TIE Kinetix N.V.

ANNUAL REPORT 2014

TIE KINETIX
total integrated e-commerce

Ryan Tang
Sales Integration Solutions
TIE Kinetix Netherlands

"At TIE Kinetix, our goal is to deliver the best solution and service for our customers and partners on the long term to deliver the best ROI."

< BACK TO TABLE OF CONTENTS

TIE Kinetix N.V.

ANNUAL REPORT 2014

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.

‹ BACK TO TABLE OF CONTENTS

KEY FIGURES

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

FINANCIAL RESULTS	**2014**	2013
Total Income	**20,474**	14,293
EBITDA	**1,100**	146
Depreciation and Amortization Expense	**857**	(687)
Impairment Gain (Loss)	**-**	(679)
Operating Result	**243**	(1,220)
Net Income	**439**	(1,280)
Cash Flow from Operating Activities	**1,982**	696
Net Cash Flow generated	**383**	(538)
SHARE PRICE		
Last Trading Day in Reporting Period	**8.15**	5.74
Highest	**8.35**	11.20
Lowest	**5.42**	5.10
EMPLOYEES (expressed as full time equivalents)		
Average Number of Employees	**142**	109
Average Revenue per Employee	**144**	131
EQUITY		
Total Assets	**15,994**	9,024
Total Shareholders' Equity	**5,975**	4,044
Total Equity Instruments	**45**	45
Total Equity	**6,020**	4,089
Solvency Ratio	**38%**	45%
PER SHARE OF ORDINARY SHARES		
Net Income	**0.41**	(1.37)
Shareholders' Equity	**5.34**	4.38
Number of Shares Outstanding at Year-End (x 1.000)	**1,127**	933
Weighted Average Number of Shares Outstanding (x 1,000)	**1,083**	933
Weighted Average Number of Shares Adjusted for Calculation Diluted Earnings per Share (x 1,000)	**1,085**	935

TABLE OF CONTENTS

PERFORMANCE HIGHLIGHTS

TOTAL REVENUE

43%

2014: €20,474k – 2013: € 14,294k

EBIT

120%

2014: € 243k – 2013: € -1,220k

NET INCOME

134%

2014: € 439k – 2013: € -1,280k

FTE EMPLOYEES AT YEAR END

29%

2014: 148 – 2013: 115

NUMBER OF OUTSTANDING SHARES

1,227k

2013: 993k

OPERATIONAL CASH FLOW

€ 1.982k

2013: € 696k

EQUITY

6,020k

2013: 4,089k

SAAS REVENUE

65%

2014: € 7,959k – 2013: € 4,820k

OTHER INCOME

€ 1,256k

2013: € 1,312k

LICENSE REVENUE

€ 1,053k

2013: € 1,220k

CONSULTANCY REVENUE

84%

2014: € 7,362k – 2013: € 4,007k

MAINTENANCE AND SUPPORT REVENUE

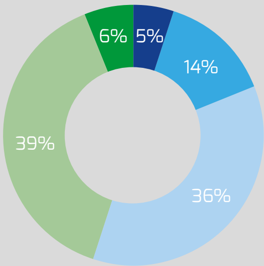
€ 2,844k

2013: € 2,934k

< BACK TO TABLE OF CONTENTS

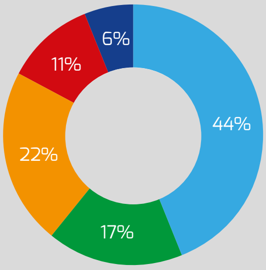
REVENUE BREAKDOWNS (€ X 1,000)

2014



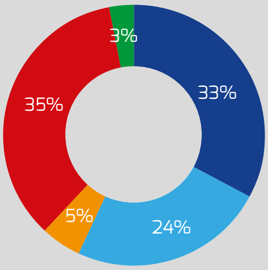
Total Income and Income Net of Direct Purchase Costs	2014		2013	
Licenses	1,053	5%	1,220	9%
Maintenance and Support	2,844	14%	2,934	21%
Consultancy	7,362	36%	4,007	28%
Software as a Service	7,959	39%	4,820	34%
Revenues	**19,218**	**94%**	**12,981**	**91%**
Other Income	1,256	6%	1,312	9%
Total Revenue	**20,474**	**100%**	14,293	100%

2014



Revenue Business Line	2014		2013	
Integration	8,967	44%	8,232	58%
E-Commerce	3,445	17%	2,200	15%
Demand Generation	4,584	22%	1,388	10%
Analytics & Optimization	2,222	11%	1,161	8%
EU & Other projects	1,256	6%	1,312	9%
Total Revenue	**20,474**	**100%**	**14,293**	100%

2014



Income by Region	2014		2013	
The Netherlands	6,820	33%	5,964	42%
North America	4,920	24%	5,174	36%
France	1,061	5%	1,208	8%
DACH/TFT	7,149	35%	1,226	9%
Rest of World	524	3%	721	5%
Total Revenue	**20,474**	**100%**	**14,293**	**100%**

REVENUE TYPE BY GEOGRAPHIC REGION

The Netherlands	2014	2013
Licenses	194	454
Maintenance and Support	709	689
Consultancy	2,341	1,784
Software as a Service	2,477	2,000
Other Income	1,099	1,037
Total Revenue	6,820	5,964

North America	2014	2013
Licenses	561	515
Maintenance and Support	1,631	1,774
Consultancy	806	775
Software as a Service	1,922	2,111
Other Income	-	(1)
Total Revenue	4,920	5,174

France	2014	2013
Licenses	44	96
Maintenance and Support	154	167
Consultancy	358	274
Software as a Service	503	375
Other Income	2	296
Total Revenue	1,061	1,208

DACH/TFT	2014	2013
Licenses	186	143
Maintenance and Support	213	121
Consultancy	3,703	966
Software as a Service	2,888	8
Other Income	159	(12)
Total Revenue	7,149	1,226

Rest of World	2014	2013
Licenses	68	12
Maintenance and Support	137	183
Consultancy	154	208
Software as a Service	169	326
Other Income	(4)	(8)
Total Revenue	524	721

KEY HEADLINES FY2014

Financial Press Releases

11-10-2013
TIE Kinetix Announces Major Acquisition in Germany

15-10-2013
TIE Kinetix Convenes Extraordinary General Meeting of Shareholders

29-10-2013
TIE Kinetix is Technology Provider in European Union Projects “SAM” and “ALFRED”

20-11-2013
Trading update Q4: revenue up 14% for the Year 2013 and Down 4% for the Fourth Quarter, Impairment Loss and One Time Effects Impact Net Result

29-11-2013
Publication of Voting Results Extraordinary General meeting November 2013

03-12-2013
TIE Kinetix Announces closing of Acquisition Tomorrow Focus Technologies

04-12-2013
TIE Kinetix and Objectiv Lune Sign Worldwide Partnership

21-01-2014
TIE Kinetix moves AGM to end of March

06-02-2014
Update pending litigation: Samar Issues Damage Claim

12-02-2014
Interim Management Statement Q1: Integration of TFT and Rebrand of Content Syndication as Demand Generation Solution

13-02-2014
Convocation Annual General Meeting of Shareholders

27-03-2014
TIE Kinetix and T-Mobile Enter into New Partnership

28-03-2014
Shareholders Meeting Approves all Proposals

21-05-2014
Interim Consolidated Financial Statements: first Half Year Results (Oct. 1, 2013- March 31, 2014)

02-07-2014
TIE Kinetix Announces New Managing Director for TIE France

13-08-2014
TIE Kinetix Announces Q3 Highlights

Subsequent Events

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

Teresa Märtl
UX-Consultant
TIE Kinetix Germany

“At TIE Kinetix, we continuously invest in development of our solutions to deliver the best results for our customers and partners.”

LETTER FROM THE CHIEF EXECUTIVE OFFICER, JAN SUNDELIN

Dear Shareholder,

In 2014 TIE Kinetix successfully turned the corner and demonstrated that TIE Kinetix's operations are profitable and are able to consistently generate a positive cash flow. Our Cloud based SaaS revenue grew to almost € 8 million, bringing recurring revenue level close to 60% and three year contract value to over € 34 million. This clearly brings stability to our business and provides a solid basis for investment in marketing, sales and product development.

The Integration business solutions performed very well, and we intend to actively seek new opportunities to extend our growth. Our E-Commerce business expanded its strategic relationship with T-Mobile in the Netherlands, covering more T-Mobile products and services, and included active involvement in development and implementation of innovative new features.

In the United States our high quality SaaS business has been robust. Our Content Syndication Platform has been rebranded as Demand Generation, to more clearly reflect its position in the marketplace. This business unit did not bring the results we planned. Given the sizable customer investments in direct marketing automation tools, we expect that customer investments in channel marketing are imminent. Based upon customer feedback and analyst research, we therefore remain convinced about the market prospects for our solution, but will invest in it with caution.

In Q1, we acquired TFT a Munich based Analytics and Portal development company. In addition to providing Analytic tools for the core TIE Kinetix solutions, TFT has the capability to sell our product and services into the German, Austrian and Swiss markets. In 2014, we also expanded our Analytics business in the Netherlands with the acquisition of a small Google

Search Appliance customer base. While it is still too early to tell, early indications are positive.

In October 2014, we received a letter from the European Commission concerning the possible repayments TIE Kinetix is obliged to make for services successfully rendered. We are studying the letter with our advisors, and whilst we carefully followed the procedures of, and the projects and cost calculations were reviewed by, our previous audit firm EY, we now recognize that certain administrative formalities had not been met. We question whether a sizable repayment of development grants is in the interest of all parties involved. We have taken prudent steps to ensure that a possible repayment will not have a material effect on our ability to deliver quality products and services, now, and in the future.

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.

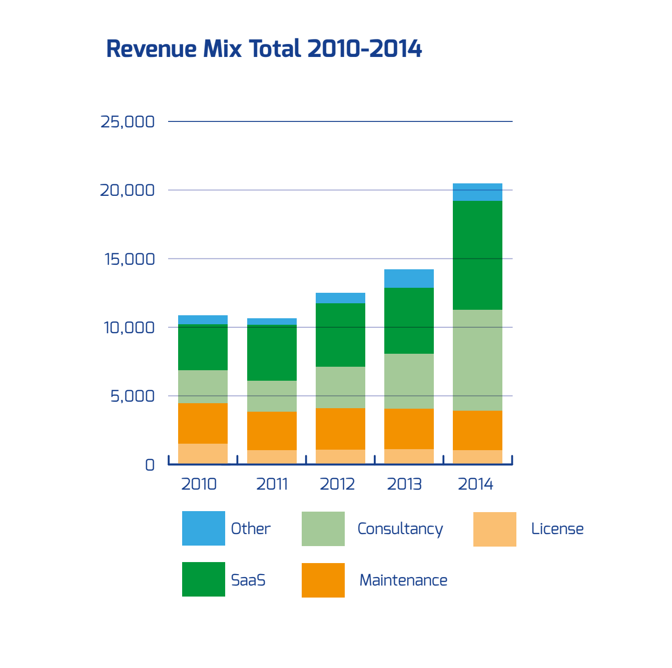
2012 Acquisition of Light B.V., strengthening both commercial and development teams in portal related front-end technologies.

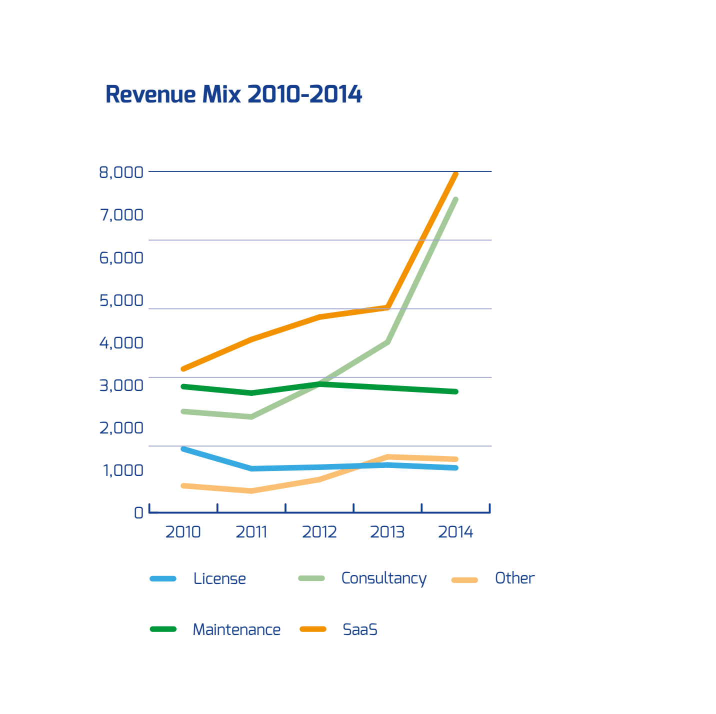
2012 Acquisition of ascention GmbH expanding geographical coverage and adding skills with respect to business intelligence solutions.

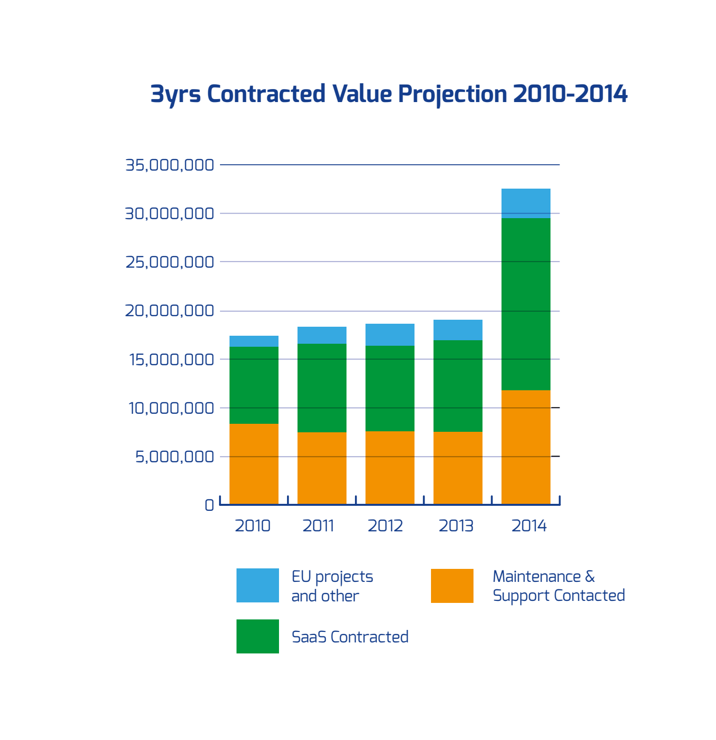
2014 Acquisition of Tomorrow Focus Technologies GmbH (TFT) expanding coverage in Germany with respect to web business performance, user experience, e-commerce strategy, consulting and hosting.

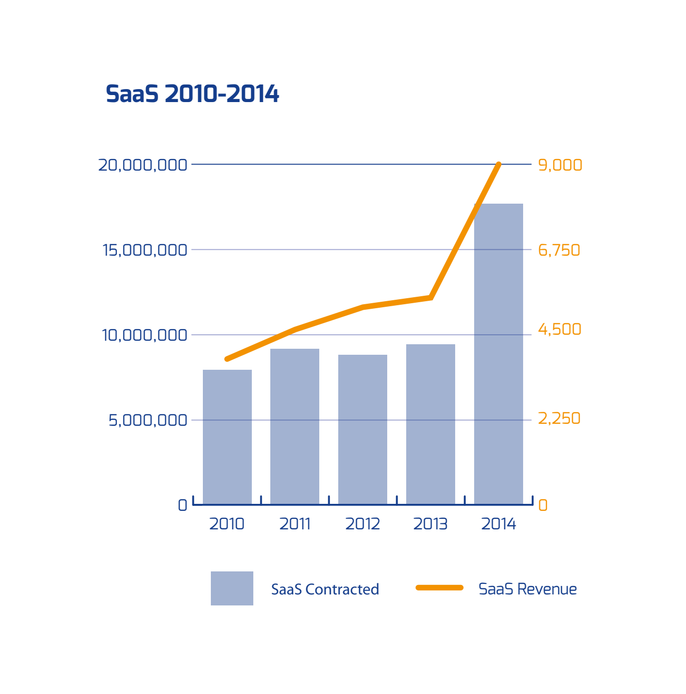
KEY BUSINESS METRICS – FINANCIAL YEAR 2014

(€ X 1,000)









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 needed to market, sell, deliver and Optimize online. Customers and partners utilizing TIE Kinetix consistently benefit form innovative, field tested technology and are able to remain focused on their core business. TIE Kinetix develops cloud and license based solutions, and is 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 solutions, together called TIE Kinetix, enable trading partners to work seamlessly together on the major business processes throughout the supply chain: market, sell, deliver, optimize.

Kinetix minimizes the energy needed for the major business processes through the supply chain to maximize revenue and minimize cost. Our Demand Generation solutions enables channel marketers and executives to accelerate demand generation and sales conversion for and through their independent partner community. Our E-commerce solutions provides companies with solutions that facilitate their online sales and transactions. Our Integration solutions 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.

TIE Kinetix is unique in its ability to deliver its solutions in both License and in the Cloud as a Software as a Service (SaaS). 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, and we are particularly active in the European Commission framework for innovation programs. TIE Kinetix's Research, Development & Innovation (RDI) has worked 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
Analytics and Insights
Quality and Accuracy
Market
Optimize
Deliver
Timeliness and Speed
Traffic and Intensity
Sell

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 number 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

eCoast

Our Showcase Customers:

AVAYA

digium

infor

WEBROOT

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)
Distributor (NL)
Fashion (NL)

Our Showcase Partners:

PROGRESS SERVICE PROVIDER

Our Showcase Customers:

T-Mobile

kpn

Telfort.

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)
Do-It-Yourself (US, EMEA)
Health & Pharma (US, EMEA)
Retail (US, EMEA)
Government (NL)

Our Showcase Partners:

Our Showcase Customers:

BACK TO TABLE OF CONTENTS

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
License, SaaS & Consultancy

Markets & Geographies
Across all existing markets

Our Showcase Partners:

Google for Work Partner, Alegri, searchmetrics (Make it visible.), groupby

Our Showcase Customers:

HolidayCheck.de, swisscom, Blick.ch, SIEMENS

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, 2014, TIE has about 148 employees, of which:
» About 41% is based in the Netherlands.
» About 22% is based in the US.
» About 31% 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: 61 FTE
Activities: Headquarters and central back office (finance/legal/administration) - Executive Board and Group Management - Sales and operations (BI, E-Commerce, TIE Light) - Research & Development

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

2

TIE Germany
Germany
Number of employees: 44 FTE’s
Activity: In Munich TIE Kinetix has an office servicing the German speaking markets in Germany, Austria and Switzerland. This office combines the activities of Ascention and TFT and has been renamed TIE Kinetix. This office is the worldwide headquarter for TIE Kinetix’s Analytics and Optimization products.

3

TIE France SAS
France
Number of employees: 10 FTE
Activity: In France TIE Kinetix has an office in Montpellier with a customer a support and sales team for France.

4

TIE 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: 32 FTE

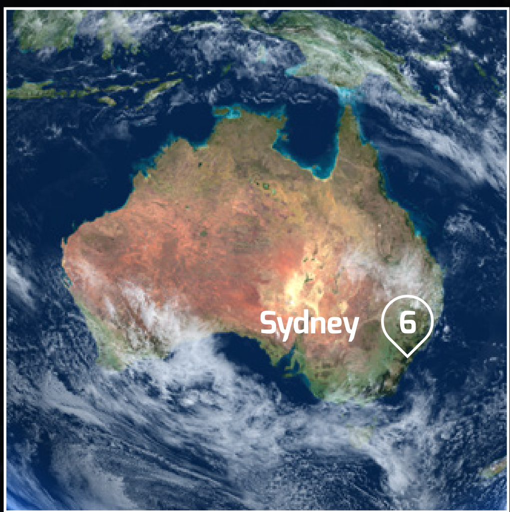
Activity: The St. Paul office provides product support and maintenance for the business integration clients. The Boston office serves the E-Commerce and Demand Generation market in the US and harbors TIE Kinetix's sales and marketing and technical development team for the content syndication platform. Part of TIE Kinetix's management is also stationed in this office.

6

TIE 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

VP Integration and COO:
Brian Tervo

VP Analytics and Optimization:
Erik Jan Hengstmengel

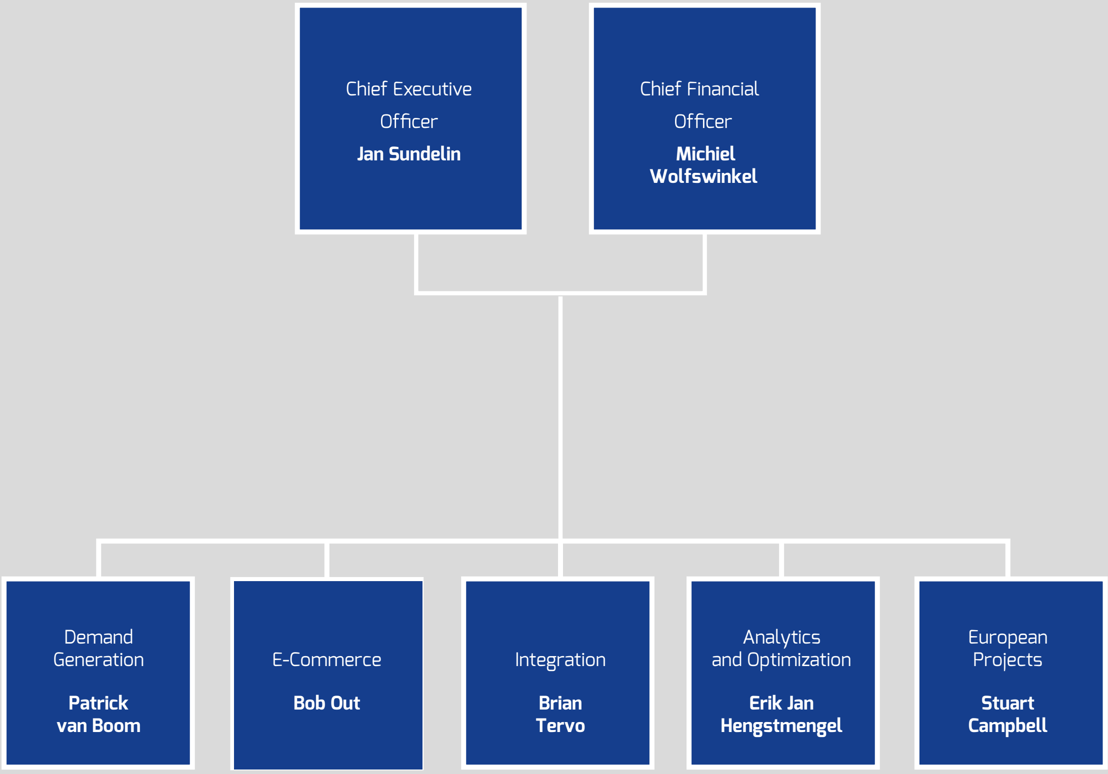
VP Demand Generation and CMO:
Patrick van Boom

VP E-Commerce:
Bob Out

Chief Technical Officer:
Mr. Stuart Campbell

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

Corporate Management Structure



THE SUPERVISORY BOARD & EXECUTIVE BOARD

< BACK TO TABLE OF CONTENTS

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 2016**
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 is now 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, Medlin NV, Besi Semiconductor Industries 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., Midlin N.V. and BE Semiconductor Industries.

THE EXECUTIVE BOARD

Chief Executive Officer

Jan Sundelin (1960) 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

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 2014 (October 1, 2013-September 30, 2014).

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 research & 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. In this respect we came to the conclusion that our report requires the inclusion of an overview of what we have supervised and what we have discussed with the Executive Board. In 2014, 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. At the Annual General Meeting on 28 March 2014, Mr Dirk Lindenbergh was appointed and added as fourth member. On November 8th, Mr. Peter van Schaick resigned for personal reasons. Two of the members are considered independent. During his assignment Mr. Peter van Schaick holds 22,9% (18,9% after the placement of shares per December 2, 2013) of the shares in TIE Kinetix, through Alto Imaging Group NV (through Jalak Investments BV) in total 213,361 shares. Therefore, Mr. van Schaick cannot 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 2014. The Supervisory Board monitored the cost structure of the Company and advised the Executive Board on all relevant aspects. To further strengthen the Company the Supervisory Board has decided to attract a Chief Financial Officer in the Executive Board and welcomes Dr. Wolfswinkel to the Company. Dr. Wolfswinkel was appointed at the Extraordinary General Meeting at November 28th, 2013.

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. 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.

The merger and acquisition strategy

On December 2, 2013 TIE Kinetix has completed the acquisition of the German company TOMORROW FOCUS TECHNOLOGIES GmbH (TFT). The Supervisory Board has monitored the acquisition process and is of the opinion that this acquisition brings TIE Kinetix to the next level of its development. Potential synergies and economy of scale are both in the area of products and services but also in the sharing of competence and supply relations. The integration of TFT into the TIE Kinetix organization was finished in 2014 after renaming the company in TIE Kinetix GmbH.

Audit Committee

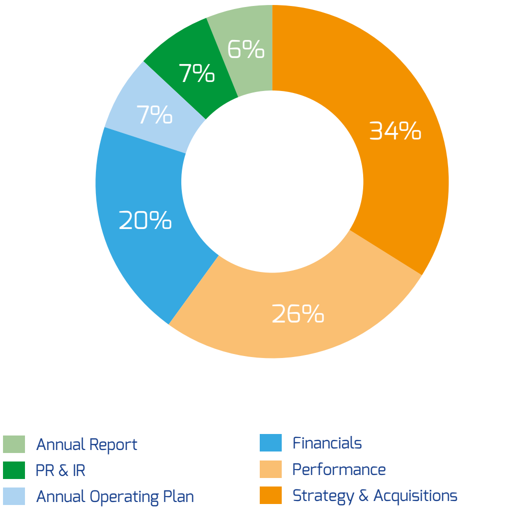
The Supervisory Board as a whole monitored the accounting and reporting processes in its functions as audit committee. In order to ensure the quality of the financial reporting process and to discuss the findings on the financial statements, the Supervisory Board has met with the Company's external auditors 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.

REPORT FROM THE SUPERVISORY BOARD

Meetings of the Supervisory Board
In 2014, the Supervisory Board met 8 times. The chairman advised on R&D aspects during several meetings. Moreover he had several meetings with the member of the Executive Board. The Supervisory Board has also been closely involved in the process resulting in the notice TIE Kinetix received from the European Commission (EC) for a partial repayment of EU development grants and has dedicated several meetings to this process.

The Supervisory Board Meetings financial year 2014

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

8 October 2013
- Special session (telephone conference) devoted to the acquisition of TFT and the issue of new shares.

19 and 28 November 2013
- Meeting with the external auditor EY accounts FY2013.
- Discussing the amendment of the articles of association.
- Preparation of the Extraordinary General Meeting on 28 November 2013.

20 May 2014 (at TFT in Munich)
- Results Q2 were reported and evaluated.
- The status of the integration of TFT was discussed.
- The need to have a development plan for TIE Kinetix (including budget) was discussed.

12 August 2014
- Results Q3 were reported and evaluated.

11 and 12 September 2014
- Strategy sessions: The proposed strategy of the company was presented and discussed.
- Presentations of three year business plan by Business Line VP's for Integration, Demand Generation, E-Commerce, Analytics & Optimization and RDI.

Compensation Policy

The Compensation Policy outlines the terms and conditions for the members of the Executive Board of the Company. The objective of this Compensation 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 Compensation Policy needs the approval of the General Meeting of Shareholders. On March 11, 2009, the General Meeting of Shareholders has adopted the Compensation Policy for 2009. TIE Kinetix did not amend the Compensation Policy since 2009. The Supervisory Board, within the scope of the Compensation Policy, will determine 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

» 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
- variable compensation in the form of options based on the realization of long term targets.

The salary includes base salary, holiday allowance, pension arrangements and lease vehicles. The members of the Executive board do not participate in the annual stock option plan (as of February 13, 2008).

» 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 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 Compensation 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 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

REPORT FROM THE SUPERVISORY BOARD

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.

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.

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

The Supervisory Board did not propose to amend the Compensation Policy at the General Meeting of Shareholders held on March 28, 2014. Additionally, the Supervisory Board did not adjust the base salary of Mr. Sundelin (€ 216k). 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

Mr. Wolfswinkel started in August 2013 with a base salary of € 175k. This base salary was not amended when Mr. Wolfswinkel was appointed as member of the Executive Board/CFO at the Extraordinary General Meeting of Shareholders held on November 28, 2013. 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.

At the next General Meeting of Shareholders in March 2015, the Supervisory Board will come with a proposal for a new Compensation Policy including bonus arrangement and the bonus for financial year 2015.

The remuneration of the Executive Board is disclosed in detail on page 109.

A.F.L. Veth

Chairman Supervisory Board, TIE Kinetix N.V.

Chiara Carnevali
Marketing Communications
TIE Kinetix USA

“At TIE Kinetix, we work closely together to build the foundation for satisfied customers, partners and peers.“

REPORT FROM THE EXECUTIVE BOARD

Developments and achievements in view of the set targets and priorities

Achievements of the last few years

Established Content Syndication 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.
TIE Kinetix developed itself as a serious partner for EU FP7 projects

Developments in financial year 2014

Acquisition and integration of Münich based TFT
Further expansion of Integration offering including SAP API
Partnership with Objectif Lune
Recognition on Gartner's Magic Quadrant for Integration Brokerage
Launch of Google Analytics business in The Netherlands

Accountability of Set Targets and Priorities for 2014

Accountability of Set Targets and Priorities for 2014

In 2014, we Integrated TFT and successfully grew our SaaS offerings. Sales were strong particularly in the Netherlands, and in the US. Even with strong US sales, US revenue in 2014 came in below 2013 level due to the loss of customer CNet, in the second half year of 2013. Fuelled by a renewed contract with T-Mobile and similarly to last year, TIE Kinetix's target was to realize sustainable and profitable growth. We continue to focus on selling our Platforms in a Software as a Service (SaaS) model in the Cloud, creating a continuous recurring revenue stream for the Company. We aim to grow our business in the geographical markets that we are in, and we will enter new geographical markets as and when the opportunity arises.

In 2014 we continued our strategy to grow in our existing markets, to penetrate new markets with aggressive sales and marketing programs and, if and where possible, acquire positions in new markets, while standardizing our solutions.

In order to achieve our goals TIE Kinetix set the following priorities for 2014:

Integrate TFT into TIE Kinetix and cross offer our services	Successful
Continue to offer more standardized products in all markets and product offerings	Successful
Finalize the ISO 27001 certification for E-Commerce	Successful
Grow the 3 year contract value significantly	Successful
Start to offer all solutions worldwide in all our markets	Successful
Release the next new version Demand Generation, E-Commerce, Integration and Analytics & Optimization	Successful
Make up the revenue loss of C-net in Q3, 2014 with new direct contracts	Not successful
Grow our US revenue	Not successful

REPORT FROM THE EXECUTIVE BOARD

Review 2014

For TIE Kinetix, 2014 was a year in which we acquired a significant foothold in the German Analytics and Optimization market and saw robust organic growth in our existing Integration and E-Commerce markets. Although our Demand generation business almost recovered from the loss of large customer C-net late 2013, it did not quite turn out the results that we planned for.

Our Integration business in the Netherlands and in the US grew significantly and we were able to implement many new names such as V&D, Inventum, Smurfit Kappa and Droste (the Netherlands) and Revlon, Hamilton Beach and Dallas Cowboys (the US). We are further investing in our Integration platforms to develop our offering for this market. In the first half of FY 2015 we expect to deliver our fully scalable Smartbridge III platform. This platform allows a significant reduction of customer set up efforts and will be an important driver for TIE Kinetix to step up the customer implementation process at reduced costs.

Our E-commerce business in the Netherlands grew on the back of a renewed contract with T-Mobile. The renewed contract put a direct relation in place with the customer, replacing an earlier subcontractor role for TIE Kinetix. Under the renewed contract TIE Kinetix delivers front end and back end webshop functionality for most of the customer's webshops. In this capacity TIE Kinetix has been supporting T-Mobile around the introduction of Iphone 6 and with other important product launches. TIE Kinetix is investigating areas of growth for its E-commerce offering both in other vertical markets and outside the Netherlands.

Our Analytics and Optimization business developed with the acquisition of the installed base with Tomorrow Focus AG and Burda, acquired with the acquisition of TFT GmbH in December 2013. During FY 2014 we have integrated the German operations of Ascention with the operations of TFT Gmbh and renamed it TIE Kinetix GmbH. The systems and operations were integrated swiftly, whilst the cultural integration is still ongoing. As planned, coming from a German/large company/ services background, it will take time to fully adapt to our entrepreneurial/small company/product culture. Given the importance, we have made this full integration a top priority for management. Although the acquired TFT business made a direct contribution to group earnings, the segment DACH showed a negative result due to allocation of group overhead, one time acquisition costs and costs related to unwinding Ascention.

Our Demand Generation business recovered from the loss of our largest customer C-net in 2013. Through subsequent careful repositioning of our product we were able to generate new business. This however, did require investments in marketing campaigns and brand awareness. The US market for marketing automation seemed to develop strongly and it is our expectation that our product, which is aimed at channel marketing automation, should follow the trend set by the direct marketing automation. We welcomed new business coming in (eg Webroot and DeLuxe), however we could not reach the scale we initially planned. We feel that this market is still very promising, but, at the same time, TIE Kinetix lacks the means to actively drive the development of this market.

In our EU Development projects we were confronted with a serious set-back. In an European Commision (EC) lead audit, it appeared that in the past (2008-2011) we did not follow certain administrative regulations relating to the way costs should be calculated and claimed under the EU Development regulations, even though all the projects have been executed at full satisfaction, and all claimed costs had been incurred by TIE Kinetix. And even though these projects were specifically reviewed by our previous audit firm EY which was the same during all these years. This most likely will lead to a repayment of part of the subsidies from TIE Kinetix to the EC. In financial year 2015 TIE Kinetix will reconsider all its activities in the EU projects and take measures to mitigate any further exposure.

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 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 op het financieel toezicht), the Management Board confirms to the best of its knowledge that:

a) the annual financial statements for the year ended September 30, 2014 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, 2014 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	**2014**	2013	Δ 2013
Total Revenue	20,474	14,293	43%
Third Party Hire	(1,197)	(736)	-39%
Direct Purchase Costs	(3,052)	(1,422)	-53%
Total Operating Expenses	(15,982)	(13,355)	-16%
Non-Recurring expenses included in Operating Expenses	(727)	(551)	-24%
EBITDA	1,100	146	653%
Operating Result	243	(1,220)	602%
Net Income	439	(1,280)	392%

Balance Sheet			
Shareholders' Equity	5,975	4,044	48%
Equity	6,020	4,089	47%
Balance Sheet Total	15,994	9,024	77%
Solvency Ratio	38%	45%	-17%

Cash flow from Operating Activities			
Cash flow from Operating Activities	1,982	696	185%
Normalized Net Cash Flow from Operating Activities	2,709	1,247	117%

In 2014 we generated a net profit of € 439k (2013: net loss of € 1,280k). Total revenue increased with 43% to € 20,474k (2013: € 14,293k). Operating expenses 2014 increased by € 2,627k compared to 2013. Cash Flow from operating activities is € 1.982k (2013: € 696k), the normalized Net Cash Flow 2014 from operating activities is € 2,709k (2013: € 1,247k), see page 110.

Shareholders' Equity amounts to € 5,975k on September 30, 2014 (€ 4,044k on September 30, 2013). On September 30, 2014 the Company held a cash position of € 594k (September 30, 2013 € 204k). In December 2013 additional equity of € 1,357k was attracted for the acquisition of TFT.

Revenue Analysis

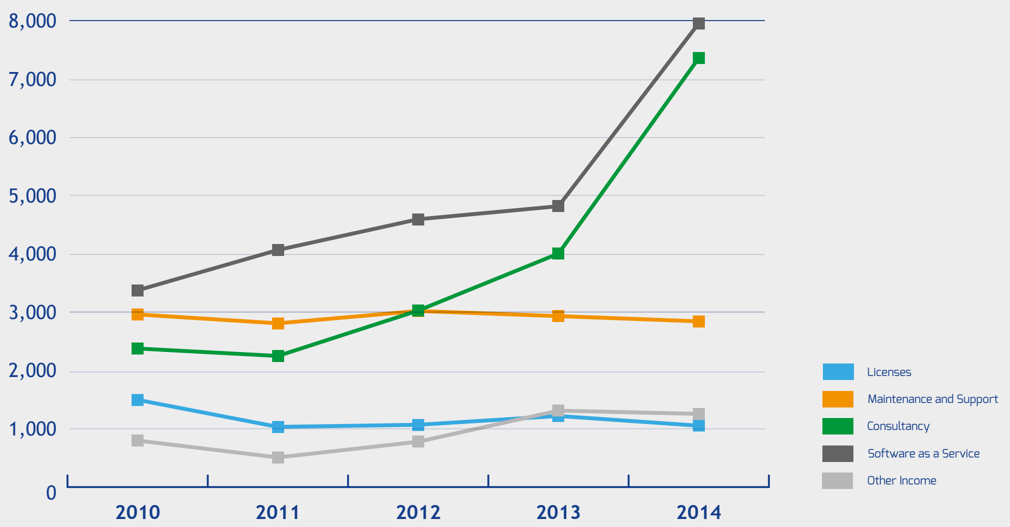
The following tables provide the breakdown of total income by category and region (and the percentage of total net revenues represented by each category) for the financial years indicated:

Figure: Total Revenue 2014 - 2013

Total Income and Income Net of Direct Purchase Costs	2014		2013	
Licenses	1,053	5%	1,220	9%
Maintenance and Support	2,844	14%	2,934	21%
Consultancy	7,362	36%	4,007	28%
Software as a Service	7,959	39%	4,820	34%
Revenues	**19,218**	**94%**	**12,981**	**91%**
Other Income	1,256	6%	1,312	9%
Total Revenue	**20,474**	**100%**	**14,293**	**100%**
Third Part Hire	(1,197)	(6%)	(736)	(5%)
Direct Purchase Costs	(3,090)	(15%)	(1,422)	(10%)
Revenue net of Direct Puchase Costs	**16,187**	**79%**	**12,135**	**85%**

REPORT FROM THE EXECUTIVE BOARD

Figure: 5-year development of revenue for the period 2010-2014



The figure shows that revenue of Software as a Service (SaaS) is growing year on year and with 41% (2013: 37%) is the single largest revenue driver. Revenue from maintenance and support activities is (in €) relatively stable over the years at € 2,844k million (2013: € 2,934k). License revenue decreases year on year with the increase in customers preferring our solutions delivered in the SaaS model 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 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 to 36 months.

Revenues are accounted for on a percentage of completion based on IFRS standards. Maintenance and Support is the annual maintenance fee for maintenance/updates of sold licenses. As the volume of new sold licenses decreased over the years, the Maintenance and Support revenue decreases slightly due to terminated contracts and/or customers shifting to SaaS.

Consultancy Revenue has increased in financial year 2014 compared to financial year 2013, in part as a consequence of the acquisition of TFT and also as a result of organic growth in our operations.

Other income relates to predominantly EU projects, amounting to € 1,114k (2013: € 958k). The level of EU projects varies with the completion of projects and obtaining new projects. Other Income further included an amount of € 212k which accounts for the sale of hardware, while €70k relates to customer payment discounts.

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, 2014 the total three year contract value amounts to € 32,5 million (2013: € 19,9 million) and is primarily driven by multi-year SaaS, maintenance and hosting agreements, and to a limited extend by EU projects. This provides TIE 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.

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. The acquisition of TFT brought an increase of three year contract value with more than € 10 million, mainly in the SaaS revenue.

Customers and Resellers

The Top 10 customers contributed to 30% (2013: 35%), with an average sales value of € 611k (2013: € 459k). Our top 10 customers are primarily found in the business lines E-commerce, Demand Generation, and Analytics & Optimization, generating primarily SaaS and consultancy revenue. The increase in sales value in the year 2014 is attributable to the acquisition of TFT and its German customer base.

Highlights in 2014

11-10-2013	TIE Kinetix Announces The Acquisition of TFT in Germany.
15-10-2013	TIE Kinetix Convenes an Extra Ordinary General Meeting of Shareholders.
29-10-2013	TIE Kinetix is technology provider in European Union Projects “ALFRED” and “SAM”.
20-11-2013	Q4 Trading Update: Revenue up 14% for the Year 2013 and Down 4% for the Fourth Quarter. Impairment Loss and One Time Effects Impact Net Result.
29-11-2013	Publication of Voting Results of Extraordinary General Meeting of Shareholders November 2013.
03-12-2013	Closing of the Acquisition of Tomorrow Focus Technologies.
04-12-2013	TIE Kinetix and Objectif Lune Sign Worldwide Mutual Partnership Agreement.
21-01-2014	TIE Kinetix moves AGM to end of March.
06-02-2014	Update pending Litigation: Samar Issues a Damage Claim.
12-02-2014	Q1 Interim Management Statement.
13-02-2014	Convocation of Annual General Meeting of shareholders.
27-03-2014	T-Mobile and TIE Kinetix Enter Into a New Partnership.
28-03-2014	Publication of Voting Results of Annual General Meeting of Shareholders
03-04-2014	Analyst Firm Sirius Decisions reviews TIE Kinetix Demand Generation platform for Channel Marketing.
10-04-2014	TIE Kinetix is recognized as in Inaugural Gartner Magic Quadrant for Integration Brokerage.
21-05-2014	Interim Consolidated Financial Statements and First Half Year Results.
02-07-2014	TIE Kinetix appoints new Managing Director for TIE Kinetix- France
13-08-2014	TIE Kinetix announces Q3 highlights
25-09-2014	TIE Kinetix Expands Google for Work Partnership to the Benelux, reselling Google Search Appliance

REPORT FROM THE EXECUTIVE BOARD

Subsequent Event

30-10-2014 TIE Kinetix announces repayment of EU Development grants.

On October 30, TIE Kinetix announced that it has received a notice from the European Commission (EC) for a partial repayment of EU development grants, following a recent audit carried out under supervision of the EC. Even though the projects had been audited by TIE Kinetix's auditor in the past, and had executed to full satisfaction and the financial management was, according to the auditor, carried out in an acceptable manner, some of the procedures were not in compliance with the requirements of the EC. Although the EC commissioned audit was limited to three projects in the period 2008-2011, it may be expected that the findings will affect other projects and periods. TIE Kinetix understands that certain formal regulations have not been followed, but questions whether it is in the interest of all parties involved to have form prevail over substance. TIE Kinetix, and the European Union Associations in which it is actively involved have requested the European Commission to include this consideration when implementing the audit findings. At the same time, this situation forces TIE Kinetix to reconsider its participation in current EU projects, the management thereof and the desirability of any future projects. TIE Kinetix is currently recalculating the effects of extrapolation of the audit findings to other projects and periods. In case no solution can be found, TIE Kinetix has no option but to withdraw from current projects, and can only be involved in future projects in a very limited way. Furthermore, TIE Kinetix will discontinue its support to European Union associations such as Nessi and Big Data Value Association. TIE Kinetix expects that it may take several months until the final financial implications for TIE Kinetix will become clear. Since at this stage it is impossible to provide a reliable estimate of the financial implications to TIE Kinetix, TIE Kinetix has not created a provision in the FY 2014 accounts for it. On November 14th, TIE Kinetix announced that it reached agreement with an undisclosed party to act as guarantor up to an amount of € 2 million for funding of the damages caused by the partial repayment of EU development grants.

Operating Expenses and Non-Recurring Expenses

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

Operating Expenses	2014	As % 2014	2013	As % 2013
Employee Benefits	11,076	69%	8,395	63%
Non-Recurring Expenses	727	5%	551	4%
Depreciation and Amortization Expense	857	5%	687	5%
Impairment of Goodwill, Intangible Assets and Tangible Assets	-	0%	879	7%
Release of Contingent Consideration	-	0%	(200)	-1%
Other Operating Expenses				
Accommodation Expenses	728	5%	658	5%
Professional Services	494	3%	578	4%
Communication Expenses	591	4%	476	4%
Marketing	476	3%	348	3%
Travel Expenses	451	3%	485	4%
Supplies	330	2%	336	3%
General & Administration	252	2%	162	1%
Subtotal Other Operating Expenses	**3,322**	**21%**	**3,043**	**23%**
Total Operating Expenses	**15,982**	**100%**	**13,355**	**100%**

REPORT FROM THE EXECUTIVE BOARD

Research, Development & Innovation (RDI)

TIE Kinetix is a core partner of the European Technical Platform of Software Services Nessi. Nessi is supported by the European Commission and represents 440 organizations and over 800 individuals.

TIE Kinetix's R&D expenses as a percentage of revenue in financial year 2014 were around 10,2% (or 13,8% of the operating expenses). For many years, TIE Kinetix has been involved in the development of next generation technologies. TIE Kinetix is particularly active in the European Commission framework for innovation programs. TIE Kinetix's R&D has worked in key topical areas such as SaaS, Cloud, Mobile, Semantics and Interoperability in vital technologies.

During 2014, the Company capitalized R&D (including purchased software) for the amount of € 849k (2013: € 338k). Technological feasibility for development goals set for these development projects was established, and management believes the finished product will improve the Company's potential in the marketplace.

EU Projects Overview

More information about the different European Union Projects can be found on the investor center.

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	2014	2013
Interest Income	3	2
Interest Expenses	(73)	(14)
Exchange gains/(losses)	(20)	(2)
Total	**(90)**	(14)

Impairment/Reversal of 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, our planning is based on business line segments, as well as using country segments.

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).

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 following cash generating units:

» TIE Kinetix Nederland+International
» TIE Kinetix France
» TIE Kinetix US
» TIE Kinetix DACH incl TFT
» TIE Kinetix E-Commerce
» TIE Kinetix 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. TIE has assessed the assumptions regarding expected growth rates, and has conducted sensitivity tests with WACC of 13%, 14% and 15%.

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 unit may be impaired.

REPORT FROM THE EXECUTIVE BOARD

Income Taxes

The Company capitalized an amount of € 317k in the Netherlands and $ 1,694k in the US as deferred tax asset. The Company has both in the Netherlands and in the US substantial amounts of loss carry forward. Based on the business expectation for the coming years the Company has reassessed its tax position.

In the Netherlands an amount of € 0,6 mln of loss carry forward lapsed as the statutory period for loss compensation did expire. The remaining amount for loss carry forward amounts to € 10,3 mln in the Netherlands and $ 3,3 mln in the US.

Cash Position

On September 30, 2014, the Company held positive cash and cash equivalents of € 594k (2013: € 204k). The net cash flow from operating activities for the year amounted to € 1.982k (2013: € 696k).

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 Executive Board level, applying input received from Management in the individual geographical areas, with whom the Executive 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 81 of this report.

Credit Risk

The Credit Risk is discussed on page 82 of this report.

Liquidity Risk

The Liquidity Risk is discussed on page 82 of this report.

Interest Rate Risk

The Interest Rate Risk is discussed on page 83 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. In July 2010, the Court ordered TIE Kinetix to pay full damages to Samar, of which TIE Kinetix already paid €898,481.58. In 2012, the Court of Appeal has ordered Samar to pay back the amount of €250,000 plus interest. In March 2013, Samar requested for suspension of payments. In June 2013, the Court declared Samar bankrupt, which was reversed by the Court of Appeal in September 2013.

At the creditors' meeting in November 2013 the Court decided to extend suspension of payments, against which TIE Kinetix appealed in March 2014. The Court of Appeal however extended the suspension for Samar. Given this outcome, TIE Kinetix foresees a lengthy procedure regarding Samar's damage claim without a quick outcome. TIE Kinetix has not made any provisions related to this claim.

In February 2014, Samar issued a damage claim to TIE Kinetix, which amounts to €883,826. This claim is additional to the damages for which TIE Kinetix already paid €804,000 in Q4 2010. TIE Kinetix made an initial review of Samar's claim and is of the opinion that the claim is excessive and unfounded. In June 2014, parties tried to establish a settlement but to no avail.

TIE Kinetix is scheduled to submit a statement of defense in the damage proceedings in January 2015. We have asked our own expert to assess Samar's calculation of damage and loss ('schadestaat'). In the meantime, TIE Kinetix has again commenced enforcement against Samar.

At this stage it is impossible to provide a reliable estimate of the financial implications to TIE Kinetix, TIE Kinetix has not created a provision in the 2014 accounts for it.

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

Due to their expertise and know how, TIE Kinetix's management considers its employees the driving force behind the ultimate success of the Company. Human resources and treatment of the staff are major aspects of corporate responsibility, is TIE Kinetix's belief. Personal growth of the 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.

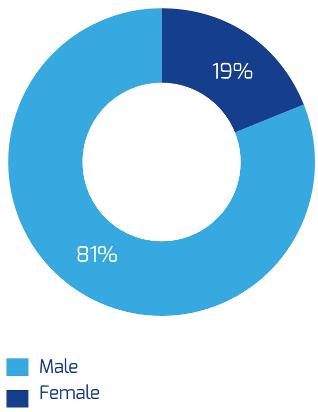
Since the worlds of mobile, social media, big data, and multi-channel are changing, TIE Kinetix and its business is changing as well. All these changes necessitate a more result-oriented approach. This belief is the reason for TIE Kinetix to further improve its existing performance and competency management towards its employees in 2015, in order to enable and optimize the realisation and support of the organisational strategy.

The workforce of TIE Kinetix is highly diverse and multicultural: TIE Kinetix employs a large variety of nationalities. In official announcements and communication TIE Kinetix uses English as the main international business language. As a result thereof the French staff members have received 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.

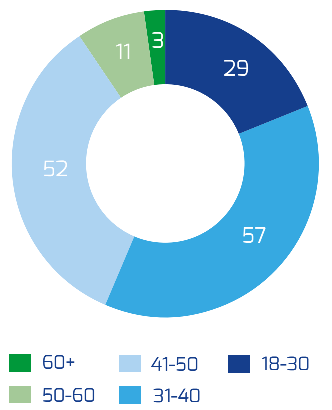
In general TIE Kinetix aims to provide its staff members with safe and healthy working conditions. The absence due to illness in financial year 2014 amounted to 0.86% (2013: 1.3%), which is low compared to the average of 3.1% in the same period for the commercial services sector in the Netherlands (source: 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

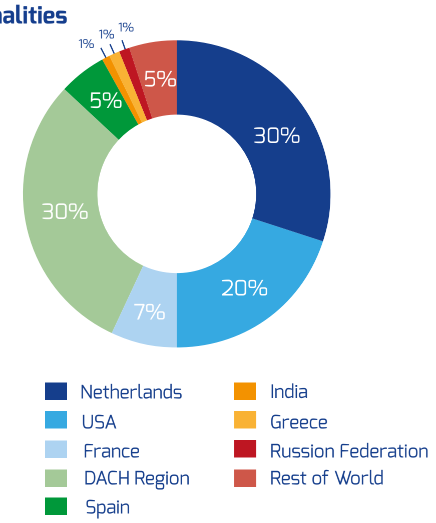
Gender



Age distribution



Nationalities



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 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 Kinetix 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.

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 in TIE Kinetix shares, irrespective of whether or not he or she possesses insider knowledge, is 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.

CORPORATE SUSTAINABILITY

Shareholders' Interaction and investor relations

TIE Kinetix' 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.

As indicated in last year's annual report, for the year 2014 TIE Kinetix scaled down its investor relations ambitions. With only small scale management resources available, our first priority was to focus on improving TIE Kinetix operational performance. As a consequence of this policy therefore, TIE Kinetix could not engage in general Investor Relations presentations, nor did we participate in road shows or capital market seminars. However, during 2014 TIE Kinetix management did actively engage in various one-to-one meetings with existing and potential shareholders. In certain instances the initiative for these meeting was taken by management, and in other instances the initiative was taken by the respective (potential) shareholders. These meetings, all with a very interactive nature, provided a platform to further clarify company strategy and receive direct feedback from our (potential) shareholders. These meetings have proven to be very fruitful and were well received. In 2015, we intend to continue with this successful strategy and in addition we will investigate participating in more general investor relations programs. Our aim is to create a level playing field for all investors and enhance trading volume of our shares to enable trading at a realistic price.

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 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 Free Connect 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 new office in Breukelen, The Netherlands

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

Outlook and Targets for Financial Year 2015

Since 2009 TIE Kinetix successfully transformed its business model from a primarily license base to a subscription model. Our SaaS revenue has become increasingly dominant and our total recurring revenue in 2014 was close to 60%. Our three year contract value of over € 32 million brings stability in our business and provides a solid basis for investment in marketing, sales and product development.

Our Integration business generates healthy margins and our strategy for 2015 and beyond is to further invest in growing our Integration business organically and non-organically. Our E-Commerce business expanded its relationship with T-Mobile in the Netherlands covering more T-Mobile products and services and includes active involvement in the successful launch of various new features. Our strategy for E-commerce is to expand our E-commerce proposition to more product market combinations than we have today by diversifying into other geographical markets and other vertical markets. In 2014, our Demand Generation business did not bring the results that we planned for. The reason for this primarily lies in the immature market for this product and customer prudence to invest in our channel marketing automation tools. Given the sizeable customer investments in direct marketing automation tools, we expect that customer investments in channel marketing could be imminent. We therefore remain convinced about the market prospects for our product. Late 2014, we expanded our Analytics and Optimization business to the Netherlands with the acquisition of a small Google Search Appliance customer base. We are positive about our market opportunity in the Netherlands. Our strategy for Analytics and Optimization is to apply these popular and highly recognized products to gain access to a yet untapped customer base to which our other products can be sold.

Our focus for financial year 2015 will be to:

- Cross sell our products and solutions
- Expand product offerings in our existing markets
- Expand E-Commerce solutions to more vertical markets and countries
- Grow US revenue
- Standardize our product offerings and delivery processes
- Grow Demand generation business in the US and in Europe
- Increase the number of partners and resellers
- Deliver EU development projects within scope of TIE Kinetix products.

Financial Calendar 2015

January 21, 2015 until February 11, 2015 - Closed Period
- February 11, 2015: Publication of the Q1 Trading Update
- March 27, 2015: Annual General Meeting of Shareholders

April 29, 2015 until May 20, 2015 - Closed Period
- May 20, 2015: Publication of the 1st half year results

July 22, 2015 until August 12, 2015 - Closed Period
- August 12, 2015: Publication of the Q3 Trading Update

October 28, 2015 until November 18, 2015 - Closed Period
- November 18, 2015: 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 can be found on our website,

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

Shares and shareholders

The Company's authorized share capital amounts to € 14 million, consisting of 2 million ordinary shares, with a nominal value of € 7,-. 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 28, 2014 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%.

On November 28, 2013 the Extraordinary Meeting of Shareholders issued 194,423 shares and 388,846 warrants and placed these shares with existing shareholders.

As per December 2, 2013, the number of outstanding shares amounts to 1,127,377. 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. 18.9%), Mr. C.J.W.A. Komen (through DW Vastgoed Beleggingen B.V. 12.5%) and Objectif Lune International Inc, 9.5% excluding potential interests). No shareholders agreements have been concluded between the Company and these major shareholders.

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 Compensation 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, it has been decided to amend the articles of association of the Company.

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 Mr. M. Wolfswinkel. 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 current term will end in March 2015. The remuneration of the members of the Executive Board has been set in conformance with the compensation 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 on page 109 of the annual report.

CORPORATE GOVERNANCE

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 2014, 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 Mr. A.F.L. Veth, chairman, Mr. E.R. Honée and Mr. D. Lindenbergh. Mr. P.P. van Schaick resigned for personal reasons at the beginning of the fiscal year 2015, on November 8th. Further information about the members of the Supervisory Board can be found on page 14 of this annual report. Mr. Van Schaick currently holds 18,9% of the shares of the Company. Therefore during the fiscal year 2014, Mr. Van Schaick cannot be deemed to be independent as meant in best practice provision III.2.1. of the Code. The other 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 14, 2012, the General Meeting of Shareholders reelected Mr. E.R. Honée and Mr. A.F.L. Veth for an additional period of four years. Further information about the reappointment of Mr. Veth can be found on page 14 of this annual report. On 13 March 2013 the General Meeting of Shareholders approved the remuneration of the members of the Supervisory Board. The remuneration of Mr. Lindenbergh and 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 2014 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 2014, 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 2014, being appointed at the General Meeting of Shareholders of March 28, 2014.

In the bonus policy, incorporated in the compensation 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

Mr. J. B. Sundelin has received options in past financial years. These options did not all have a lock-up period of three years. For instance the options granted on August 31, 2011 in connection with his investment in the company have a lock-up period of one year. Therefore, the Company cannot with certainty claim that these options will not be exercised within the first three years after the date of granting. Additionally, the number of options was related to the investment made and is not depending on the achievement of challenging targets specified beforehand. The above means a deviation of best practice provision II.2.4 of the Code. The Company believes that this deviation has been justified by the need to attract investments in the Company.

On March 14, 2012, the General Meeting of Shareholders reelected Mr. A.F.L. Veth for a third 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, when 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 will likely deviate from this provision as of May 14, 2015 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 and 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. A 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.

CORPORATE GOVERNANCE

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 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 Executive 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, 2014;
» The internal risk management and control system has worked properly in financial year 2014 and there are no indications to believe that the internal risk management and control system will not continue to function properly in financial year 2014.

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

John Peters
Business Development
and Sales
TIE Kinetix Nederland

“At TIE Kinetix, our relationships with our customers and partners are key to drive success together.”

CONSOLIDATED FINANCIAL STATEMENTS OF TIE KINETIX NV FOR THE YEAR 2014

Notes to the Consolidated Statement of Financial Position from page 87.

Assets

(€ x 1,000)	Notes	30 September 2014		30 September 2013	
Non Current Assets					
Intangible Fixed Assets	1)				
Goodwill		4,495		2,186	
Other Intangible Fixed Assets		3,107		1,754	
			7,602		3,940
Tangible Fixed Assets	2)				
Property, Plant and Equipment		596		453	
			596		453
Financial Fixed Assets	3)				
Loans and Receivables		196		44	
Deferred Tax Asset		1,691		1,309	
			1,887		1,353
Total Non Current Assets			**10,085**		5,746
Current Assets	4)				
Trade Debtors		3,618		2,072	
Income Tax Receivable		-		21	
Taxation and Social Security		10		14	
Other Receivables and Prepayments		1,687		967	
			5,315		3,074
Cash and Cash Equivalents			594		204
Total Current Assets			**5,909**		**3,278**
Total Assets			**15,994**		**9,024**

Equity and Liabilities

(€ x 1,000)	Notes	30 September 2014		30 September 2013	
Equity	5)				
Shareholders' Equity		5,975		4,044	
Convertible Bonds		45		45	
Total Equity			**6,020**		**4,089**
Non Current Liabilities	6)				
Loans		1,527		171	
Deferred Tax Liability		131		19	
Contingent Consideration		56		44	
Provisions		96		23	
Total Non Current Liabilities			**1,810**		**257**
Current Liabilities	7)				
Provisions		-		20	
Short term debt		464		160	
Bank overdraft		468		-	
Trade Creditors		1,420		837	
Deferred Revenue		2,989		1,864	
Taxation and Social Security, Income tax		289		294	
Other Payables and Accruals		**2,534**		**1,503**	
Total Current Liabilities			8,164		4,678
Total Equity and Liabilities			**15,994**		**9,024**

Consolidated Statement of Comprehensive Income for the year ending September 30, 2014

(Notes to the Consolidated Statement of Comprehensive Income from page 103 onwards)

Revenues (€ x 1,000)	Notes	2014		2013	
Licenses		1,053		1,220	
Maintenance and Support		2,844		2,934	
Consultancy		7,362		4,007	
Software as a Service		7,959		4,820	
Revenues			19,218		12,981
EU Projects			1,114		958
Onetime Income			142		354
Total Revenue			**20,474**		**14,293**
Third Party Hire			(1,197)		(736)
Direct Purchase Costs			(3,052)		(1,422)
Gross Profit			**16,225**		**12,135**

Operating Expenses	**8)**				
Employee Benefits		11,076		8,395	
Acquisition Costs and Onetime Expenses		727		551	
Depreciation and Amortization		857		687	
Impairments		-		879	
Release of Contingent Consideration		-		(200)	
Other Operating Expenses		3,322		3,043	
Total Operating Expenses			**15,982**		**13,355**
Operating Income/(loss)			**243**		**(1,220)**
Interest and other Financial Income			3		2
Interest and other Financial Expense			(93)		(16)
Income/(loss) before Tax			**153**		**(1,234)**
Corporate Income Tax			286		(46)
Net Income/(loss)			**439**		**(1,280)**

Comprehensive Income	2014	2013
Net Income/(loss)	439	(1,280)
Items That Will be Reclassified Subsequently to Profit and Loss:		
Exchange Differences on Translating of Foreign Operations	108	(71)
Total Comprehensive Income/(loss) net after Tax	**547**	**(1,351)**

Attributable to Shareholders of TIE:	**2014**	**2013**
Income after Tax	439	(1,280)
Comprehensive Income Net After Tax	547	(1,351)
Net result per Share - Basic	0.41	(1.37)
Weighted Average Shares Outstanding - Basic (thousands)	1,083	933
Net result per share - Diluted	0.40	(1.37)
Weighted Average Number of Shares fully diluted (thousands)	1,085	935

Consolidated Statement of Changes in Equity for the year ending September 30, 2014

(€ x 1,000)	Notes	Share Capital (Incl Surplus)	Retained Earnings	Foreign Currency translation reserve	Share-holders Equity	Convertible Bonds	Total Equity
Balance per September 30, 2012		**56,688**	**(51,135)**	**(196)**	**5,357**	**45**	**5,402**
Foreign Currency Translation Reserve		-	-	(71)	(71)	-	(71)
Net Income		-	(1,280)	-	(1,280)	-	(1,280)
Total Comprehensive Income (loss)		**-**	**(1,280)**	**(71)**	**(1,351)**	**-**	**(1,351)**
Share Based Payments	8)	-	38	-	38	-	38
Other Movements	5)	-	-	-	-	-	-
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	8)	-	14	-	14	-	14
Other Movements	5)	1,357	13	-	1,370	-	1,370
Balance per September 30, 2014		**58,045**	**(51,911)**	**(159)**	**5,975**	**45**	**6,020**

Consolidated Statement of Cash Flows for the year ending September 30, 2014

(€ x 1,000)	Notes		2014		2013
Income before tax			**153**		**(1,234)**
Adjustments:					
Share based Payments Expense	8)	14		38	
Depreciation and Amortization	8)	857		687	
Impairments	1)	-		879	
Release Contingent Consideration	1)	-		(200)	
Increase (Decrease) Provisions		(78)		11	
			793		1,415
Working Capital Movements					
(Increase) Decrease in Debtors and Other Receivables		(527)		(430)	
(Decrease) Increase in Deferred Revenue		997		260	
(Decrease) Increase in Current Liabilities		643		707	
			1,113		537
Cash Generated (Applied) in Operations			2,059		718
Interest Paid			(69)		(12)
Interest Received			3		2
Sales Taxes Paid			(11)		(12)
Net Cash Flow From Operating Activities			**1,982**		**696**
Investments in Intangible Fixed Assets		(1,481)		(328)	
Divestments of Intangible Fixed Assets		-		60	
Acquisition of Subsidiary Net of Cash Acquired		(1,998)		(584)	
Investments in Tangible Fixed Assets		(137)		(415)	
Net Cash flow Generated / (Used) in Investing Activities			**(3,616)**		**(1,267)**
Increase (Decrease) Loans		660		33	
Issue of New Shares		1,357		-	
Net Cash flow Generated / (Used) by Financing Activities			**2,017**		**33**
Net increase (Decrease) in Cash and Cash Equivalents			**383**		**(538)**
Currency Exchange Rate Difference on Opening Balance Cash and Cash Equivalents			7		(5)
Opening balance Cash and Cash Equivalents			204		747
Closing balance Cash and Cash Equivalents			**594**		**204**

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, Austria, 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, 2014 are authorized for issuing through a resolution of the Executive Board dated January 26, 2015.

The Annual General Meeting of Shareholders, to be held on March 27, 2015, will be requested to decide on the Consolidated Financial Statements.

Statement of Compliance

The consolidated financial statements of the Company, included on pages 68 to 116, 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:

- Amendment to IAS 1, 'Financial statement presentation', regarding other comprehensive income. The most important change relates to the obligation to separate the changes presented in the consolidated statement of comprehensive income (OCI) into changes that will not be settled against income and those that may be settled against income.
- IAS 19, `Employee benefits´. Under the new standard, actuarial gains and losses are recognised in the consolidated statement of comprehensive income immediately if they occur.
- Amendments to IFRS 7, 'Disclosures - Offsetting Financial Assets and Financial Liabilities'. The amendments require information about all recognised financial instruments that are set off in accordance with paragraph 42 of IAS 32 Financial Instruments: Presentation.
- IFRS 13, 'Fair Value Measurement'. This standard replaces the guidance on fair value measurement in existing IFRS accounting literature with a single standard.
- The changes in the improvement project cycle 2009-2011 did not have a material impact.

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:

- IAS 27 (R): Will become effective per January 1, 2014 (annual period beginning on or after), with earlier adoption permitted; Amendments regarding Separate Financial Statements. TIE Kinetix is yet to assess IAS 27 (R)'s full impact and intends to adopt IAS 27 (R) amendments no later than the accounting period beginning after January 1, 2014.
- IAS 28 (R): Will become effective per January 1,

NOTES TO THE CONSOLIDATED IFRS FINANCIAL STATEMENTS

2014 (annual period beginning on or after), with earlier adoption permitted; Amendments regarding Investments in Associates and Joint Ventures. TIE Kinetix is yet to assess IAS 28 (R)'s full impact and intends to adopt IAS 87 (R) amendments no later than the accounting period beginning after January 1, 2014.

» IFRS 10: Will become effective per January 1, 2014 (annual period beginning on or after), with earlier adoption permitted; New standards about control and consolidated financial statements. Based on the preliminary analyses performed, IFRS 10 is not expected to have any impact on the currently held investments of TIE Kinetix.
» IFRS 11: Will become effective per January 1, 2014 (annual period beginning on or after); New standard about joint arrangements. As TIE Kinetix currently has no joint arrangements, the new standard will not impact TIE Kinetix.
» IFRS 12: Will become effective per January 1, 2014 (annual period beginning on or after), with earlier adoption permitted; Disclosure of Interest in other entities. As TIE Kinetix currently has no interests in other entities, the new disclosures have no impact on TIE Kinetix's financial position or performance.
» IAS 32: Offsetting Financial Assets and Liabilities. Will become effective per January 1, 2014 (annual period beginning on or after). TIE Kinetix is yet to assess IAS 32'nd full impact and intends to adopt IAS 32 amendments no later than the accounting period beginning after January 1, 2014.
» IFRS 10, IFRS 12 and IAS 27 Investment Entities, will become effective per January 1, 2014 (annual period beginning on or after). TIE Kinetix is yet to assess IFRS 10, 12 and IAS 27'th full impact and intends to adopt IFRS 10, 12 and IAS 27 amendments no later than the accounting period beginning after January 1, 2014.
» IFRIC 20: Stripping Costs in Production Phase of a Surface Mine. Will become effective per January 1, 2013 (annual period beginning on or after). As TIE Kinetix is not in mining, this amendment will not become applicable to TIE Kinetix.

Going Concern Considerations

In December, 2013 TFT GmbH was acquired. For this acquisition 194.423 additional shares and 388.846 warrants were issued with proceeds of € 1.361k. Furthermore, the acquisition was financed through a seller loan of € 1 million (with 5 year tenor, repayable in 5 equal instalments with interest based on euribor + 300 bps) and a loan with a commercial bank (non-recourse, 5 year tenor, repayable in 20 equal instalments with interest based on euribor + 275 bps). During FY 2014, all (important) financial obligations were paid on time and two working capital facilities were attracted, totaling € 1.3 million
Based on Budget 2015, the Company expects a recovery of its cash inflow, resulting from increased sales and tense control on cost. The Company has become less sensitive for cash flow seasonality over the last couple of years as a result of the fact that more business is generated through SaaS, generating a more consistent cash inflow in combination with the maintenance fees. However, large contracts with dominant commercial counter parties sometimes force the Company to accept extended credit terms. In the event the Company needs additional funding, the Company could consider attracting additional credit facilities, loans or by issuing either Convertible Bonds or additional shares.

Taking everything into account, management believes it will have adequate cash to run its operations for the next year.

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.

Subsidiaries are all entities over which the Company has direct or indirect power to determine financial and operating policies ('control'), allowing it to obtain economic benefits from its activities. 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, 2014. 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, 2014, 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, 2014. An inter-company current account between TIE Kinetix N.V. and the US subsidiary, TIE Commerce 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 87.

Impairment/Reversal of Impairment of Assets

Impairment/Reversal of impairment of assets (intangible and tangible) is tested on a Cash Generating Unit (CGU) level. In assessing whether there are indications for impairment/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') 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 (formerly called 'Content Syndication') 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 89 under CSP. 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.

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

NOTES TO THE CONSOLIDATED IFRS FINANCIAL STATEMENTS

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´.

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 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 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 income. 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 consist of sale of equipment and charge out of expenses.

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 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 2014 (nor in 2013).

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 and Swiss Franc (CHF). 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.

Reference rates include 1.2607 (2013: 1.3490) for the year-end closing rate, USD against the Euro. For net income, the average rate of USD against the Euro was 1.3552 (2013: 1.3118).
Reference rates include 1.3059 (2013: 1.2215) for the year-end closing rate, CHF against the Euro. For net income, the average rate of CHF against the Euro was 1.2161 (2013: 1.2250).

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 57% (2013: 63%) of total revenue, while no individual customers accounts to more than 7% (2013: 8%). 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,

NOTES TO THE CONSOLIDATED IFRS FINANCIAL STATEMENTS

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 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 93. The Top 10 outstanding debtors amount to 44% (2013:51%) of the outstanding receivables. The Loans & Receivables are collateralized with trade 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 were 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 € 1,526k, resulted from the acquisition of Light B.V. in August 2012, Ascention GmbH in October 2012 and Tomorrow Focus Technologies GmbH (TFT) in December 2013. The total amount payable to the main previous shareholder of TFT is € 1,000k, of Light amounts to € 111k and of Ascention € 30k. For the acquisition of TFT a remaining bank loan of € 850k is payable. All these loans are interest bearing. The amount for Light is repayable in equal monthly installments, within 5 years, for Ascention GmbH final payment is done in October 2014. The repayment of the loan to the previous shareholder of TFT is repayable in equal yearly installments, within 5 years. The bank loan is repayable in quarterly installments, within 5 years.

Summary of financial liabilities (including long term liabilities) based on contractual undiscounted payments per year-end 2014 and comparatives 2013:

Summary of Financial Liabilities	Short term		Long term		
	> 0 months < 3 months	> 3 months < 12 months	> 1 year < 5 years	> 5 years	Total 2014
Loans	189	276	1,526	-	1,991
Bank overdraft	117	351	-	-	468
Trade Creditors	951	469	-	-	1,420
Other Payables	527	1,580	-	-	2,107
Total	**1,784**	**2,676**	**1,526**	**-**	**5,986**

Summary of Financial Liabilities	Short term		Long term		
	> 0 months < 3 months	> 3 months < 12 months	> 1 year < 5 years	> 5 years	Total 2013
Loans	-	160	171	-	331
Trade Creditors	561	276	-	-	837
Other Payables	43	1,085	-	-	1,128
Total	**604**	**1,521**	**171**	**-**	**2,296**

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 Rabobank (€ 500k at Rabo base rate + 500 bps), DZ Bank (€ 1.300k at Euribor +275 bps) and Tomorrow Focus AG (€ 1.000k 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 2014 year-end are non-interest bearing. Management regularly assesses the outstanding debt position and evaluates funding opportunities.

At 2014 year-end, the Company held € 265k (2013: € 160k) short term interest bearing debt, resulting from the acquisitions of Ascention and Light.
In 2014, consisting of a current account loan of € 35k to one of the previous shareholders of Light, bearing an interest rate of 6.5% and acquisition of Ascention, in total an amount of € 30k bearing an interest of 5%. All short term debts could be paid back immediately at any time.

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

Liability	**Interest rate**	**Amount 30-9-2014**	**+10 basis points**	**-10 basis points**
TF AG	EURIBOR + 300 bps	1,000	1.0	-1.0
DZ Bank	EURIBOR + 275 bps	1,300	1.3	-1.3
Rabobank	RABO BASE + 500bps	500	0.5	-0.5

NOTES TO THE CONSOLIDATED IFRS FINANCIAL STATEMENTS

Business Combinations

Acquisitions 2014

Tomorrow Focus Technologies GmbH.

On December 2, 2013, TIE Kinetix completed the acquisition of Tomorrow Focus Technologies GmbH (TFT), located in Munich, Germany. TFT is a full service web business performance organization and a pioneer in the field of user experience. The acquisition will strengthen TIE Kinetix' position in the E-Commerce market and provides opportunities for cross selling TFT products in TIE Kinetix markets as well as TIE Kinetix products by TFT. TIE Kinetix acquired 100% of the shares of TFT.

The purchase price amounts to a fixed cash consideration of € 3 million. 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). The newly issued shares were issued at par (€7). Since upon issuance the shares were traded well below par, investors taking up newly issued shares were compensated with two warrants for each share purchased under the program. All warrants have a 1 year lock up period and entitle the holder to purchase a newly issued TIE Kinetix NV share at par during a 10 year period following the date of issuance (December 2, 2013).

Based on the PPA carried out and completed in the months following the acquisition on December 2, 2013 the details of the net assets acquired and goodwill are as follows:

(€ x 1,000)	**2014**
Cash paid	2,000
Seller loan	1,000
Total Purchase Price Consideration	**3,000**
Net Fair Value of Assets and Liabilities	(415)
Customer Base	(303)
Goodwill resulting from Business Combination	**2,282**

The assets and liabilities acquired through the acquisition of Tomorrow Focus Technologies GmbH (TFT) are summarized below:

Balance sheet TFT (€ x 1,000)	Opening balance	PPA adjustments	Opening balance restated
Other intangible Fixed Assets		427	427
Property, Plant and Equipment	225		225
Trade Debtors	1,009		1,009
Other Receivables and Prepayments	660		660
Cash and Cash Equivalents	**2**		**2**
Equity			
Shareholders' Equity	415	303	718
Deferred Tax Liability		124	124
Provisions Long Term	55		55
Provisions Short Term	75		75
Trade Creditors	283		283
Deferred Revenue	4		4
Taxation and Social Security, Income tax	51		51
Other Payables and Accruals	1,013		1,013
Total Equity and Liabilities	**1,896**	**427**	**2,323**

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, 2012	3,350	800	396	2,474	814	7,834
Accumulated Amortization per September 30, 2012	-	-	(98)	(1,315)	(541)	(1,954)
Accumulated Impairments per September 30, 2012	(1,147)	-	-	(357)	(221)	(1,725)
Carrying value as per September 30, 2012	**2,203**	**800**	**298**	**802**	**52**	**4,155**
Movements 2013:						
Additions	-	-	-	336	22	358
Acquisition TIE Ascention	514	300	18	-	60	892
Amortization	-	-	(39)	(413)	(56)	(508)
Disposals (Customer Base Sold)	-	-	(60)	-	-	(60)
Impairment/Reversal of Impairment	(514)	(295)	(16)	-	(39)	(864)
Translation adjustments on Investments	(17)	(5)	-	(15)	(1)	(38)
Translation adjustments on Amortization	-	-	-	4	1	5
Carrying value as per September 30, 2013	**2,186**	**800**	**201**	**714**	**39**	**3,940**
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	-		-	-	(2)	(2)
Impairment/Reversal of Impairment	-		-	-	-	-
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**	**451**	**7,604**
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**
Useful life	Indefinite	Indefinite	5/10 years	3 years	3 years	
						2014
Goodwill	4,495	-	-	-	-	4,495
Other Intangibles	-	800	662	1,196	449	3,107
						7,602
						2013
Goodwill	2,186	-	-	-	-	2,186
Other Intangibles	-	800	201	714	39	1,754
						3,940

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

The main movements in FY 2014 consist of:

» Goodwill paid for the acquisition of TFT € 2,282k;
» Customer Base of TFT € 427k and E-Commerce € 170k;
» Capitalized Software € 849k;
» Purchased Software € 475k.

The other movements consist of Foreign Currency movements for the North American CGU and TIE ascention in Switzerland. The movement of the software development costs predominantly consists of the year's capitalized-developed software and the depreciation thereupon.

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 reporting to the Executive Board as main decision making body in the company. From October 2014, the budgets have been prepared using business line segments, as well as using country segments. TIE Kinetix has four business lines: Integration, E-Commerce, Demand Generation and Analytics&Optimization; and TIE Kinetix has country operations in the Netherlands, in the US, in Germany, and in France.

This leads to the following cash generating units ('CGU'):

» TIE Kinetix Nederland+International
» TIE Kinetix France
» TIE Kinetix US
» TIE Kinetix DACH incl TFT
» TIE Kinetix E-Commerce
» TIE Kinetix Product Development

Allocation of the carrying value of the Intangible Fixed Assets tested to the CGU's and segments for impairment per September 30, 2014 and comparative number per September 30, 2013 are as follows:

CGU	NL+Int	France	US	DACH	E-com-merce	Prod. Dev.	Total 2014
Goodwill	594	153	420	2,282	1,046	0	**4,495**
Trademarks	-	-	-	-	-	800	**800**
Customer Base	-	-	-	363	300	-	**663**
Software Development Costs	-	-	359	-	-	836	**1,195**
Purchased Software	449	0	0	-	-	-	**449**
Total	**1,043**	**153**	**779**	**2,645**	1,346	**1,636**	**7,602**

CGU	NL+Int	France	US	DACH	E-com-merce	Prod. Dev.	Total 2013
Goodwill	594	153	393	-	1,046	-	**2,186**
Trademarks	-	-	-	-	-	800	**800**
Customer Base	-	-	-	-	201	-	**201**
Software Development Costs	-	-	231	-	6	477	**714**
Purchased Software	24	7	8	-	-	-	**39**
Total	**618**	**160**	**632**	**0**	**1,253**	**1,277**	**3,940**

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. DG is an independent CGU as many of the customers are global players and make cross border use of the Demand Generation Solution.

In 2007, the goodwill and trademark for the Netherlands were fully impaired. For 2012 and 2011, the recoverable amount of a CGU was determined based on value in use calculation. The impairment of the CSP concept is now fully reversed. For further details regarding the assumptions see below. In 2013, the goodwill of Ascention and the value of Ascention's product Revolution was fully impaired.

For all Cash Generating Units modest annual growth rates have been applied (varying between 2-3% for our larger operations and 8-10% for our smaller 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 2015, as approved by the Executive 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;

CGU	Value In Use	Cash Flow -7.50%	Cash Flow 7.50%	WACC 9.50%	WACC 14.50%
NL+Int	6,794	(510)	510	823	(694)
France	1,484	(111)	111	194	(163)
US	8,479	(636)	636	1,076	(905)
DACH	3,290	(247)	247	411	(346)
E-commerce	1,746	(131)	131	205	(173)
Prod. Dev.	2,976	(223)	223	343	(291)

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 2-3% upto 8-10%. 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.

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

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, 2012	1,483	373	1,856
Accumulated Amortization per September 30, 2012	(1,346)	(229)	(1,575)
Accumulated Impairments per September 30, 2012	(104)	(42)	(146)
Carrying value as per September 30, 2012	**33**	**102**	**135**
Movements 2013			
Additions	363	74	437
Acquisition TIE Ascention	18	15	33
Depreciation per Statement of (Comprehensive) Income	(50)	(76)	(126)
Disposals	(1,385)	(75)	(1,460)
Amortization on Disposals	1,275	31	1,306
Impaired value on Disposals	104	42	146
Impairments	(7)	(9)	(16)
Translation Adjustments Investments	(5)	(8)	(13)
Translation Adjustments Depreciation	4	7	11
Carrying value as per September 30, 2013	350	103	453
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
Impaired value on Disposals	-	-	-
Impairments	-	-	-
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**
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 Divestments relate to Leasehold Improvements and Office Equipment of the various offices in the Netherlands, these items were fully amortized and/or impaired, with no residual value and divested resulting from the move to the new Breukelen office.

3) Financial Assets

Deferred Taxes

Deferred Taxes	Balance as of October 1,	2014	2013
From US operations		1,344	956
From Dutch operations		347	353
	Balance as at September 30,	1,691	1,309

The deferred tax and movements thereupon are discussed below.

United States

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. The profitability of the company has caused management to change its models used in prior years utilizing only a 2 year horizon for tax loss carry forwards.

A summary of the detailed breakdown of movements in the deferred tax amount is provided below:

Temporary Differences (Asset)	2014	2013
Deferred Revenue	1,081	1,087
Goodwill	-	447
Acrrued Vacation days	98	112
Bad Debt Impairments	44	46
R&D Capitalization	-	-
Depreciation of Fixed Assets	43	39
Total Temporary Differences (Asset)	1,266	1,731

Temporary Differences (Liability)	2014	2013
Goodwill	(120)	-
R&D Capitalization	(120)	-
Total Temporary Differences (Liability)	(240)	-

Total Temporary Differences (Net position)	1,026	1,731

Net deferred Tax Asset	2014	2013
Deferred Tax Asset at 40% on temporary differences	410	692
Deferred Tax Asset at 40% on loss carry forward	934	264
Net deferred Tax Asset	1,344	956

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Movements	**2014**	2013
Balance as at October 1,	**956**	**1,020**
Debited to Income	(331)	(249)
Credited to Income	651	228
Net Currency Translation Effect	68	(43)
Balance as at September 30,	**1,344**	**956**

The amount debited to income (€ 331k) pertains to the temporary differences 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 Loss Carry Forward in the US amounting to € 2.31mln (USD 3.3mln). 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 € 10.8mln (2013: € 11.6mln), which is available to offset future taxable income for a maximum period of 9 years. The total amount that lapsed in FY 2014 amounts to € 1.0mln. The gross amount of the Netherlands deferred tax asset amounts to € 2.7mln (2013: € 2.9mln).

The Deferred Tax Asset of € 317k pertains in full to the activities of the Company in the Netherlands and represents these taxable losses to the extent management expects to recover these items from probable future taxable income. This is a departure from the prior five years, where only the expected recovery for the succeeding two years was claimed. Until 2013 the company considered a 2-year period as fair and reasonable. The profitability of the company has caused management to change its models used in prior years utilizing only a 2 year horizon for tax loss carry forwards.

TIE Light is not a part of the fiscal unity in the Netherlands. From the acquisition in 2012 a Deferred Tax Asset resulting from loss carry forward was recognized as well as a Deferred Tax Liability base on non-tax deductibility of amortization of the Customer Base. The Deferred Tax Liability in Light is € 30k.

Movements	**2014**	2013
Balance as of October 1,	**353**	**376**
Credited to Income	**7**	176
Released to Income	**(13)**	(199)
Balance as at September 30,	**347**	**353**

Loans and Receivables

Loans and Receivables	**2014**	2013
Balance as of October 1,	**44**	44
New receivables > 1 year	227	-
Balance as at September 30	**271**	44

The new receivables are amounts to suppliers (forming part of SaaS sales to customers).
The opening balance relates to the acquisition of TIE Light (previously Light).

4) Current Assets

Trade Receivables and Other Receivables

Trade Receivables and Other Receivables	2014	2013
Trade Receivables	3,687	2,392
Less: Valuation Allowance	(69)	(320)
Trade Debtors Net of Valuation Allowance	**3,618**	**2,072**
Income Tax Receivable	**-**	**21**
Taxation and Social Security Prepaid	**10**	**14**
Security Deposits	105	126
Subsidized Projects	-	133
Projects to be Invoiced (WIP)	574	285
Employees	11	11
Prepayments	997	412
Other Receivables and Prepayments	**1,687**	**967**
Total	**5,315**	**3,074**

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 2014
The Netherlands	783	395	24	76	1,278
North America	667	161	31	55	914
France	86	69	-	68	223
DACH/TFT	1,114	53	18	6	1,191
Rest of World	14	53	3	11	81
Total	**2,664**	**731**	**76**	**216**	**3,687**

		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 2013
The Netherlands	858	81	13	5	957
North America	339	218	39	82	678
France	67	47	8	1	123
DACH	165	-	-	3	168
Rest of World	130	1	5	10	146
Total	**1,264**	**346**	**60**	**88**	**2,072**

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 Rabobank as collateral for a working capital facility provided by Rabobank. 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 € 3,687k (2013: € 2,072k).
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, 2012	**279**	**57**	**336**
Charge for the Year	18	82	100
Utilised	(7)	(3)	(10)
Unused Amounts Reversed	(93)	(12)	(105)
Currency Exchange Rate Differences	-	(1)	(1)
Balance as at September 30, 2013	**197**	**123**	**320**
Charge for the Year	-	(4)	(4)
Utilised	(47)	(8)	(55)
Unused Amounts Reversed	(95)	(100)	(195)
Currency Exchange Rate Differences	-	3	3
Balance as at September 30, 2014	**55**	**14**	**69**

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 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 € 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 € 14mln (2013: € 14mln), consisting of 2 million (2013: 2 million) ordinary shares with a nominal value of € 7.00 (2013: € 7.00) each.

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

(number of shares)	2014	2013
Balance as of October 1,	932,954	932,954
Issued	194,423	-
Balance as at September 30,	1,127,377	932,954
In € (x 1,000)	7,892	6,531

On December 2nd, 2013 194,423 shares have been issued following approval of the extra Ordinary Meeting of shareholders held on November 28th, 2013. At the same date for every share, two warrants have been issued. Each warrant entitles to holder to purchase a newly issued TIE Kinetix share at € 7.00 until December 2, 2023. All shares and warrants issued on December 2, 2013 have a 1-year lock up period in which they cannot be traded or converted.

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

	Shares Capital		Share Premium Account	
(€ x 1,000)	2014	2013	2014	2013
Balance as of October 1,	6,531	9,330	50,157	47,358
Transfer to Share Premium	-	(2,799)	-	2,799
Issue of new shares	1,361	-	-	-
Other Movements	-	-	(7)	-
Balance as at September 30,	7,892	6,531	50,150	50,157

In 2013 an amount of € 2,799k was transferred from Share Capital to the Share Premium Account as a result of a Capital Reduction.

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 2014, no new Stock Options have been issued under the Annual Stock Option Plan.
The weighted remaining average lifetime of all Stock Options is 4.23 years (2013: 5.26 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		2014		2013
Options outstanding as of October 1,	**17.63**	**118,093**	**18.00**	**114,977**
Options Granted During the Year	-	-	10.00	5,000
Options Lapsed	-	-	-	-
Options Forfeited	15.82	(3,241)	19.90	(1,884)
Option outstanding at September 30,	**18.34**	**114,852**	**17.63**	**118,093**

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

Fair Value of Stock Options	2014	2013
Balance as of October 1,	**64,006**	**71,233**
Fair Value of Stock Options Issued	-	30,764
Forfeited	(32,658)	-
Expense for the Year	(13,720)	(37,991)
Balance at September 30,	**17,628**	**64,006**

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 a 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, 2014, can be broken down as follows:

	Issue Date	Options Granted	Con-verted	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**	**-**	**1,333**	**26,148**		
2005	Sep 30, 2005	11,612	-	6,341	5,271	€ 34.00	Oct 01, 2015
2006	Sep 30, 2006	12,495	-	6,202	6,292	€ 33.00	Oct 01, 2016
2007	Sep 30, 2007	10,394	-	3,989	6,405	€ 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	-	4,365	11,185	€ 10.00	Sep 30, 2018
2009	Feb 24, 2009	27,500	8,000	810	18,690	€ 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	-	2,291	13,923	€ 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	30,798	88,703		
Total	**Sep 30, 2014**	**154,984**	**8,000**	**32,132**	**114,852**		

During the FY 2014 no (2013: no) Stock Options have been awarded to staff members. To the Executive Board also no Stock Options have not been awarded (2013: 5,000). During FY 2014, no Stock Options were converted.

Stock Options held by Third Party Investors

Stock Options outstanding with non-staff members as per September 30, 2014:

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	June 19, 2009	250	€ 18.00	June 19, 2019
Third Party Investors	August 31, 2010	3,400	€ 10.00	August 31, 2020
Total		**8,650**		

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. During FY 2014, there have been no movements.

Warrants

On December 2nd, 2013 388.846 warrants have been issued. Each warrant entitles holder to purchase a newly issued TIE Kinetix share at € 7,00 until December 2, 2023. These warrants have a 1-year lock up period in which they cannot be traded or converted.

Movement of Warrants		2014		2013
Warrants Outstanding as of October 1,	-	-	-	-
Warrants Granted During the Year	7.00	388,846	-	-
Warrants Lapsed	-	-	-	-
Warrants outstanding at September 30,	**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 2014.

The Balance outstanding as of September 30, 2014 consists of the following Convertible Bonds:

Convertible Bonds	Issue date	Maturity date	Conversion rate in €	**(€ x 1,000) 2014**	(€ x 1,000) 2013
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 2014, no Convertible Bonds were issued.

6) Non Current Liabilities

Long Term Liabilities	2014	2013
Loans	1,527	171
Deferred Tax Liability	131	19
Contingent Consideration	56	44
Pension Provisions	76	23
Other Provisions	20	-
Total Long Term Liabilities	**1,810**	**257**

Movement of Loans	2014	2013
Balance as of October 1,	**171**	**138**
Obtained from Acquisition	2,000	60
Repayments	(150)	-
To Short Term Loan	(494)	(27)
Balance as at September 30	**1,527**	**171**

Movement of Deferred Tax Liability	2014	2013
Balance as of October 1,	**19**	**34**
Obtained from Acquisition	124	-
Released to Income	(12)	(15)
Balance as at September 30	**131**	**19**

Movement of Contingent Consideration	2014	2013
Balance as of October 1,	**44**	**44**
From Current Liabilities	12	-
Balance as at September 30	**56**	**44**

Movement of Pension Provisions	2014	2013
Balance as of October 1,	**23**	**18**
Obtained from Acquisition	55	-
Credited to Income	-	5
Released to Income	(2)	-
Balance as at September 30	**76**	**23**

Movement of Other Provisions	2014	2013
Balance as of October 1,	**-**	**-**
From Short Term Provisions	20	
Balance as at September 30	**20**	**-**

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

The Loans relate to the long term part for the acquisition of Light (€ 76k, interest 6.5%) and TFT (DZ Bank € 650k, interest Euribor +275 bps) and to former Shareholder € 800k, interest euribor +300 bps). The deferred tax liability relates to the non-deductable part of the amortization of the Customer Base (Light and TFT), which is not tax deductible. The pension provision relates to a retirement provision in France (€ 21k) and Germany (TFT, € 55k). In the other provisions also amounts are included for social security claim in France (€ 20k).

7) Current Liabilities

Provisions

Movement of Provisions	**2014**	2013
Balance as of October 1,	20	-
Provision agianst Income	-	20
To Long term Provisions	(20)	-
Balance as at September 30	**-**	**20**

Short Term Debt

Short Term Debt	**2014**	2013
Balance as of October 1	**160**	**34**
Loans Obtained	-	126
Repayments	(134)	-
Redeemed	(56)	(27)
From Long Term Loan	494	27
Balance as at September 30	**464**	**160**

The short term debt relates to the debts from the acquisitions of Ascention (€ 34k, interest 5%), Light (€ 30k, interest 6.5%) and TFT (€ 400k, interest resp. euribor + 275/300 bps).

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		**2014**	2013
Payroll Tax		66	156
Social Security Contributions		47	47
VAT/Sales tax US		176	91
	Total	**289**	**294**

Other Payables and Accruals

Other Payables and Accruals		**2014**	2013
EC and Other Grants		922	637
Accrued Expenses		1,322	448
Other Accruals and Payables		227	364
Pension Premiums		46	27
Contingent Consideration		-	11
Supervisory Board Compensation		17	16
	Total	**2,534**	**1,503**

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

NOTES TO THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Segment Information

The Company operates mainly in one business segment (Totally Integrated E-Commerce) but operates in different countries through subsidiaries. All subsidiaries provide similar products and services, except for TIE MamboFive, that predominantly is involved in E-Commerce.
Consequently, the segment reporting used until the financial year 2013 was based on the economic environment in which these products and services are provided based upon the major markets of TIE Kinetix:

» TIE Nederland;
» TIE MamboFive;
» North America;
» France;
» DACH (Germany, Austria, Switzerland)
» The Rest of the World.

Until the acquisition of TFT in the first quarter of financial year 2014, this breakdown was consistent with the Company's organizational structure and internal reporting structure based on the requirements of the Executive Board as Chief Operating Decision Maker. The geographical segments were based on the location of the TIE Kinetix markets and customers. Assets, liabilities, revenues and expenses include all items directly attributable to the segment. Those are revenues and expenses that can be allocated on a reasonable basis to that segment. Expenses of the Company are disclosed separately.

After the acquisition of TFT in December 2013, the Company adjusted its internal reporting. Our segment reporting will be aligned with the internal reporting to the Executive Board as Chief Operating Decision Maker in the Company. Reporting is now 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-free earning staff are not allocated directly to business lines, but rather allocated to country operations (or holding functions).

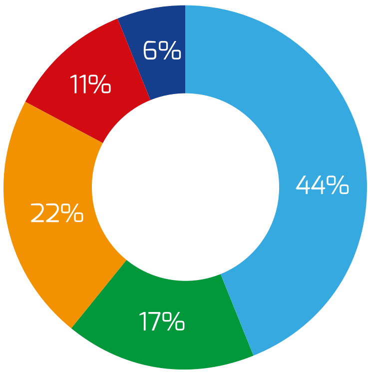
From October 2014 onwards, budgeting and reporting is using business line segments, as well as country segments. Starting October 1, 2014 all revenue, direct costs and fee earning staff are allocated to business lines. To avoid arbitrary and volatile allocation, indirect costs and non-fee earning staff are not allocated directly to business lines, but rather allocated to country operations (or holding functions).

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. From October 2014, onwards, the business lines will serve as primary reporting segment for both internal and external reporting. Country operations are secondary reporting segment for internal reporting and statutory reporting purposes only.

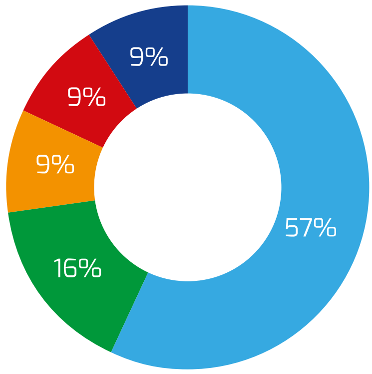
In preparing this segment information, the accounting principles applied reflect the same as those in the preparation of the Consolidated Statement of Financial Position and Consolidated Statement of Income. Any transactions between reporting segments are accounted for at cost. These items are adjusted for the segment information presented below under the Company and Eliminations.

NOTES TO THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

2014



2013



	2014		2013	
Integration	8,967	44%	8,232	58%
E-Commerce	3,445	17%	2,200	15%
Demand Generation	4,584	22%	1,388	10%
Analytics & Optimization	2,222	11%	1,161	8%
EU & Other projects	1,256	6%	1,312	9%
Total Revenue	**20,474**	**100%**	**14,293**	**100%**

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	The Netherlands	TIE MamboFive	North America	France	DACH/ TFT	Rest of World	Holding and Elimi-nations	Total
Licenses	194	-	561	44	186	68	-	1,053
Maintenance and Support	695	14	1,631	154	213	137	-	2,844
Consultancy	811	1,530	806	358	3,703	154	-	7,362
Software as a Service	1,278	1,199	1,922	503	2,888	169	-	7,959
Revenues	**2,978**	**2,743**	**4,920**	**1,059**	**6,990**	**528**	**-**	**19,218**
EU Projects	1,114	-	-	-	-	-	-	1,114
Other Income	301	4	211	4	270	141	(789)	142
Total Revenue	**4,393**	**2,747**	**5,131**	**1,063**	**7,260**	**669**	**(789)**	**20,474**
Third Party Hire	(101)	(188)	(18)	3	(891)	(2)	-	(1,197)
Direct Purchase Costs	(582)	(637)	(699)	(106)	(1,759)	(286)	1,018	(3,052)
Gross Profit	**3,710**	**1,922**	**4,414**	**960**	**4,610**	**381**	**229**	**16,225**

Operating Expenses								
Employee Benefits	2,212	766	2,540	564	3,737	176	1,081	11,076
Acquisition Costs and Onetime Expenses	-	-	-	-	-	-	727	727
Other Operating Expenses	1,254	322	1,364	230	1,474	170	(1,491)	3,322
Total Operating Expenses	**3,466**	**1,088**	**3,904**	**794**	**5,211**	**345**	**317**	**15,125**
EBITDA	**244**	**834**	**511**	**165**	**(601)**	**35**	**(88)**	**1,100**
Depreciation & Amortization								
Expense and Impairment Losses	182	75	118	13	163	159	146	857
EBIT	**61**	**759**	**392**	**152**	**(764)**	**(124)**	**(234)**	**243**
Interest and Other Financial Income	2	-	-	1	-	-	-	3
Interest and Other Financial Expense	1	-	-	-	(39)	-	(55)	(93)
Income/(loss) before Tax	**64**	**759**	**392**	**153**	**(803)**	**(124)**	**(289)**	**153**
Corporate Income Tax	-	-	315	(42)	19	-	(6)	286
Net Income/(loss)	**64**	**759**	**707**	**111**	**(784)**	**(124)**	**(295)**	**439**

NOTES TO THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Assets	The Netherlands	TIE MamboFive	North America	France	DACH/ TFT	Rest of World	Holding and Eliminations	Total 2014
Intangible Fixed Assets	1,584	299	783	0	2,654	442	1,840	7,602
Tangible Fixed Assets	18	27	29	5	182	0	335	596
Financial Assets (deferred tax) & Loans	0	0	0	0	151	0	1,736	1,887
Current Assets	330	1,224	1,416	455	1,841	618	25	5,909
Total Assets	**1,932**	**1,550**	**2,228**	**460**	**4,828**	**1,060**	**3,936**	**15,994**
Liabilities								
Non Current Liabilities	0	0	1	22	705	0	1,082	1,810
Current Liabilities	2,097	654	1,439	455	2,792	45	682	8,164
Total Liabilities	**2,097**	**654**	**1,440**	**477**	**3,497**	**45**	**1,764**	**9,974**
Other Selected Income Statement Items								
Capital Expenditure	81	14	236	6	3,186	346	711	4,580
Other Non Cash Expenses	9	0	0	0	0	0	5	14
FTE at Year End	29	18	32	10	46	2	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.

Segment items included in the Segment Statement of Financial Position as of September 30, 2013 or further details of items in the segment Statement of Income account are:

Revenues	The Netherlands	TIE MamboFive	North America	France	DACH	Rest of World	Holding and Elimi-nations	Total
Licenses	454	-	515	96	143	12	-	1,220
Maintenance and Support	689	-	1,774	167	121	183	-	2,934
Consultancy	443	1,341	775	274	966	208	-	4,007
Software as a Service	1,233	767	2,111	375	8	326	-	4,820
Revenues	**2,819**	**2,108**	**5,175**	**912**	**1,238**	**729**	**-**	**12,981**
EU Projects	958	-	-	-	-	-	-	958
Other Income	459	165	278	296	174	187	(1,205)	354
Total Revenue	**4,236**	**2,273**	**5,453**	**1,208**	**1,412**	**916**	**(1,205)**	**14,293**
Third Party Hire	(117)	(39)	(110)	(2)	(466)	-	(2)	(736)
Direct Purchase Costs	(592)	(546)	(822)	(167)	(150)	(351)	1,206	(1,422)
Gross Profit	**3,527**	**1,688**	**4,521**	**1,039**	**796**	**565**	**(1)**	**12,135**

Operating Expenses								
Employee Benefits	2,230	1,149	2,758	674	677	13	894	8,395
Acquisition Costs and Onetime Expenses	29	46	8	93	-	-	375	551
Other Operating Expenses	588	223	831	214	279	139	769	3,043
Total Operating ex-penses	**2,847**	**1,418**	**3,597**	**981**	**956**	**152**	**2,038**	**11,989**
EBITDA	**680**	**270**	**924**	**58**	**(160)**	**413**	**(2,039)**	**146**
Depreciation & Amortization Expenses	217	126	104	14	24	131	71	687
Impairment Losses	-	-	-	-	679	-	-	679
EBIT	**463**	**144**	**820**	**44**	**(863)**	**282**	**(2,110)**	**(1,220)**
Interest and Other Financial Income	-	-	-	1	-	-	1	2
Interest and other Financial Expense	(1)	(11)	-	-	(3)	-	(1)	(16)
Income/(loss) before Tax	**462**	**133**	**820**	**45**	**(866)**	**282**	**(2,110)**	**(1,234)**
Corporate Income Tax	-	(1)	(37)	(2)	-	-	(6)	(46)
Net Income/(loss)	**462**	**132**	**783**	**43**	**(866)**	**282**	**(2,116)**	**(1,280)**

NOTES TO THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Assets	The Netherlands	TIE MamboFive	North America	France	DACH	Rest of World	Holding and Eliminations	Total 2013
Intangible Fixed Assets	883	1,253	1,138	160	-	506	-	3,940
Tangible Fixed Assets	20	20	35	15	-	-	363	453
Financial Assets (deferred tax)& Loans	-	74	956	-	-	-	323	1,353
Current Assets	690	902	1,064	278	157	97	90	3,278
Total Assets	**1,593**	**2,249**	**3,193**	**453**	**157**	**603**	**776**	**9,024**
Liabilities								
Non Current Liabilities	-	174	-	23	-	-	60	257
Current Liabilities	1,751	402	1,281	395	211	70	568	4,678
Total Liabilities	**1,751**	**576**	**1,281**	**418**	**211**	**70**	**628**	**4,935**
Other Selected Income Statement Items								
Capital Expenditure	86	18	114	-	726	178	397	1,519
Other Non Cash Expenses	17	1	5	9	-	-	6	38
FTE at year end	41	17	35	10	11	1	-	115

Capital expenditure consists of tangible and intangible assets, including acquisition of Ascention and development costs. Other non-cash expenses referred to above pertain to the Stock Option expense accounted for in FY 2013.

In addition to the primary segment disclosures above, the following provides an overview of the number of FTE per department within TIE Kinetix. The breakdown shows the number of FTE per department at year-end:

FTE per department	**2014**	2013
Research and Development	22	23
Sales and Marketing	24	20
Consulting and Support	81	56
General and Administrative	21	16
Total	**148**	**115**

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	**2014**	2013
The Netherlands	3,723	3,069
North America	783	625
DACH/TFT	2,954	-
Rest of World	442	246
Total	**7,902**	**3,940**

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 Purchase Costs consist of expenses directly associated with revenue. This includes third party software licenses, consultant fees and hosting costs.

Employee Benefits

Employee benefits can be broken down as follows:

Employee Benefits		2014	2013
Salaries		8,621	6,157
Salaries Variable Component		609	212
Social Security Charges		1,235	954
Contributions to Post Employment Arrangements		252	230
Share Based Payments		14	38
Other Employe Benefits		345	804
	Total	11,076	8,395

The WBSO grants received for FY 2014, amounting to € 243k (2013: € 163k), 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.
For FY 2014 the average number of employees was 142 (2013: 109).

Key Management Personnel Compensation

The total key management personnel compensation, including the remuneration of the Executive Board, amounted to € 451k (2013: € 260k).

The CEO received the following remuneration:

Short Term Employee Benefits	2014	2013
Remuneration	216	216
Bonus	25	15
Total	241	231

Post Employment Benefits	2014	2013
Contributions to Post Employment arrangements	-	-

Share Based Payments	2014	2013
Stock Option Expense	10	6

The CFO received the following remuneration:

Short Term Employee Benefits	2014	2013
Remuneration	146	-
Bonus	25	-
Total	171	-

Post Employment Benefits	2014	2013
Contributions to Post Employment arrangements	29	-

Share Based Payments	2014	2013
Stock Option Expense	-	-

In 2013 the CEO was the only board member. Remunerations and expenses of Jan Sundelin are paid to his personal management B.V., CAPTA Management B.V.. Mr. Wolfswinkel was appointed a member of the Executive Board on November, 28th, 2013. November and his remuneration and expenses are included as from that date.

NOTES TO THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

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 2014 amounted to € 44k (2013: € 40k).

Depreciation and Amortization Expense, Divestment and Impairment Losses

Depreciation, Impairment, Divestment and Amortization	**2014**	2013
Depreciation and Amortization Expense	857	687
Impairment TIE Ascention	-	879
Release Contingent Consideration TIE Ascention	-	(200)
Total	**857**	**1,366**

Depreciation and amortization for FY 2014 increased by € 132k predominantly resulting from the development of software that is taken into production and the acquisition of TFT.

Other Operating Expenses and Non-Recurring Expenses

Other Operating Expenses	**2014**	2013
Accommodation Expenses	728	658
Professional Services	494	578
Communications	591	476
Marketing	476	348
Travel Expenses	451	485
Office Supplies	330	336
General & Administration	252	162
Total	**3,322**	**3,043**

Onetime Expenses	**2014**	2013
Redundancy & Severance costs	202	113
Investor Relation Activities (RSS)	-	103
Temporary Staff Hires	50	90
Office Integration & Moving Costs	-	77
Samar Claim	127	70
Other Legal Costs	-	50
Other Non-Recurring costs	-	48
Acquisition TFT	348	-
Total	**727**	**551**

In 2014 the Non-Recurring expenses resulting from lay off costs in TIE Kinetix N.V., temporary staff hires for various (internal) projects, office integration costs and moving costs relating to legal cost of the Samar claim, acquisition costs for the acquisition of TFT. More details about the status of the Samar claim are described on page 115.

	2014	2013
Net Cash Flow From Operating Activities	1,982	696
Onetime Expenses	727	551
Normalized Net Cash Flow from operating activities	**2,709**	**1,247**

The operating cash flow for 2014 is € 1.982k (2013: € 696k) if adjusted for Non-Recurring expenses 2014 € 2,709k (2013: € 1,247k).

Research and Development Expenses

	2014	2013
Employee Benefits	1,880	1,686
Other RDI Related Expenses	210	211
Capitalized Development Expenses	(849)	(338)
Amortization of Capitalized Development Expenses	459	434
Total	**1,700**	**1,993**

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 2014 amounted to € 1,114k (2013: € 958k).

9) Financial income and/or Expense

Financial Income and/or Expense	2014	2013
Interest Income	3	2
Interest Expenses	(73)	(14)
Exchange Gains/(losses)	(20)	(2)
Total	**(90)**	**(14)**

The Interest Expenses in FY 2014 pertain predominantly to the loan to the old shareholders of Light, Ascention and new loans for the acquisition of TFT.

NOTES TO THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

10) Corporate Income Tax

The company operates predominantly in the Netherlands, Germany, France and North America. Applicable tax rates are 25% (2013: 25%) for the Netherlands, France 33.3% (2013: 33.3%), for the US 33% (2013: 34%) for federal tax and 6% (2013: 6%) for state tax, for Germany 29% (Körperschaftssteuer 15%, Gewerbesteuer 14%), Austria 25% and Switzerland 17.4% (income tax and canton tax). 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 43.0% (2013: 10.6%); the weighted average tax rate amounts to 47.8% (2013: 14.2%). Recognition of deferred income tax assets, tax losses carried forward and non-deductible expenses are causing the difference, while the deferred tax assets movements bring down the effective tax rate to -186.9% (2013: 3.7%).

Reconciliation between standard and effective income tax is as follows:

Reconciliation between Standard and effective income tax	**2014**	2013
Net Income	**153**	**(1,234)**
Corporate Tax	286	(46)
Net Income (loss) Before Tax	**439**	**(1,280)**
Income Tax Calculated Using Statutory Tax Rate (25%)	(36)	312
Effect of Different Local Statutory Rates	110	(134)
Adjustment Items:		
Non Deductable Expenses	(27)	(204)
Movement in Deferred Tax Asset on Temporary Differences	(164)	(183)
Movement in Deferred Tax Asset on Loss Carry Forward	403	162
	286	**(46)**

Income Tax Reported in the Comprehensive Income Statement	2014	2013
Movement Deferred Taxes During the Year	308	(45)
Current Income Tax Charge	(22)	(1)
Other Tax Items	-	-
Income Tax Reported in the Comprehensive Income Statement	**286**	**(46)**

The changes in the Deferred Tax Asset are discussed on page 91 in detail.
The main item of the Deferred Tax Asset in FY 2014 is the capitalization of loss carry forward on TIE Commerce as described in more detail on page 91. An update in the estimates of recognized losses carry forward has been made in 2014; More details can be found on page 91.

The reversal of the Deferred Tax Asset in FY 2014 is the reduction of the temporary difference pertaining to Goodwill, utilization of tax loss carry forward and the deferred revenue in the US resulting in an expense and is described in more detail on page 91.

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, except TIE Light B.V..

11) Earnings per Share

Basic Earnings per Share

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

Basic Earnings per Share	2014	2013
Net Income Attributable to Equity Holders of TIE Kinetix	439	(1,280)
Net Income Adjusted for Calculation of Basic Earnings per Share	**439**	**(1,280)**
Weighted average number of shares outstanding in thousands	1,083	933
Basic Earnings per Share (€ per Share)	**0.41**	**(1.37)**

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	**2014**	2013
Net Income adjusted for Calculation of Basic Earnings per Share	**439**	**(1,280)**
Weighted Average Number of Shares Outstanding	1,083	933
Dilutive Effect of Stock Options Outstanding at September 30,	-	-
Dilutive Effect of Warrants Outstanding at September 30,	-	-
Dilutive Effect on Convertible Bonds	2	2
Weighted Average number of Shares Adjusted for Calculation of Diluted Earnings per Share	1,085	935
Diluted Earnings per Share (€ per Share)	0.40	(1.37)

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.

NOTES TO THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

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, 2014 amounted to € 24k (2013: € 20k).
The remaining terms of leases in the Netherlands are 5.5 years, while United States we concluded a new 5 year lease for the Boston Office and 6 months for St Paul, France till January 2017. The TFT lease expires January 2016. Office Rentals due within one year amount to € 0.5mln, rentals due between one and five years are approximately € 1.2mln and over 5 years € 0.6mln. Hosting costs relates to leasing of hosting infrastructure € 1.1mln annually. In the Netherlands this is for one remaining year, in Germany this is for about 2 years.

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

	2014			2013		
Leases	< 1year	> 1 year < 5 years	>5 years	< 1year	> 1 year < 5 years	>5 years
Office Leases	496	1,164	601	253	497	183
Hosting Contracts	1,332	820	-	360	360	-
Operational Leases Company Cars	291	620	-	183	302	-
Operational Leases Servers and Photocopiers	83	268	-	28	15	-
Total	**2,202**	**2,872**	**601**	**824**	**1,174**	183

Other

In the Purchase and Sale agreement for TFT an employee share plan is included for and amount of € 300k. This plan is not defined yet.

Collateral

For 2014 TIE Kinetix N.V. has a working capital facility with Rabobank (€ 500k) with an ongoing pledge on the receivables. For the acquisition of TFT GmbH, a non recourse loan was attracted (€ 1 million, with TFT GmbH shares as pledge) plus a working capital facility (€ 800k, with an ongoing pledge on the TFT receivables) from DZ Bank ringfenced around the TFT operations.
For the rent of the office in Breukelen a bank guarantee of € 69k is issued.

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	2014	2013
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%
TIE Commerce Inc.	Burlington, MA, USA	100%	100%
TIE Kinetix S.A.S.	Montpellier, France	100%	100%
TIE Asia-Pacific Ltd	Hongkong, People's Republic of China	100%	100%
TIE Kinetix GmbH (TFT)	Munchen, Germany	100%	-
TIE ascention GmbH	Friedrichshafen, Germany	100%	100%
TIE ascention GmbH	Vienna, Austria	100%	100%
TIE ascention GmbH	St Gallen, Switzerland	100%	100%

Related Party Transactions

		September 30, 2014				September 30, 2013		
Name	**Position**	**Shares**	% of Shares	Options	Position	Shares	% of Shares	Options
Jan Sundelin	CEO	30,014	2.2%	21,148	CEO	24,300	2.6%	21,148
Peter van Schaik	SB	213,361	18.9%	-	SB	213,361	22.9%	-
Erik Honée	SB	26,600	2.4%	-	SB	26,600	2.9%	-

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.
Details about the remuneration of Mr. Sundelin can be found on page 109.

Pending Litigation

Since December 2007, TIE Kinetix has been involved in discussions and subsequently in legal proceedings with Samar. In July 2010, the Court ordered TIE Kinetix to pay full damages to Samar, of which TIE Kinetix already paid €898,481.58. In 2012, the Court of Appeal has ordered Samar to pay back the amount of €250,000 plus interest. In March 2013, Samar requested for suspension of payments. In June 2013, the Court declared Samar bankrupt, which was reversed by the Court of Appeal in September 2013.

At the creditors' meeting in November 2013 the Court decided to extend suspension of payments, against which TIE Kinetix appealed in March 2014. The Court of Appeal however extended the suspension for Samar. Given this outcome, TIE Kinetix foresees a further procedure regarding Samar's damage claim. TIE Kinetix has not made any provisions related to this claim.

In February 2014, Samar issued a damage claim to TIE Kinetix, which amounts to €883,826. This claim is additional to the damages for which TIE Kinetix already paid €898,481.58 in Q4 2010. TIE Kinetix made an initial review of Samar's claim and is of the opinion that the claim is excessive and unfounded. In June 2014, parties tried to establish a settlement but to no avail.

TIE Kinetix is scheduled to submit a statement of defense in the damage proceedings in January 2015. We have asked our own expert to assess Samar's calculation of damage and loss ('schadestaat'). In the meantime, TIE Kinetix has again commenced enforcement against Samar.

Since at this stage it is impossible to provide a reliable estimate of the financial implications to TIE Kinetix, TIE Kinetix has not created a provision in the 2014 accounts for it.

EU Development Grants repayment

The Company participates in various EU projects under the FP7 program. To verify the appropriateness of the EU grants given, the EU is entitled to perform audits. In December 2013, an audit was carried out on three projects in the period 2008-2012.

On October 30, 2014 the Company announced that it has received a notice from the European Commission for a partial repayment of EU development grants, following the above mentioned audit carried out under supervision of the EC. Even though the projects had been audited by TIE Kinetix's auditor in the past, and had been executed to the full satisfaction and even though the financial management was, according to the auditor, carried out in an acceptable manner, some of the procedures were not in compliance with the requirements of the EC. Although the EC commissioned audit was limited to three projects in the period 2008-2011, it may be expected that the findings will affect other projects and periods.

NOTES TO THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

TIE understands that certain formal regulations have not been followed, but questions whether it is in the interest of all parties involved to have form prevail over substance. The Company, and the European Union Associations in which it is actively involved have requested the European Commission to include this consideration when implementing the audit findings. The Company is working with its previous audit firm and with its current subsidy advisory firm to find ways to mitigate the potential damage in a constructive dialogue with the European commission. At the same time the Company is recalculating the effects of extrapolation of the audit findings to other projects and periods. In case no solution can be found, the Company has no option but to withdraw from current projects, and can only be involved in future projects in a very limited way.

At this stage management cannot exclude that an outcome of the solution to mitigate damages might result in an adjustment of the Dutch GAAP TIE Kinetix N.V. Balance sheet and income statement (not being the consolidated financial statements) for errors made in prior years. When this situation arises, management expects that in the annual report for 2015 these adjustments may become imminent. At this stage, management cannot assess any adverse consequences of such adjustment.

The Company expects that it may take several more months until the final financial implications will become clear. Since at this stage it is impossible to provide a reliable estimate of the financial implications, the Company has not created a provision in the FY 2014 accounts for it.

On November 14th, the Company announced that it reached agreement with an undisclosed party to act as guarantor up to an amount of € 2 million for funding of the damages caused by the partial repayment of EU development grants. This safeguards that the Company’s operations will not be affected by damages as a result of the repayment of EU development grants.

DUTCH GAAP TIE KINETIX N.V. BALANCE SHEET AS AT SEPTEMBER 30, 2014

(Before proposed appropriation of results)

Assets

(€ x 1,000)	Notes	2014		2013	
Fixed Assets	12)				
Intangible Fixed Assets					
Goodwill		1,046		1,046	
Other Intangible fixed assets		434		34	
Total Intangible Fixed Assets			1,480		1,080
Tangible Fixed Assets			334		363
Financial Fixed Assets					
Subsidiaries		11,660		9,026	
Loan Receivable		44		44	
Deferred Tax Asset		317		323	
			12,021		9,393
Total Fixed Assets			**13,835**		**10,837**
Current Assets	13)				
Debtors		204		214	
Taxation & Social Security		100		98	
Intercompany Debtor		641		76	
Cash and Cash Equivalents		-		1	
Total Current Assets			**945**		**389**
Total Assets			**14,780**		**11,226**

Liabilities and Equity

(€ x 1,000)	Notes	2014		2013	
Shareholders' equity	**14)**				
Issued and Paid-up Share Capital		7,892		6,531	
Share Premium		50,153		49,443	
Legal Reserves		714		714	
Foreign Currency Translation Reserve		-159		-267	
Retained Earnings		-53,064		-51,097	
Net Result		439		-1,280	
			5,975		4,044
Convertible Bonds			45		45
Total Equity			**6,020**		4,089
Non Current Liabilities	15)				
Loans		800		-	
Provisions		208		234	
Total Non Current Liabilities			**1,008**		234
Current Liabilities	16)				
Creditors		7,413		6,767	
Banks		339		136	
Taxation and Social Security		-		-	
Total Current Liabilities			**7,752**		6,903
Total Liabilities and Equity			**14,780**		11,226

DUTCH GAAP TIE KINETIX N.V. INCOME STATEMENT FOR THE YEAR ENDING SEPTEMBER 30, 2014

(€ x 1,000)		2014	2013
Result of Participating Interests After Tax		1,031	891
Other Income After Tax		(592)	(2,171)
	Net Result	**439**	**(1,280)**

Notes to the Company Financial Statements

Corporate Information

The Company financial statements for the year ended September 30, 2014 are authorized for issue through a resolution of the Management Board dated January 26, 2015.
The General Meeting of Shareholders, to be held on March 27, 2015, 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 73.

NOTES TO THE COMPANY BALANCE SHEET

12) Fixed Assets

Intangible Fixed Assets

Intangible Fixed Assets	Goodwill	Purchased Software	Total
Accumulated Investments per September 30, 2012	1,046	560	1,606
Accumulated Amortization per September 30, 2012	-	(456)	(456)
Accumulated Impairments per September 30, 2012	-	(57)	(57)
Carrying Value as per September 30, 2012	**1,046**	**47**	**1,093**
Movements 2013			
Additions	-	16	16
Amortization	-	(29)	(29)
Carrying Value as per September 30, 2013	**1,046**	**34**	**1,080**
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
Amortization	-	(50)	(50)
Carrying Value as Per September 30, 2014	**1,046**	**434**	**1,480**
Accumulated Investments per September 30, 2014	1,046	582	2,072
Accumulated Amortization per September 30, 2014	-	(141)	(535)
Accumulated Impairments per September 30, 2014	-	(7)	(57)
Carrying Value as per September 30, 2014	**1,046**	**434**	**1,480**
Useful life	Indefinite	3 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, 2014

Tangible Fixed Assets

Tangible Fixed Assets	Fixtures & Fittings	Hardware	Total
Accumulated Investments per September 30, 2012	-	45	45
Accumulated Amortization per September 30, 2012	-	(20)	(20)
Carrying value as per September 30, 2012	**-**	**25**	**25**
Movements 2013			
Additions	360	18	378
Depreciation per Statement of (Comprehensive) Income	(26)	(14)	(40)
Carrying value as per September 30, 2013	**334**	**29**	**363**
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**
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:

	2014	2013
Total Subsidiaries as per October 1,	**9,026**	**9,125**
Share in Net Income	1,031	891
Investments	2,000	-
Divestitures/ Movements of IC Funding	-774	-906
Transfer to (from) Provision for Equity Deficit	31	120
Foreign Currency Exchange Rate Differences	346	-202
Other Movements	0	-2
Total Subsidiaries as per September 30,	**11,660**	**9,026**
Loans Receivable	44	44
Deferred Tax Asset	317	323
Total Financial Fixed Assets	**12,021**	**9,393**

Funding to subsidiaries is in principle interest bearing with interest rates varying between 0% and 5.5% (2013: 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 2014 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**	2014	2013
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%
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 92.

DUTCH GAAP TIE KINETIX NV INCOME STATEMENT FOR THE YEAR ENDING SEPTEMBER 30, 2014

13) Current Assets

Other Receivables

Taxations and Social Security Contributions relate to VAT recoverable.

14) Shareholders' Equity

The Company's authorized share capital amounts to € 14 million (2013: € 14 million), consisting of 2 million ordinary shares (2013: 2 million) with a nominal value of € 7.00 each (2013: € 7.00). On September 30, 2014, a total of 1.127.377 ordinary shares (2013: 932,954) of € 7.00 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, 2012	**9,330**	**46,556**	**(196)**	**802**	**(51,135)**	**5,357**
Denomination of Shares	(2,799)	2,799	-	-	-	-
Foreign Currency Translation Reserve	-	-	(71)	-	-	(71)
Shares Based Payments	-	-	-	-	38	38
Transfers to (from) Legal Reserve	-	88	-	(88)	-	-
Net Income 2013	-	-	-	-	(1,280)	(1,280)
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	-	-	-	-	-	-
Net Income 2014	-	-	-	-	439	439
Balance per September 30, 2014	**7,892**	**49,439**	**(159)**	**714**	**(51,911)**	**5,975**

For the movement in shares, we refer to pages 95.

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 97, 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 97 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 98, Note 5 of the Consolidated Statement of Financial Position under Convertible Bonds.

15) Non-Current Liabilities

Provision

Provision for Equity Deficit Subsidiaries	2014	2013
Opening Balance as per October 1,	**179**	**59**
Movements from (to) Financial Fixed Assets	29	120
Closing Balance as per September 30,	**208**	**179**
Other provisions	0	55
Total Provisions	**208**	**234**

In 2014 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	2014	2013
Bank	339	136
Trade creditors	402	236
Inter-company payable	6,290	6,233
Short term debt	200	-
Other payable and accruals	521	298
Total	**7,752**	**6,903**

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 and TIE Commerce Inc. No interest is due on this balance.

NOTES TO THE COMPANY INCOME STATEMENT

The Companies Income

No revenue is included in 2014 (2013: € 119k).

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 13 employees during 2014 (2013: 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 sole member of the Management Board, we refer to page 106 of the Notes to the Consolidated Financial Statements. Included are Legal and Consultancy fees amounting to € 541k (2013: € 503k) as well as a Stock Option expense, listing fee and amortization charges pertaining to assets.
The audit fees from BDO amount to € 107k (2013: Ernst & Young Accountants LLP € 93k). Audit related fees from BDO amount to € 0k (2013: Ernst & Young Accountants LLP € 14k).

Income Tax

The Company holds unrecognized deferred tax assets with respect to past tax losses amounting to approximately € 9,4 mln (related losses amounting to approximately € 10.8mln).

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, except TIE Light B.V.

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. 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

For the rent of the office in Breukelen, the company has issued a guarantee of € 69k.
Pending litigations are disclosed on page 115.
Subsequent events are disclosed on page 115.

Breukelen, January 26, 2015

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

M. Wolfswinkel
CFO, TIE Kinetix N.V.

OTHER INFORMATION

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 Executive Board proposes that the net Profits of € 439k be added to Retained Earnings and the other Comprehensive Profit of € 108k will be added to other 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 Executive Board intends to retain any future earnings for investment in the further development and expansion of the Company (including through acquisitions) and does not foresee that the Company will pay dividends next year.
The Ordinary Shares are fully entitled to the dividend, if any, for the financial year ending September 30, 2014 and subsequent financial years.
Payment of dividends can be made either in cash or in stock.

Subsequent Events

See disclosure on page 115.

INDEPENDENT AUDITOR'S REPORT

To: the General Meeting of Shareholders of TIE Kinetix N.V.

Report on the financial statements

We have audited the accompanying financial statements 2014 of TIE Kinetix N.V., Breukelen as set out on pages 68 to 128. The financial statements include the consolidated financial statements and the company financial statements. The consolidated financial statements comprise the consolidated statement of financial position as at September 30, 2014, the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of the significant accounting policies and other explanatory information. The company financial statements comprise the company balance sheet as at September 30, 2014, the company profit and loss account for the year then ended and the notes, comprising a summary of the accounting policies and other explanatory information.

Management's responsibility

Management is responsible for the preparation and fair presentation of these financial statements 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, 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 it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion with respect to the consolidated 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 September 30, 2014 and of its result and its cash flows for the year then ended 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.

Opinion with respect to the company financial statements

In our opinion, the company financial statements give a true and fair view of the financial position of TIE Kinetix N.V. as at September 30, 2014 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements

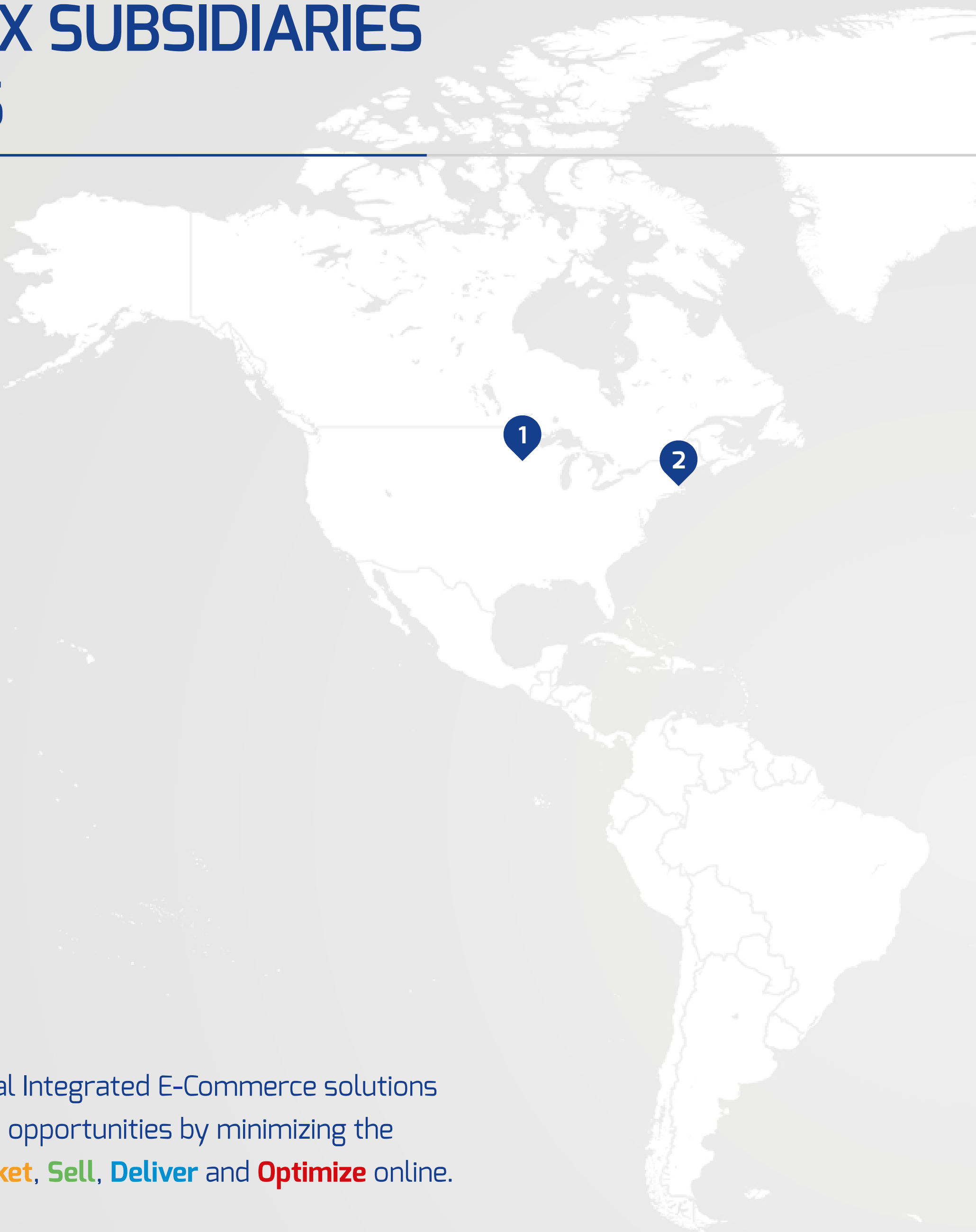
Pursuant to the legal requirement under Section 2:393 sub 5 at e and f of the Dutch Civil Code, we have no deficiencies to report as a result of our examination whether the management board report, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of this Code, and whether the information as required under Section 2:392 sub 1 at b-h has been annexed. Further we report that the management board report, to the extent we can assess, is consistent with the financial statements as required by Section 2:391 sub 4 of the Dutch Civil Code.

Amstelveen, January 26, 2015

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

Sgd.
J.A. de Rooij RA

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,
ST 110
St Paul, MN 55108
Tel: 1-651-999-8600

2

TIE Commerce Inc – US (Boston)

3 Highwood Drive #101-E
Tewksbury, MA 01876
Tel: 1-800-624-6354

3

TIE Kinetix N.V. The Netherlands (Breukelen)

De Corridor 5d - 3rd Floor
Breukelen, 3621 ZA
Tel: +31-88-369-8000

4

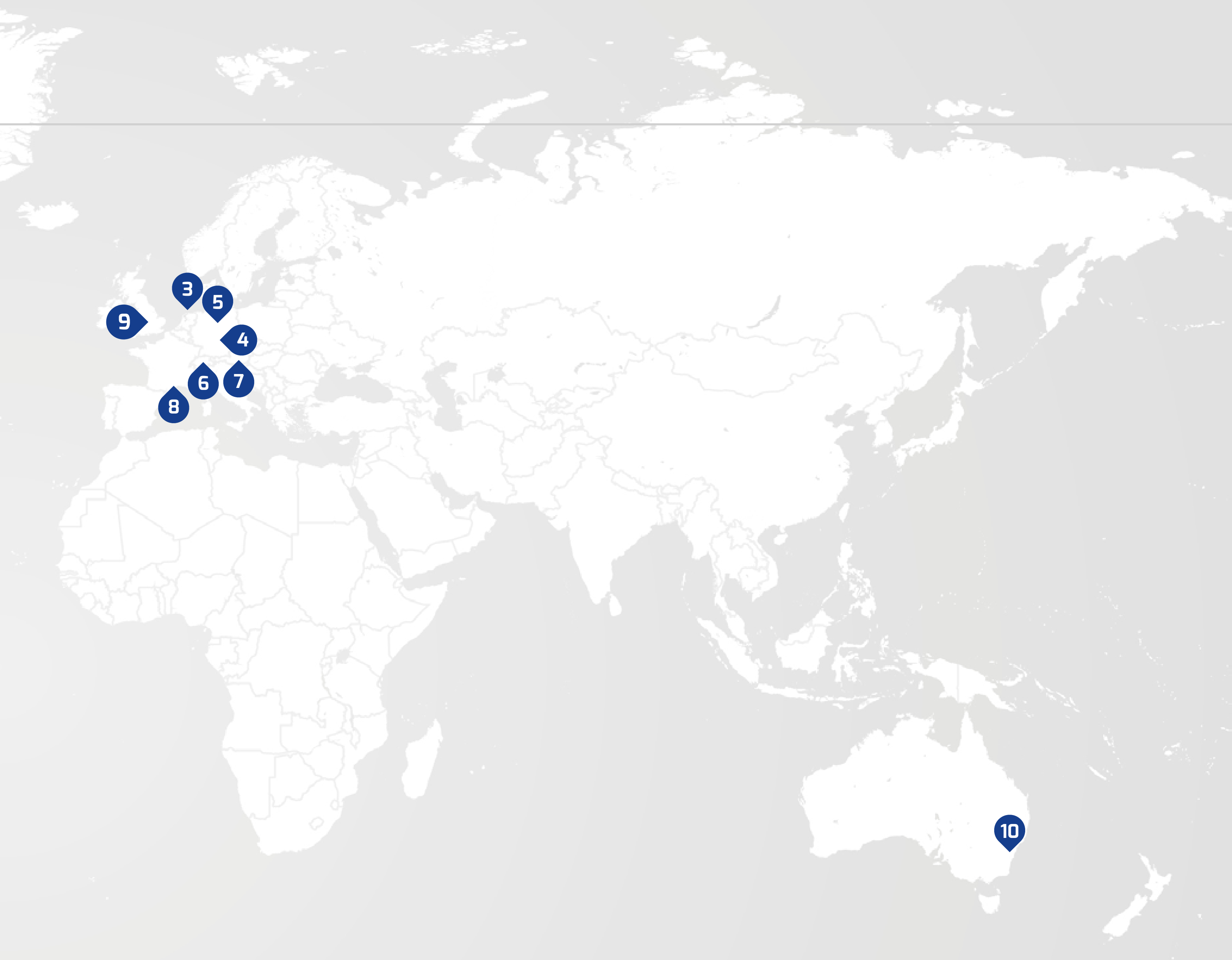
TIE Kinetix – Germany

Neumarkter Straße 61
81673 München
Tel: +49-89-990164-0

5

TIE Kinetix – Germany

Otto-Lilienthal-Straße 2
D-88046 Friedrichshafen
Tel: +49-89-990164-0



6

TIE ascention – Switzerland

Teufenerstrasse 25
9000 St. Gallen
Tel: +41-79-3495272

7

TIE ascention – Austria

Mariahilferstrasse 123/3
A-1060 Wien
Tel: +43-1-5224322

8

TIE France SAS – France

Parc de Bellegarde,
Bât. B
1 Chemin de Borie
34170 Castelnau-le-Lez
Tel: +33-4-11-95-01-00

9

TIE UK – United Kingdom

37 Crewe Road
CW1 5QR Haslington,
Crewe

10

TIE Asia-Pacific Ltd. – Australia

PO Box 7664
Baulkham Hills,
NSW, 2153
Tel: +61-41-185-8810

Catharina Cardinal von Widdern
UX Designer
TIE Kinetix Germany

“At TIE Kinetix, we value the importance of communication which is essential to success.”

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

Chief Executive Officer
Mr. Jan Sundelin
T: +31 88 369 8000
E: Jan.Sundelin@TIEKinetix.com

Chief Financial Officer
Dr. Michiel Wolfswinkel
T: +31 88 369 8000
E: Michiel.Wolfswinkel@TIEKinetix.com

BACK TO TABLE OF CONTENTS