is reassessed each year-end. Deferred Income Tax Assets are measured at the tax rates that are expected to apply to the year when the asset is realized, based on tax rates (and tax laws) that have been enacted or substantively enacted per year-end.
Deferred Tax Assets and Deferred Tax Liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Loans and Receivables/Trade Receivables
Loans and Receivables are recognized initially at fair value plus transaction costs. After initial measurement loans and receivables are measured at amortized cost, using the effective interest method net of impairments. This involves calculating the net present value of future cash flows using the current market rate at the time of initial recognition of the asset. Interest is accounted for in the Statement of Comprehensive Income at the effective interest rate at the time of the initial recognition of the asset. Impairments are only considered when there are indications of impairment.
The difference between the effective interest rate and the (notional) interest receivable is allocated to the asset balance changing its carrying value.
Trade Receivables are recognized at amount receivable less a provision for uncollectability. The provision for uncollectability is set up on an item for item basis when there is evidence of uncollectability. The provision represents the difference between carrying value of trade receivables and management's best estimate of the future cash flow resulting from the item. All strengthening and releases from the provision are accounted for in income.

Other receivables include unbilled turnover for services already provided, other receivables and accrued income. Accrued income also includes amounts receivable for projects in progress at the balance sheet date insofar as these receivables have already exceeded the amounts billed for these projects. If the amounts billed for current projects exceed the sum of costs incurred and gains realised, the balance of these projects is recognised within `other payables´.

NOTES TO THE CONSOLIDATED IFRS FINANCIAL STATEMENTS

Cash & Cash Equivalents
Cash and Cash Equivalents include cash in hand, deposits, and other short-term highly liquid investments with original maturities of three months or less. For the purpose of the consolidated cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, excluding bank overdrafts.

Equity

Shareholders' Equity
Financial instruments issued by the Company to the extent that they indicate a residual interest in the assets of the Company are classified as Equity. All proceeds from the issue of equity instruments, or considerations paid for the purchase of equity instruments, are recognized in Equity. Incremental external costs that are directly attributable to the issuing of TIE Kinetix equity instruments are also recognized in Equity, net of tax.

Dividends and other distributions to holders of equity instruments are recognized in Equity net of tax. A liability for dividends payable is not recognized until the dividends have been declared and approved by the General Meeting of Shareholders.

Convertible Bonds
Convertible Bonds issued by the Company have been classified as Equity, based on the fact that under the terms and conditions of these bonds, there is evidence of a residual interest in the Company's assets after deducting all of its liabilities. If applicable, split accounting has been applied for. Distributions to holders of equity instruments are recognized directly in Equity net of tax. For Convertible Bonds in which a liability component has been identified with respect to interest payments in cash, a liability is established against Equity.

Non-Employee Stock Options
Stock Options/Warrents issued to non-employees are Gross Settled Stock Options under the terms of the respective contracts, and, therefore, qualify as Equity Instruments. Any considerations received for such options will be accounted for in Equity. Any cash flows at settlement are accounted for in Equity as well.

Liabilities

Loans
Loans are recognized initially at fair value. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognized in the income statement when the liabilities are derecognized as well as through the amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortization is included in finance costs in the Comprehensive Statement of Income.

Provisions
The Company recognizes a provision in cases in which a present obligation resulting from a past event, with a probable future outflow of resources, settles the obligation at an amount that can be reliably estimated.

Provisions are measured at the present value of the future outflow required to settle the obligation, using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The change in the time value of future outflows is recognized under expenses. The time value is considered a material component.

To the extent that future events are likely to occur and are expected to have an effect on the amount required to settle a recognized liability, these future events are taken into consideration in determining the appropriate provision level. Provisions are reviewed at each balance sheet date and will be adjusted to reflect the current best estimate.

Deferred Tax Liability
Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are measured at the tax rates that are expected to apply in the year when the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred Tax Assets and Deferred Tax Liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Recognition and Measurement of Income and Expenses

Recognition of Income

Income is recognized to the extent that it is probable that economic benefits will flow to the Company and be reliably measured. Revenue is measured at the fair value of the consideration received, excluding taxes and following the deduction of discounts and rebates as well as the transferring of all significant risks and rewards.
The Company generates income from the following sources:

- » Software license fees;
- » Maintenance and Support;
- » Consultancy Services;
- » Software as a Service;
- » Other income.

Licenses

Revenues from software licenses are recognized at once when the purchase agreement has been reached with the customer and the software has been shipped to the client. At that point:

- » A non-revocable agreement has been reached;
- » The delivery of the software has been made;
- » The fee is determinable;
- » The collection of the receivable outstanding is deemed probable by management.

Maintenance and Support

Maintenance subscriptions include relevant updates of TIE Kinetix products and (telephone) support. The related revenues are recognized over the contract period where services are provided.

Consultancy Services

While consultancy services are generally provided over a short period of time, the outcome of the transaction can be reliably estimated. Revenues are recognized in the period in which the service is provided on a percentage of completion.
Revenue from fixed-price contracts for delivering design services is recognised by reference to the stage of completion of a transaction as a proportion of the total transaction (percentage of completion (POC) method), where the services performed on the balance sheet date can be reliably measured and the costs incurred for the transaction and the costs required to complete the transaction can be reliably estimated. Under the POC method, revenue is recognised based on the services performed to date as a percentage of the total estimated costs to meet the contractual obligations. This estimate is primarily based on the services/hours already performed/booked in relation to the services/hours still to be performed/booked.
If circumstances arise that may change the original estimates of extent of progress toward completion, estimates are revised. These revisions may result in increases or decreases in estimated revenues or costs and are reflected in income in the period in which the circumstances that give rise to the revision become known by management.

Software as a Service (SaaS)

SaaS consists of webEDI, Managed Services, Value Added Network services, Content Syndication and E-Commerce. These services are generally provided on the basis of a 12, 24 or 36 month contract whereby fees are based on actual use of either the service or a subscription fee or a combination of both.

Other SaaS revenues consist of revenues from marketing campaigns, which are invoiced on a “pay as you go” basis. Revenues are accounted for on a percentage of completion.

Other Income

EU and other grants are accounted for under other incomes. EU and other grants are recognized only when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants will be received. These EU and other grants are recognized as income over the periods necessary to match them with the related costs, which they are intended to compensate.
The Non-Recurring revenue consists predominantly of incidental revenue (€ 335k) generated under the contract with Tomorrow Focus AG, the previous owner of TIE Kinetix Germany GmbH and other incidental revenue by all TIE Kinetix Companies.

Deferred Revenues

Deferred Revenues consist of the unearned portion of revenues pertaining to maintenance and subscriptions as well as amounts invoiced in advance on software design, installation, and consultancy projects.

NOTES TO THE CONSOLIDATED IFRS FINANCIAL STATEMENTS

Direct Purchase Costs

Direct Purchase Costs represent the cost directly associated with revenue. This includes hosting costs, third party consultants, and costs of third-party software.

Employee Benefits and Expenses

Short term Employee Benefits

Short-term Employee Benefits entail salaries payable over past service, short-term compensated absences in which they are expected to occur within twelve months after the end of the period in which the employee renders the related service, profit sharing, or bonus arrangements. A liability is set up to the extent that amounts are due based on rendered services. WBSO (Wet Bevordering Speur- en Ontwikkelingswerk) received as a grant on wage tax has been deducted upon the employee benefits expenses.

Termination Benefits

Termination Benefits are the result of the Company's decision to terminate an employee's employment before normal retirement date. Termination benefits are expensed immediately when the Company is demonstrably committed to terminate employment prior to normal retirement date. The termination benefits include all termination of employment related expenses.

Post-Employment Benefits

The Company operates with insured defined contribution pension plans in the Netherlands and Germany. Under the terms and conditions of this plan, the Company has no obligation towards the employees covered under the plan, other than to pay a fixed contribution. The contributions payable are recognized as an expense in income. To the extent that the paid amount exceeds the amount due for services rendered, an asset is recognized. Plan contributions payable to a third-party insurer are recognized as a liability.

TIE Kinetix France has an arrangement resulting in a retirement bonus, which qualifies as a post-employment arrangement under IFRS. While the present value of this retirement bonus liability is recognized on the face of the Statement of Financial Position, movements in this liability are accounted for in income.

In the US, the Company staff participates in a corporate 401(k) savings plan with its discretionary contributions. These discretionary payments are recognized in income if and when they are paid into the plan.

Share Based Payments

The Company has launched Stock Options Plans for the TIE Kinetix staff that entitles staff members to receive equity instruments it has issued. These Stock Options Plans are classified as Equity Settled Instruments. Stock Options granted under the annual Stock Options Plan have a vesting period of three years after issuance. Stock Options granted under another Stock Options Plan contain a vesting period amounting to one to three years. The expense resulting from the options is based on the fair value of the options at grant date. The expense is recognized in income, with the offsetting entry in Equity over the term in which the services are rendered, i.e. the vesting period of the options. The expense reflects management's best estimate of the number of Stock Options expected to vest.
Any considerations received net of any directly attributable transaction costs are accounted for in Equity upon exercise of the options.

When a Stock Option is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognized for the Stock Option is recognized immediately. However, if a new Stock Option is awarded in substitution of the cancelled Stock Option, the substitution is treated as if it is a modification of the original.An additional expense is recognized to the extent the modification results in an increased fair value of the modified Stock Options, compared to the original ones.

Leases

Arrangements have been assessed to determine the extent in which the fulfillment is dependent on the use of a specific asset, and secondly, whether the arrangement conveyed the right of use of that specific asset. Arrangements satisfying both criteria have been classified Leases. Reassessment of these arrangements will take place under the following circumstances:

» Change in the terms of the contract;
» Exercise of a renewal option;
» A change in determination of the arrangement;
» An asset subject to the arrangement undergoes a substantial physical change.

To the extent that an arrangement contains, among other components, a lease, the lease element is accounted for separately from other components.
Classified as operating leases are ones in which a significant portion of the risks and reward of ownership

are retained by the lessor. Payments made under operating leases are charged to the Statement of Comprehensive Income on a straight-line basis over the period of the lease.

Earnings per Share

Basic Earnings per Share are calculated by dividing net income attributable to equity holders of TIE Kinetix after deduction of interest on Convertible Bonds, by the weighted average number of outstanding shares.
Diluted Earnings per Share take into effect the dilutive effect of convertible instruments and stock options upon exercise or conversion. The dilutive effect of these instruments equals the number of shares issuable under the terms and conditions of these arrangements for no consideration. Stock Options are considered non-dilutive when the exercise price of the Stock Options is in excess of the average market price of the shares during the period. Convertible Bonds are considered non-dilutive when the related interest net of tax and other changes to income and expense, per ordinary share obtainable upon conversion, exceed the basic earnings per share.

Post Balance Sheet Events

These financial statements include the effects of events occurring between balance sheet date and the date these financial statements are authorized for issue, to the extent that these events provide evidence of conditions that existed at the balance sheet date. While effects of events that arise post-balance sheet date are disclosed, they have not resulted in an adjustment of the financial statements.

Financial Risk Management

The Company's activities expose it to a variety of risks, including market (currency risk and interest rate risk), credit, and liquidity risks. Financial instruments are accounted for under Assets (Loans and Receivables) and Equity (Convertible Bonds). The Company neither holds nor issues financial instruments for trading or hedging purposes.

Fair Value

The Company does not hold any financial assets or liabilities accounted for at fair value through the profit and loss. Fair values disclosed are calculated based upon current interest rates, taking into account the terms and conditions of the financial asset or liability. In most cases, fair values will equal the carrying value of the item.

Derecognition of Financial Assets

All items derecognized during this financial year have been taken from the face of the balance sheet if and when substantially all risks and rewards of ownership have been transferred.

Reclassification of Financial Assets

No Reclassification of Financial Assets has been applied in 2015 (nor in 2014).

Currency Risk

The Company operates across the globe in various currency environments and is exposed to foreign exchange risks, mainly with respect to the US dollar. To minimize the exposure, it is the intention to balance assets and liabilities in foreign currencies as much as possible. The local balance sheet contains no foreign currency other than the functional currency of the entity. Currency effect arised during the year are directly accounted for in the Consolidated Statement of (Comprehensive) Income, limiting the exposure for currency risk per balance sheet (IFRS 7.35 and 42). Reference rates include 1.1222 (2014: 1.2607) for the year-end closing rate, USD against the Euro. For net income, the average rate of USD against the Euro was 1.1423 (2014: 1.3552).
Management has provided an analysis of the effects of multiple scenarios, all within a range that may be considered likely to occur, rather than limiting the analysis to a single scenario.

Credit Risk

The Company has assessed its credit risk. The Company has no significant concentrations of credit risk. The Top 100 customers account to 69% (2014: 57%) of total revenue, while no individual customers accounts to more than 7.4% (2014: 7%). The Company serves a number of verticals like Business Services, Industry & Home Improvement, Telecom, Insurance, Food Industry & Food Retail, Non Food, Consumer Electronics, Transport & Logistics, Office Supplies, Automotive, Medical and Others mitigating the risk of being dependent from one sector.

Management has policies in place to ensure that sales of products are made to customers with an appropriate credit history. In the event of collectability issues, the Company takes an impairment charge to cover the potential loss. The requirement for impairment is analyzed at each reporting date on an individual basis for major

NOTES TO THE CONSOLIDATED IFRS FINANCIAL STATEMENTS

clients. Additionally, based on actually incurred historical data the remaining receivables are assessed for impairment collectively.

The maximum risk is the outstanding balance of Loans and Trade Receivables, for details see page 87. The Top 10 outstanding debtors amount to 49% (2014: 44%) of the outstanding receivables. The Loans & Receivables are receivables. Credit Risks form balances with banks relates to the risk that certain financial covenants are not met, which could trigger early termination resulting in redemption of the loan. Outstanding bank balances are recorded against their carrying amount. The Company has no derivative financial instruments in use.

Liquidity Risk

In the past the Company has experienced temporary cash flow deficits, which have been resolved either through issuing additional shares and/or Convertible Bonds to fund operations. These cash flow shortages occur in a period in which the debtor balance reduces, also due to seasonal effects, and thereby reducing the incoming cash to pay for the operation. Due to the fact that the Company SaaS business is growing, the Company is becoming less sensitive to cash flow seasonality. However, with the expansion of our business the Company also engaged in contracts with commercially dominant counterparts with who occasionally extended payment terms have been agreed. These payment terms put a strain on working capital balances even though the company agreed a working capital facility to mitigate such strain. The Companies current liabilities consist for a substantial part out of deferred revenue, limiting the Liquidity Risk that may exist.

The remaining liquidity risk of the Company originating from financial instruments is limited. Management regularly assesses the outstanding debt position as well as the outstanding equity instruments. It also evaluates funding opportunities, like issuing new shares and/or Convertible Bonds and obtaining a new credit facility, further limiting the liquidity risk.

The Long term Loan amounting to € 1,165k, resulted from the acquisition of Light B.V. in August 2012, Tomorrow Focus Technologies GmbH (TFT) in December 2013 and the settlement of the Samar case in March 2015. The total amount payable to the main previous shareholder of TFT is € 800k, the amount due to Samar € 197k and for Light B.V. amounts to € 77k. For the acquisition of TFT a remaining bank loan of € 650k is payable. All these

Summary of financial liabilities (including long term liabilities) based on contractual undiscounted payments per year-end 2015 and comparatives 2014:

	Short term		Long term		
Summary of Financial Liabilities	> 0 months < 3 months	> 3 months < 12 months	> 1 year < 5 years	> 5 years	Total 2015
Loans/Long term Debt	189	370	1,165	-	1,724
Bank overdraft	173	519	-	-	692
Trade Creditors	785	386	-	-	1,171
Other Payables	432	1,298	-	-	1,730
Total	**1,579**	**2,573**	**1,165**	**-**	**5,317**

	Short term		Long term		
Summary of Financial Liabilities	> 0 months < 3 months	> 3 months < 12 months	> 1 year < 5 years	> 5 years	Total 2014
Loans	189	275	1,527	-	1,991
Bank overdraft	117	351	-	-	468
Trade Creditors	951	469	-	-	1,420
Other Payables	527	1,580	-	-	2,107
Total	**1,784**	**2,675**	**1,527**	**-**	**5,986**

loans/long term debts, except for Samar are interest bearing. The amount for Light is repayable in equal monthly installments, within 5 years. The repayment of the loan to the previous shareholder of TFT is repayable in equal yearly installments, within 5 years. The debt to Samar is repayable in equal monthly installments, in 19 months. The bank loan is repayable in quarterly installments, within 5 years. The financial covenants of the loans from DZ Bank are a solvency ratio (40% and 35% respectively at the level of TIE TFT Holding GmbH and TIE Kinetix GmbH) and an interest to EBITDA cover ratio of 2.9:1 for TIE Kinetix GmbH. As not all covenants were met at year end, DZ Bank waived the covenants for 2015, while TIE Kinetix NV has issued a temporary shareholder guarantee for said loans. TIE Kinetix and DZ Bank intend to reconsider terms and conditions of the DZ Bank loans in 2016.

Interest Rate Risk

Interest Rate Risk is defined as the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The exposure of the Company to this risk is limited to the financial instruments with RABO Bank (€ 500k at Rabo base rate + 500 bps), DZ Bank (€ 1,300k at Euribor +275 bps) and Tomorrow Focus AG (€ 800k at Euribor +300 bps). Due to the nature of the financial instruments it holds as well as the fact that assets are held to maturity the Convertible Bonds are expected to be converted into common shares, either on or prior to maturity date. The Convertible Bonds outstanding at 2015 year-end are non-interest bearing. Management regularly assesses the outstanding debt position and evaluates funding opportunities.

At 2015 year-end, the Company held € 559k (2014: € 265k) short term (interest bearing) debt, resulting from the acquisitions of Light, TFT and the settlement of the Samar claim. This consists of a current account loan of € 34k to one of the previous shareholders of Light, bearing an interest rate of 6.5%, € 200k payable to the previous owner of TFT, € 200k payable to DZ bank and € 125k payable to Samar. All short term debts could be paid back immediately at any time.

Business Combinations

Acquisitions 2015

No acquisitions have been made in 2015.

The impact of a variable interest rate on the liabilities are as follows:

Liability	Interest rate	Amount 30-9-2015	+10 basis points	-10 basis points
TF AG	EURIBOR + 300 bps	800	0.8	-0.8
DZ Bank	EURIBOR + 275 bps	1,300	1.3	-1.3
Rabobank	RABO BASE + 500bps	500	0.5	-0.5

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Accounts on page 68)

1) Intangible Fixed Assets

The movements in Intangible Assets are summarized below:

Intangible Fixed Assets	Goodwill	CSP Trade-mark	Customer Base	Software develop-ment costs	Purchased Software	Total
Accumulated Investments per September 30, 2013	3,847	1,095	354	2,795	895	8,986
Accumulated Amortization per September 30, 2013	-	-	(137)	(1,724)	(596)	(2,457)
Accumulated Impairments per September 30, 2013	(1,661)	(295)	(16)	(357)	(260)	(2,589)
Carrying value as per September 30, 2013	**2,186**	**800**	**201**	**714**	**39**	**3,940**
Movements 2014:						
Additions	-	-	170	849	462	1,481
Acquisition TFT	2,282	-	427	-	14	2,723
Amortization	-	-	(136)	(383)	(62)	(581)
Disposals	-	-	-	-	(4)	(4)
Translation adjustments on Investments	27	-	-	28	1	56
Translation adjustments on Amortization	-	-	-	(12)	(1)	(13)
Carrying value as per September 30, 2014	**4,495**	**800**	**662**	**1,196**	**449**	**7,602**
Accumulated Investments per September 30, 2014	6,156	1,095	951	3,581	700	12,483
Accumulated Amortization per September 30, 2014	-	-	(273)	(2,119)	(209)	(2,601)
Accumulated Impairments per September 30, 2014	(1,661)	(295)	(16)	(266)	(42)	(2,280)
Carrying value as per September 30, 2014	**4,495**	**800**	**662**	**1,196**	**449**	**7,602**
Movements 2015:						
Additions	-	-	35	708	12	755
Amortization	-	-	(176)	(672)	(88)	(936)
Disposals/Impairment	-	-	(129)	(551)	-	(680)
Reversal of Amortization on disposals	-	-	45	323	-	368
Reversal of Impairment on disposals	-	-	-	228	-	228
Translation adjustments on Investments	52	35	-	79	10	176
Translation adjustments on Amortization	-	-	1	(39)	(5)	(43)
Translation adjustments on Impairments	-	(35)	(1)		(8)	(44)
Carrying value as per September 30, 2015	**4,547**	**800**	**437**	**1,272**	**370**	**7,426**
Accumulated Investments per September 30, 2015	6,208	1,130	857	3,817	722	12,734
Accumulated Amortization per September 30, 2015	-	-	(403)	(2,507)	(302)	(3,212)
Accumulated Impairments per September 30, 2015	(1,661)	(330)	(17)	(38)	(50)	(2,096)
Carrying value as per September 30, 2015	**4,547**	**800**	**437**	**1,272**	**370**	**7,426**
Useful life	Indefinite	Indefinite	5/10 years	3 years	3 years	
						2015
Goodwill	4,547	-	-	-	-	4,547
Other Intangibles	-	800	437	1,272	370	2,879
						7,426
						2014
Goodwill	4,495	-	-	-	-	4,495
Other Intangibles	-	800	662	1,196	449	3,107
						7,602

The main movements in FY 2015 consist of:
- Capitalised Software € 708k;
- Customer base for customer portfolio € 35k;
- Purchased Software €12k
- Impairment of part of the Customer Base of TIE Kinetix Germany, net € 84k;
- Fully amortized Capitalized Software that is not used anymore, net € 0k.

The movement of the software development costs predominantly consists of the year's capitalized-developed software, the depreciation thereupon and disposal of fully amortized (and impaired) software that is not in use anymore.

Impairments
Cash generating units are identified in line with the way management monitors, and will continue to monitor, the business. This is based on the internal reporting to the Executive Board as main decision-making body in the company. From October 2014 onwards, our planning is primarily based on business line segments. In certain instances, such as for statutory reporting, tax reporting and recognition of cash generating units country segments are used. Starting October 1, 2014 all revenue, direct costs and fee earning staff are allocated to business lines. To avoid arbitrary and volatile allocation, indirect costs and non-fee earning staff are not allocated directly to business lines, but rather allocated to country operations (or holding functions). With the introduction of Business Lines, the company applies an intercompany transfer pricing mechanism to account for the various roles the respective country operations have in the value chain towards its customers. As the case may be, the company identifies sales roles, product ownership roles and development roles, with each role rewarded commensurate with its place in the value chain. The intercompany pricing mechanism may distort the intra year as well as the year-on-year country segment comparison.

TIE Kinetix has four business lines: Integration, E-Commerce, Demand Generation and Analytics & Optimization. TIE Kinetix currently has country operations in the Netherlands, in the US, in Germany, and in France. This leads to the cash generating units:
- TIE Kinetix Nederland+International
- TIE Kinetix E-Commerce
- TIE Kinetix France
- TIE Kinetix US
- TIE Kinetix Germany incl. DACH
- TIE Kinetix Product Development

As in prior years we have used a discounted cash flow model to determine the value in use, based on a 12% WACC and 10 years horizon. TIE Kinetix has assessed the assumptions regarding expected growth rates, and has conducted sensitivity tests with WACC of 9.5% and 14.5%.

Management assessed that during the year no triggering event has occurred and has conducted annual impairment testing. Management assessed that for all cash generating units the Value in Use [IAS 36.30-57] exceeds Carrying Value [IAS 36.8-9]. Furthermore, management has no indications that individual assets of any cash generating unit may be impaired.

Allocation of the carrying value of the Intangible Fixed Assets tested to the CGU's and segments for impairment per September 30, 2015 and comparative number per September 30, 2014 are as follows:

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

CGU	NL+Int	France	US	DACH	E-com-merce	Prod. Dev.	Total 2015
Goodwill	594	153	472	2,282	1,046	-	**4,547**
Trademarks	-	-	-	-	-	800	**800**
Customer Base	35	-	-	194	208	-	**437**
Software Development Costs	-	-	351	-	-	921	**1,272**
Purchased Software	352	-	13	5	-	-	**370**
Total	**981**	**153**	**836**	**2,481**	1,254	**1,721**	**7,426**

CGU	NL+Int	France	US	DACH	E-com-merce	Prod. Dev.	Total 2014
Goodwill	594	153	420	2,282	1,046	-	**4,495**
Trademarks	-	-	-	-	-	800	**800**
Customer Base	-	-	-	363	300	-	**663**
Software Development Costs	-	-	359	-	-	836	**1,195**
Purchased Software	449	-	-	-	-	-	**449**
Total	**1,043**	**153**	**779**	**2,645**	**1,346**	**1,636**	**7,602**

For all cash generating units Value in Use [IAS 36.30-57] exceeds Carrying Value [IAS 36.8-9]. Furthermore, management has no indications that individual assets of any cash generating unit may be impaired.

As in previous years impairment test was based like in past years on a discounted cash flow model to determine the value in use. In 2013 the goodwill of Ascention and the value of Ascention's product Revolution were fully impaired.

For all Cash Generating Units annual growth rates have been applied (varying between 0-15% for all operations) in line with our multi-year planning assumptions and based on market estimates of external advisory firms. These growth rates are used to extrapolate cash flow beyond budget 2016, as approved by the Management Board and Supervisory Board and the following nine years. After ten years no residual value is taken into account. A discount rate of 12% before tax has been used;

Growth Rate Estimates: Growth rates are based on published industry research and management's assessment of how the CGU develops in the forecast period. The growth rate applied varies per CGU, which varies in the range of 0% upto 15%. Residual Value: Our discounted cash flow calculation showed no residual value after 10 years; adding additional years to the cash flow calculation have limited effect under the applied discount rate and the residual value becomes less predictable.

Discount Rate: The discount rate is based on the WACC and reflects the current market assessment of the risks specific to each CGU. The discount rate used was estimated on the weighted average costs of capital for shareholders' equity and loan capital. The cost structure of shareholder's capital is determined on the basis of the interest rate adjusted for cyclical and market risks. The rate of loan capital is determined on the basis of an interest rate for long term state loans for business risks and also adjusted due by a reasonable risk premium for SME's. The assumptions have been used for the analysis of each CGU within the operating segment for Intangible assets and Goodwill as well as over the total Company.

Sensitivity analysis

With regard to the assessment of the recoverable amount of each CGU and the total Company, management believes that reasonably possible change in any of the above key assumptions could cause changes to the results of the executed impairment test. For sensitivity analyses on the impairment see above.

2) Tangible Fixed Assets

Property, Plant and Equipment

Movements in Property, Plant and Equipment are shown below:

Tangible Fixed Assets	Fixtures & Fittings	Hardware	Total
Accumulated Investments per September 30, 2013	474	379	853
Accumulated Amortization per September 30, 2013	(117)	(267)	(384)
Accumulated Impairments per September 30, 2013	(7)	(9)	(16)
Carrying value as per September 30, 2013	**350**	**103**	**453**
Movements 2014			
Additions	18	119	137
Acquisition TFT	9	202	211
Depreciation per Statement of (Comprehensive) Income	(63)	(144)	(207)
Disposals	(15)	(18)	(33)
Amortization on Disposals	11	21	32
Translation Adjustments Investments	8	11	19
Translation Adjustments Depreciation	(7)	(9)	(16)
Carrying value as per September 30, 2014	311	285	596
Accumulated Investments per September 30, 2014	494	693	1,187
Accumulated Amortization per September 30, 2014	(176)	(399)	(575)
Accumulated Impairments per September 30, 2014	(7)	(9)	(16)
Carrying value as per September 30, 2014	**311**	**285**	**596**
Movements 2015			
Additions	108	58	166
Depreciation per Statement of (Comprehensive) Income	(76)	(161)	(237)
Disposals	-	(6)	(6)
Amortization on Disposals	-	6	6
Translation Adjustments Investments	15	22	37
Translation Adjustments Depreciation	(10)	(19)	(29)
Carrying value as per September 30, 2015	**348**	**185**	**533**
Accumulated Investments per September 30, 2015	617	767	1,384
Accumulated Amortization per September 30, 2015	(262)	(573)	(835)
Accumulated Impairments per September 30, 2015	(7)	(9)	(16)
Carrying value as per September 30, 2015	**348**	**185**	**533**
Useful life	**4 to 10 years**	**3 years**	

At balance sheet date there are no restrictions on title. No items of Property Plant and Equipment have been pledged as security against liabilities. The fair value of the Property, Plant and Equipment is deemed to be a close approximation of the carrying value. The investments in Fixtures & Fittings predominantly relate to Leasehold and Office Equipment in the US; while Hardware relate to new computer equipment in all territories. The translation adjustment on Investments and Depreciation predominantly results from the fluctuation of the US Dollar.

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

3) Financial Assets

Deferred Taxes

Deferred Taxes	Balance as of October 1,	2015	2014
From US operations		1,168	1,344
From Dutch operations		-	347
	Balance as at September 30,	1,168	1,691

The deferred tax and movements thereupon are discussed below.

United States

The carrying value of the Deferred Tax Asset in the US amounts to $ 1,310k in the US (2014: $ 1,694k). As in 2014, the Deferred Tax Asset in the US pertains in full to the activities of the Company in the United States and represents temporary differences and tax losses carried forward to the extent management expects to recover these items from probable future taxable income. The recognized deferred tax asset represents the full amount of tax losses carried forward; management assessed the good historical track record and stability of the business going forward with sizeable portion recurring revenue and margins, and considers strong likelihood of utilizing the tax loss carry forward position. A summary of the detailed breakdown of movements in the deferred tax amount is provided below:

Temporary Differences (Asset)	2015	2014
Deferred Revenue	1,314	1,081
Acrrued vacation days	157	98
Bad debt impairments	24	44
Depreciation of fixed assets	46	43
Total Temporary Differences (Asset)	1,541	1,266

Temporary Differences (Liability)	2015	2014
Goodwill	(472)	(120)
R&D capitalization	(83)	(120)
Total Temporary Differences (Liability)	(555)	(240)

Total Temporary Differences (Net position)	986	1,026

Net deferred Tax Asset	2015	2014
Deferred Tax Asset at 40% on temporary differences	398	410
Deferred Tax Asset at 40% on loss carry forward	770	934
Net deferred Tax Asset	1,168	1,344

Movements	2015	2014
Balance as at October 1,	1,344	956
Debited to Income on temporary differences	(63)	(331)
Debited to Income on loss carry forward	(279)	(299)
Credited to Income on loss carry forward	-	950
Net Currency Translation Effect	166	68
Balance as at September 30,	1,168	1,344

The amount debited to income pertains to the temporary differences (€ 63k) and carry forward of tax losses (€ 279k) detailed above. The principle item included in the temporary difference is the tax pertaining to the change in the temporary difference between the carrying value and the tax base of the Goodwill and deferred revenues. In addition to the temporary differences, there is a fully recognised Loss Carry Forward in the US amounting to € 2,081mln (USD 2,335mln). Based on the current tax legislation in the United States, the federal loss carry forward potential has a remaining life of between 11 to 20 years, starting with the losses incurred in 2004.

The Netherlands

In the Netherlands, the available but substantially unrecognized loss carry forward totals € 10,1mln (2014: € 10,8mln), which is available to offset future taxable income for a maximum period of 9 years. The total amount that lapsed in FY 2015 amounts to € 2,8mln. In 2014, Management used a 9 year horizon for utilizing the available tax losses of € 10,8mln. Given the modest operational profitability Management assessed the value of the Deferred Tax Asset at € 347k. In 2015, the developments regarding the EC claim and the effects of potential new claims (refer to page 45 and 109) on the Company's profitability, have led to management's decision to derecognize the Netherlands Deferred Tax Asset pertaining to carry forward of tax losses.

In previous years no deferred tax liability was recognized for temporary fiscal differences in the Netherlands, because of the availability of sufficient unrecognized carry forward losses to compensate. In 2015 it was decided to adjust this and disclose the deferred amounts separately. A Deferred Tax Liability has been created for temporary differences in the Netherlands amounting to € 251k (2014: € 223k) resulting from Goodwill CSP and Trademark CSP. Comparative figures are adjusted for this purpose as well. Based on IAS 12.34 and in view of the available tax loss carry forward position a Deferred Tax Asset has been created for the same amount as it is expected that the temporary fiscal differences will be settled in the same period that unrecognised tax losses are available. Both amounts are offset against each other and therefore the net impact of this adjustment is nil.

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Net deferred Tax Asset	2015	2014
Deferred Tax Asset at 20/25% on loss carry forward	251	570
Deferred Tax Liability at 20/25% on temporary differences	(251)	(223)
Net deferred Tax Asset	-	347

Temporary Differences	2015	2014
Goodwill	(534)	(475)
Trade Mark	(720)	(640)
Total Temporary Differences (Liability)	(1,254)	(1,115)
Total deferred tax liability for Temporary Differences at 20/25%	(251)	(223)

Movements	2015	2014
Balance as of October 1,	347	353
Debited/Credited to Income on temporary differences	-	-
Credited to Income from loss carry forward	-	7
Charged to Income from loss carry forward	(347)	(13)
Balance as at September 30,	-	347

Loans and Receivables

Loans and Receivables	2015	2014
Balance as of October 1,	196	44
New receivables > 1 year	699	152
Balance as at September 30,	895	196

4) Current Assets

Trade Receivables and Other Receivables

Trade Receivables and Other Receivables	2015	2014
Trade Receivables	3,600	3,687
Less: Valuation Allowance	(389)	(69)
Trade debtors net of valuation allowance	**3,211**	**3,618**
Income Tax Receivable	**8**	-
Taxation and social security prepaid	**90**	**10**
Security Deposits	86	105
Subsidized Projects	76	-
Projects to be Invoiced (WIP)	466	574
Employees	-	11
Prepayments	1,200	997
Other Receivables and Prepayments	**1,828**	**1,687**
Total	**5,137**	**5,315**

Trade Receivables

The following table reflects the gross outstanding Trade Receivable balance as of September 30, broken down into 1) balances that have not passed their due dates and 2) balances that have passed their due dates. The latter category is further broken down into categories detailing the extent to which they have passed their due dates. The “less than 30 day” outstanding category represents receivables that have not yet passed their respective due dates and are not impaired.

		Past due not impaired			
Trade Receivables by region	Less than 30 days	31 to 61 days	61 to 90 days	In excess of 90 days	Total 2015
The Netherlands	644	259	57	40	1,000
North America	582	198	48	13	841
France	130	6	33	80	249
DACH	1,313	119	1	77	1,510
Total	**2,669**	**582**	**139**	**210**	**3,600**

		Past due not impaired			
Trade Receivables by region	Less than 30 days	31 to 61 days	61 to 90 days	In excess of 90 days	Total 2014
The Netherlands + International	797	448	27	87	1,359
North America	667	161	31	55	914
France	86	69	-	68	223
DACH/TFT	1,114	53	18	6	1,191
Total	**2,664**	**731**	**76**	**216**	**3,687**

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Trade receivables from TIE Kinetix Nederland BV, TIE MamboFive BV and TIE International BV are pledged to RABO Bank as collateral for a working capital facility provided by RABO Bank. Trade receivables of TFT GmbH are pledged to DZ Bank as collateral for a working capital facility provided by DZ Bank.

The fair value of Trade Debtors amounts to € 3,211k (2014: € 3,618k).
Details on the movements in the provision for doubtful debt (excluding recoverable VAT) are found below:

Movements in the provision of doubtful debt	Individually Impaired	Collectively Impaired	Total
Balance as at September 30, 2013	**197**	**123**	**320**
Charge for the year	-	(4)	(4)
Utilised	(47)	(8)	(55)
Unused amounts reversed	(125)	(70)	(195)
Currency exchange rate differences	-	3	3
Balance as at September 30, 2014	**25**	**44**	**69**
Charge for the year	353	41	394
Utilised	(2)	(67)	(69)
Unused amounts reversed	(7)	-	(7)
Currency exchange rate differences	-	2	2
Balance as at September 30, 2015	**369**	**20**	**389**

Other Receivables and Prepaid Expenses

Other Receivables predominantly consist of security deposits for rental agreements. Subsidized projects consist of EU projects completed and awaiting final approval and settlement.
Projects to be invoiced relate to work that has been performed, but not yet invoiced.
Prepayments include short term prepaid amount to suppliers (resulting from SaaS sales to customers < 1 year) prepaid rent, car lease, and insurance premiums.

Cash and Cash Equivalents

Under this heading, the company only includes cash at banks, potentially short term deposits, and payments in transfer. The reported cash balance was available at balance sheet date; there were no restrictions with respect to availability. As at balance sheet date an amount of € 512k (2014: € 653k) reported under cash and cash equivalents pertains to our role as coordinator in EC Project SAM. These funds will be transmitted to the beneficiaries in the SAM project (including TIE Kinetix). As a rule, TIE Kinetix maintains these funds on an earmarked account and does not apply these funds for working capital purposes.
The Fair Value of Cash and Cash Equivalents approximate the nominal value of these items.

5) Equity

Shareholders' Equity

Management policy with respect to managing Capital, consisting of all components of Equity, including the Convertible Bonds, is to maintain a positive Equity, while limiting funding through Debt as much as possible due to the liquidity risks attached to Debt. This implies that Business Combinations, Investments and Operations are funded primarily by issuing Equity Instruments, also in the event of a cash component payable arising from a Business Combination.

Share Capital

The company's authorized share capital amounts to € 500k (2014: € 14mln), consisting of 5 million (2014: 2 million) ordinary shares with a nominal value of € 0.10 (2014: € 7.00) each. On March 27, 2015 the Annual General Meeting of Shareholders approved:

- issuance of new shares to a maximum of 10% of the outstanding shares;
- the proposal of the Management Board for a Capital Reduction to € 0.10, consisting of 5 million ordinary shares; Subsequently effectuated in the Articles of Association on June 3rd, 2015.

The movements in the number of Common Shares outstanding can be summarized as follows:

(number of shares)	2015	2014
Balance as of October 1,	1,127,377	932,954
Issued	100,000	194,423
Balance as at September 30,	1,227,377	1,127,377
In € (x 1,000)	123	7,892

Details on movements in Issued Capital in nominal values and Share Premium Account are found below:

	Shares Capital		Share Premium Account	
(€ x 1,000)	2015	2014	2015	2014
Balance as of October 1,	7,892	6,531	50,150	50,157
Transfer to Share Premium	(8,469)	-	8,469	-
Issue of new shares	700	1,361	-	-
Other Movements	-	-	(311)	(7)
Balance as at September 30,	123	7,892	58,308	50,150

In 2015 an amount of € 8,469k was transferred from Share Capital to the Share Premium Account as a result of the Capital Reduction as described above.

The Company issued new shares on March 31, 2015 amounting to € 700k resulting from the first draw-down of the shareholder guarantee for EC damages up to an amount of € 2 million.
The other movement predominantly resulted from the fact that the Company and the guarantor have agreed to issue a guarantee fee of € 300k. The guarantee fee will not be payable in cash but will be payable in shares to be issued at a share price of € 6.11, at a later date, awaiting final completion of the EC claim process.
The liability resulting thereof is included under short term debt 'Obligation to Shareholder' on page 94.

Equity Settled Share Based Payments

Annual Stock Options Plan

The Stock Options granted under the Annual Stock Options Plan have a three-year vesting period and a subsequent exercise period of 7 years. Staff members leaving the Company within the vesting period lose their Stock Options.
During FY 2015, no new Stock Options have been issued under the Annual Stock Option Plan.
The weighted remaining average lifetime of all Stock Options is 3.44 years (2014: 4.23 years).

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Movements in the number of Stock Options to staff members and management of the Company:

Movement of Stock Options	Excercise Price	2015	Excercise Price	2014
Options outstanding as of October 1,	**18.34**	**102,611**	**18.00**	**114,852**
Options lapsed	37.41	(10,271)	-	-
Transferred to 3rd party	21.60	(7,937)	10.00	(9,000)
Options forfeited	23.23	(3,526)	15.82	(3,241)
Option outstanding at September 30,	**15.48**	**80,877**	**18.34**	**102,611**

The Stock Options from managers, who left the Company, that were issued in relation to credit facilities offered to the Company, have been classified as Stock Options held by Third Party Investors.

Balance of Stock Option fair value (in Euro) at issue to be expensed:

Fair Value of Stock Options	2015	2014
Balance as of October 1,	**17,628**	**64,006**
Forfeited	-	(32,658)
Expense for the year	(12,997)	(13,720)
Balance at September 30,	**4,631**	**17,628**

The aforementioned balance reflects the future expense of outstanding Stock Options at balance sheet date, based on management's current best estimate of the number of Stock Options that will actually vest. This balance is not reflected on the face of the Statement of Financial Position.

A Black & Scholes model was used to calculate the fair value of the Stock Option plans. Our model applies, amongst other volatility metric used and a risk free interest rate. The expected volatility is based on the historical share price over the past 5 years.

Stock Options outstanding to staff members and management of the Company, as per September 30, 2015, can be broken down as follows:

	Issue Date	Options Granted	Con-verted	Moved to 3rd party	Lapsed	Forfeiture	Out-standing Options	Weighted average exercise price	Maturity Date
2005 Former Management Board	Feb 23, 2005	5,000	-	-	5,000	-	-	€ 41.00	Apr 01, 2015
2007 Management Board	Sep 30, 2007	2,182	-	-	-	1,333	848	€ 26.00	Oct 01, 2017
2009 Management Board	Mar 11, 2009	7,500	-	-	-	-	7,500	€ 10.00	Mar 11, 2019
2010 Management Board	Mar 10, 2010	7,500	-	-	-	-	7,500	€ 19.10	Mar 10, 2020
2010 Management Board	Aug 31, 2010	300	-	-	-	-	300	€ 10.00	Aug 31, 2020
2013 Management Board	Mar 13, 2013	5,000	-	-	-	-	5,000	€ 10.00	Mar 13, 2023
Sub Total Management Board		**27,482**	**-**		**5,000**	**1,333**	**21,148**		
2005	Sep 30, 2005	11,612	-	-	5,271	6,341	-	€ 34.00	Oct 01, 2015
2006	Sep 30, 2006	12,495	-	-	-	6,996	5,499	€ 33.00	Oct 01, 2016
2007	Sep 30, 2007	10,394	-	-	-	5,070	5,324	€ 26.00	Oct 01, 2017
2008	Jun 03, 2008	18,500	-	-	-	5,000	13,500	€ 10.00	Jun 03, 2018
2008	Sep 30, 2008	15,550	-	-	-	5,145	10,405	€ 10.00	Sep 30, 2018
2009	Feb 24, 2009	27,500	8,000	9,000	-	9,210	10,290	€ 10.00	Feb 24, 2019
2009	Jun 01, 2009	1,000	-	-	-	-	1,000	€ 17.00	Jun 01, 2019
2009	Aug 04, 2009	4,500	-	-	-	-	4,500	€ 18.00	Aug 04, 2019
2009	Sep 30, 2009	300	-	-	-	300	-	€ 19.50	Sep 30, 2019
2010	Jan 05, 2010	16,215	-	-	-	7,004	9,211	€ 21.60	Jan 05, 2020
2011	Dec 28, 2010	7,937	-	7,937	-	-	-	€ 21.60	Dec 28, 2020
2012	Jul 16, 2012	1,500	-	-	-	1,500	-	€ 10.00	Jul 15, 2022
Sub Total personnel		**127,502**	**8,000**	**16,937**	**5,271**	**46,566**	**59,728**		
Total	**Sep 30, 2015**	**154,984**	**8,000**	**16,937**	**10,271**	**47,899**	**80,877**		

During the FY 2015 no (2014: no) Stock Options have been awarded to staff members. To the Management Board also no Stock Options have not been awarded during FY 2015, no Stock Options were converted.

Stock Options held by Third Party Investors

Stock Options outstanding with non-staff members as per September 30, 2015:

Stock Options Third Party Investors	Issue Date	Options Granted	Exercise Price	Maturity date
Third Party Investors	June 3, 2008	5,000	€ 10.00	June 3, 2018
Third Party Investors	Feb 24, 2009	9,000	€ 10.00	Feb 24, 2019
Third Party Investors	June 19, 2009	250	€ 18.00	June 19, 2019
Third Party Investors	August 31, 2010	3,400	€ 10.00	August 31, 2020
Third Party Investors	December 27, 2010	7,937	€ 10.00	December 27, 2020
Total		**25,587**		

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

The outstanding non-staff member Stock Options were issued in relation to credit facilities offered to the Company by the various lenders. It is the Company's policy and intention to issue new shares upon exercise of these Stock Options.
Outstanding non-staff member Stock Options do not have vesting periods, but do contain a one-year lock-up period and no requirement to be expensed. Considerations received for these Gross Equity Settled Instruments at issue were credited to equity. The movement during FY 2015 is explained under Annual Stock Option Plan above.

On December 2nd, 2013 388,846 warrants have been issued for every new share Each warrant entitles to holder to purchase a newly issued TIE Kinetix share at a share price of € 7.00 until December 2, 2023. These warrants have a 1 year lock up period in which they cannot be traded or converted. During FY 2015 there were no movements.

Movement of Warrants	Excercise Price	2015	Excercise Price	2014
Warrants outstanding as of October 1,	7.00	388,846	-	-
Warrants granted during the year	-	-	7.00	388,846
Warrants outstanding at September 30,	**7.00**	**388,846**	**7.00**	**388,846**

Convertible Bonds

Convertible Bonds issued by the Company have been classified as Equity, based on the fact that under the terms and conditions of these bonds, there is evidence of a residual interest in the Company's assets after deducting all of its liabilities. The conversion rates are fixed, and all Convertible Bonds are non-interest bearing. Distributions to holders of Equity Instruments are recognized directly in equity net of tax. There were no movements to report in 2015.

The Balance outstanding as of September 30, 2015 consists of the following Convertible Bonds:

Convertible Bonds	Issue date	Maturity date	Conversion rate in €	**(€ x 1,000) 2015**	(€ x 1,000) 2014
Related Party	August 4, 2009	August 4, 2019	€ 18.00	40	40
	Sub Total Related Party			**40**	**40**
Third Party Investors	June 19, 2009	June 19, 2019	€ 18.00	5	5
	Sub Total Third Party Investors			**5**	**5**
	Total Convertible Bonds			**45**	**45**

During FY 2015, no Convertible Bonds were issued.

6) Non Current Liabilities

Long Term Liabilities	2015	2014
Loans/Long term Debt	1,165	1,527
Deferred Revenue	886	480
Deferred Tax Liability	80	131
Contingent Consideration	55	56
Pension Provisions	91	76
Other Provisions	401	20
Total Long Term Liabilities	**2,678**	**2,290**

The deferred tax liability is discussed on page 95.

Movement of Loans/Long term Debt	2015	2014
Balance as of October 1,	**1,527**	**171**
Obtained from acquisition	-	2,000
Repayments	-	(150)
Obtained in 2015	72	-
To Short Term Loan	(434)	(494)
Balance as at September 30	**1,165**	**1,527**

The Loans relate to the long term part for the acquisition of Light (€ 43k, interest 6.5%) and TFT (DZ Bank € 450k, interest Euribor +275 bps) and to former Shareholder € 600k, interest euribor +300 bps) and the settlement of the Samar claim € 72k.

Movement of Deferred Revenue	2015	2014
Balance as of October 1,	**480**	**-**
From Current Liabilities	406	480
Balance as at September 30	**886**	**480**

Deferred Revenue € 514k represents the long term part of the unearned portion of revenues earned and invoiced for contract lasting over 12 months.

Movement of Contingent Consideration	2015	2014
Balance as of October 1,	**56**	**44**
From Current Liabilities	(1)	12
Balance as at September 30	**55**	**56**

The Contingent Consideration is part of the PPA for the Light.

Movement of Pension Provisions	2015	2014
Balance as of October 1,	**76**	**23**
Obtained from acquisition	-	55
Charged to income	15	-
Released to Income	-	(2)
Balance as at September 30	**91**	**76**

The pension provision relates to a retirement provision in France (€ 26k) and Germany (TFT, € 65k) as discussed on page 76.

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Movement of Other Provisions		**2015**	2014
	Balance as of October 1,	**20**	-
From Short Term Liabilities		381	20
	Balance as at September 30	**401**	**20**

The other provision consists of the long term part of the EC claim € 381k and social security claim in France (€ 20k).

7) Current Liabilities

Provisions

Movement of Provisions		**2015**	2014
	Balance as of October 1,	-	20
Charged to income		29	-
To Long term provisions		-	(20)
	Balance as at September 30	**29**	-

Short Term Debt

Short Term Debt		**2015**	2014
	Balance as of October 1	**464**	**160**
Loans obtained		125	-
Obligation to Shareholder		300	-
Redeemed		(463)	(134)
Waived		-	(56)
From Long Term Loan		434	494
	Balance as at September 30	**860**	**464**

The obligation to Shareholder is discussed on page 45.

The short term debt relates to the debts from, Light (€ 34k, interest 6.5%), TIE TFT (€ 400k, interest resp. euribor + 275/300 bps) and the short term amount resulting from the settlement of the Samar Claim (€ 125k, no interest bearing).The obligation to Shareholder is discussed on page 45.

Deferred Revenue

Deferred Revenue represents the unearned portion of revenues earned over a specific period. The maintenance and support agreement entitle the user to support and updates of the software. These maintenance contracts are deferred (100%) and recognized over the related contract period, usually 12 months. Consulting fees are recognized upon the performance based on the completion method. The deferred revenue is the difference between the amount invoiced and revenue recognized. In the event of overspending, the outstanding amount is expensed through the Comprehensive Statement of Income. SaaS contracts consist of a subscription fee, which is deferred and recognized over the related contract period, for a maximum of 12 months.

Taxation and Social Security

The Taxation and Social Security balance can be broken down as follows:

Taxation and Social Security		2015	2014
Payroll Tax		136	66
Social Security Contributions		101	47
VAT/Sales tax US		331	176
Income Tax payable		175	-
	Total	743	289

Other Payables and Accruals

Other Payables and Accruals		2015	2014
EC and other Grants		187	922
Accrued Expenses		1,548	1,322
Other Accruals and Payables		367	227
Pension Premiums		17	46
Supervisory Board Compensation		19	17
	Total	2,138	2,534

Other Payables and Accruals include accrual for holiday allowance, holiday days not taken, pension accrual, prefunded amounts received on EU projects and accrued expenses.

Deferred taxes Liabilities

The carrying value of the Deferred Tax Liability in Germany amounts to € 62k (2014: € 113k) and for TIE Light amounts to € 18k (2014: € 18k).

Deferred tax liability	TIE Light	DACH	Total
Carrying value as per September 30, 2014	18	4	22
Movements 2014			
Obtained from acquisition		128	128
Release to Statement of (Comprehensive) Income	-	(19)	(19)
Carrying value as per September 30, 2014	18	113	131
Movements 2015			
Release to Statement of (Comprehensive) Income on impairment	-	(25)	(25)
Release to Statement of (Comprehensive) Income on amortisation	-	(26)	(26)
Carrying value as per September 30, 2015	18	62	80

NOTES TO THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Segment Information

As of October 1, 2014 the company uses Business Lines as primary reporting segment. With the introduction of Business Lines, the company applied an intercompany transfer pricing mechanism to account for the various roles country operations have in the value chain towards its customers. As the case may be, the company identifies sales roles, product ownership roles and development roles, with each role rewarded commensurate with its place in the value chain. Refer also to page 95.

	Integration		E-Commerce		Analytics & Optimization		Demand Generation	
In € x 1.000	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014
Licenses and hardware	795	1,006	-	47	-	-	9	-
Maintenance and support	3,002	2,830	15	14	-	-	2	-
Consultancy and Implementation	2,068	2,055	1,197	2,179	2,253	1,030	1,379	2,098
Software as a service	3,675	3,207	1,933	1,200	725	1,066	2,847	2,486
Other income and intercompany	264	230	72	5	356	119	329	-
Total Revenue	**9,804**	9,327	**3,217**	3,445	**3,334**	2,215	**4,566**	4,584
Total cost of sales	**(3,426)**	(2,990)	**(2,077)**	(1,916)	**(1,855)**	(1,305)	**(3,258)**	(3,236)
Gross margin	**6,378**	6,337	**1,140**	1,529	**1,479**	910	**1,308**	1,348

	Total Operations incl. eliminations		EU projects		Total	
In € x 1.000	**2015**	2014	**2015**	2014	**2015**	2014
Licenses and hardware	804	1,053	-	-	804	1,053
Maintenance and support	3,019	2,844	-	-	3,019	2,844
Consultancy and Implementation	6,897	7,362	-	-	6,897	7,362
Software as a Service	9,180	7,959	-	-	9,180	7,959
Other income and intercompany	498	142	1,865	1,114	2,363	1,256
Total Revenue	**20,398**	19,360	**1,865**	1,114	**22,263**	20,474
Total cost of sales	**(9,959)**	(9,164)	**(1,606)**	(1,077)	**(11,565)**	(10,241)
Gross margin	**10,439**	10,196	**259**	37	**10,698**	10,233
Indirect and Other Employee Costs	(5,069)	(5,084)	-	-	(5,069)	(5,084)
Other operating expenses	(3,335)	(2,822)	(435)	(500)	(3,770)	(3,322)
Total Operating expenses	**(8,404)**	(7,906)	**(435)**	(500)	**(8,839)**	(8,406)
Operating Income before one time expenses and depreciation, amortization and impairment	**2,035**	2,290	**(176)**	(463)	**1,859**	1,827
One-time expenses	(672)	(727)	(1,321)	-	(1,993)	(727)
EBITDA	**1,363**	1,563	**(1,497)**	(463)	**(134)**	1,100
Depreciation and amortization	(1,171)	(856)	(1)	(1)	(1,172)	(857)
Impairment	(84)	-	-	-	(84)	-
EBIT	**108**	708	**(1,498)**	(465)	**(1,390)**	243

Segment items included in the Segment Statement of Financial Position as of September 30, 2015 or further details of items in the segment Statement of Income account are:

Revenues	Netherlands incl. International	TIE MamboFive	North America	France	DACH	Product Development	Holding and Eliminations	Total
Licenses	135	-	468	80	121	-	-	804
Maintenance and Support	661	23	2,099	136	100	-	-	3,019
Consultancy	891	1,090	1,034	427	3,455	-	-	6,897
Software as a Service	1,945	1,360	2,477	589	2,809	-	-	9,180
Revenues	**3,632**	**2,473**	**6,078**	**1,232**	**6,485**	**-**	**-**	**19,900**
EU Projects & Other Income	1,880	-	256	8	1,278	385	(1,444)	2,363
Total Revenue	**5,512**	**2,473**	**6,334**	**1,240**	**7,763**	**385**	**(1,444)**	**22,263**
Total Cost of Sales	(3,130)	(1,583)	(2,644)	(410)	(5,186)	-	1,388	(11,565)
Gross Margin	**2,382**	**890**	**3,690**	**830**	**2,577**	**385**	**(56)**	**10,698**
Operating Expenses								
Indirect and Other Employee Costs	743	(199)	578	616	1,139	-	2,192	5,069
Onetime expenses	1,656	56	-	-	-	-	281	1,993
Other Operating Expenses	945	307	1,386	213	397	-	522	3,770
Total Operating expenses	**3,344**	**164**	**1,964**	**829**	**1,536**	**-**	**2,995**	**10,832**
EBITDA	**(962)**	**726**	**1,726**	**1**	**1,041**	**385**	**(3,051)**	**(134)**

Assets	Netherlands incl. International	TIE MamboFive	North America	France	DACH	Product Development	Holding and Eliminations	Total 2015
Intangible Fixed Assets	1,429	209	835	-	2,480	921	1,552	7,426
Tangible Fixed Assets	9	13	118	7	98	-	288	533
Financial Assets (deferred tax) & Loans	439	55	1,168	-	401	-	-	2,063
Current Assets	1,741	623	1,320	621	2,226	-	(702)	5,829
Total Assets	**3,618**	**900**	**3,441**	**628**	**5,205**	**921**	**1,138**	**15,851**
Liabilities								
Non Current Liabilities	597	60	-	47	1,091	-	655	2,450
Current Liabilities	3,029	278	1,758	560	2,198	-	1,369	9,192
Total Liabilities	**3,626**	**338**	**1,758**	**607**	**3,289**	**-**	**2,024**	**11,642**
Other Selected Income Statement Items								
Capital Expenditure	37	-	265	9	2	572	36	921
Other Non Cash Expenses	8	-	-	-	-	-	5	13
FTE at year end	31	9	35	10	40	-	11	136

NOTES TO THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For statutory reporting and tax reporting country segments will continue to be used. Readers are cautioned that the intercompany pricing mechanism complicates comparison of FY 2014 with FY 2015 country segments.

TIE Kinetix Netherlands including International: with customers migrating from license (and maintenance) towards a SaaS delivery model, lower license and maintenance revenue in FY 2015 caused the revenue in FY 2015 falling short of total revenue in FY 2014. SaaS revenue grew with 34%.
TIE MamboFive: lower activity levels with T-Mobile and KPN-Hi caused lower consultancy revenue partly compensated by slightly higher SaaS revenue. For FY 2016 a further reduction of KPN activity may be expected.
TIE Kinetix France: performed very strong with delivery of high profile projects for Michelin leading to both higher consultancy revenue and higher SaaS revenue.
TIE Kinetix Germany: FY 2015 includes incidental revenue of € 353k generated under the contract with Tomorrow Focus AG (the previous owner) as well as revenue generated with reseller TWZ in Austria.
TIE Kinetix Germany facilitated the rollout of Google Analytics business in the Benelux and was instrumental in the delivery of high profile projects for Fossil and the European Parliament. The acquisition of Tomorrow Focus Technologies GmbH (now "TIE Germany") was completed on December 2nd, 2013. In this report the results of TFT have been included as from that date.
TIE Commerce (US): in FY 2015 TIE Commerce generated higher revenue than in FY 2014 caused by higher SaaS revenue. More Demand Generation customers were implemented in the US and in Europe. TIE Commerce (US) is owner of the development of the Demand Generation solution and facilitated the implementation of this solution both US and Europe.

Segment items included in the Segment Statement of Financial Position as of September 30, 2014 or further details of items in the segment Statement of Income account are:

Revenues	Netherlands incl. International	TIE MamboFive	North America	France	DACH/ TFT	Product Develop-ment	Holding and Elimi-nations	Total
Licenses	262	-	561	44	186	-	-	1,053
Maintenance and Support	832	14	1,631	154	213	-	-	2,844
Consultancy	965	1,530	806	358	3,703	-	-	7,362
Software as a Service	1,447	1,199	1,922	503	2,888	-	-	7,959
Revenues	**3,506**	**2,743**	**4,920**	**1,059**	**6,990**	**-**	**-**	**19,218**
EU Projects & Other Income	1,557	4	211	4	270	-	(790)	1,256
Total Revenue	**5,063**	**2,747**	**5,131**	**1,063**	**7,260**	**-**	**(790)**	**20,474**
Total Cost of Sales	(2,599)	(1,476)	(2,096)	(289)	(4,799)	-	1,018	(10,241)
Gross Margin	**2,464**	**1,271**	**3,035**	**774**	**2,461**	**-**	**228**	**10,233**
Operating Expenses								
Indirect and Other Employee Costs	761	115	1,161	379	1,588	-	1,080	5,084
Acquisition costs and onetime expenses	-	-	-	-	-	-	727	727
Other Operating Expenses	1,424	322	1,364	230	1,474	-	(1,492)	3,322
Total Operating expenses	**2,185**	**437**	**2,525**	**609**	**3,062**	**-**	**315**	**9,133**
EBITDA	**279**	**834**	**510**	**165**	**(601)**	**-**	**(87)**	**1,100**

Assets	Netherlands incl. International	TIE MamboFive	North America	France	DACH	Product Develop-ment	Holding and Elimi-nations	Total 2014
Intangible Fixed Assets	1,821	299	783	-	2,654	205	1,840	7,602
Tangible Fixed Assets	18	27	29	5	182	-	335	596
Financial Assets (deferred tax)& Loans	-	-	-	-	151	-	1,736	1,887
Current Assets	948	1,224	1,416	455	1,841	-	25	5,909
Total Assets	**2,787**	**1,550**	**2,228**	**460**	**4,828**	**205**	**3,936**	**15,994**

Liabilities								
Non Current Liabilities	126	-	1	22	705	-	1,084	1,938
Current Liabilities	2,142	654	1,439	455	2,792	-	682	8,164
Total Liabilities	**2,268**	**654**	**1,440**	**477**	**3,497**	**-**	**1,766**	**10,102**

Other Selected Income Statement Items								
Capital Expenditure	286	14	236	6	3,186	141	711	4,580
Other Non Cash Expenses	9	-	-	-	-	-	5	14
FTE at year end	31	18	32	10	46	-	11	148

The segment DACH includes unwinding of the Ascention operations, the full profit and loss of TFT GmbH (as of December 1, 2013), costs of the acquisition of TFT (€ 348k) and allocated group costs (€403k). In the period December 1, 2013 – September 30, 2014 TFT has made a total net revenue of € 5.619k and a net positive contribution to group Net income of € 216k.

Capital expenditure consists of tangible and intangible assets, including acquisition of TFT and development costs.

Other non-cash expenses referred to above pertain to the Stock Option expense accounted for in FY 2014. The 2014 numbers have been adjusted for presentation purposes, see page 96/97 for details.

NOTES TO THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

The breakdown shows the number of FTE per department at year-end:

FTE per department	2015	2014
Research and Development	14	22
Sales and Marketing	27	24
Consulting and Support	70	81
General and Administrative	25	21
Total	136	148

The actual geographical distribution of intangible assets differs from the intangible asset distribution displayed above as part of the segment information. The geographical distribution of intangible assets is displayed below:

Geographical distribution of non current assets	2015	2014
The Netherlands incl. International	2,235	2,389
North America	836	779
DACH/TFT	2,481	2,645
France	153	153
Product Development	1,721	1,636
Total	7,426	7,602

The assets in the Netherlands include 100% of the TIE Kinetix N.V. assets.

8) Operating Expenses

The Consolidated Statement of Comprehensive Income has been prepared using a classification based upon the nature of the expenses. The expense categories identified have been included below for further disclosure. Direct Costs consist of expenses directly associated with revenue. This includes third party software licenses, direct salary costs of consultants and fee-earners and hosting costs. The 2014 numbers have been adjusted accordingly for presentation purposes.

Employee Benefits

Employee benefits can be broken down as follows:

Total Employee Benefits		2015	2014
Salaries		9,057	8,621
Salaries variable component		650	609
Social Security Charges		1,432	1,235
Contributions to Post Employment arrangements		282	252
Share based payments		13	14
Other Employee Benefits		799	345
	Total	12,233	11,076

Reconciliation of Employee Benefits to the Consolidated Statement of (Comprehensive) Income:

Employee Benefits		2015	2014
Direct Employee Costs		7,164	5,992
Indirect and Other Employee Costs		5,069	5,084
	Total	12,233	11,076

NOTES TO THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

The WBSO grants received for FY 2015, amounting to € 311k (2014: € 243k), have been deducted from the social security charges.

The contributions to Post Employment Arrangements include premiums payable with respect to the Netherlands operations' Defined Contribution Post Employment Plan as well as the discretionary employer contributions to the tax facilitated retirement plan (401(k)) in the United States.

Key Management Personnel Compensation

The total key management personnel compensation, including the remuneration of the Executive Board, amounted to € 557k (2014: € 451k, Mr. Wolfswinkel was appointed on November, 28th 2013). For details of the remuneration of the Executive Board we refer to page 39.

Remunerations and expenses of Jan Sundelin are paid to his personal management B.V., CAPTA Management B.V.

The CEO received the following remuneration:

Short Term employee Benefits	**2015**	2014
Remuneration	234	216
Bonus	60	25
Total	**294**	**241**

Post employment Benefits	**2015**	2014
Contributions to Post Employment arrangements	-	-

Share Based payments	**2015**	2014
Stock Option Expense	13	10

The CFO received the following remuneration:

Short Term employee Benefits	**2015**	2014
Remuneration	175	146
Bonus	50	25
Total	**225**	**171**

Post employment Benefits	**2015**	2014
Contributions to Post Employment arrangements	25	29

Share Based payments	**2015**	2014
Stock Option Expense	-	-

Remuneration of the Supervisory Board

The General Meeting of Shareholders sets the remuneration of the members of the Supervisory Board. All members are entitled to a remuneration of € 10k per year, the Chairman € 20k per year. The total amount of compensation of the Supervisory Board for FY 2015 amounted to € 39k (2014: € 44k).

Depreciation and Amortization Expense, Divestment and Impairment Losses

Depreciation, Impairment, Divestment and Amortization	**2015**	2014
Depreciation and Amortization Expense	1,172	857
Impairment on disposal Customer Base	84	-
Total	**1,256**	**857**

Depreciation and amortization for FY 2015 increased by € 315k predominantly resulting from the development of software that is taken into production.
The impairment of Customer Base results from the sale back of TIE Kinetix Germany activities to its previous shareholder TF AG.

Other Operating Expenses and Non-Recurring Expenses

Other Operating Expenses		2015	2014
Accomodation Expenses		655	728
Professional Services		567	494
Communications		468	591
Marketing		531	476
Travel expenses		445	451
Office Supplies		403	330
General & Administration		701	252
	Total	**3,770**	**3,322**

Other operating expenses increased by 13,5% compared to last year
(TIE Kinetix Germany is included as of December 1, 2013).

Onetime Expenses		2015	2014
EU Claim		1,296	-
Redundancy & Severance costs		337	202
Samar Claim		304	127
Temporary staff hires		52	50
Other Non-Recurring costs		4	-
Acquisition TFT		-	348
	Total	**1,993**	**727**

In 2015 the Non-Recurring expenses have been incurred in EU penalty costs, and the legal and support costs incurred in this respect, severance costs resulting from layoffs, legal costs relating to the settlement of the Samar case and other legal costs.

	2015	2014
Net Cash flow from operating activities	556	1,982
Onetime Expenses	1,993	727
Normalized Net Cash Flow from operating activities	**2,549**	**2,709**

NOTES TO THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

The cash flow generated in operations in 2015 amounts to € 656k (2014: € 1,982k) and is negatively impacted by the cash effect of one-time expenses (€1,056k).

Research and Development Expenses

		2015	2014
Employee Benefits		1,653	1,880
Other R&D related expenses		441	210
Capitalized Development expenses		(701)	(849)
Amortization of Capitalized Development expenses		672	459
	Total	**2,065**	**1,700**

A number of projects executed by the R&D team in the Netherlands have funding from the European Commission and from RVO. The EU and other grants received have been accounted for under Other Income. The EU and other grants in FY 2015 amounted to € 1,865k (2014: € 1,114k).

9) Financial income and/or Expense

Financial Income and/or Expense		2015	2014
Interest Income		31	3
Interest Expenses		(146)	(73)
Exchange gains/(losses)		(63)	(20)
	Total	**(178)**	**(90)**

The Interest Expenses in FY 2015 pertain from the loans for the acquisition of TFT.

10) Corporate Income Tax

The company operates predominantly in the Netherlands, Germany, France and North America. Applicable tax rates are 25%/20% (2014: 25%/20%) for the Netherlands, France 33.3% (2014: 33.3%), for the US 34% (2014: 34%) for federal tax and 6% (2014: 6%) for state tax, and for Germany 33% (Körperschaftssteuer 15.8%, Gewerbesteuer 17.2%) (2014: 29% (Körperschaftssteuer 15%, Gewerbesteuer 17.2%)).These rates represent a weighted average rate as income tax returns are filed on a calendar year basis, whereas these financial statements have been drawn up to reflect the Company's financial year, which runs from October 1 through September 30. The effective tax rate based on income before taxes is -50.9%. This negative tax burden is primarily caused by the derecognition of the deferred tax asset for unutilized tax losses in the Netherlands (€ 347k) and not recognizing a deferred tax asset for new tax losses occurred in the Netherlands during the year (€ 830k). The income tax on pre tax income using weighted local statutory tax rate is 13.3%. The income tax per fiscal books using weighted local statutory tax rate is 26.1%.

Reconciliation between standard and effective income tax is as follows:

Reconciliation between Standard and effective income tax	**2015**	2014
Pre Tax Income	**(1,568)**	**153**
Corporate Tax	(798)	286
Net Income (loss) after tax	**(2,366)**	**439**
Weighted local statutory tax rate (17-40%) on pre tax income	(208)	74
Adjustment on (temporary) differences pre tax income and taxable income in fiscal books	(202)	(413)
Income tax per fiscal books using weighted local statutory tax rate (17-40%)	**(410)**	**(339)**
Utilisation of loss carry forward in the US	(279)	(299)
Recognition of deferred tax asset for loss carry forward in the US	-	950
Utilisation of loss carry forward in the Netherlands	-	(50)
Tax losses in the Netherlands not recognised as deferred tax asset	830	-
Deferred Tax on acquisition related costs TIE Germany	-	(240)
Other Tax Movements	19	-
Current Income tax charge	**160**	**22**

Income Tax reported in the Comprehensive Income Statement	**2015**	2014
Movement deferred taxes during the year	(638)	308
Current Income tax charge	(160)	(22)
Income Tax reported in the Comprehensive Income Statement	**(798)**	**286**

Movement deferred taxes during the year	**2015**	2014
Derecognition of deferred tax asset for loss carry forward in the Netherlands	347	-
Credited to Income: movement from loss carry forward in the Netherlands (DTA)	-	(7)
Debited to Income: movement in temporary differences in the US (DTA)	63	331
Debited to Income: utilization of losses carry forward in the US (DTA)	279	299
Recognition of deferred tax asset for loss carry forward in the US	-	(950)
Credited to Income: movement in temporary differences in Germany (DTL)	(26)	19
Credited to Income: release of temporary differences on impairment in Germany (DTL)	(25)	-
Movement deferred taxes during the year	638	(308)

NOTES TO THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

The changes in the Deferred Tax Asset are discussed on page 84 in detail. The main item of the Deferred Tax Asset in FY 2015 is the capitalization of loss carry forward on TIE Commerce as described in more detail on page 84. An update in the estimates of recognized losses carry forward of € 770k has been made in 2015; More details can be found on page 84.
All Dutch subsidiaries of TIE Kinetix N.V. and TIE Kinetix N.V. form a tax unit and are jointly and severally liable for all tax liabilities originating within the tax unit.

Summary of expiration of tax loss carry forward in years:

Overview on Tax Loss Carry Forward expiration	0 ≤ 5 years	6 ≤ 10 years	≥ 10 years	Total 2015
TIE Kinetix NV	5,748	4,360	-	10,108
TIE Commerce Inc	-	-	2,081	2,081
TIE TFT Holding GmbH	-	-	-	-
TIE France SAS	-	-	-	-
Total	**5,748**	**4,360**	**2,081**	**12,189**

The TIE ascention companies are in liquidation, as the liquidation losses are yet to be determined, the tax loss carry forward on liquidation losses have not been included in the table above.

11) Earnings per Share

Basic Earnings per Share

Basic Earnings per Share are calculated by dividing net income attributable to equity holders of TIE Kinetix by the weighted average number of shares outstanding.

Basic Earnings per Share	2015	2014
Net income attributable to equity holders of TIE	(2,366)	439
Net Income adjusted for calculation of basic earnings per Share	(2,366)	439
Weighted average number of shares outstanding in thousands	1,177	1,083
Basic Earnings per Share (€ per Share)	**(2.01)**	**0.41**

Diluted Earnings per Share

Diluted Earnings per Share take into effect the dilutive effect of convertible instrument and Stock Options upon exercise or conversion. The dilutive effect of these instruments amounts to the number of shares issuable under the terms and conditions of these arrangements for no consideration. The fair value of future service for (partially) unvested Stock Options has been taken into consideration by adjusting the exercise price for these Stock Options.

Stock Options are considered non-dilutive when the exercise price of the options is in excess of the average market price of the shares during the period. Convertible Bonds are considered non-dilutive when the related interest net of tax and other changes to income and expense per ordinary share obtainable upon conversion exceeds the Basic Earnings per Share.

Diluted Earnings per Share	2015	2014
Net Income adjusted for calculation of basic earnings per Share	**(2,366)**	**439**
Weighted average number of shares outstanding	1,177	1,083
Dilutive effect of stock options outstanding at September 30,	-	-
Dilutive effect of warrants outstanding at September 30,	-	-
Dilutive effect on Convertible Bonds	5	5
Weighted average number of shares adjusted for calculation of diluted earnings per Share	**1,182**	**1,085**
Diluted Earnings per Share (€ per Share)	**(2.00)**	**0.40**

The Stock Options have been excluded from the calculation of the Diluted Earnings per Share as the exercise price of these Stock Options exceeded the TIE Kinetix N.V. average share price over the period. The Convertible Bonds outstanding at year-end are considered dilutive and have been included from date of issue.

Commitments and Contingent Liabilities

Leases (Including Rental Agreements)

Company cars were contracted under an operating lease agreement (mainly 4 year term) in The Netherlands and Germany only. The monthly lease charge at September 30, 2015 amounted to € 28k (2014: € 24k).

The remaining terms of leases in the Netherlands are 4.5 years. The lease contract for the Boston office in the United States was renewed till June 30th, 2022 and for St Paul a 3 month notice period is applicable; the lease contract for the French office was renewed till January 2017; the lease in Germany was renewed and till June 30th 2020. Office Rentals due within one year amount to € 0.5mln, rentals due between one and five years are approximately € 1.7mln and over 5 years € 0.2 mln.

Hosting costs relates to leasing of hosting infrastructure € 0.8mln annually. In the Netherlands this is for one remaining year, in Germany this various from 3 months to 5 years.

In summary, detailing amounts payable within one year, between one and five years and over five years under this contract means:

		2015			2014	
Leases	**< 1year**	**> 1 year < 5 years**	>5 years	< 1year	> 1 year < 5 years	>5 years
Office Leases	474	1,737	239	496	1,164	601
Hosting Contracts	780	1,648	-	1,332	820	-
Operational Leases Company Cars	303	412	-	291	620	-
Operational Leases Servers and Photocopiers	95	239	-	83	268	-
Total	**1,652**	**4,036**	**239**	**2,202**	**2,872**	**601**

NOTES TO THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Collateral

For 2015 TIE Kinetix N.V. has a working capital facility with RABO Bank (€500k) with an ongoing pledge on the receivables. Resulting from the acquisition TIE Kinetix GmbH (former TFT GmbH) obtained a working capital facility with DZ Bank (€ 800k) with an ongoing pledge on the receivables. TFT Holding GmbH obtained for the acquisition of TIE Kinetix GmbH a non recourse loan of € 1 million, repayable in 5 years, as off December 1, 2013 in equal installments of € 50k per quarter, with the shares of TIE Germany GmbH as pledge, ringfenced around the TIE Kinetix Germany operations.
For the rent of the office in Breukelen the company issued a bank guarantee of € 69k.

TIE Kinetix N.V. and subsidiaries

The consolidated financial statements include the financial data of TIE Kinetix N.V., Breukelen and its subsidiaries:

Name	Statutory Seat	2015	2014
TIE Nederland B.V.	Amsterdam (Schiphol-Rijk), The Netherlands	100%	100%
TIE Product Development B.V.	Hoofddorp, The Netherlands	100%	100%
TIE International B.V.	Hoofddorp, The Netherlands	100%	100%
TIE MamboFive B.V.	Utrecht, The Netherlands	100%	100%
TIE Light B.V.	Amsterdam, The Netherlands	100%	100%
Gordian Investments B.V.	Hoofddorp, The Netherlands	100%	100%
Pingli B.V.	Hoofddorp, The Netherlands	100%	100%
TIE Commerce Inc.	Burlington, MA, USA	100%	100%
TIE France S.A.S.	Montpellier, France	100%	100%
TIE Asia-Pacific Ltd	Hongkong, People's Republic of China	100%	100%
TIE TFT Holding GmbH	Munchen, Germany	100%	100%
TIE Kinetix GmbH (TFT)	Munchen, Germany	100%	100%
TIE ascention GmbH il	Friedrichshafen, Germany	100%	100%
TIE ascention GmbH il	Vienna, Austria	100%	100%
TIE ascention GmbH	St Gallen, Switzerland	100%	100%

TIE ascention entities in liquidation are referred to as 'il'.

Related Party Transactions

	September 30, 2015				September 30, 2014			
Name	Position	Shares	% of Shares	Options	Position	Shares	% of Shares	Options
Jan Sundelin	CEO	30,014	2.4%	21,148	CEO	30,014	2.7%	21,148
Erik Honée	SB	26,600	2.2%	-	SB	26,600	2.4%	-
Peter van Schaick	-	-	-	-	SB	213,361	18.9%	-

Per December 2, 2013 Mr Sundelin participated in the placement of new shares and obtained 5,714 shares, bringing the total number of shares held by Mr. Sundelin to 30,014 and received 11,428 warrants of the Company. Since his resignation from the Supervisory Board per November 8, 2014 Mr. Van Schaick is no longer a Related Party and for that reason the number of shares held by him are no longer reported as at September 30, 2015.

Details about the remuneration of Mr. Sundelin can be found on page 102.

(Pending) Litigation

Since December 2007, TIE Kinetix has been involved in discussions and subsequently in legal proceedings with Samar. For further information on these proceedings, reference is made to TIE Kinetix's previous press releases on the matter and to the summary included in the paragraph "Legal Cases - Samar B.V." in TIE Kinetix's 2014 Annual Report, page 57. On March 6, 2015 TIE Kinetix announced that it had reached an out of court settlement with Samar. The settlement includes 26 monthly payments of € 10,416 by TIE Kinetix to Samar commencing March 2015, and totaling an amount of € 270,816. With this payment, parties grant each other full and final discharge with regard to all claims. As at September 30, 2015 7 instalments of € 10.416 (totaling € 72,912) is of extraordinary nature and reflected under operating expenses whilst an accrued expense has been recognized for the remaining 19 installments (amounting to € 197,904).

The Company and certain of its Group Companies are involved as a party in legal proceedings with former employees. Since the ultimate disposition of asserted climas and proceedings cannot reasonably be estimated the Company has not created a provision for this.

EU Development Grants repayment

In October 2014 TIE Kinetix received a first invoice from the European Commission ("EC") for a repayment of EU development grants of € 705,075, following an audit carried out under supervision of the EC over the period 2008-2011. Furthermore, the European Commission requested that the audit findings were extrapolated over other eligible projects that TIE Kinetix participated in. TIE Kinetix hired an interim subsidy specialist to fully recalculate all current and past EU projects and turned to Deloitte to assure that the recalculations were in line with the audit findings and EU regulations. Management has spent a considerable effort in investigating possibilities to mitigate damages, communicate with EU officials and their auditors to try and find an amicable resolution or payment plan. In the first half year of 2015, the full scope of the repayment of EU subsidies became clear. The EU officials responded negatively to all TIE Kinetix's requests for resolution and even our request for phased payments was rejected. As a consequence, TIE Kinetix had to repay EU subsidies calculated at approximately € 1,085,383, for which amount a provision has been created in the first half year of 2015. Furthermore, TIE Kinetix has incurred support costs consisting of subsidy specialist costs and legal fees, in total amounting to € 62,286. This amount is of an extraordinary nature and reflected in the first half year profit and loss account under one-time expenses.

TIE Kinetix obtained a shareholder guarantee for EU damages up to an amount of € 2 million. On March 31, 2015 a first draw-down of € 700,000 under this guarantee was done. All draw-downs under this guarantee are reflected under the company's equity.

As at September 30, 2015 the European Commission has collected an amount of € 521,412 out of their initial claim of € 705,075. The remainder, an amount of € 183,663, may be expected to be offset against subsidies claimed by the Company for the projects the Company still participates in. As at September 30, 2015 the amount of subsidies claimed by the company for projects the company still participates in amounts to € 158,758.

The Company has not yet received any further claims following its extrapolation of audit findings sent to the EC on July 15th, 2015. Depending on the final EC claim following the July 15, 2015 extrapolation, the company may have to issue additional shares under the shareholder guarantee agreement. However, at this stage the company has no indication that this second draw down would exceed an amount of € 500,000.

The company and the guarantor have agreed to issue the guarantee fee of € 300,000, payable in shares to be issued at € 6.11, at a later date, awaiting final completion of the EC claim process.
As at September 30, 2015 the projects Simpli-city, Intuitel, Arum, Adventure and Premanus have been completed or are in the final stages of completion. The Company currently participates in the projects Alfred and SAM (both terminating Sept. 2016) and Accept (terminating Sept 2017). The company will not engage any more in large scale European Commission projects in future.

DUTCH GAAP TIE KINETIX N.V. BALANCE SHEET AS AT SEPTEMBER 30, 2015

(Before proposed appropriation of results)

Assets

(€ x 1,000)	Notes	2015		2014	
Fixed assets	12)				
Intangible Fixed Assets					
Goodwill		1,046		1,046	
Other intangible fixed assets		353		434	
Total Intangible Fixed Assets			1,399		1,480
Tangible fixed assets			288		334
Financial fixed assets					
Subsidiaries		12,497		11,660	
Loan receivable		55		44	
Deferred Tax Asset		-		317	
			12,552		12,021
Total fixed assets			**14,239**		**13,835**
Current assets	13)				
Debtors		125		204	
Taxation & Social Security		106		100	
Intercompany debtor		2,346		641	
Cash and cash equivalents		-		-	
Total current assets			**2,577**		**945**
Total assets			**16,816**		**14,780**

Liabilities and Equity

(€ x 1,000)	Notes	2015		2014	
Shareholders' equity	**14)**				
Issued and paid-up share capital		123		7,892	
Share premium		57,046		48,957	
Legal reserves		1,272		1,196	
Foreign Currency Translation Reserve		141		(159)	
Retained earnings		(51,908)		(52,350)	
Net Result		(2,366)		439	
			4,308		5,975
Convertible Bonds			45		45
Total Equity			**4,353**		**6,020**
Non Current Liabilities	15)				
Loans		600		800	
Provisions		90		208	
Total Non Current Liabilities			**690**		**1,008**
Current Liabilities	16)				
Creditors		11,029		7,413	
Banks		681		339	
Taxation and Social Security		63		-	
Total Current Liabilities			**11,773**		**7,752**
Total Liabilities and Equity			**16,816**		**14,780**

DUTCH GAAP TIE KINETIX N.V. INCOME STATEMENT FOR THE YEAR ENDING SEPTEMBER 30, 2015

(€ x 1,000)		2015	2014
Result of participating interests after tax		(491)	1,031
Other income after tax		(1,875)	(592)
	Net Result	**(2,366)**	**439**

Notes to the Company Financial Statements

Corporate Information

The Company financial statements for the year ended September 30, 2015 are authorized for issue through a resolution of the Executive Board dated December 30, 2015.
The General Meeting of Shareholders, to be held on March 31, 2016, will be requested to approve the Company financial statements.

Basis of Preparation

These Financial Statements have been prepared in accordance with accounting principles, generally accepted in the Netherlands, as embodied in Title 9 of Book 2 of the Dutch Civil Code.
Based on article 2:362(8) of the Dutch Civil Code, the valuation principles applied are based on International Financial Reporting Standards (IFRS), as applied in the preparation of the consolidated financial statements of the Company. Companies are allowed to apply IFRS valuation principles in their financial statements prepared under Title 9 of Book 2 of the Dutch Civil Code.

Subsidiaries and associates are accounted for at net asset value determined on the basis of IFRS, as applied in the Consolidated Financial Statements. For details on the accounting policies applied in the Consolidated Financial Statements, please refer to the Notes to the Consolidated Financial Statements, starting on page 69. The 2014 numbers have been adjusted for the movement of the Deferred Tax Liability as discussed on page 95.

NOTES TO THE COMPANY BALANCE SHEET

12) Fixed Assets

Intangible Fixed Assets

Intangible Fixed Assets	Goodwill	Purchased Software	Total
Accumulated Investments per September 30, 2013	1,046	576	1,622
Accumulated Amortization per September 30, 2013	-	(485)	(485)
Accumulated Impairments per September 30, 2013	-	(57)	(57)
Carrying value as per September 30, 2013	**1,046**	**34**	**1,080**
Movements 2014			
Additions	-	450	450
Disposals	-	(444)	(444)
Reversal of Amortization on Disposals	-	394	394
Reversal of Impairment on Disposals	-	50	50
Amortization	-	(50)	(50)
Carrying value as per September 30, 2014	**1,046**	**434**	**1,480**
Accumulated Investments per September 30, 2014	1,046	582	1,628
Accumulated Amortization per September 30, 2014	-	(141)	(141)
Accumulated Impairments per September 30, 2014	-	(7)	(7)
Carrying value as per September 30, 2014	**1,046**	**434**	**1,480**
Movements 2015			
Additions	-	-	-
Transfer to Group Company	-	(4)	(4)
Amortization	-	(77)	(77)
Carrying value as per September 30, 2015	**1,046**	**353**	**1,399**
Accumulated Investments per September 30, 2015	1,046	578	1,624
Accumulated Amortization per September 30, 2015	-	(218)	(218)
Accumulated Impairments per September 30, 2015	-	(7)	(7)
Carrying value as per September 30, 2015	**1,046**	**353**	**1,399**
Useful life	Indefinite	3-7 years	

Purchased Software consists of purchased third party software used of the My-TIE internal support system. For the purpose of impairment tests the Companies assets are allocated to Cash Generating Units.

DUTCH GAAP TIE KINETIX NV INCOME STATEMENT FOR THE YEAR ENDING SEPTEMBER 30, 2015

Tangible Fixed Assets

Tangible Fixed Assets	Fixtures & Fittings	Hardware	Total
Accumulated Investments per September 30, 2013	360	63	423
Accumulated Amortization per September 30, 2013	(26)	(34)	(60)
Carrying value as per September 30, 2013	**334**	**29**	**363**
Movements 2014			
Additions	12	29	41
Depreciation per Statement of (Comprehensive) Income	(53)	(17)	(70)
Carrying value as per September 30, 2014	**293**	**41**	**334**
Accumulated Investments per September 30, 2014	372	92	464
Accumulated Amortization per September 30, 2014	(79)	(51)	(130)
Carrying value as per September 30, 2014	**293**	**41**	**334**
Movements 2015			
Additions	19	16	35
Depreciation per Statement of (Comprehensive) Income	(56)	(25)	(81)
Carrying value as per September 30, 2015	**256**	**32**	**288**
Accumulated Investments per September 30, 2015	391	108	499
Accumulated Amortization per September 30, 2015	(135)	(76)	(211)
Carrying value as per September 30, 2015	**256**	**32**	**288**
Useful life	4 to 10 years	3 years	

The investments in Fixtures & Fittings relate to small investments.
Tangible Fixed assets relate to computer equipment.

Financial Fixed Assets

Financial Fixed Assets relate to the Company's share in subsidiaries. The movements are summarized below:

	2015	2014
Total subsidiaries as per October 1,	**11,689**	**9,056**
Share in Net income	(491)	1,031
Investments	-	2,000
Movements of IC funding	698	(773)
Transfer to (from) provision for Equity Deficit	(118)	29
Foreign Currency Exchange Rate Differences	719	346
Total subsidiaries as per September 30,	**12,497**	**11,689**
Loans Receivable	55	44
Deferred tax Asset	-	317
Total Financial Fixed Assets	**12,552**	**12,021**

Funding to subsidiaries is in principle interest bearing with interest rates varying between 0% and 5.5% (2014: 0% and 5.5%). This funding is accounted for as part of the net investment in subsidiaries. There are currently no repayment schedules, nor does management have the intention to recall these funds.

Since 2010 the Capital Contributions, resulting from the stock options, have been booked directly within TIE Kinetix N.V. as this is the issuing Company. The stock option costs over previous periods have been recharged through the intercompany accounts to the relevant subsidiaries.

In 2015 and years prior, some subsidiaries had a negative net investment value. For these subsidiaries, a provision for Equity Deficit was set up.

Direct subsidiaries of the Company are:

Name	**Statutory Seat**	2015	2014
TIE Nederland B.V.	Amsterdam (Schiphol-Rijk), The Netherlands	100%	100%
TIE Product Development B.V.	Hoofddorp, The Netherlands	100%	100%
TIE International B.V.	Hoofddorp, The Netherlands	100%	100%
TIE MamboFive B.V.	Utrecht, The Netherlands	100%	100%
TIE Light B.V.	Amsterdam, The Netherlands	100%	100%
Gordian Investments B.V.	Hoofddorp, The Netherlands	100%	100%
Pingli B.V.	Hoofddorp, The Netherlands	100%	100%
TIE Commerce Inc.	Burlington, MA, USA	100%	100%
TIE Asia-Pacific Ltd	Hongkong, People's Republic of China	100%	100%

The deferred tax asset is discussed on page 84.

DUTCH GAAP TIE KINETIX NV INCOME STATEMENT FOR THE YEAR ENDING SEPTEMBER 30, 2015

13) Current Assets

Other Receivables

Taxations and Social Security Contributions relate to VAT recoverable.

14) Shareholders' Equity

On March 31, 2015 100.000 shares have been issued following approval of the Annual General Meeting of shareholders held on March 27, 2015. Following approval of the Annual General Meeting of Shareholders of said date the bylaws of the Company have been adjusted to reduce the par value of TIE Kinetix NV shares from € 7.00 to € 0.10.
The Company's authorized share capital amounts to € 500k (2014: € 14 million), consisting of 5 million ordinary shares (2014: 2 million) with a nominal value of € 0.10 each (2014: € 7.00). On September 30, 2015, a total of 1,227,377 ordinary shares (2014: 1,127,377) of € 0.10 each, were paid-up and called.

Shareholders' Equity is broken down as follows:

Shareholders' Equity	Share Capital	Paid in Surplus	Foreign Currency Translation Reserve	Other Legal Reserves	Retained Earnings	Share-holders Equity
Balance per September 30, 2013	**6,531**	**49,443**	**(267)**	**714**	**(52,377)**	**4,044**
Shares issued and Share Premium	1,361	(4)	-	-	13	1,370
Foreign Currency Translation Reserve	-	-	108	-	-	108
Shares Based Payments	-	-	-	-	14	14
Transfers to (from) legal reserve	-	(482)	-	482	-	-
Net Income 2014	-	-	-	-	439	439
Balance per September 30, 2014	**7,892**	**48,957**	**(159)**	**1,196**	**(51,911)**	**5,975**
Denomination of Shares	(8,469)	8,469	-	-	-	-
Shares issued and Share Premium	700	-	-	-	(10)	690
Costs of Shares issued	-	(304)	-	-	-	(304)
Foreign Currency Translation Reserve	-	-	300	-	-	300
Shares Based Payments	-	-	-	-	13	13
Transfers to (from) legal reserve	**-**	**(76)**	**-**	**76**	**-**	**-**
Net Income 2015	**-**	**-**	**-**	**-**	**(2,366)**	**(2,366)**
Balance per September 30, 2015	**123**	**57,046**	**141**	**1,272**	**(54,274)**	**4,308**

For the movement in shares, we refer to page 89.
Legal reserves:

» The Foreign Currency Translation Reserve represents the foreign currency exchange differences from the translation of the financial statements of the foreign subsidiaries.
» The Other Legal Reserves pertain to the capitalized software development costs.

Equity Settled Share Based Payments

Annual Stock Options Plan
For the Annual Stock Option Plan for staff members, we refer to page 89, Note 5 of the Consolidated Statement of Financial Position under Annual Stock Options Plan.

Other Stock Options
For the Other Stock Options, we refer to page 91 Note 5 of the Consolidated Statement of Financial Position under Other Stock Options.

Convertible Bonds
For the issued and outstanding Convertible Bonds, we refer to page 92, Note 5 of the Consolidated Statement of Financial Position under Convertible Bonds.

15) Non-Current Liabilities

Provision

Provision for Equity Deficit Subsidiaries	2015	2014
Opening Balance as per October 1,	**208**	**179**
Movements from (to) Financial Fixed Assets	(118)	29
Closing Balance as per September 30,	**90**	**208**

In 2015 and years prior, some subsidiaries held a negative net investment value. For these subsidiaries, a provision for Equity Deficit was established.
Other provision resulted from the acquisition of Light B.V. in 2012.

16) Current Liabilities

Current Liabilities	2015	2014
Bank	481	339
Trade creditors	391	402
Taxations and social security contributions	63	-
Inter-company payable	9,858	6,290
Short term debt	200	200
Other payable and accruals	780	521
Total	**11,773**	**7,752**

The Bank relates to the overdraft on Rabobank, which is compensated in a Cash pool with the other Dutch companies; The inter-company payable is an outstanding with TIE International B.V., TIE MamboFive B.V., TIE France SA, TIE Commerce Inc and the indirect held subsidiary TIE Kinetix GmbH. No interest is due on this balance.

NOTES TO THE COMPANY INCOME STATEMENT

The Companies Income

No revenue is included in 2015 (2014: € 0k).

The Companies Expenses

Expenses accounted for consist of the ones related to the Companies activities of TIE Kinetix N.V, including allocated employee benefits. TIE Kinetix N.V. had 12 employees during 2015 (2014: 13). The remuneration of the Supervisory Board amounting to € 10k for members and € 20k for the chairman is included in the company's expenses. For a detailed description of the remuneration of the Executive Management Board, we refer to page 102 of the Notes to the Consolidated Financial Statements.
Included are Legal and Consultancy fees amounting to € 264k (2014: € 541k) as well as a Stock Option expense, listing fee and amortization charges pertaining to assets.

The audit fees from BDO amount to € 95k (2014: € 107k). Other audit related fees from BDO amount to € 6k (2014: 0)

Income Tax

The Company holds unrecognized deferred tax assets with respect to past tax losses amounting to approximately € 10,1 mln. All Dutch subsidiaries of TIE Kinetix N.V. and the Company form a tax unit and are jointly and severally liable for all tax liabilities originating within the tax unit.

Commitments and Contingent Liabilities

Taxes

The Company has formed a financial unit for corporate income tax and VAT with TIE Nederland B.V., TIE International B.V., TIE Product Development B.V., TIE MamboFive B.V., TIE Light B.V. and Gordian Investments B.V. Based on this, TIE Kinetix N.V. is jointly and severally liable for the corporate income tax liabilities of the financial unit as a whole.

Other

Pending litigations are disclosed on page 109.

Breukelen, December 30, 2015

J.B. Sundelin
CEO, TIE Kinetix N.V.

M. Wolfswinkel
CFO, TIE Kinetix N.V.

OTHER INFORMATION

Appropriation of Net Result

Appropriation of Net Result
According to Article 26 of the Company's articles of association, the annual meeting of shareholders determines the appropriation of the company's net result for the year. The Management Board proposes that the net Loss of € 2,382k will be deducted from retained Earnings and the other Comprehensive Profit of € 300k will be added to the Comprehensive Profit in Shareholders' Equity.
Article 26 of the Articles of Association reads as follows:

1. The General meeting of shareholders determines the appropriation of the company's net results.
2. The company can only make payments in as much as its shareholders' equity is greater than the paid-up and called-up part of the issued capital, plus the reserves, which must be maintained by law.
3. Payment of profits shall not take place until after adoption of the annual accounts, showing that this is authorized.
4. Shares or depositary receipts on shares held by the company and shares or depositary receipts on shares which the company holds in usufruct shall not be taken into account in the calculation of the profit distribution.
5. The General Meeting can only decide to make interim payments at the proposal of the Supervisory Board. A decision to pay an interim dividend from the profits in the current financial year can be taken by the Executive Board only with the prior approval of the Supervisory Board. Payments as referred to in this paragraph may only be made if the provision of par. 2 of this article has been met.
6. The General Meeting can decide that dividends shall be paid fully or partially in the form of shares in the Company's capital.
7. Unless the General Meeting sets a different term, dividends are paid within fourteen days of being set. Claims for payments in cash shall lapse, in as much as these payments have not been collected within five years and one day of the date on which they became payable.
8. A deficit may only be offset against the reserves prescribed by law, if and to the extent permitted by law.

Dividend policy

Over the past financial years, TIE Kinetix has not declared or paid dividends to its shareholders.
The Management Board intends to carefully balance the use of future earnings for investment in product development, expansion of the Company and dividend payments. Holders of Ordinary Shares will be fully entitled to any dividends in future financial years. Payment of dividends can be made either in cash or in stock.

INDEPENDENT AUDITOR'S REPORT

Independent auditor's report

To: the shareholders and Supervisory Board of TIE Kinetix N.V.

Report on the audit of the financial statements 2015

Our opinion

We have audited the financial statements 2015 of TIE Kinetix N.V. (the company), based in Breukelen. The financial statements include the consolidated financial statements and the company financial statements.

In our opinion:

» the consolidated financial statements give a true and fair view of the financial position of TIE Kinetix N.V. as at 30 September 2015 and of its result and its cash flows for 2015 in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Dutch Civil Code.

» the company financial statements give a true and fair view of the financial position of TIE Kinetix N.V. as at 30 September 2015 and of its result for 2015 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The consolidated financial statements comprise:

1. the consolidated statement of financial position as at 30 September 2015;
2. the following consolidated statements for 2015: statements of profit and loss and other comprehensive income, changes in equity and cash flows for the year then ended; and
3. the notes comprising a summary of the significant accounting policies and other explanatory information.

The company financial statements comprise:

1. the company balance sheet as at 30 September 2015;
2. the company profit and loss account for 2015; and
3. the notes comprising a summary of the significant accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the "Our responsibilities for the audit of the financial statements" section of our report.
We are independent of TIE Kinetix N.V. in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO) and other relevant independence requirements in the Netherlands. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA).

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Materiality

Misstatements can arise from errors or fraud and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

Based on our professional judgment we determined the materiality for the financial statements as a whole at € 200,000. The materiality is based on 1% of revenues, which we consider to be one of the principal considerations for users of the financial statements of the company in assessing the financial performance of the Group. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for qualitative reasons for the users of the financial statements.

We agreed with the Supervisory Board that misstatements in excess of € 10,000, which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Scope of the group audit

TIE Kinetix N.V. is head of a group of entities. The financial information of this group is included in the consolidated financial statements of TIE Kinetix N.V.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items.

Our group audit mainly focused on significant group entities. We consider a component significant when:

» it is of individual financial significance to the group; or
» the component, due to its specific nature or circumstances, is likely to include significant risks of material misstatement, whether due to fraud or error of the group financial statements.

We have:

» performed audit procedures ourselves at group entities TIE Kinetix Nederland B.V. (Netherlands), Mambo Five B.V. (Netherlands), TIE Commerce Inc. (USA) and TFT GmbH (Germany);
» used the work of other auditors when auditing entity TIE France SAS (France);
» performed review procedures or specific audit procedures at other group entities.

By performing the procedures mentioned above at group entities, together with additional procedures at group level, we have been able to obtain sufficient and appropriate audit evidence about the group's financial information to provide an opinion about the consolidated financial statements.

Our key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the Supervisory Board. The key audit matters are not a comprehensive reflection of all matters discussed. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. The assessment of the carrying value of goodwill and acquired intangible fixed assets

Refer to note 1 Intangible fixed assets on page 80 - 82.

The company has material amounts of goodwill and other intangible fixed assets resulting from acquisitions in the past. The company is required to perform annual impairment tests for each cash-generating unit ("CGU") or smallest group of CGUs to which a portion of the carrying amount can be allocated on a reasonable and consistent basis. The identification of CGU's is based on the internal reporting structure and did not change compared to prior year.

The impairment testing is based on significant assumptions and estimates by management and is therefore considered a significant audit risk.

In previous financial year we used an auditor's expert to determine the appropriateness of the models and calculations used for the goodwill and intangible fixed asset impairment testing and we determined that the models did not change during this financial year. We challenged management's assumptions for the CGU's (TIE Kinetix Nederland+International, TIE Kinetix E-Commerce, TIE Kinetix France, TIE Kinetix US, TIE Kinetix Germany incl. DACH and TIE Kinetix Product Development) by corroborating them to historical budget achievement rates, available budgets and market trends. Amongst others we focused on the cash flow projections, discount rates (WACC), growth rates, sensitivities used and available headroom.

2. The carrying value of internally developed intangible assets

Refer to note 1 Intangible fixed assets on page 80.

The company capitalizes internal development costs if it can demonstrate the technical feasibility of completing the intangible asset, reliably measure costs attributable to the intangible fixed asset during its development and estimate future economic benefits.

We reconciled capitalized hours to internal time registration and determined adequate distinction in research and development stages. We reconciled the hourly rates used with payroll output and challenged management's assessment as to whether development projects in-progress were still expected to be completed and deliver sufficient positive economic benefits to the combined businesses upon their completion, and for completed development projects, considered whether the useful economic lives selected remained appropriate. To this extent we have inquired at appropriate management levels within the company and reviewed sales forecasts and available business cases per project.

3. The recoverability of deferred tax assets

Refer to note 3 Financial assets on page 84 - 86.

The company has material amounts of unutilized taxable losses in the US and the Netherlands. IFRS states that a deferred tax asset shall only be recognized for the carryforward of tax losses to the extent that it is probable that future taxable profits will be available against which the unused tax losses can be utilized. This assessment depends on significant assumptions and estimates by management and is therefore considered a significant audit risk.

We considered the appropriateness of management's assumptions and estimates in relation to the likelihood of generating suitable future taxable profits to support the recognition of deferred tax assets, challenging those assumptions and considering supporting forecasts and estimates. We also determined the availability of taxable losses by requesting confirmation letters from tax advisors and corroborated supporting forecasts with available long-term budgets, taking into account historical achievement rates.

4. The accounting for the legal claim in respect of European Union's FP7 program and going concern considerations

Refer to note EU development grants repayment on page 109 and Going concern considerations on page 70.

In October 2014, the company received a notice from the European Commission for a partial repayment of EU development grants under the FP7 program. The company received a claim of € 707,075 and was ordered to recalculate all current and past EU projects. The company was allowed to adjust all current projects, but was not able to adjust closed projects. As a result, the company calculated the additional damage at approx. € 400,000 which is recognized as provision in the balance sheet.

The company reached an agreement in November 2014 with one of the shareholders to act as guarantor up to an amount of € 2,000,000. During this financial year a first draw down of € 700,000 took place. The remaining amount is considered sufficient to cover additional damages resulting from the EU claim. The company and guarantor agreed to issue a guarantee fee of € 300,000, payable in shares. The guarantee fee is deducted directly from equity during this financial year.

We challenged the positions by reviewing communication between the EU and the company, obtaining a lawyer's letter confirmation, reviewing project recalculations and inquiries at appropriate management levels within the company. We assessed the financial capability of the guarantor to fulfill the commitment and reviewed cash flow forecasts, budgets and other information available to conclude that there are no material uncertainties over the going concern basis.

Responsibilities of management and the Supervisory Board for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code, and for the preparation of the management board report in accordance with Part 9 of Book 2 of the Dutch Civil Code.

Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to errors or fraud.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The Supervisory Board is responsible for overseeing the company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not have detected all errors and fraud.

For a complete description of our responsibilities for the audit of the financial statements we refer to the website of our professional body NBA on the page for standard texts: https://www.nba.nl/standardtexts-auditorsreport.

Report on other legal and regulatory requirements
Report on the management board report and the other information
Pursuant to legal requirements of Part 9 of Book 2 of the Dutch Civil Code (concerning our obligation to report about the management board report and other information):

- we have no deficiencies to report as a result of our examination whether the management board report, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of the Dutch Civil Code, and whether the information as required by Part 9 of Book 2 of the Dutch Civil Code has been annexed.
- we report that the management board report, to the extent we can assess, is consistent with the financial statements.

Engagement

We were engaged by the Supervisory Board as auditor of TIE Kinetix N.V. on 27 May 2014, as of the audit for the year ended 30 September 2014 and have operated as statutory auditor ever since that date.

Amstelveen, 30 December 2015

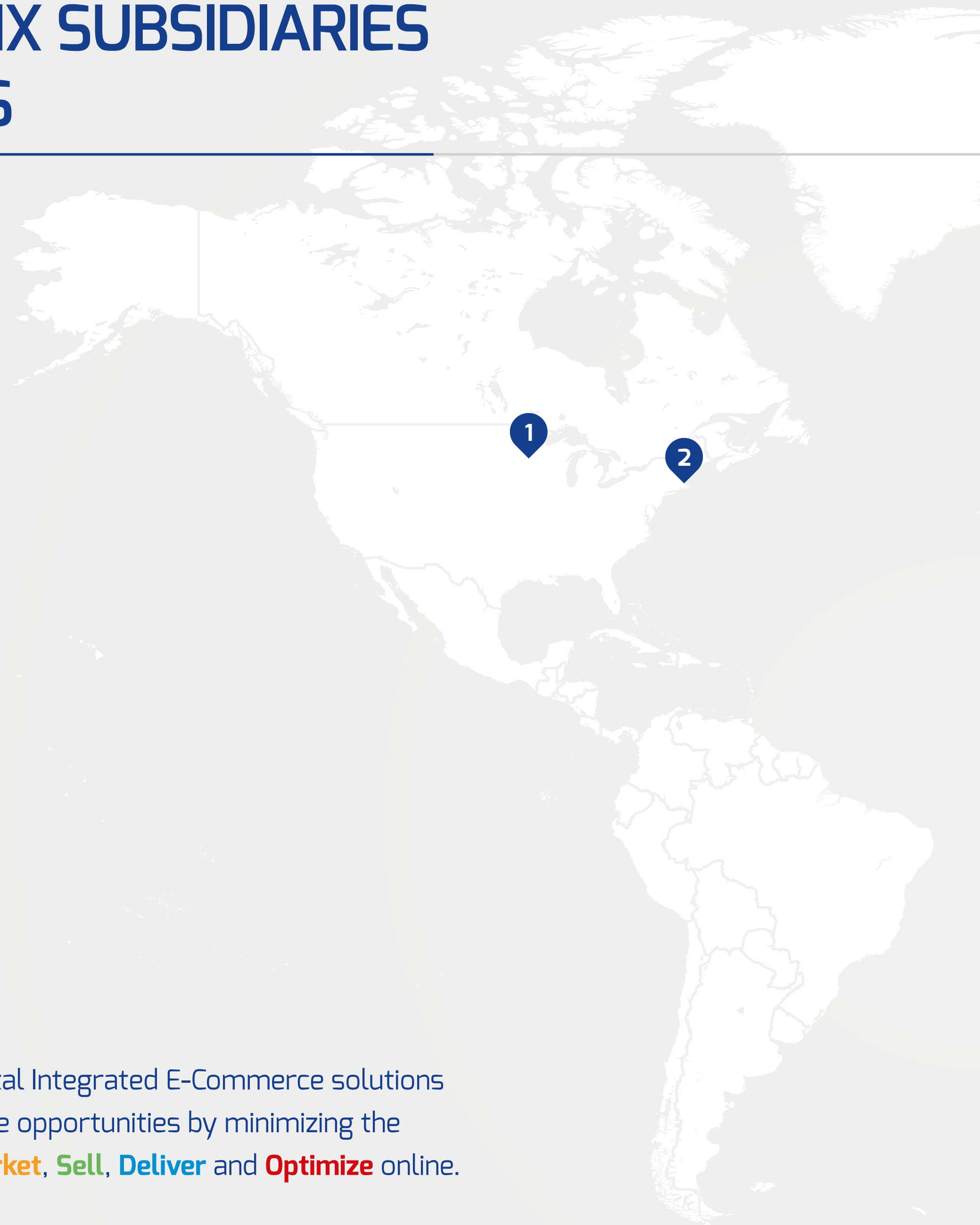
For and on behalf of BDO Audit & Assurance B.V.,

J.A. de Rooij RA

Ariel Zommer
Field Marketing Specialist
TIE Kinetix

"At TIE Kinetix, we work daily to reduce the complexity while increasing velocity and improving results."

TIE KINETIX SUBSIDIARIES & OFFICES



TIE Kinetix delivers Total Integrated E-Commerce solutions that maximize revenue opportunities by minimizing the energy needed to **Market**, **Sell**, **Deliver** and **Optimize** online.

1

TIE Commerce Inc – US (St. Paul)

1360 Energy Park Drive,
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Tel: 1-651-999-8600

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4

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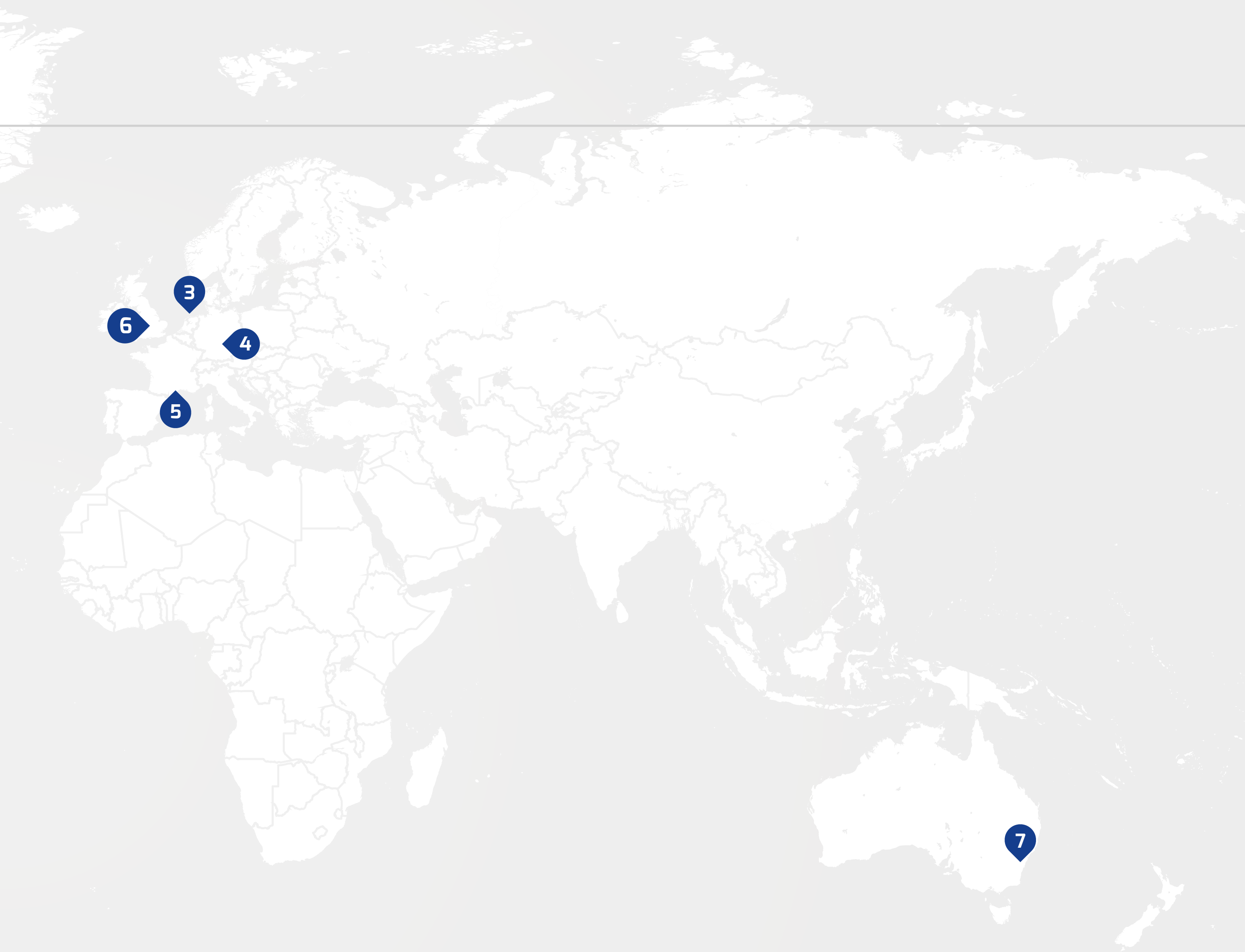

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6

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7

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GLOSSARY

AFM	Authoriteit Financiële Markten; The Netherlands Authority for the Financial Markets
AGM	Annual General Meeting
AOP	Annual Operating Plan
B.V.	Besloten Vennootschap; private limited liability company
B2B	Business to Business
B2C	Business to Consumer
BI	Business Integration
BIP	Business Integration Platform
CEO	Chief Executive Officer
CGU	Cash Generating Unit
CMO	Chief Marketing Officer
COO	Chief Operations Officer
CS	Content Syndication
CSP	Content Syndication Platform
CSR	Corporate Social Responsibility
DACH	Germany, Austria and Switzerland
EC	E-Commerce
EDI	Electronic Data Interchange
EMEA	Europe, the Middle East and Africa
ERP	Enterprise Resource Planning
EU	European Union
FTE	Full time equivalent
FY	Financial Year
GAAP	Generally Accepted Accounting Principles
GmbH	Gesellschaft mit beschränkter Haftung; company with limited liability
HRM	Human Resource Management
IAS	International Accounting Standards
IFRS	International Financial Reporting Standards
Inc.	Incorporation
IR	Investor Relations
LLP	Limited Liability Partnership
Ltd	Limited company; Private company limited by shares
MOU	Memorandum of Understanding
N.V.	Naamloze Vennootschap; public limited liability company
PR	Public Relations
R&D	Research and Development
ROI	Return on Investment
RoW	Rest of the World
RSS	Reverse Stock Split
SaaS	Software as a Service
SME	Small & Medium Enterprises
UK	United Kingdom
US or USA	United States of America
VP	Vice President
WACC	Weighted Average Cost of Capital
WBSO	Wet Bevordering Speur- en Ontwikkelingswerk
WIP	Work in Progress

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