

P R E S S R E L E A S E

Interim Management Statement Q1, FY2015

The Netherlands, Breukelen, February 11, 2015

TIE Kinetix: Profitable Operations, Strong Order Intake and Losses on EU projects

TIE Kinetix N.V. ("TIE Kinetix") operational performance in the first quarter of 2015 (Oct. 1 - Dec. 31, 2014) generated modest profitability of EBIT € 110k (2014: - € 90k). EU Development Grants projects generated an EBIT of € -218k (2014: € -146k) and bringing TIE Kinetix's total profitability down to € -108k (2014: € -237k).

For Q1 TIE Kinetix reports:

- Revenue of € 5.097k (Q1, 2014: € 4.196k). TFT/TIE Kinetix GmbH was consolidated since acquisition date, December 1, 2014, - only 1 month in Q1, 2014. Therefore, adjusted for TFT, the first quarter revenue of TIE Kinetix in 2015 amounts to € 3.383k (Q1, 2014: € 3.682). This decrease resulted from less license sales and less consultancy revenue as consultancy time was applied to implement SaaS contracts.
- EBITDA of € 142k (Q1, 2014: € -73k).
- EBIT of € -108k (Q1, 2014: € -237k).

Table 1: Operational Performance

In € x 1.000	Integration		E-Commerce		Analytics&Optimization		Demand Generation		Elimination		Total Operations	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Licenses and hardware	131	335	0	0	26	0	1	0	0	0	158	336
Maintenance and support	743	716	0	0	0	0	0	0	0	0	743	716
Consultancy and Implementation	410	476	323	510	481	260	324	283	0	0	1.539	1.530
Software as a service	878	721	500	168	272	67	674	370	0	0	2.323	1.326
Other income and intercompany	57	166	34	2	24	58	32	0	-118	-244	29	-18
Total income	2.218	2.414	857	681	802	385	1.031	653	-118	-244	4.791	3.890
Gross margin	1.356	1.595	223	314	270	136	352	127	-34	-19	2.167	2.153
	61%	66%	26%	46%	34%	35%	34%	19%	29%	8%	45%	55%
Wages and salaries											-1.163	-1.156
Other operating expenses											-644	-924
Total Operating expenses											-1.807	-2.080
EBITDA											360	74
Depreciation and amortization											-250	-164
EBIT											111	-90

Table 2: EU Projects and total performance

In € x 1.000	Total Operations		EU projects		Total Consolidated		
	2015	2014	2015	2014	2015	2014	change
Licenses and hardware	158	336	0	0	158	336	-178
Maintenance and support	743	716	0	0	743	716	27
Consultancy and Implementation	1.539	1.530	0	0	1.539	1.530	9
Software as a service	2.323	1.326	0	0	2.323	1.326	997
Other income and intercompany	29	-18	307	307	336	288	47
Total income	4.791	3.890	307	307	5.097	4.196	901
Gross margin	2.167	2.153	307	307	2.474	2.460	14
	45%	55%	100%	100%	49%	59%	2%
Wages and salaries	-1.163	-1.156	-360	-328	-1.523	-1.484	-39
Other operating expenses	-644	-924	-165	-125	-809	-1.049	240
Total Operating expenses	-1.807	-2.080	-525	-453	-2.332	-2.533	201
EBITDA	360	74	-218	-147	142	-73	215
Depreciation and amortization	-250	-164	0	0	-250	-164	-86
EBIT	111	-90	-218	-147	-108	-237	129

Order Intake Q1, 2015

Order intake in the first quarter climbed to an unprecedented high of € 2.8m (Q1, 2014:€ 2.0m). Adjusted for TFT, order intake amounted to € 2.5m (Q1, 2014: 2.0m). Order intake was particularly strong in the business lines Integration and E-Commerce. Also, the Demand Generation Order Intake accumulated higher than expected, which management considers being a positive signal for this developing market. Following this higher than expected order intake, more consultancy time was allocated to implement new customers and SaaS contracts.

EU Projects

EU Projects generated an EBITDA of € -218k, including extra-ordinary costs of € 20k, and including indirect costs and overhead charges of € 100k. In this quarter, the company has incurred extra-ordinary costs related to the EU audited projects. A dedicated subsidy specialist has been hired to recalculate all current and past EU project costs. Furthermore, the company retains legal counsel anticipating legal action to be taken against the previous audit firm EY.

EU Projects are generating a loss since income from EU Projects is insufficient to cover all costs incurred. As a result of recent developments TIE Kinetix will restructure its EU Projects team with the aim to reduce the number of projects the company is involved in. Further restructuring will take place in the next quarters. No restructuring provision is recorded in Q1.

EU Claim for Repayment on Development Grants

On February 6, 2015 (in TIE Kinetix's financial year Q2, 2015), the company announced that it has received a notice from the EU for a first repayment of € 705k, by March 20, 2015.

In a reaction on February 4th, 2015 TIE Kinetix has announced to withdraw from Pro Deo Board Memberships at European Technology Platform Nessi, from Pro Deo Board Memberships at Big Data Value Association and has indicated that TIE Kinetix will bring down significantly its involvement in current and future EU projects.

TIE Kinetix is now requesting a meeting with the European Commission to discuss a payment plan and is preparing legal action against EY. TIE Kinetix will also seek advice to initiate legal action against the European Commission.

By February 27, 2015 TIE Kinetix is required to submit recalculations for all other projects under the same regime from 2008 onwards. At this stage it cannot be excluded that this will subsequently lead to further reclaims of EU Development Grants.

In TIE Kinetix's Q2 (January - March 2015), a provision in the Profit and Loss account will be recorded for repayment of Development Grants.

For questions about this press release, please contact Jan Sundelin (CEO) or Michiel Wolfswinkel (CFO) via Investor.Relations@TIEKinetix.com

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, backed by over 25 years of experience and prestigious awards. TIE Kinetix makes technology to perform, such that customers and partners can focus on their core business.

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

For more information:

TIE Kinetix N.V.
Jan Sundelin (CEO) or Michiel Wolfswinkel (CFO)
De Corridor 5d
3621 ZA Breukelen
T: +31-88-369-8000
E: Investor.Relations@TIEKinetix.com
W: www.TIEKinetix.com

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