Trading Update Q4 and full year financial statements
Financial information in this press release is unaudited

TIE Kinetix Closes Profitable 2016

Breukelen, the Netherlands, November 16th, 2016

Fiscal year 2016 (period Oct. 1, 2015 – Sept. 30, 2016).

- **total revenue amounts to € 20.250k** **(2015: € 22.263k)**
- **SaaS and hosting revenue amounts to € 9.818k** **(2015: € 9.180k)**
- **EBITDA amounts to € 2.065k** **(2015: € -134k)**
- **EBIT amounts to € 786k** **(2015: € -1.390k)**
- **SaaS Order intake at 50,2% of total order intake** **(2015: 44,1%)**

Full year 2016 EBITDA of € 2.065k or 10.2% (2015: € -134k)

TIE Kinetix (hereinafter "TIE"), the leading provider of cloud-managed Business Integration, E-Commerce, Demand Generation, and Business Analytics services today released the results for the fourth quarter and full fiscal year 2016 (Oct 1, 2015 – Sept 30, 2016) as follows:

Highlights full year 2016

Table 1: Operational performance FY2016

In € x 1.000	Integration		E-Commerce		Analytics & Optimization		Demand Generation		Elimination		Total Operations	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Licenses and hardware	899	795	-	-	-	-	7	9	-	-	906	804
Maintenance and support	2.988	3.002	-	15	-	-	-	2	-	-	2.988	3.019
Consultancy and Implementation	2.591	2.068	863	1.197	1.609	2.253	763	1.379	(33)	-	5.794	6.897
Software as a service	4.637	3.675	921	1.933	1.184	725	3.082	2.847	(5)	-	9.818	9.180
Other income and intercompany	42	264	257	72	487	356	522	329	(1.117)	(523)	192	498
Total income	**11.157**	**9.804**	**2.041**	**3.217**	**3.280**	**3.334**	**4.375**	**4.566**	**(1.154)**	**(523)**	**19.699**	**20.398**
Total cost of sales	**(3.629)**	**(3.426)**	**(857)**	**(2.077)**	**(2.727)**	**(1.855)**	**(2.619)**	**(3.258)**	**316**	**657**	**(8.751)**	**(9.959)**
Gross margin	**7.528**	**6.378**	**1.184**	**1.140**	**553**	**1.479**	**1.756**	**1.308**	**(838)**	**134**	**10.948**	**10.439**
Wages and salaries											(5.298)	(5.069)
Other operating expenses											(2.673)	(3.335)
Total Operating expenses											**(7.971)**	**(8.404)**
EBITDA (excl. one-time expenses)											**2.976**	**2.035**
One-time expenses											(22)	(672)
EBITDA											**2.953**	**1.363**
Depreciation and amortization											(1.278)	(1.171)
Impairment											-	(84)
EBIT											**1.675**	**108**

Table 2: EU projects and Total performance FY2016

In € x 1.000	Total Operations		EU projects		Total Consolidated		
	2016	2015	2016	2015	2016	2015	Change
Licenses and hardware	906	804	-	-	906	804	102
Maintenance and support	2.988	3.019	-	-	2.988	3.019	(31)
Consultancy and Implementation	5.794	6.897	-	-	5.794	6.897	(1.103)
Software as a service	9.818	9.180	-	-	9.818	9.180	638
Other income and intercompany	192	498	552	1.865	744	2.363	(1.619)
Total income	**19.699**	**20.398**	**552**	**1.865**	**20.250**	**22.263**	**(2.013)**
Total cost of sales	**(8.751)**	**(9.959)**	**(765)**	**(1.606)**	**(9.516)**	**(11.565)**	**2.049**
Gross margin	**10.948**	**10.439**	**(213)**	**259**	**10.735**	**10.698**	**36**
Wages and salaries	(5.298)	(5.069)	(250)	-	(5.548)	(5.069)	(479)
Other operating expenses	(2.673)	(3.335)	(425)	(435)	(3.099)	(3.770)	671
Total Operating expenses	**(7.971)**	**(8.404)**	**(675)**	**(435)**	**(8.647)**	**(8.839)**	**192**
EBITDA (excl. one-time expenses)	**2.976**	**2.035**	**(888)**	**(176)**	**2.088**	**1.859**	**229**
One-time expenses	(22)	(672)	-	(1.321)	(22)	(1.993)	1.970
EBITDA	**2.954**	**1.363**	**(888)**	**(1.497)**	**2.065**	**(134)**	**2.199**
Depreciation and amortization	(1.278)	(1.171)	(1)	(1)	(1.279)	(1.172)	(107)
Impairment	-	(84)	-	-	-	(84)	84
EBIT	**1.676**	**108**	**(889)**	**(1.498)**	**786**	**(1.390)**	**2.176**

Highlights Q4

Table 1: Operational performance Q4 FY2016

In € x 1.000	Integration		E-Commerce		Analytics & Optimization		Demand Generation		Elimination		Total Operations	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Licenses and hardware	291	284	-	(0)	-	-	-	3	-	-	291	287
Maintenance and support	739	748	-	(1)	-	-	-	-	-	-	739	747
Consultancy and Implementation	590	587	213	237	300	877	158	198	(40)	-	1.221	1.899
Software as a service*	1.369	1.051	524	409	308	197	709	779	(439)	-	2.470	2.435
Other income and intercompany	0	67	38	22	155	201	44	250	(169)	(196)	68	344
Total income	**2.989**	**2.737**	**775**	**666**	**762**	**1.275**	**911**	**1.230**	**-649**	**-196**	**4.789**	**5.713**
Total cost of sales	**(958)**	**(822)**	**(111)**	**(461)**	**(763)**	**(452)**	**(500)**	**(813)**	**154**	**255**	**(2.178)**	**(2.293)**
Gross margin	**2.031**	**1.915**	**665**	**206**	**(0)**	**823**	**411**	**417**	**(495)**	**59**	**2.611**	**3.419**
Wages and salaries											(941)	(1.458)
Other operating expenses											(500)	(1.058)
Total Operating expenses											**(1.441)**	**(2.516)**
EBITDA (excl. one-time expenses)											**1.170**	**903**
One-time expenses											(22)	(7)
EBITDA											**1.148**	**896**
Depreciation and amortization											(350)	(306)
EBIT											**797**	**590**

* Includes prior period accounting adjustments

Table 2: EU projects and Total performance Q4 FY2016

In € x 1.000	Total Operations 2016	Total Operations 2015	EU projects 2016	EU projects 2015	Total Consolidated 2016	Total Consolidated 2015	Change
Licenses and hardware	291	287	-	-	291	287	4
Maintenance and support	739	747	-	-	739	747	(8)
Consultancy and Implementation	1.221	1.899	-	-	1.221	1.899	(677)
Software as a service	2.470	2.435	-	-	2.470	2.435	34
Other income and intercompany	68	344	146	447	214	791	(577)
Total income	**4.789**	**5.713**	**146**	**447**	**4.935**	**6.160**	**(1.224)**
Total cost of sales	**(2.178)**	**(2.293)**	(97)	(463)	(2.275)	(2.756)	482
Gross margin	**2.611**	**3.419**	**49**	**(16)**	**2.661**	**3.403**	**(743)**
Wages and salaries	(941)	(1.458)	(238)	-	(1.180)	(1.458)	278
Other operating expenses	(500)	(1.058)	(240)	(57)	(740)	(1.115)	375
Total Operating expenses	**(1.441)**	**(2.516)**	**(479)**	**(57)**	**(1.920)**	**(2.573)**	**653**
EBITDA (excl. one-time expenses)	**1.170**	**903**	**(429)**	**(73)**	**741**	**830**	**(90)**
One-time expenses	(22)	(7)	-	(38)	(22)	(44)	22
EBITDA	**1.148**	**896**	**(429)**	**(111)**	**718**	**786**	**(68)**
Depreciation and amortization	(350)	(306)	(1)	(1)	(351)	(307)	(44)
EBIT	**797**	**590**	**(430)**	**(111)**	**367**	**479**	**(112)**

In 2016, the company was able to replace lost SaaS revenue from KPN Hi/Telfort with new customer implementations, growing overall SaaS revenue with 7%. Consultancy revenue and Other Income came in below 2015 levels, caused by is 1) loss of KPN revenue due to the discontinuation of the Hi/Telfort labels, and 2) a further reduction of EU projects and 3) the expiration of Tomorrow Focus AG revenue guarantees/contractual fees to TIE Kinetix GmbH. These revenue reductions have been anticipated with cost reductions taken in prior periods. The EU team has been downsized and refocused towards developing FLOW. The Ecommerce delivery team was downsized to only provision T-Mobile. Furthermore, operating costs have been reduced due to a shift in product development towards FLOW as planned. As a result, anticipating lower sales, operating expenses in 2016 came in below 2015 levels and EBITDA performance developed according to plan. In 2017, the planned transition towards a homogeneous FLOW based product suite will continue. At this stage, it cannot be excluded that the build-up of FLOW revenue is insufficient to replace the discontinuation of non-core products. This may set limitations to top line growth in FY 2017.

After the introduction of FLOW (April 2016), significant marketing investments were made to bring the product to our US and European markets. All our sales staff, delivery teams and partners have been trained in product functionality. Since the introduction, email campaigns with 10.000's emails per month have been launched in all our markets, generating 1.000's of prospects and 100's of leads. Our prospects and customers are receiving FLOW positively and in a relatively short period after the introduction TIE Kinetix was able to close FLOW deals with customers Drabbe, Unify, Nuance, Xerox, Dell, Svedex and Michelin (France). The Q4 revenue impact of FLOW was limited since most of these deals came in late Q4.

TIE closed the fourth quarter, with revenue amounting to € 4.935k, and EBITDA of € 718k (14,5%). The company reports full year revenue of € 20.250k (2015: € 22.263k) with an EBITDA of € 2.065k (2015: € -134k). Growth is reported in Integration (+14%), revenue of the business lines A&O and Demand Generation consolidated (with -3% and -4% respectively) and the business line E-Commerce business declined with 37%. The following highlights the developments in our four business lines throughout our financial year 2016 (Oct. 1, 2015 – Sept. 30, 2016):

- Business Integration: we have been able to build on our strong position in our vertical markets such as food retail, publishing, do-it-yourself, telecommunications and automotive in the US and the Netherlands with Order Intake increasing 10% from €6.2 million (2015) to € 6,8 million (2016). In fiscal year 2016, our Business Integration revenue grew with 14% from € 9.804k (2015) to € 11.157k (2016).
- Analytics: the build out of our A&O business has suffered from Google's decision not to deliver the Google Search Appliance product in the license model to new customers anymore, anticipating the introduction of their SaaS delivery model. As a consequence, the revenue of this business line consolidated around € 3.2 million and the Order Intake declined from €3.3 million (2015) to € 2 million (2016).
- Demand Generation: revenue of our Demand Generation Solution grew 32% from € 1.678k (2015) to € 2.229k (2016). We also report our German hosting customers under Demand Generation. This part reported a decline in revenue with 26% from € 2.888k (2015) to € 2.145k (2016) due to price erosion and fierce competition in the hosting market. A further decline of this revenue may be expected in FY 2017.
- E-commerce: our E-commerce proposition delivers webshop solutions with full back office integrations. Historically, our customers are large telecommunications companies such as KPN and T-Mobile for whom we provision complete webshop functionality. In 2016, the termination of the KPN contract, following a consolidation of its customer labels, is reflected in lower revenue. The contract with T-Mobile expires mid FY 2017 and is currently subject to renewal review. In 2016, T-Mobile is our largest customer. In 2016, the E-commerce revenue declined with 37% from € 3.217k (2015) to € 2.041k (2016).

Jan Sundelin (CEO) said:
"2016 is an important year in the existence of the company. This was the first year in which we were able to fully combine our highly rated back-end integration expertise with front end channel management functionality. The result was the mid-year introduction of FLOW: "the world's First Self Service Partner Automation Platform", a truly novel solution bringing together all our product functionality in one self-service platform. We intend to continue our investments in further development, marketing and sales of FLOW in the coming years. 2016 was also the year in which the company has further homogenized its product suite. Our overall Q4 revenue came in below Q4 last year, as we strive to discontinue certain non-strategic activities, such as EU projects and other bespoke type of business, and replace that with our core FLOW solutions. This conversion process of our business will take at least another year. At the same time, our quarter on quarter increasing bottom line profitability confirms to us that we are on the right track".

In financial year 2016, the Company reported the following highlights:

16-10-2015 TIE Kinetix and Leaseweb announce Strategic Partnership

18-11-2015 Trading update Q4 and full year financial Statements

01-12-2015 Order intake in excess of €1 million

09-12-2015 Issue of 50.000 shares following conversion of warrants

30-12-2015 Publication of Annual report 2015

31-12-2015 Issue of 170.536 shares

06-02-2015 Update on Reclaim EU Development Grants

05-01-2016 Order intake in excess of €1 million

04-02-2016 TIE Kinetix suspends Strategic Partnership with Leaseweb

16-02-2016 TIE Kinetix appointed as first 3-star partner of Optimizely

17-02-2016 Trading update Q1

17-02-2016 Convocation Annual General Meeting of shareholders

04-03-2016 Order intake in excess of €1 million

17-03-2016 Business integration for Drabbe

29-03-2016 Issue of 144.791 shares

31-03-2016 TIE Kinetix launches FLOW: the world's First Self Service Partner Automation Platform

05-04-2016 Order intake in excess of €1 million

05-04-2016 Voting results of the Annual General Meeting of Shareholders

21-04-2016 TIE Kinetix and MarketLogic announce Strategic Partnership

26-04-2016 TIE Kinetix and Google announce Strategic Collaboration for Google AdWords

18-05-2016 Trading update First Half year FY 2016

04-07-2016 Order intake in excess of €1 million

02-08-2016 Order intake in excess of €1 million

17-08-2016 Trading Update Q3

Subsequent Events

04-10-2016 Order intake in excess of €1 million

02-11-2016 Private offer for the business received

16-11-2016 TIE Kinetix rejects private offer

16-11-2016 Trading Update Q4 and Full Year Financial Statements

EU Projects and EC claim process

As at September 30, 2016 the European Commission had fully collected the amount of the initial claim of € 705.075. The Company has not yet received any further EC claims following its extrapolation of audit findings sent to the EC on July 15th, 2015. However, in July 2016 the company did receive a pre-notification that the EC intends to study the letter that TIE Kinetix sent on July 15th, 2015. At this stage the company considers that it has taken adequate provisions for damages following the 2013 EC audit.

As at September 30, 2016 the projects Alfred, Sam and Singularity have been completed or are in the final stages of completion. The Company currently only participates in project Accept (scheduled completion Sept. 2017). The company will not engage in large scale European Commission projects anymore in future.

Country report:

Business Lines are the primary reporting segment, and the company applies intercompany pricing to account for the various roles country operations have in developing, marketing, selling and delivering our products to the 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. For statutory reporting and tax reporting country segments are used. Readers are cautioned that the intercompany pricing may complicate comparison with prior year country segments.

	Revenue	
in € 1.000	FY2016	FY2015
TIE Netherlands	4.300	3.371
TIE Mambo 5	1.891	2.473
TIE France	1.208	1.240
TIE Germany	5.647	7.573
TIE Commerce (in US$ 1.000)	8.221	7.235
TIE International	480	506
EU Projects	552	1.865

TIE Netherlands: strong 2016 performance with 57% growth in SaaS revenue with sizable new customer implementations. Consultancy revenue increased 35% on the back of higher demand for our value added solutions.
TIE Mambo 5: loss of KPN contract caused 19% lower consultancy revenue and 30% lower SaaS revenue. The 2016 EBITDA performance is comparable with 2015, as a result of timely cost savings. For FY 2017 and beyond an extension of the T-Mobile contracts are being discussed.
TIE France: performance suffered from adverse market conditions and temporary lack of adequate resources. Actions are taken to solidify the performance in 2017.
TIE Germany: following the expiration of the revenue guarantee from Tomorrow Focus AG (the previous owner) in January 2016, TIE Germany reported lower consultancy looking to

replace lost revenue. In the second half year activity levels have been gradually increasing as a consequence of new business coming in (SKY, Siemens).
TIE Commerce (US): following management changes TIE Commerce performed very well in 2016 paving the way for further growth in 2017. All revenue categories contributed to overall growth of our US revenue of 14% (in$). The introduction of FLOW in the US was well received by our customers and prospects. Marketing efforts are further stepped up and investments in sales capacity will be further increased, as we are planning for even higher growth in the US in 2017.

Cash Position and solvency:

On September 30, 2016 the Company held a cash position of € 1.887k (2015: € 692k).
Shareholders' Equity amounts to € 7.170k on September 30, 2016 (2015: € 4.353k).
During 2016, the company repaid non-current liabilities/long term debts due to TFAG and credit institutions, from € 1.165k (Sept.30, 2015) and redeemed the balance to € 9k (Sept. 30, 2016). In the same period current liabilities, short term debt and bank overdrafts, were redeemed from €1.552k to €34k.

Net cash flow from operating activities for the year amounted to € 1.501k (2015: € 656k).

Credit Agreement

The Company agreed a new € 1.25 million senior revolving credit facility with RABO Bank. The facility includes a pledge on all receivables, has an indefinite term and bears interest at a rate of EURIBOR plus a margin. The facility replaces a revolving credit facility of € 0.5 million. Although currently no drawings are scheduled, the Company intends to use any funds borrowed under the Credit Facility from time to time for general corporate purposes, which may include working capital needs, capital expenditures, and satisfaction of other obligations of the Company.

Segments and Impairment testing:

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. Our planning and reporting is based on business line segments, as well as using country segments. 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).

TIE Kinetix has four business lines (Integration, E-Commerce, Demand Generation and A&O) and country operations in the Netherlands, in the US, in Germany, and in France. This leads to the following cash generating units:

- TIE Nederland+International
- TIE France
- TIE US
- TIE Germany
- TIE E-Commerce

- TIE Product Development

As in past years we used a discounted cash flow model to determine the value in use, based on a 12% WACC and 10 years horizon. Management has assessed the assumptions used and has conducted sensitivity tests with WACC of 13% and 14%.

Management has conducted annual impairment testing and 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 units may be impaired.

Intangible Fixed Assets: headroom considerations.
With respect to TIE Kinetix Germany GmbH management assessed the following. The former owner TFAG committed to a revenue guarantee expiring at December 31st 2015. In the succeeding periods actual revenue developed at lower levels. Management conducted impairment testing as at September 30, 2016 taking into account actual business performance and the best estimate planned performance. As in prior years we have used a discounted cash flow model to determine the value in use, based on 12% WACC and a 10 years horizon. Based on the chosen assumptions, management assessed that for the cash generating unit TIE Kinetix Germany the Value in Use [IAS 36.30-57] exceeds Carrying Value [IAS 36.8-9], and that currently available headroom for the cash generating unit TIE Kinetix Germany remains limited as at September 30, 2016. New impairment testing will be conducted at March 30, 2017, or earlier upon the occurrence of a triggering event.
With respect to TIE Mambo 5 BV management has assessed the following. TIE Mambo 5' major customer is T-Mobile Netherlands, for who various Webshops and portals have been successfully developed, and are being serviced and maintained to the customer's full satisfaction. The contract with T-Mobile formally terminates at February 2017. At the request of T-Mobile, parties are currently engaged in negotiation for the extension of contract. Management has conducted impairment testing as at September 30, 2016 based on the assumption that the T-Mobile contract can be extended with terms and conditions generating sufficient headroom of the Value in Use [IAS 36.30-57] over Carrying Value [IAS 36.8-9]. New impairment testing will be conducted at March 30, 2017, or earlier upon the occurrence of a triggering event.

Income Taxes:

The carrying value of the Deferred Tax Asset in the US amounts to $ 775k in the US (2015: $ 1.310k). The carrying value of the Deferred Tax Liability in Germany amounts to € 42k (2015: € 62k), and in the Netherlands €18k (2015:€18k).

Three year contract value projection
The company has abandoned reporting a 'three year contract value projection'. The reason is that management does not consider this to be a reliable estimation metric anymore for the performance of the company, due to the changed nature of the business, the multitude in contract types and duration and the large variability in gross margin by product type. Instead, to monitor organic growth, to manage business development and to focus on sales, management uses Order Intake (also known as Intake Signed Proposals, or 'ISP') and will report ISP accordingly.

Order Intake/ 'ISP'

Intake signed proposal												
In Eur (x1000)												
Period	License		SaaS		Maintenance		Consultancy		Other Income		Total	
	FY16	FY15	FY16	FY15	FY16	FY15	FY16	FY15	FY16	FY15	FY16	FY15
Q1	129	709	2.208	1.359	57	80	1.289	1.425	2	7	3.684	3.579
Q2	106	267	1.819	982	29	383	1.446	967	0	2	3.400	2.601
Q3	418	406	1.429	1.420	224	126	1.221	1.216	0	0	3.292	3.168
Q4	209	291	1.261	1.797	140	129	1.388	1.025	0	22	2.999	3.265
Total	**862**	**1.672**	**6.716**	**5.559**	**449**	**717**	**5.345**	**4.632**	**3**	**32**	**13.375**	**12.612**

The company focuses on long term value creation and strives to increase the % of SaaS ISP in its total ISP. In FY 2016 total ISP amounted to € 13.375k, with 50% SaaS (2015: 12.612k with 44% SaaS), confirming our SaaS ISP growth strategy. This was a solid achievement taking into account 1) the loss of major TIE-Mambo5 bespoke portal for customer KPN, 2) the discontinuation of bespoke portals in TIE-Germany, and 3) further reduction of EU projects and the company's decision not to engage in EU projects anymore. These businesses represent non-core strategic businesses for TIE. In addition, ISP in 2016 suffered from the decision to suspend license sales for google search Appliance ('GSA') by Google Germany and the Benelux, anticipating delivery of by Google of GSA with more analytics functions in a SaaS model. The company was able to replace these orders with more high margin orders from its core business lines, growing year-on-year SaaS order intake with over 21%. The company also experiences an increasing demand for its services and reports a 15% growth in Order Intake on consultancy, even though average number of consultants in 2016 (45,9 fte) was below 2015 level (54,3 fte).

Annual Accounts:

The financial results of TIE presented here are unaudited. The audit of the Financial Statements will not be completed until the publication thereof (latest at the end of January 2017).

Forward looking statement/Guidance

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

Risks and uncertainties

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

Forward looking statement/Guidance

The forward looking statements, which can form a part of this document / report refer to future events and may be expressed in a variety of ways, such as 'expects', 'projects',

‘anticipates’, ‘intends’ or similar words. TIE Kinetix NV (the Company) has based these forward looking statements on its current expectations and projections about future events.
This document / report may contain expectations about the financial state of affairs and results of the activities of the Company as well as certain related plans and objectives. Such expectations for the future are naturally associated with risks and uncertainties to factors that are beyond the Company’s ability to control or estimate precisely, because they relate to future events, and as such depend on certain circumstances that may or may not arise in future. Various factors may cause real results and developments to deviate considerably from explicitly or implicitly made statements about future expectations. Such factors may for instance be changes in expenditure by the Company in important markets, change in future market and economic conditions, the behavior of other market participants, changes in customer preferences, the ability to successfully integrate acquired businesses and achieve anticipated synergies, statutory changes and changes in financial markets, in the EU grant regime, in the salary levels of employees, in future borrowing costs, in exchange rates, in tax rates, in future divestitures and the pace of technological developments. The Company therefore cannot guarantee that the expectations or forward looking statements will be realized and denies any obligation to update statements made in this document / report.

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About TIE Kinetix

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

TIE Kinetix has offices in the United States, the Netherlands, France, Germany, United Kingdom and Australia.

Unaudited condensed
Full Year 2016
Financial Statements

30 September 2016

1. Consolidated statement of financial position
As at September 30, 2016

Assets				
(€ x 1.000)	**30 September 2016**		**30 September 2015**	
Non Current Assets				
Intangible fixed assets				
Goodwill	4.549		4.547	
Other intangible fixed assets	3.383		2.879	
		7.932		7.426
Tangible fixed assets				
Property, Plant and Equipment	362		533	
		362		533
Financial fixed assets				
Loans and Receivables	449		895	
Deferred Tax Asset	694		1.168	
		1.143		2.063
Total Non Current Assets		**9.437**		**10.022**
Current Assets				
Trade Debtors	2.833		3.211	
Income Tax Receivable	-		78	
Taxation and Social Security	57		20	
Other Receivables and Prepayments	1.860		1.828	
		4.750		5.137
Cash and Cash Equivalents		1.887		692
Total Current Assets		**6.637**		**5.829**
Total Assets		**16.074**		**15.851**

Equity and Liabilities				
(€ x 1,000)	**30 September 2016**		**30 September 2015**	
Equity				
Shareholders' Equity	7.125		4.308	
Convertible Bonds	45		45	
Total Equity		**7.170**		**4.353**
Non Current Liabilities				
Loans	9		1.165	
Deferred Tax Liability	60		80	
Deferred Revenue	562		886	
Contingent Consideration	55		55	
Provisions	296		492	
Total Non Current Liabilities		**982**		**2.678**
Current Liabilities				
Provisions	106		29	
Short term debt	34		860	
Bank overdraft	-		692	
Trade Creditors	826		1.171	
Deferred Revenue	3.676		3.187	
Taxation and Social Security, Income ta›	838		743	
Other Payables and Accruals	2.442		2.138	
Total Current Liabilities		**7.922**		**8.820**
Total Equity and Liabilities		**16.074**		**15.851**

2. Consolidated income statement
Fiscal 2016 (October 1, 2015 – September 30, 2016)

(€ x 1.000)	2016		2015	
Revenues				
Licenses	906		804	
Maintenance and Support	2.988		3.019	
Consultancy	5.794		6.897	
Software as a Service	9.819		9.180	
Revenues		19.507		19.900
EU Projects		552		1.865
Onetime income		191		498
Total Revenue		**20.250**		**22.263**
Third party hire		(730)		(933)
Direct Employee Costs		(5.430)		(7.164)
Direct Purchase Costs		(3.356)		(3.468)
Gross Profit		**10.734**		**10.698**
Operating Expenses				
Employee Benefits	5.548		5.069 *)	
Acquisition costs and onetime expenses	22		1.993	
Depreciation and Amortization	1.280		1.256	
Other Operating Expenses	3.098		3.770	
Total Operating Expenses		**9.948**		**12.088**
Operating Income/(loss)		**786**		**(1.390)**
Interest and other Financial Income		29		31
Interest and other Financial Expense		(109)		(209)
Income/(loss) before Tax		**706**		**(1.568)**
Corporate Income Tax		(671)		(798)
Net Income/(loss)		**35**		**(2.366)**

Comprehensive Income	2016	2015
Net Income/(loss)	**35**	**(2.366)**
Exchange differences on translating of foreign operations	21	300
Total Comprehensive Income/(loss) net after Tax	**56**	**(2.066)**

Attributable to Shareholders of TIE:	2016	2015
Income after Tax	35	(2.366)
Comprehensive Income net after Tax	56	(2.066)
Net result per share – basic	0,02	(2,06)
Weighted average shares outstanding – basic (thousands)	1.475	1.177
Net result per share – diluted	0,02	(2,05)
Weighted average number of shares fully diluted (thousands)	1.843	1.182

*) adjusted for reporting purposes.

3. Consolidated statement of changes in equity
Fiscal 2016 (October 1, 2015 – September 30, 2016)

(€ x 1.000)	Share Capital (Incl Surplus)	Retained Earnings	Foreign Currency translation reserve	Share-holders Equity	Convertible Bonds	Total Equity
Balance per September 30, 2014	**58.045,00**	**-51.911,00**	**-159,00**	**5.975,00**	**45,00**	**6.020,00**
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**
Foreign currency translation reserve	-	-	21	21	-	21
Net Income	-	35	-	35	-	35
Total Comprehensive Income (loss)	**-**	**35**	**21**	**56**	**-**	**56**
Shares issued and Share Premium	2.762	-	-	2.762	-	2.762
Costs of shares issued	-6	-	-	-6	-	-6
Share based payments	-	5	-	5	-	5
Other movements		-		-	-	-
Balance per September 30, 2016	**61.187**	**-54.224**	**162**	**7.125**	**45**	**7.170**

TIE KINETIX
total integrated e-commerce

4. Consolidated cash flow statement
Fiscal 2016 (October 1, 2015 – September 30, 2016)

(€ x 1.000)		**2016**		**2015**
Income before tax		**706**		**(1.568)**
Adjustments:				
Share based payments expense	5		13	
Depreciation and amortization	1.280		1.172	
Impairments			84	
Increase (decrease) provisions	(119)		425	
		1.166		**1.694**
Working Capital Movements				
(Increase) decrease in debtors and other receivables	391		370	
(Decrease) increase in deferred revenue	170		536	
(Decrease) increase in current liabilities	(859)		(167)	
		(298)		**739**
Cash generated (applied) in operations		**1.574**		**865**
Interest paid		(58)		(172)
Interest received		29		31
Income tax paid		(22)		(57)
Sales taxes paid		(22)		(11)
Net Cash flow from operating activities		**1.501**		**656**
Investments in intangible fixed assets	(1.522)		(755)	
Divestments of intangible fixed assets				
Acquisition of subsidiary net of cash acquired			-	
Investments in tangible fixed assets	(85)		(166)	
Net Cash flow generated / (used) in investing activities		**(1.607)**		**(921)**
Increase (decrease) long term loans	(1.156)		(362)	
Issue of new shares	2.457		685	
Net Cash flow generated / (used) by financing activities		**1.301**		**323**
Net increase (decrease) in Cash and Cash Equivalents		**1.194**		**58**
Currency Exchange Rate Difference on opening balance		1		40
Opening balance Cash and Cash Equivalents		692		594
Closing balance Cash and Cash Equivalents		**1.887**		**692**

For further information, please contact:

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About TIE Kinetix

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

TIE Kinetix has offices in the United States, the Netherlands, France, Germany, United Kingdom and Australia.

Notes to the UNAUDITED consolidated financial report

General Information
TIE Kinetix N.V. is a public limited company established and domiciled in the Netherlands, with its registered office and headquarters at De Corridor 5d, 3621 ZA in Breukelen. The UNAUDITED Consolidated Financial report of the company for the year ended on September 30, 2016 include the company and all its subsidiaries (jointly called "Tie Kinetix"). The financial year of Tie Kinetix commences on October 1 and closes on September 30. The UNAUDITED Consolidated Financial report for the financial year 2016 has been authorized for issue by both the Supervisory Board and the Management Board on November 14, 2016.

Auditor's Involvement
The interim financial report has not been audited by our external auditors. The Annual General Meeting of shareholders has appointed BDO on March 31, 2016 as external auditor for the year commencing on October 1, 2015.

Statement of Compliance
This UNAUDITED Consolidated Financial report does not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the annual financial statements as at September 30, 2016.
We consider the accounting policies applied to the effect that the UNAUDITED condensed consolidated financial statements give a true and fair view of the Group's assets, liabilities and financial position as at September 30, 2016 and of the results of the Group's operations and cash flow in the period October 1, 2015 – September 30, 2016.

General Accounting Principles
The accounting policies used in the preparation of the UNAUDITED Consolidated Financial report are consistent with those followed in the preparation of the Group's annual financial statements for the year ended September 30, 2016. This report is presented in € x 1.000 unless otherwise indicated.

Accounting Estimates
The preparation of the financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, the determination of results and the reported contingent assets and liabilities. For a list of the judgments, estimates and assumptions, reference is made to the financial statements for 2016.

Segment Information
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. However, 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 2015 with FY 2016 country segments.

Risks and Risk Management

In the Annual Report 2015 (pages 77-79) we have outlined the strategic, operational and financial risks we face, the risk management and control mechanisms we have in place and the risk analysis and assessments we conduct regularly. We believe that the nature and potential impact of these risks have not materially changed in 2016. We will continue to monitor the key risks closely and manage our internal control systems as new risks may emerge and current risks may change.

Notes to the consolidated Financial Position as at September 30, 2016

Business Combinations

No acquisitions have been made in FY 2016.

Intangible Assets

Intangible Assets of the company consist of goodwill and acquired customer base amounting to € 4.809k, and software, capitalized development costs and trade concepts amounting to € 3.105k.

Tangible Assets

Tangible Assets of the company costs of leasehold improvements and furniture and fixtures amounting to € 152k, and office equipment and computer equipment amounting to € 209k.

Cash

On September 30, 2016 the Company held a cash position of € 1.887k (September 30, 2015 € 679k).

The net cash flow from operating activities for the year amounted to € 1.501k (2015: €656k).

Options

During the reporting period no movements occurred.

Equity and solvency

In FY 2016 in total 365.327 shares have been issued, bringing the total number of issued shares to 1.592.704 as at September 30, 2016.
Shareholders' Equity amounts to € 7.125k (or € 4,47 per share) on September 30, 2016 (2015: € 4.308k, or € 3,51 per share).
In 2016, the company redeemed non-current liabilities, comprising of long term debts due to TFAG and credit institutions, from € 1.165k (September 30, 2015) to € 9k (September 30, 2016). In the same period current liabilities, short term debt and bank overdrafts, were redeemed from €1.552k to €34k.

Notes to the consolidated Statement of Comprehensive Income

Segment information

For financial year 2016:

2016 (€ x 1,000)	Netherlands incl. International		TIE MamboFive		North America		France		DACH/TFT		Product Development		Holding and Eliminations		Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Revenues																
Licenses	146	135	-	-	635	468	13	80	113	121		-		-	906	804
Maintenance and Support	628	661	23	23	2.064	2.099	162	136	112	100		-		-	2.988	3.019
Consultancy	1.248	891	884	1.090	1.295	1.034	313	427	2.055	3.455		-		-	5.794	6.897
Software as a Service	2.727	1.945	951	1.360	2.831	2.477	717	589	2.593	2.809		-		-	9.818	9.180
Revenues	**4.749**	**3.632**	**1.858**	**2.473**	**6.824**	**6.078**	**1.204**	**1.232**	**4.872**	**6.485**	**-**	**-**	**-**	**-**	**19.505**	**19.900**
EU Projects & Other Income	584	1.880	32	-	572	256	3	8	796	1.278	542	385	(1.786)	(1.444)	744	2.363
Total Revenue	**5.333**	**5.512**	**1.890**	**2.473**	**7.396**	**6.334**	**1.208**	**1.240**	**5.667**	**7.763**	**542**	**385**	**(1.786)**	**(1.444)**	**20.250**	**22.263**
Total Cost of Sales	(2.738)	(3.130)	(944)	(1.583)	(3.046)	(2.644)	(589)	(410)	(3.676)	(5.186)	(262)	-	1.739	1.388	(9.516)	(11.565)
Gross Profit	**2.595**	**2.382**	**945**	**890**	**4.350**	**3.690**	**619**	**830**	**1.991**	**2.577**	**280**	**385**	**(47)**	**(56)**	**10.735**	**10.698**
Operating Expenses																
Employee Benefits															(5.548)	(5.069)
Onetime expenses															(22)	(1.993)
Other Operating Expenses															(3.099)	(3.770)
Total Operating expenses															**(8.669)**	**(10.832)**
EBITDA															**2.065**	**(134)**
Depreciation, amortization and															(1.279)	(1.256)
EBIT															**786**	**(1.390)**
Interest and other Financial (Expense)Income															(80)	(178)
Income/(loss) before Tax															**706**	**(1.568)**
Corporate Income Tax															(671)	(798)
Net Income/(loss)															**35**	**(2.366)**

Personnel

The total number of FTE by department are:

FTE per department	2016	2015
Research and Development	11	15
Sales and Marketing	28	26
Consulting and Support	70	73
General and Administrative	21	22
Total	**129**	**136**

Breukelen, November 16, 2016

M. Wolfswinkel
J.B. Sundelin
Executive Board