

PRESS RELEASE

The Netherlands, Breukelen, February 12, 2014

Interim Management Statement Q1: Integration of TFT and Rebrand of Content Syndication as Demand Generation Solution

TIE Kinetix N.V. (“TIE Kinetix”) started the year 2014 with the acquisition and integration of the German company Tomorrow Focus Technologies GmbH (“TFT”). At the same time, the continued business showed growth according to plan. Total revenue grew due to modular Content Syndication sales, which soon will be rebranded into Demand Generation Solution. In the US, the loss of CNET revenue in 2013 has almost fully been replaced with new business. Our E-Commerce offering shows healthy growth.

- Reported revenue of €4,196 thousand, compared to €3,661 thousand over Q1, 2013 (increase of 14.6%). Adjusted for the acquisition of TFT as per December 2, 2013, revenue amounts to €3,705 thousand (increase of 1.2% compared to Q1, 2013).
- Acquisition of TFT completed and integration started. In Germany, TIE Kinetix has launched the sale of its modular Content Syndication, which soon will be rebranded into Demand Generation Solution. At the same time, TIE Kinetix investigates selling the TFT product offering of Google Search Appliance in other markets.
- Acquisition costs and other one-time legal fees amount to € 347 thousand.
- EBITDA decreased to -/- €73 thousand from €258 thousand in Q1 of 2013 as a consequence of the one-time acquisition costs.

Acquisition of TFT

On December 2, 2013 TIE Kinetix acquired 100% of the share capital of TFT GmbH. The purchase price amounts to a fixed cash consideration of €3 million, a realized purchase price adjustment (reduction) of € 100 thousand and an employee share plan of €300 thousand. The purchase price is financed through a seller loan (€1 million), a non-recourse locally funded bank loan (€1 million) and newly issued Tie Kinetix N.V. shares and warrants (€1.361 million).

Business highlights

Market circumstances are improving as we see our Integration business and E-Commerce developing well in the Netherlands. We are also experiencing a healthy appetite for our new Demand Generation Solution. Total revenue grew consequently, showing an overall positive trend.

With the acquisition of TFT, TIE Kinetix has decided to build a strong back office in Breukelen, the Netherlands to provide support to its operations. The aim is to build an efficient organization and to strengthen the control over all operations. Supporting office infrastructure and internal IT have been evaluated. As from January, 2014 cost savings amounting up to some €100 thousand for fiscal year 2014 will be realized in this area.

Software as a Service

Our SaaS offering grew even with the loss of customer CNET in Q3, 2013. This is not only caused by our new modular approach for Content Syndication, but also our traditional SaaS Integration revenue grown with many new accounts in November and December.

E-Commerce

Our E-Commerce business continues to grow. We are enhancing our E-Commerce platform in order to introduce it abroad as “*Platform as a Service (PaaS)*”.

Revenue by type	Q1, 2014	Q1, 2013	
Licenses	336	285	18%
Maintenance and support	716	737	-3%
Consultancy	1,530	1,140	34%
Software as a Service	1,326	1,263	5%
revenues	3,908	3,425	14%
other income	288	236	22%
Total revenues	4,196	3,661	15%

Revenue by region	Q1, 2014	Q1, 2013	
The Netherlands	1,642	1,287	28%
North America	1,314	1,460	-10%
France	264	211	25%
DACH	796	489	63%
rest of World	180	214	-16%
Total revenues	4,196	3,661	15%

At the end of Q1, 2014 shareholders’ equity amounted to €5,191 thousand (Q4, 2013: €4,089 thousand) and the company held a net cash position of €538 thousand (Q1, 2013: €527 thousand).

For further information about this press release, please contact us via +31 646 255 883 or bob.out@tiekinetix.com.

Profile TIE Kinetix

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

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

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