

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

**TIE Kinetix: First Half Year 2017**

Breukelen, the Netherlands, May 17<sup>th</sup>, 2017

First half year results (period Oct, 1, 2016 – March 31, 2017).

- SaaS and hosting revenues grow 5,5% to € 5.078k (H1 2016: € 4.812k)
- Consultancy revenue declines 15,3% to € 2.711k (H1 2016: € 3.202)
- Total revenue declines 4,4% to € 9.720k (H1 2016: € 10.174k)
- EBITDA amounts to € 837k (H1 2016: € 706k)
- no one-time costs
- EBIT amounts to € 125k (H1 2016: € 98k)
- Order Intake amounts to € 6.715k (H1 2016: € 7.085k)

Highlights:

Table 1: Operational performance

In EURO x 1.000	Business Integration		E-Commerce		Business Analytics		Demand Generation		Eliminations		Total Operations	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
<b>Year-to date</b>												
Licenses and hardware	284	234	0	0	0	0	0	5	0	0	284	239
Maintenance and Support	1.507	1.513	0	0	2	0	0	0	0	0	1.509	1.513
Consultancy and implementation	1.208	1.306	401	399	719	1.091	366	408	17	-2	2.711	3.202
Software as a Service	2.512	2.185	575	562	690	532	1.321	1.530	-20	3	5.078	4.812
Other Income and intercompany	2	38	36	154	236	183	135	287	-386	-588	23	74
<b>Total income</b>	<b>5.513</b>	<b>5.276</b>	<b>1.012</b>	<b>1.115</b>	<b>1.647</b>	<b>1.806</b>	<b>1.822</b>	<b>2.230</b>	<b>-389</b>	<b>-587</b>	<b>9.605</b>	<b>9.840</b>
<b>Total cost of sales</b>	<b>-1.839</b>	<b>-1.687</b>	<b>-218</b>	<b>-508</b>	<b>-1.302</b>	<b>-1.270</b>	<b>-1.221</b>	<b>-1.462</b>	<b>274</b>	<b>469</b>	<b>-4.306</b>	<b>-4.458</b>
<b>Gross margin</b>	<b>3.674</b>	<b>3.589</b>	<b>794</b>	<b>607</b>	<b>345</b>	<b>535</b>	<b>601</b>	<b>768</b>	<b>-115</b>	<b>-118</b>	<b>5.299</b>	<b>5.382</b>
<i>Gross Margin %</i>	<i>67%</i>	<i>68%</i>	<i>78%</i>	<i>54%</i>	<i>21%</i>	<i>30%</i>	<i>33%</i>	<i>34%</i>	<i>30%</i>	<i>20%</i>	<i>55%</i>	<i>55%</i>
Wages and salaries											-2.721	-2.928
Other operating expenses											-1.798	-1.473
<b>Total Operating expenses</b>											<b>-4.519</b>	<b>-4.401</b>
<b>EBITDA (excl one-time expenses)</b>											<b>780</b>	<b>981</b>
One time expenses											0	0
<b>EBITDA</b>											<b>780</b>	<b>981</b>
Depreciation, amortization and impairment											-712	-607
<b>EBIT</b>											<b>69</b>	<b>374</b>

Table 2: EU projects and total performance

In EURO x 1.000 Year-to date	Operations		EU projects		Consolidated		
	2017	2016	2017	2016	2017	2016	Diff
Licenses and hardware	284	239	0	0	284	239	45
Maintenance and Support	1.509	1.513	0	0	1.509	1.513	-4
Consultancy and implementation	2.711	3.202	0	0	2.711	3.202	-491
Software as a Service	5.078	4.812	0	0	5.078	4.812	266
Other Income and intercompany	23	74	115	333	138	408	-270
<b>Total income</b>	<b>9.605</b>	<b>9.840</b>	<b>115</b>	<b>333</b>	<b>9.720</b>	<b>10.174</b>	<b>-454</b>
<b>Total cost of sales</b>	<b>-4.306</b>	<b>-4.458</b>	<b>-99</b>	<b>-463</b>	<b>-4.405</b>	<b>-4.922</b>	<b>517</b>
<b>Gross margin</b>	<b>5.299</b>	<b>5.382</b>	<b>16</b>	<b>-130</b>	<b>5.315</b>	<b>5.252</b>	<b>64</b>
<i>Gross Margin %</i>	<i>55%</i>	<i>55%</i>	<i>14%</i>	<i>-39%</i>	<i>55%</i>	<i>52%</i>	
Wages and salaries	-2.721	-2.928	75	-11	-2.646	-2.939	293
Other operating expenses	-1.798	-1.473	-34	-134	-1.832	-1.607	-224
<b>Total Operating expenses</b>	<b>-4.519</b>	<b>-4.401</b>	<b>41</b>	<b>-146</b>	<b>-4.478</b>	<b>-4.546</b>	<b>68</b>
<b>EBITDA (excl one-time expenses)</b>	<b>780</b>	<b>981</b>	<b>57</b>	<b>-275</b>	<b>837</b>	<b>706</b>	<b>132</b>
One time expenses	0	0	0	0	0	0	0
<b>EBITDA</b>	<b>780</b>	<b>981</b>	<b>57</b>	<b>-275</b>	<b>837</b>	<b>706</b>	<b>132</b>
Depreciation, amortization and impairment	-712	-607	-1	-1	-712	-608	-104
<b>EBIT</b>	<b>69</b>	<b>374</b>	<b>56</b>	<b>-276</b>	<b>125</b>	<b>98</b>	<b>28</b>

TIE Kinetix, the leading provider of Software as a Service managed solutions for Integration, Analytics, Demand Generation and E-Commerce today released interim results for the first half year of its fiscal year 2017, covering the period October 1, 2016 – March 31, 2017.

### Revenue (excl. EU projects)

Revenue - including a positive currency effect of € 88k -, declined with € 235k or 2,4% to € 9.605k (H1 2016: € 9.842k), primarily caused by a decline in Consultancy revenue with € 491k or 15,3% to € 2.711k (H1 2016: € 3.202k). The underlying SaaS revenue grew with € 266k or 5,5% to € 5.078k (H1 2016: € 4.812k).

The following highlights the developments in our four business lines:

- **Business Integration:** we continue to see a strong demand for our offering particularly in the Netherlands and in the US. In France, an upgrade program to our latest integration suite of products fuelled our sales. In the first six months, our Business Integration revenue increased with 4,7% to € 5.512k (H1 2016: € 5.264), driven by 15% higher SaaS revenue at € 2.512k (H1 2016: € 2.185k).
- **E-commerce:** our E-commerce proposition delivers webshop back-end solutions with full back office integrations. Our largest customer is T-Mobile, for who we deliver various webshop integrations in the Netherlands. Our E-commerce revenue stabilized at € 1.012k (H1 2016: € 1.096k).
- **Demand Generation:** winning new customer business remains challenging in Demand Generation, even though the Google Adwords proposition looks promising. In addition, the termination of various German portals caused further erosion of the Demand Generation revenue base. In the first six months, our Demand Generation revenue, therefore, decreased with almost 20% € 1.790k (H1 2016 € 2.105k).

- Business Analytics: in FY 2016 Google decided to discontinue selling Google search appliance in the license model, which obviously negatively impacted revenue plans at TIE Kinetix in the second half of 2016 and in Q1, 2017. However, the Analytics business picked up nicely in the second quarter of the first half year 2017, following the launch of the new Google suite of products 'analytics 360' early 2017. Order intake is growing and promises further strengthening of this business in the next quarters. The Analytics reported revenue came in at € 1.648k (H1 2016: € 1.807k).

Jan Sundelin (CEO) said: "with the introduction of FLOW, TIE Kinetix made the strategic choice to fully focus on the development, and sales and marketing of FLOW applications. No investments will be made in customers that have no potential to become users of our FLOW platform. At the same time, TIE is freeing up resources to further invest in strategic accounts. Certain non-strategic customers may be terminated and/or not extended. During a temporary transition period, sales mix changes may cause top line revenue decline. The development of FLOW is on track and we are starting to get commercial traction with our FLOW platform. Our sales organization is completely focused on selling FLOW and customers are reacting positively towards our proposition. We expect to be able to land more sizable FLOW sales in the subsequent quarters."

### Operating margin

<b>In EURO x 1.000</b>	<b>1HY 2017</b>	<b>1HY 2016</b>
Total Revenue	9.720	10.174
Gross Profit	5.315	5.252
<i>Gross Profit %</i>	<i>54,7%</i>	<i>51,6%</i>
Employee Benefits	-2.646	-2.939
Other Operating Expenses	-1.832	-1.607
<b>EBITDA (excl. One time expenses)</b>	<b>837</b>	<b>706</b>
One time expenses	0	0
<b>EBITDA</b>	<b>837</b>	<b>706</b>
<i>EBITDA %</i>	<i>8,6%</i>	<i>6,9%</i>

All employee expenses related to consultants are included as direct costs in the business line in which the consultant performs its activity. Operating Expenses only reflect indirect costs (including sales costs, SG&A, non-allocated consultancy hours and management overhead).

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

<b>In EURO x 1.000</b>	<b>1HY 2017</b>	<b>1HY 2016</b>
Employee Benefits	2.646	2.939
One time expenses	0	0
Depreciation, amortization and impairment	712	608
Other operating expenses	1.832	1.607
<b>Total operating expenses</b>	<b>5.190</b>	<b>5.155</b>

Operating Expenses for HY1 of FY 2017 stabilized at € 5.190k (H1 2016: € 5.154k); lower employee costs were set off against higher costs of amortization, higher professional fees and higher IT costs for replacing and upgrading certain business applications.

### EU projects

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

In the first half year of 2017 EU projects generated a revenue of € 115k (H1 2016: €333k).

### EU subsidies repayment

No further claims have been received.

### Corporate income tax

The deferred tax movements represent non-cash movements of temporary differences predominantly for goodwill and deferred revenue between commercial books (in accordance with IFRS) and the US tax books. As at the end of March 2017, the deferred tax position has not been recalculated at its actual value as the US tax position will only be recalculated at year end. Taxes are paid in France and in the US. The income tax charge relates to normal taxes paid on local profitable income.

### Net profit

In EURO x 1.000	1HY 2017	1HY 2016
EBITDA	837	706
Depreciation	-100	-139
Amortization	-607	-469
Impairment	-6	-
Net financial charges	9	-115
Profit before tax	<b>134</b>	<b>-17</b>
Income tax	7	-48
Net Profit	<b>141</b>	<b>-65</b>
Net profit before acquisition costs and one-time expenses	141	-65
Earnings per share in €	0,09	-0,05

Net income increased to € 141k (H1 2016: € -65k).

### Development activities

In H1, 2017 the company capitalized € 561k (H1 2016: € 419k) on the further development of the FLOW applications and FLOW portal and € 139k on the self-service onboarding tool 'validator'.

### Liquidity and cash flow

Operating cash flow in HY1 of FY 2017 amounted to € 932k, and strongly improved compared to HY1 FY 2016 (€ - 593k), caused by improved operational performance, positive working capital movements and lower interest costs. Part of these improvements have been applied in investing in the further development of FLOW. The cash position at the end of March 2017 was positive € 2.070k (March 2016: € 1.791k).

## First half year Order Intake/ 'ISP'

Period	License		SaaS		Maintenance		Consultancy		Other Income		Total	
	FY17	FY16	FY17	FY16	FY17	FY16	FY17	FY16	FY17	FY16	FY17	FY16
Q1	142	129	1.841	2.208	56	57	1.242	1.289	0	2	3.281	3.685
Q2	197	106	1.737	1.819	113	29	1.376	1.446	11	0	3.434	3.400
<b>Total</b>	<b>339</b>	<b>235</b>	<b>3.578</b>	<b>4.027</b>	<b>169</b>	<b>86</b>	<b>2.618</b>	<b>2.735</b>	<b>11</b>	<b>2</b>	<b>6.715</b>	<b>7.085</b>

The company focuses on long term value creation and strives to increase the % of SaaS ISP in its total ISP. In the first half of FY 2017 total ISP amounted to € 6.715k, with 53% SaaS (2016: € 7.085k with 56% SaaS), following a reduction of non-core strategic orders. The company was able to replace these orders with more high-margin business from its core business lines, stabilizing the first half year SaaS order intake. This was a solid achievement taking into account the reduction of volumes for T-Mobile, the discontinuation of bespoke portals in TIE-Germany, and further reduction of EU projects and the company's decision not to engage in EU projects anymore, and aligns with our SaaS ISP growth strategy.

### Highlights announced

As from October 1, 2016 up to now, TIE Kinetix has reported the following highlights:

04-10-2016: Order Intake in excess of € 1 million;

02-11-2016: Private Offer for the business received;

16-11-2016: TIE Kinetix closed Profitable 2016;

16-11-2016: TIE Kinetix rejects Private Offer for the business;

07-12-2016: TIE Kinetix filed lawsuit against Plusserver in the Netherland and Germany;

04-01-2017: Order Intake in excess of € 1 million;

11-01-2017: publication of Annual Report 2016;

02-02-2017: TIE Kinetix becomes Certified Google Analytics 360 Partner;

03-02-2017: Order Intake in excess of € 1 million;

15-02-2017: Q1 results: phasing out non-core products, focus on SaaS and subscription revenue;

16-02-2017: TIE Kinetix recertified for ISO 27001:2013 certifications for Information Security Management;

17-02-2017: Convocation Annual General Meeting of Shareholders;

23-02-2017: Partnership with Trustweaver for Worldwide standardized paperless invoicing;

08-03-2017: TIE Kinetix' FLOW Partner Automation Platform recognized by Gartner;

14-03-2017: Strategy Update;

31-03-2017: Voting results Annual General Meeting of Shareholders;

### **Management Board Responsibility statement**

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

The half year financial statements give a true and fair view of the assets, liabilities, financial position as per March 31, 2017 and the profit for the half-year ended March 31, 2017 of the Company and its consolidated entities. The half year Executive Board report for the first six months of the financial year 2017 includes a true and fair review of the position as per March 31, 2017 and of the development and performance during the first six months ended March 31, 2017 of the Company and its consolidated entities, of which the information is included in the interim financial statements. In addition, the interim report gives a true and fair review of the expected developments, investments and circumstances of which the development of revenue and profitability depend.

### **Forward looking statement/Guidance**

This report contains information as referred to in the articles 5:59 jo. 5:53, 5:25d and 5:25 w of the Dutch Financial Supervision Act (Wet op het financieel toezicht). Forward looking statements, which can form a part of this report refer to future events and may be expressed in a variety of ways, such as 'expects', 'projects', 'anticipates', 'intends' or similar words. The Company has based these forward looking statements on its current expectations and projections about future events.

### **Risks and uncertainties**

Risks and TIE Kinetix's risk management strategy are detailed in the 2016 annual report and have not changed during the first half of 2017.

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

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### **About TIE Kinetix**

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

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

Unaudited interim condensed  
Consolidated financial statements

March 31, 2017

1. Interim consolidated statement of financial position.  
As at March 31, 2017

<b>Assets</b> <b>(€x 1,000)</b>	<b>31 March 2017</b>	<b>30 September 2016</b>
<b>Non Current Assets</b>		
Intangible fixed assets		
Goodwill	4.570	4.549
Other intangible fixed assets	<u>3.523</u>	<u>3.383</u>
	8.093	7.931
Tangible fixed assets		
Property, Plant and Equipment	<u>306</u>	<u>362</u>
	306	362
Financial fixed assets		
Loans and Receivables	65	449
Deferred Tax Asset	<u>726</u>	<u>694</u>
	791	1.143
<b>Total Non Current Assets</b>	<b><u>9.190</u></b>	<b><u>9.436</u></b>
<b>Current Assets</b>		
Trade Debtors	2.284	2.833
Income Tax Receivable	-	34
Taxation and Social Security	123	57
Other Receivables and Prepayments	<u>2.144</u>	<u>1.861</u>
	4.551	4.785
Cash and Cash Equivalents	<u>2.070</u>	<u>1.887</u>
<b>Total Current Assets</b>	<b><u>6.621</u></b>	<b><u>6.672</u></b>
<b>Total Assets</b>	<b><u>15.811</u></b>	<b><u>16.108</u></b>



**Equity and Liabilities**  
**(€x 1,000)**

	<b>31 March 2017</b>	<b>30 September 2016</b>
<b>Equity</b>		
Shareholders' Equity	7.552	7.123
Convertible Bonds	45	45
<b>Total Equity</b>	<b>7.597</b>	<b>7.168</b>
<b>Non Current Liabilities</b>		
Loans		8
Deferred Tax Liability	60	60
Contingent Consideration	55	55
Deferred Revenue	289	562
Provisions	514	514
<b>Total Non Current Liabilities</b>	<b>918</b>	<b>1.199</b>
<b>Current Liabilities</b>		
Provisions	43	-
Short term debt	26	34
Bank overdraft	-	-
Trade Creditors	613	826
Deferred Revenue	4.139	3.676
Taxation and Social Security, Income tax	638	872
Other Payables and Accruals	1.837	2.333
<b>Total Current Liabilities</b>	<b>7.296</b>	<b>7.741</b>
<b>Total Equity and Liabilities</b>	<b>15.811</b>	<b>16.108</b>

2. Interim consolidated income statement.  
For the 6 month period ending March 31, 2017

(€x 1,000)	1HY 2017	1HY 2016
<b>Revenues</b>		
Licenses	284	239
Maintenance and Support	1.509	1.513
Consultancy	2.711	3.202
Software as a Service	<u>5.078</u>	<u>4.812</u>
<b>Revenues</b>	<b>9.582</b>	<b>9.766</b>
EU Projects	115	333
Onetime income and other income	<u>23</u>	<u>74</u>
<b>Total Revenue</b>	<b>9.720</b>	<b>10.174</b>
Third party hire	(290)	(298)
Direct Purchase Costs	<u>(4.115)</u>	<u>(4.624)</u>
<b>Gross Profit</b>	<b>5.315</b>	<b>5.252</b>
<b>Operating Expenses</b>		
Employee Benefits	(2.646)	(2.939)
Depreciation and Amortization	(707)	(608)
Impairments	(6)	-
Other Operating Expenses	<u>(1.832)</u>	<u>(1.607)</u>
<b>Total Operating Expenses</b>	<b>(5.190)</b>	<b>(5.154)</b>
<b>Operating Income/(loss)</b>	<b>125</b>	<b>98</b>
Interest and other Financial Income	2	15
Interest and other Financial Expense	<u>7</u>	<u>(130)</u>
<b>Income/(loss) before Tax</b>	<b>134</b>	<b>(18)</b>
Corporate Income Tax	<u>7</u>	<u>(48)</u>
<b>Net Income/(loss)</b>	<b>141</b>	<b>(65)</b>
<b>Comprehensive Income</b>	<b>1HY 2017</b>	<b>1HY 2016</b>
<b>Net Income/(loss)</b>	<b>141</b>	<b>(65)</b>
Items that will be reclassified subsequently to profit and loss:		
Exchange differences on translating of foreign operations	<u>143</u>	<u>64</u>
<b>Total Comprehensive Income/(loss) net after Tax</b>	<b>284</b>	<b>(1)</b>
<b>Attributable to Shareholders of TIE:</b>	<b>1HY 2017</b>	<b>1HY 2016</b>
Income after Tax	141	(65)
Comprehensive Income net after Tax	284	(1)
Net result per share – basic	0,09	(0,05)
Weighted average shares outstanding – basic (thousands)	1.604	1.374

3. Interim consolidated statement of changes in equity.  
For the 6-month period ending March 31, 2017

(€ x 1,000)	Notes	Share Capital (Incl Surplus)	Retained Earnings	Foreign Currency translation reserve	Share- holders Equity	Convertible Bonds	Total Equity
<b>Balance per September, 2015</b>		<b>58.431</b>	<b>(54.264)</b>	<b>141</b>	<b>4.308</b>	<b>45</b>	<b>4.353</b>
Foreign currency translation reserve				20	20	-	20
Net Income		-	41	-	41	-	41
<b>Total Comprehensive Income (loss)</b>		<b>-</b>	<b>41</b>	<b>20</b>	<b>61</b>	<b>-</b>	<b>61</b>
Share based payments		(6)	5	-	(1)	-	(1)
Other movements		2.762	(7)	-	2.755	-	2.755
<b>Balance per September, 2016</b>		<b>61.187</b>	<b>(54.225)</b>	<b>161</b>	<b>7.123</b>	<b>45</b>	<b>7.168</b>
Foreign currency translation reserve				143	143	-	143
Net Income		-	141	-	141	-	141
<b>Total Comprehensive Income (loss)</b>		<b>-</b>	<b>141</b>	<b>143</b>	<b>284</b>	<b>-</b>	<b>284</b>
Share based payments		(1)		-	(1)	-	(1)
Other movements		146		-	146	-	146
<b>Balance per March 31, 2017</b>		<b>61.333</b>	<b>(54.084)</b>	<b>304</b>	<b>7.552</b>	<b>45</b>	<b>7.597</b>

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

<b>(€x 1,000)</b>	<b>1HY 2017</b>	<b>1HY 2016</b>
<b>Income before tax</b>	<b>134</b>	<b>(18)</b>
<i>Adjustments:</i>		
Share based payments expense	(1)	(3)
Depreciation and amortization	707	608
Impairments	6	-
Increase (decrease) provisions	<u>(26)</u>	<u>(201)</u>
	<b>685</b>	<b>404</b>
<i>Working Capital Movements</i>		
(Increase) decrease in debtors and other receivables	682	(1.029)
(Decrease) increase in deferred revenue	126	355
(Decrease) increase in liabilities	<u>(691)</u>	<u>(219)</u>
	<b>117</b>	<b>(894)</b>
Cash generated (applied) in operations	<u><b>936</b></u>	<u><b>(507)</b></u>
Interest paid	(7)	(53)
Interest received	2	15
Sales taxes paid	<u>-</u>	<u>(48)</u>
<b>Net Cash flow from operating activities</b>	<b>932</b>	<b>(593)</b>
Investments in intangible fixed assets	(739)	(419)
Investments in tangible fixed assets	<u>(49)</u>	<u>(40)</u>
<b>Net Cash flow generated / (used) in investing activities</b>	<b>(788)</b>	<b>(459)</b>
Increase (decrease) loans	(16)	(615)
Issue of new shares	<u>46</u>	<u>2.762</u>
Net Cash flow generated / (used) by financing activities	<u><b>30</b></u>	<u><b>2.147</b></u>
<b>Net increase (decrease) in Cash and Cash Equivalents</b>	<b>173</b>	<b>1.095</b>
Currency Exchange Rate Difference on opening balance Cash and Cash Equivalents	10	5
Opening balance Cash and Cash Equivalents	<u>1.887</u>	<u>692</u>
<b>Closing balance Cash and Cash Equivalents</b>	<u><b>2.070</b></u>	<u><b>1.791</b></u>

## Notes to the interim consolidated financial report

### **General Information**

TIE Kinetix N.V. is a public limited company established and domiciled in the Netherlands, with its registered office and headquarters at De Corridor 5d, 3621 ZA in Breukelen. The Interim Consolidated Financial report of the company for the half year ended on March 31, 2017 include the company and all its subsidiaries (jointly called “TIE Kinetix”). The financial year of TIE Kinetix commences on October 1 and closes on September 30. The Interim Consolidated Financial report for the six months has been authorized for issue by both the Supervisory Board and the Management Board on May 15, 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<sup>st</sup>, 2017 as external auditor for the year commencing on October 1, 2016.

### **Statement of Compliance**

The Executive Board has considered and approved the interim condensed consolidated financial statements for the period October 1, 2016 – March 31, 2017.

The Interim Consolidated Financial report has been prepared in accordance with IAS 34 “Interim Financial Reporting” as adopted by the EU. The Interim Consolidated Financial report does not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the annual financial statements as at September 30, 2016.

We consider the accounting policies applied to the effect that the interim condensed consolidated financial statements give a true and fair view of the Group’s assets, liabilities and financial position as at March 31, 2017 and of the results of the Group’s operations and cash flow in the period October 1, 2016 – March 31, 2017.

### **General Accounting Principles**

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

### **Accounting Estimates**

The preparation of the financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, the determination of results and the reported contingent assets and liabilities. For a list of the judgments, estimates and assumptions, reference is made to the financial statements for 2016. No important changes occurred in the first six months of financial year 2017.

### **Segment Information**

The segment reporting in these Interim consolidated Financial Statements are aligned with the internal reporting to the Executive Board as Chief Operating Decision Maker in the Company. Reporting is primarily based on business line segments. All revenue, direct costs and fee earning staff are allocated to business lines. To avoid arbitrary and volatile allocation, indirect costs and non-free earning staff are not allocated directly to business lines, but rather allocated to country operations (or holding functions).

TIE has four business lines: Integration, E-Commerce, Demand Generation and Analytics & Optimization and operations in the Netherlands, in the US, in Germany, and in France. The business lines are primary reporting segment for both internal and external reporting. Country operations are secondary reporting segment for internal reporting and externally for statutory reporting purposes only. In preparing this segment information, the accounting principles applied reflect the same as those in the

preparation of the Consolidated Statement of Financial Position and Consolidated Statement of Income. Any transactions between reporting segments are accounted for at cost. These items are adjusted for the segment information presented under Eliminations.

### **Risks and Risk Management**

In our Annual Report 2016 (pages 54-55) we have outlined the strategic, operational and financial risks we face; the risk management and control mechanisms we have in place; and the risk analysis and assessments we conduct regularly. We believe that the nature and potential impact of these risks have not materially changed in the first half of 2017. We will continue to monitor the key risks closely and manage our internal control systems as new risks may emerge and current risks may change in the second half of 2017.

### **Seasonal Effects**

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

### **Intangible Assets**

The capitalization of development costs amounts to € 700k (H1 2016: € 419k).

### **Tangible Assets**

The investment in tangible assets amounts to € 40k (H1 2016: € 40k).

### **Cash**

On March 31, 2017 the Company held a net positive cash position of € 2.070k (September 30, 2016 € 1.791k) as follows:

<b>Cash at bank in hand (€x 1,000)</b>	<b>March 31, 2017</b>	<b>March 31, 2016</b>
Regular bankpositions	2.042	1.660
EU funds received in advance	28	131
<b>Total</b>	<b>2.070</b>	<b>1.791</b>

The net cash flow from operating activities in HY1 2017 amounted to € 932k (H1 2016: € - 593k).

### **Options**

During the reporting period no movements occurred.

**Equity**

<b>Equity (number of shares)</b>	<b>2017</b>	<b>2016</b>
Balance as of October 1	1.592.704	1.227.377
Issued	16.007	365.327
<b>Balance as of March 31</b>	<b>1.608.711</b>	<b>1.592.704</b>

In 2017, 16.007 shares have been issued under the Extended Management Team Stock plan (10 persons).

**Personnel**

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

<b>By country</b>	<b>March 31, 2017</b>	<b>March 31, 2016</b>	<b>Change</b>
NL	54	51	3
US	33	33	0
DACH	24	40	-16
France	12	11	1
<b>Total FTE</b>	<b>123</b>	<b>135</b>	<b>-12</b>

Breukelen, May 15, 2017

M. Wolfswinkel  
J.B. Sundelin  
Executive Board