TIE Kinetix N.V.

Annual Report 2013

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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**, along the entire supply chain.

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Sydney

Key Figures

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

Financial Results	2013	2012
Total Revenue	**14,293**	12,494
EBITDA	**146**	1,190
Depreciation and Amortization Expense	**(687)**	(632)
Impairment Gain (Loss)	**(679)**	64
Operating Result	**(1,220)**	622
Net Income	**(1,280)**	652
Cash Flow from operating activities	**696**	1,030
Net Cash Flow generated	**(538)**	357
Share Price*)		
Last Trading Day in reporting period	**5.74**	8.60
Highest	**11.20**	9.70
Lowest	**5.10**	7.80
Employees (expressed as full time equivalents)		
Average Number of Employees	**109**	96
Average Revenue per Employee	**131**	131
Equity		
Total Assets	**9,024**	9,082
Total Shareholders' Equity	**4,044**	5,357
Total Equity Instruments	**45**	45
Total Equity	**4,089**	5,402
Solvency Ratio	**45%**	59%
Per Share of Ordinary Shares		
Net Income	**(1.37)**	0.70
Shareholders' Equity	**4.38**	5.79
Number of Shares Outstanding at year-end (x 1.000)	**933**	933
Weighted Average Number of Shares Outstanding (x 1,000)	**933**	933
Weighted Average Number of Shares adjusted for calculation diluted earnings per share (x 1,000)	**935**	935

*) 2012 Numbers restated resulting from the Reverse Stock Split

Performance Highlights

TOTAL REVENUE

14%

2013: €14,293k
2012: €12,494k

OPERATING RESULT 2013

€ -1,220k

2012: € 622k

NET INCOME 2013

€ -1,280k

2012: € 652k

AVERAGE NUMBER OF EMPLOYEES

14%

2013: 109
2012: 96

SHARE PRICE (LAST TRADING DAY)

-33%

2013: € 5.74
2012: € 8.60

SHAREHOLDERS EQUITY

-26%

2013: € 4,044k
2012: € 5,357k

NUMBER OF OUTSTANDING SHARES

0%

2013: 933k
2012: 933k

after reverse stock split

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

OTHER REVENUE

69%

2013: € 1,312k
2012: € 778k

CONSULTANCY REVENUE

32%

2013: € 4,007k
2012: € 3,029k

LICENSE REVENUE

14%

2013: € 1,220k
2012: € 1,069k

SAAS REVENUE

5%

2013: € 4,820k
2012: € 4,596k

CASH FLOW (FROM OP. ACTIVITIES)

-32%

2013: € 696k
2012: € 1,030k

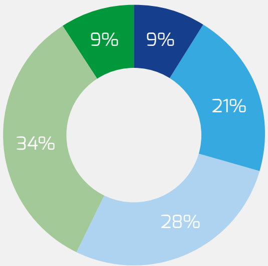
MAINTENANCE & SUPPORT REVENUE

-3%

2013: € 2,934k
2012: € 3,022k

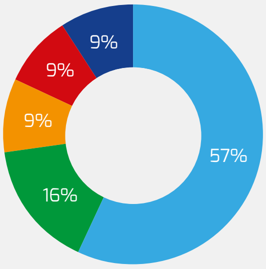
Revenue Breakdowns (€ x 1,000)

2013



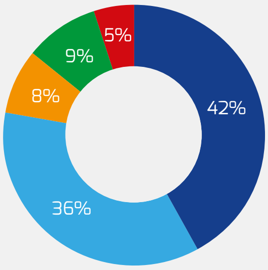
Total Income and Income Net of Direct Purchase Costs	2013		2012	
Licenses	1.220	8%	1.069	9%
Maintenance and Support	2.934	21%	3.022	24%
Consultancy	4.007	28%	3.029	24%
Software as a Service	4.820	34%	4.596	37%
Revenues	**12.981**	**91%**	**11.716**	**94%**
Other Income	1.312	9%	778	6%
Total Revenue	**14.293**	**100%**	12.494	100%

2013



Revenue Business Line	2013		2012	
Integration	8.207	57%	8.655	69%
E-Commerce	2.271	16%	1.909	16%
Content Syndication	1.266	9%	1.152	9%
Business Intelligence	1.237	9%	-	0%
EU & Other Projects	1.312	9%	778	6%
Total Revenue	**14.293**	**100%**	**12.494**	100%

2013



Income by Region	2013		2012	
The Netherlands	5.964	42%	5.606	45%
North America	5.174	36%	4.917	39%
France	1.208	8%	1.239	10%
DACH	1.226	9%	-	0%
Rest of World	721	5%	732	6%
Total Revenue	**14.293**	100%	**12.494**	**100%**

Revenue Type by Geographic Region

The Netherlands	2013	2012
Licenses	454	440
Maintenance and Support	689	881
Consultancy	1,784	1,769
Software as a Service	2,000	1,852
Other Income	1,037	664
Total Revenue	**5,964**	**5,606**

North America	2013	2012
Licenses	515	413
Maintenance and Support	1,774	1,828
Consultancy	775	728
Software as a Service	2,111	1,952
Other Income	(1)	(4)
Total Revenue	**5,174**	**4,917**

France	2013	2012
Licenses	96	63
Maintenance and Support	167	182
Consultancy	274	311
Software as a Service	375	560
Other Income	296	123
Total Revenue	**1,208**	**1,239**

DACH	2013	2012
Licenses	143	-
Maintenance and Support	121	-
Consultancy	966	-
Software as a Service	8	-
Other Income	(12)	-
Total Revenue	**1,226**	-

Rest of World	2013	2012
Licenses	12	153
Maintenance and Support	183	131
Consultancy	208	221
Software as a Service	326	232
Other Income	(8)	(5)
Total Revenue	**721**	**732**

Key Headlines FY2013

Financial Press Releases

01-10-2012
TIE Kinetix acquires ascention and expands coverage to DACH region

10-10-2012
Court dismisses six of the seven grievances but orders Samar to repay €250k to TIE Kinetix

15-10-2012
TIE Kinetix is technology provider in European Union Project “ARUM” and receives funds amounting to € 964k

23-10-2012
TIE Kinetix Investor Event

21-11-2012
Trading Update Q4: Total Comprehensive Income up 79% for the year 2012 and up 51% for the fourth quarter

21-11-2012
TIE Kinetix: 2012 Annual Results €703k (2011 €393k), due to an improvement in operating activities and due to capitalization of deferred tax assets

10-12-2013
TIE Kinetix is technology provider in European Union Projects “SIMPLI-CITY” and INTUITEL” and received funds amounting to € 866k

30-01-2013
TIE Kinetix: Publication of Annual Report and Agenda for the Annual General Meeting of Shareholders, including the first time provision of financial guidance

13-02-2013
TIE Kinetix: Q1 2013 Trading Update: Profitable Q1, Total Comprehensive Income €16k (2011: €113k)

12-03-2013
Update pending litigation: Samar requests for suspension of payments (‘surseance van betaling’)

12-03-2013
TIE Kinetix assigns SNS Securities as Liquidity Provider

18-03-2012
TIE Kinetix signs four year contract with Leaseweb to host European infrastructure

26-04-2013
TIE Kinetix maintains 2013 annual guidance but revises net income guidance due to expiration of the three year content syndication contract with C-net per May 1, 2013

Subsequent Events

05-08-2013
TIE Kinetix launches Social Media Syndication for impactful channel marketing

22-05-2013
TIE Kinetix announces 1st half year results FY2012 on investor and analyst event

13-06-2013
TIE Kinetix launches self-service content syndication solution

14-08-2013
Trading update Q3

14-08-2013
TIE Kinetix appoints new CFO

20-09-2013
Update pending litigation: court reverses previous ruling

24-09-2013
TIE Kinetix selected to empower the Infor Partner Network with content syndication

11-10-2013
TIE Kinetix announces major acquisition in Germany (TFT)

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

21-11-2013
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 Objectif Lune sign worldwide mutual partnership agreement

Letter from the Chief Executive Officer, Mr. Jan Sundelin

Dear Shareholder,

The year 2013 was one of disappointing results, as we did not achieve our financial targets. At the same time management took important strategic steps to insure our future growth.

Recognizing the need to participate in the important "big data" market opportunity, early in the year we acquired the German company, ascention GmbH with consulting experience in this arena. Unfortunately, the expected short-term payoff was sidetracked, with a negative impact on our financial results. Another setback was the termination of our contract by CBS Interactive (C-net) without any warning. Our targets included $ 1,25mln of revenue. Our successful joint program for the last years allowed them to assess the opportunity, with the apparent consequence that they will build rather than buy. In a way, this supports our view that Content Syndication represents a strong business opportunity.

There were several positive activities, both strategic and tactical, to provide the foundation for profitable growth.

In order to seize the Content Syndication opportunities we repackaged our solution in a modular approach with standard pricing, opening the market to a larger audience. We implemented a worldwide marketing and sales program to generate leads, which resulted in a large sales funnel. As a result we signed contracts with companies such as Infor, Barracuda and Imation.

In our E-Commerce suite, we delivered on time the largest project with T-Mobile.

We enhanced our Integration solution in Europe with SmartBridge recognizing the demand of important Hub customers. Migrating our customers from license to SaaS (Software as a Service) is on target. This will ensure profitable revenue in the future.

TIE Kinetix has been recognized again as an important technology leader by being appointed as a technology provider for several new EU projects.

Now that our landscape is clearer, we have unique opportunities to grow in all of our solution segments. We are well positioned to implement our strategy in the geographic markets we serve with well-qualified and motivated teams. Germany is our next major market, and we have made the TFT acquisition the lightning rod for our growth.

Thank you for your continued support, especially during this challenging year. I look forward to meeting you at our next Annual meeting.

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.

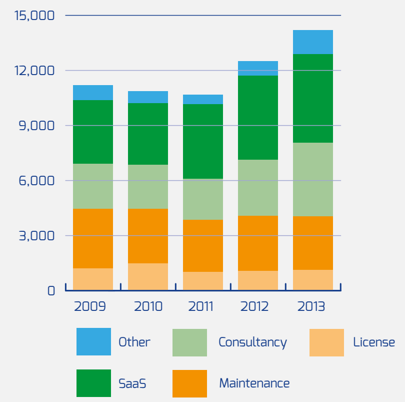
2012 Acquisition of ascention GmbH expanding geographical coverage and adding skills with respect to business intelligence solutions.

2013 Acquisition of Tomorrow Focus Technologies GmbH (TFT) expending coverage in Germany with respect to web business performance, user experience, E-Commerce strategy, consulting and hosting.

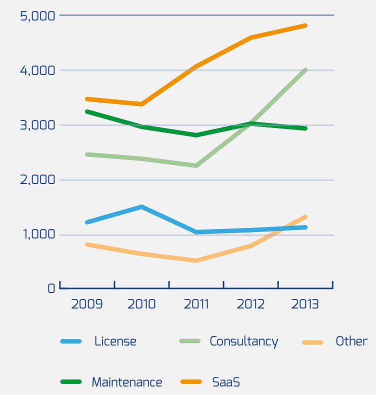
Key Business Metrics – Financial Year 2013

(€ X 1,000)

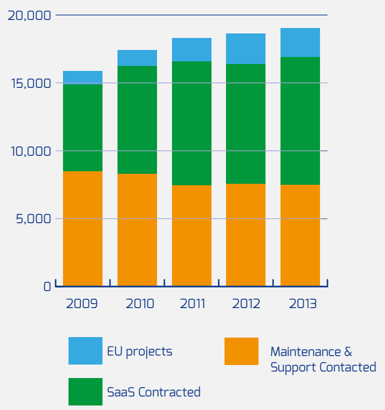
Revenue Mix Total 2009-2013



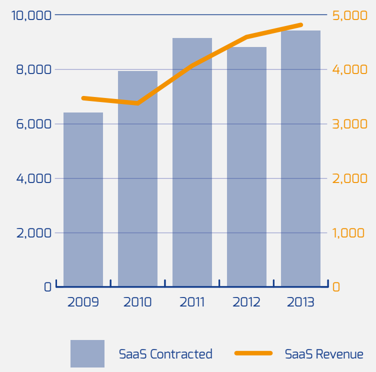
Revenue Mix 2009-2013



3yrs Contracted Value Projection 2009-2013



SaaS 2009-2013



Our Vision

Market, Sell, Deliver and Analyze through the supply chain via the web

Our Total Integrated E-Commerce 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 back office fulfillment, 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 Content Syndication, (Web-Shop) E-Commerce, Supply Chain oriented B2B Integration and Business Intelligence.

For 2014 we predict the following market developments:

The fast moving mobile and social world of E-Commerce

Last year, according to eMarketer[1)], 33.7 million Americans used a tablet device at least monthly; by 2014, the number will rise to nearly 90 million — one in three of all Internet users. More than 60 percent of 25-34 year olds now own a smartphone. And more than one billion people worldwide are connected via Facebook. When it comes to shopping, these connected consumers increasingly turn to the device closest at hand. While PCs and laptops are still the most widely used channel for browsing and purchasing, tablet and smart phone shopping is on the rise. E-Commerce solutions must support web, mobile, tablet, call centers, and in-store touch points.

Content drives marketing, branding & sales

“Content Marketing,” is a growing area of focus for both B2C and B2B marketers. Many companies now see content marketing as a way to generate direct sales, especially in the world of business-to-business marketing. A study conducted by B2B Magazine[2)], identified content marketing (51%) as being the most important tool for generating leads, outscoring brand awareness (38%), thought leadership (34%) and sales (29%).

Buyers are hungry for content and are less influenced by marketing messages. Instead, they prefer to select and consume content on their own terms. They want content created for their particular interests delivered to them when they need it across more diverse platforms than anyone could have ever imagined. The main goal of content marketing is to drive deeper customer engagement, and to do so earlier in the buying process.

Creating a message that is consistent in all marketing and sales material and across the different departments is essential for an organization but it is not a common practice. It’s hard enough to align marketing and sales within a company to get them speaking the same language - let alone broadcasting a unified message to the outside world. This challenge becomes herculean when the sales force is not part of the same organization and the company sells through independent resellers.

The growing importance of content to drive marketing, sales and branding, means organizations must create the right content and deliver it via multiple touch points to ensure a consistent end-user experience and maximum conversion rates.

Big Data is changing the game

The premise is simple: big data has the power to fundamentally change almost everything we do. However, the mountain of data that businesses collect from consumers is only powerful if it is analyzed, put into context and acted upon. The big data trend we have seen take hold in other areas of the enterprise is making its way to channel marketing and sales. Dealing with “Big Data” is a challenge for many marketers, but its rise in importance is pushing more and more to use it. If marketing managers can create a big data capability to capture, analyze and predict customer behavior, they can fundamentally change not only how marketing is done, but how it interacts with other aligned corporate functions.

1) eMarketer, Nov 21, 2011. eMarketer covers digital marketing, media and commerce, offering insights essential to navigating the changing, competitive and complex digital environment.
2) B2B Magazine, Dec12, 2012. Content Marketing: Ready for Prime Time

In addition to developing an integrated experience for content marketing, organizations will be best served by sourcing a solution provider with a business intelligence product that can help provide a 360 degree view of sales. With systems and processes that enable integration and automation of their business throughout their internal and external facing systems and customer touch points, companies will have greater intelligence and insight - and ultimately stronger sales.

The power of decision-making is shifting and CMO's choose cloud-based solutions

According to Gartner, six out of ten chief marketing officers – and not their IT managers – decide on which IT solutions their company uses. The marketing department is turning into a technology purchasing department.

Marketers are looking to break free of anything that encumbers the execution process and they see IT as bureaucratic, inflexible and slow to respond to fast moving market needs. This costs time, money and ultimately customer conversions. Marketers see SaaS based solutions as innovative and scalable. With the economies of scale, SaaS providers will always outpace innovation in the market because they act on trends before individual organizations / traditional software delivery mechanisms can put these features in play. Marketers want to focus all their effort in driving new business, not defining what needs to be there to execute their mission. SaaS platforms give them freedom, agility and availability to move at the pace of business.

Integration will accomplish a seamless experience across channels

A critical issue for the E-Commerce adopter is integrating the activities after the buy button is pressed. E-Commerce solutions must:

» Integrate with an organization's ERP system (so data can be analyzed and incorporated as a marketing research tool)
» Work together seamlessly in real-time to exchange information without duplicating the content or data
» Be able to merge and normalize data and content sources, both from internal and 3rd party sources like content providers and suppliers
» Deliver the right content at the right time across all possible touch points to create a consistent end- user experience.

Think Total Integrated E-Commerce, think T.I.E.

TIE Kinetix believes it is well positioned in this dynamic and fast changing market, since TIE Kinetix can offer end-to-end software solutions along the supply chain to facilitate a Total Integrated E-Commerce experience for both businesses and their customers.

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, improve productivity, and provide economic vitality to the supply chain.
Leading:

» Speed and Timeliness.
» Quality and Accuracy.
» Traffic and Intensity.
» Reach and Exposure.
» Analytics and Insights.

Speed and Timeliness

Speed and timeliness are decisive factors to determine the competitive advantage for businesses active in the E-Commerce environment. By offering solutions that can create this competitive advantage for customers, TIE Kinetix contributes to the customers' success and distinguishes itself from the competition.
The TIE Kinetix Integration Platform has one of the fastest data translators in the industry. The Content Syndication Solution is unique in that the updates are processed real-time from one single source.
TIE Kinetix E-Commerce solutions have one of the fastest time-to-market for new solutions and of processing updates.

Quality and Accuracy

In the enormous quantity and load of data and content traffic below the surface of digital processes, quality and accuracy of data and content processing are considered a common good.
TIE Kinetix continuously strive for the best quality in terms of data and content processing, transfer and integration.

With over 25 years of experience in the field of Integration, TIE Kinetix has generated a huge knowledge base and expertise in mappings and is therefore able to connect and integrate any front- or back-office system in a relatively short amount of time. Content Syndication and Integration solutions assure consistent quality and accuracy of content and data throughout the supply chain. In addition to the basic functionalities of a webshop, the TIE Kinetix E-Commerce solution can be seamlessly integrated with other front- and back-end solutions.

Traffic and Intensity

TIE Kinetix believes that its solutions need to be flexible and scalable in order to manage and to handle the continuous growth of traffic and intensity of content, transaction and data processing. TIE Kinetix solutions are developed with this philosophy in mind.

TIE Kinetix solutions are not bounded to traffic, processing or storage capacity. TIE Kinetix solutions are all hosted in the cloud as additional capacity can be added where deemed necessary.

Reach and Exposure

With the growth of E-Commerce, in the widest sense of the word, reach and exposure for businesses operating within the digital world becomes more and more important. For these businesses it is of critical importance that company information is at any time consistent, up-to-date and moreover easy to manage across the different layers within the E-Commerce supply chain.

TIE Kinetix Content Syndication Solution is unique, the updates are processed real-time across the supply chain, from one single source. Integration of multiple TIE Kinetix solutions creates more flexibility, opportunities, reach and exposure through the entire connected E-Commerce chain.

Analytics and Insights

Knowing the right numbers and having the right reports, e.g. data warehousing (DWH), allow companies to plan their strategic direction.
Predictive analytics and insights with respect to E-Commerce performance optimizes conversion of content, leads and transactions and contributes to a company's success.

With TIE Kinetix Business Intelligence solutions, TIE Kinetix can provide valuable business insights and analytics across 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 buy minimizing the energy needed to market, sell, deliver and analyze online. Customers and partners utilizing TIE Kinetix consistently benefit form innovative, field tested technology and are able to remain focussed on their core business. TIE Kinetix developes 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 platforms, together called TIE Kinetix, enable trading partners to work seamlessly together on the major business processes throughout the supply chain: market, sell, deliver, analyze.
TIE Kinetix minimizes the energy needed in the supply chain to maximize revenue. Our Content Syndication Solution gives channel members a flexible way to provide, share and control information and content throughout the channel to maximize conversion in leads and transactions. Our E-Commerce platform delivers solutions that facilitate web-based transactions in the supply chain. Our Integration platform enables trading partners to effortlessly provide, share and control the fulfillment of transactions within the supply chain. Our Business Intelligence solutions help our customers to optimize the value and revenue of their online business. To optimize our long-term revenue we will stress our marketing and selling efforts via SaaS and Managed Services.

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 directed at specific markets, where our solution has been successful. These include, 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 several 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 Research & Development (RDI) has worked in key topical areas such as SaaS, Cloud, Mobile, Semantics, and Interoperability in vital technologies.

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

Last but not least, as a technical IT company we continuously build our competence and our quality on an organizational and individual level. We believe with competence and quality, in addition to IT solutions, we can be of added 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: Content Syndication Solutions**

2 **Sell with: E-Commerce Solutions**

3 **Deliver with: Integration Solutions**

4 **Analyze with: Business Intelligence Solutions**

An integration of the four software suites together forms the Total Integrated E-Commerce Solution.

TIE KINETIX
total integrated e-commerce
Reach and Exposure
Market
Analytics and Insights
Analyze
Quality and Accuracy
Deliver
Timeliness and Speed
Sell
Traffic and Intensity


TIE KINETIX
total integrated e-commerce
Market
Analyze
Deliver
Sell

Market

Content Syndication Solutions

Business Proposition
To manage rich digital marketing materials and distribution from one online single source

Revenue Model
SaaS & Consultancy (implementation)

For the purpose of
Companies in the B2B E-Commerce market with large number of intermediaries

Markets (& Geographies)
Consumer Electronics (Global)
Insurance Industry (US, EU)
Publishers (US, EU)
Telecom (Global)

Our Partners:

Showcases:

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Sell

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E-Commerce Solutions

Business Proposition

TIE Kinetix delivers:

» Webshop back-end solutions with full back office integration
» Multi-channel and white label E-Commerce solutions
» The combination of TIE Kinetix marketing solutions with its sales solutions

Revenue Model

SaaS & Consultancy (implementation)

For the purpose of

B2B & B2C Webshops

Markets (& Geographies)

Telecom (NL)
Distributor (NL)
Fashion (NL)

Our Partners:

Showcases:

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Deliver

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Our Solutions

Integration Solutions

Business Proposition
For seamless collaboration and synchronization of any data between internal and external systems (webshops, accounting systems, logistics etc.)

Revenue Model
SaaS, License (in combination with Managed Services) & Consultancy

For the purpose of
B2B Integration Software

Markets (& Geographies)
Food & Beverage (US, EU)
Government (NL)
Lawyers, notary and bailiffs (NL)

Our Partners:

EPICOR
TWZ
CGS Computer Generated Solutions

Showcases:

MEDIQ APOTHEEK
sodexo
REVLON
Zippo


TIE KINETIX
total integrated e-commerce
Market
Analyze
Deliver
Sell


Analyze

Our Solutions

Business Intelligence Solutions

Business Proposition
(Predictive) Business Analytics on top of TIE Kinetix's marketing, sales and deliver solutions

Revenue Model
License, SaaS & Consultancy

For the purpose of
To enrich TIE Kinetix's solutions

Markets & Geographies
Across all existing markets in the DACH region

Our Partners:

Advanced Business Partner IBM

Microsoft

Showcases:

Daimler TSS Enabling Excellence

TIE Kinetix Subsidiaries & Offices

Offices
TIE Kinetix has different offices around the globe to serve the region, the most important regions are:

» US
» France
» The Netherlands
» DACH Region

On October 1, 2013, TIE Kinetix has about 121 employees:

» About 51% of all employees is based in the Netherlands.
» About 29% of all employees is based in the US.
» About 8% of all employees is based in France.
» About 10% of all employees is based in Dach region.
» About 2% of all employees is based in the ROW

1

TIE Commerce Inc – US (St. Paul)
Number of employees: 11 FTE
Activity: In the St. Paul office TIE Kinetix has 11 employees working. The St. Paul office services TIE Kinetix Integration clients, with respect to product support and maintenance.

2

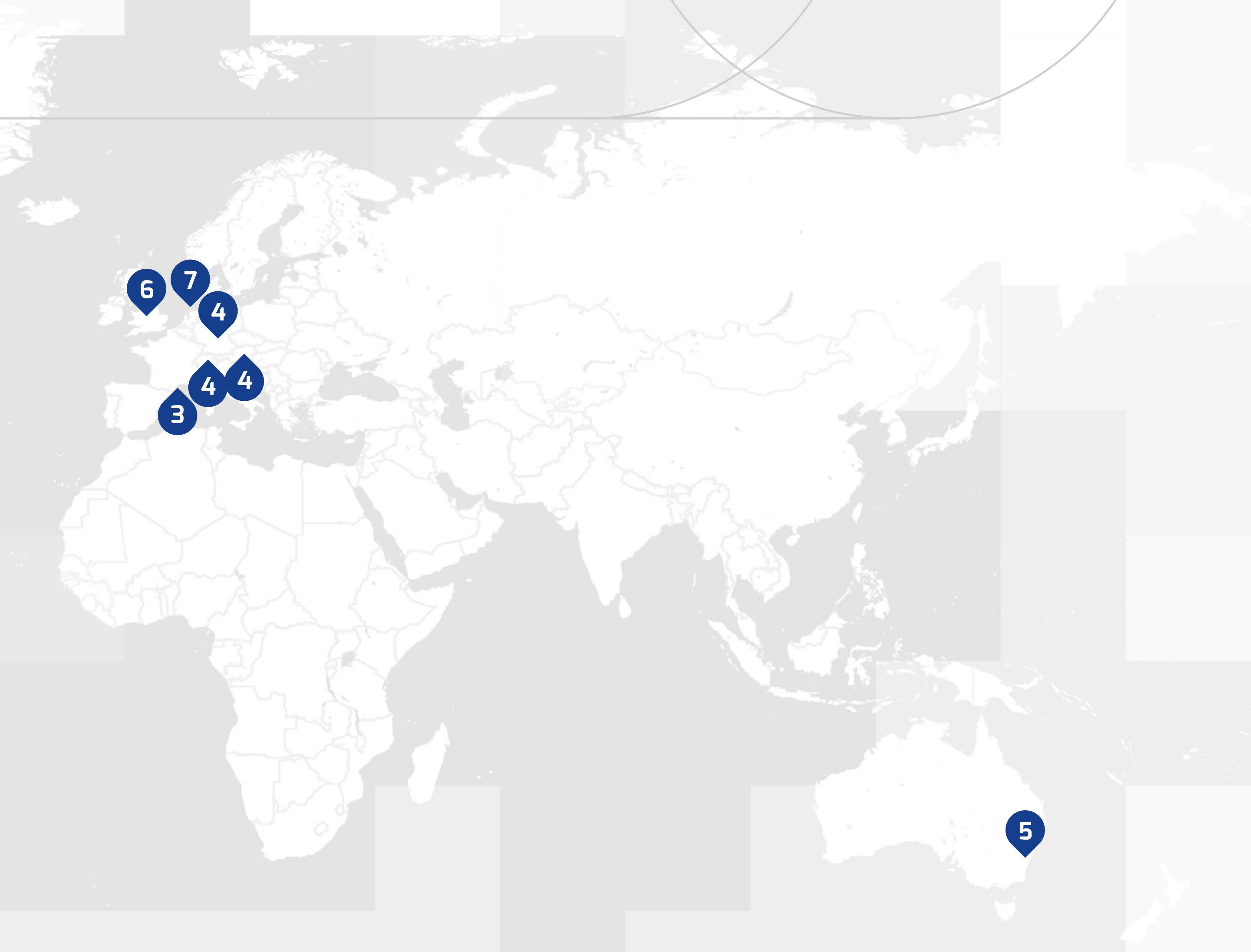
TIE Commerce Inc – US (Boston)
Number of employees: 24 FTE
Activity: The Boston office serves primarily the E-Commerce and Content Syndication market in the US and also harbors TIE Kinetix sales and marketing and technical development team for respectively worldwide and the content syndication platform. Part of TIE Kinetix management is also stationed in this office.

3

TIE France SAS – France
Number of employees: 10 FTE
Activity: In France TIE Kinetix has 1 office in Montpellier for its support team and sales operation.

4

TIE ascention – Austria, Switzerland, Germany GmbH
Number of employees: 12 FTE
Activity: TIE ascention continues its operations in the DACH region and works closely together with TIE Kinetix to sell TIE Kinetix solutions in the DACH region.



5

TIE Asia-Pacific Ltd. – Australia
Number of employees:
1 FTE
Activities: Representation office for the Asia-Pacific clients.

6

TIE UK – United Kingdom
Number of employees:
1 FTE
Activities: Representation office for the UK clients.

7

TIE Nederland B.V. / TIE International B.V. / TIE MamboFive B.V. / TIE Kinetix N.V. - The Netherlands (Breukelen)
Number of employees: 62 FTE
Activities: Headquarters - Administration office (Legal, HRM) - TIE Kinetix Management - Sales and operations (Integration, E-Commerce, CSP) - Research & Development team.
In 2013 TIE Kinetix merged its three Dutch offices into one new headquarters located in Breukelen. By bringing all employees together, all Dutch employees are now able to work more closely together, saving on travelling between the offices, and truly becoming one ‘totally integrated’ team.

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Organization Chart

The Executive/Management Board

Chief Executive Officer:
Mr. Jan Sundelin

Chief Financial Officer:
Mr. Michiel Wolfswinkel

TIE Kinetix Management Team

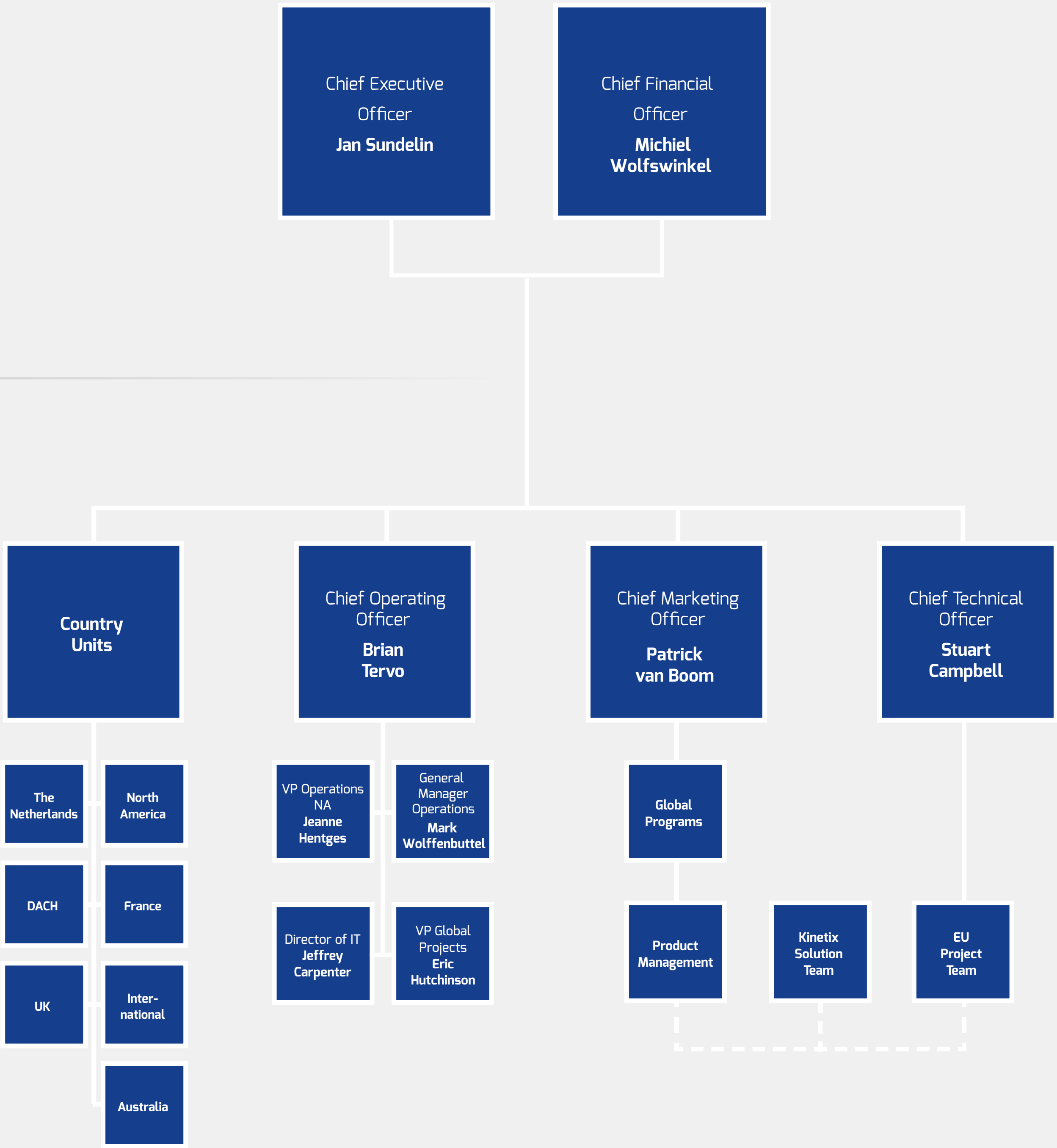
Chief Operating Officer:
Mr. Brian Tervo

Chief Marketing Officer:
Mr. Patrick van Boom

Chief Technical Officer:
Mr. Stuart Campbell

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

Corporate Management Structure



Management Board

The Supervisory Board

The Supervisory Board

The role of the Supervisory Board is to exercise supervision over the policies adopted by the Management Board and over the general conduct of business of the Company as well as to assist the Management 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, originaly a TU/e research Centre, which was dedicated to advising companies and government institutions on the application of ICT 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.

P.P. (Peter) van Schaick

Gender: **Male**
Date of birth: **January 6, 1955**
Nationality: **Dutch**
Principal position: **CEO, Alto Imaging Group N.V.**
Other relevant positions: **None**
Date of initial appointment: **May 2007**
Current term of office ends: **May 2015**
Supervisory Board memberships of other public companies: **None**

Peter van Schaick had several senior financial management positions for both Dutch and international companies. In 1987, he became Financial Director of QMS Europe B.V., a distributor of laser printers for the European market. In 1995, he put together a management buy-out and in 1999 successfully sold the company to Konica-Minolta. Since then he has been active as a private investor in Objectif Lune Inc, TIE Kinetix N.V., and Alto Imaging Technology Inc.

The Management Board

Chief Executive Officer

Jan 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 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 Management Board 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 Management Board: **February 14, 2007**
Date of announcement reappointment as member of the Management Board: **March 23, 2011**
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 Management Board

Michiel Wolfswinkel
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. 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 moved through the ranks of financial management and taking restructuring assignments and increasingly complex mergers and acquisitions roles.

For AT&T / Unisource he negotiated several joint ventures in Poland, Czech and Hungary, and a complex carve out transaction with Vivendi in France. 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 N.V. and Qurius N.V., 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 2013 (October 1, 2012-September 30, 2013).

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 ability to attract and retain qualified management and personnel;
- TIE Kinetix ability to successfully complete ongoing research & development efforts;
- TIE Kinetix ability to integrate acquisitions and manage the continuous growth of the company;
- TIE Kinetix ability to anticipate and react to rapid changes in the market.

Many of these factors are beyond TIE Kinetix 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 Supervisory Board we on one hand advice 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 Management Board. In 2013, the Supervisory Board met 9 times and no board members were absent.

Organizational aspects

The Supervisory Board currently consists of three members. Two of these members are considered independent. The third member, 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 N.V. (through Jalak Investments B.V.) 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. Notwithstanding the forgoing, 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 in the annual operating plan. 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 2013. The Supervisory Board monitored the cost structure of the Company and advised the Management Board on all 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.

The corporate risk profile and the internal risk management and control system

The Supervisory Board discussed the Company's risk profile with the Management Board. The Supervisory Board recognizes that the risk profile of TIE Kinetix is adequately understood, monitored and acted upon by the Management Board. The Supervisory Board insists on systematically monitoring the consequences of the financial crisis very closely. 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 October 1, 2012 TIE Kinetix has completed the acquisition of ascention GmbH; with this acquisition the Company obtained Business Intelligence activities in Germany, Austria and Switzerland. In 2013 TIE Kinetix was in the opportunity to further strengthen its presence in this region through the acquisition of 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 solutions and services but also in the sharing of competence and supply relations. For next year the focus will be on the integration of TFT into the TIE Kinetix organization.

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 Ernst & Young, both with and without the Management Board being present. The Supervisory Board closely followed whether the advices of the external auditors received a proper follow up by the Management Board.

Meetings of the Supervisory Board

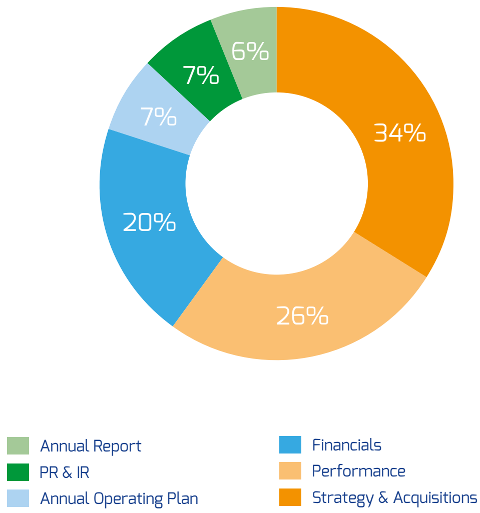
In 2013, the Supervisory Board met nine times. In most cases board members were present. The

Report from the Supervisory Board

chairman advised on RDI aspects during five meetings and several Skype sessions. Moreover he had several meetings with the CEO. Various meetings of the Supervisory Board have been dedicated to the profile, the selection process and recruitment of the new member of the Executive Board holding the CFO portfolio. The Supervisory Board has also been closely involved in the acquisition of Tomorrow Focus Technology GmbH and has dedicated several meetings to this process.

The Supervisory Board Meetings financial year 2013

During the course of these meetings, the Supervisory Board evaluated the performance of the Management Board. Hereunder the key aspects that were discussed during the year:
Number of meetings: 9



Highlights

16 October 2012

- Special session devoted to the AOP 2013

20 November 2012

- The performance of the different business lines of TIE Kinetix are discussed as well as the financials.
- The acquisition strategy and update of the potential candidates are discussed.
- The corporate strategy has been evaluated in terms of policy and risks.
- The Supervisory Board evaluated its function.

15 January 2013

- Special meeting discussing a proposal for a reverse stock split and related matters.

12 February 2013

- The results of the first quarter were evaluated versus the AOP 2013.
- The performance of the different business lines of TIE Kinetix are discussed as well as the financials.
- Also the work on the operational infrastructure and the progress in the RDI team were evaluated. The final decision on the reverse stock split was taken.

7 May 2013

- The performance of the different business lines of TIE Kinetix are discussed as well as the financials.
- During a special meeting, the Supervisory Board members have developed a proposal to extend the Management Board with a CFO. This proposal was discussed in great length. The profile of the new member as well as the process to hire the CFO was discussed and decided upon.

28 May 2013

- Results Q2 were reported and evaluated in view of the AOP.
- The performance of the different business lines of TIE Kinetix are discussed as well as the financials. The results of some business lines are lacking behind. Options to improve the situation were discussed.

27 June 2013

- A proposal to revise the Articles of Association was discussed.
- All business processes were evaluated in great detail, based on a special analyses reported by the CFO.
- Status of hiring a new CFO was reported.
- The results of recent activities on mergers and acquisitions were discussed.

6 August 2013

» Results Q3 were reported and evaluated in view of the AOP.
» The performance of the different business lines of TIE Kinetix are discussed as well as the financials.
» Continuation discussion of the results of the analysis of TIE Kinetix business processes.
» Status of hiring a new CFO was discussed.

18 September 2013

» The status of acquisition of TFT was discussed in great detail.
» Budget 2014 was presented and discussed.

Compensation Policy

The Compensation Policy outlines the terms and conditions for the member of the Management Board of the Company. The objective of this Compensation Policy is to provide a structure that retains and motivates the current member of the Management Board by providing a well-balanced and incentive based compensation.

According to article 135 of book 2 of the Dutch Civil Code, the General Meeting of Shareholders will determine the Compensation Policy. 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 member of the Management Board.

Term of appointment

» A member of the Management Board will be appointed for a maximum period of four (4) years. On expiry of the four-year term, a member of the Management Board may be reappointed for successive terms of four years each.

Termination of employment

» The contract with the members of the Management Board includes an arrangement on the notice period required to terminate the contract.
» The contract with a member of the Management Board will not be renewed or will be terminated if the member of the Management 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 contract with the member of the Management Board do not apply, the member of the Management Board will be entitled to a severance payment.

Severance Package

» The members of the Management Board have been offered a severance package with a maximum of one (1) year's salary.

Remuneration

» The remuneration of the members of the Management Board may comprise ofthe 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 option based on the realization of long term targets.

The salary includes base salary, holiday allowance, pension arrangements and lease vehicles. The member of the management board does 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 Management 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 Management 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 Management 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 individual members of the Management Board, based on a long term operating plan. These performance targets reflect the individual

Report from the Supervisory Board

responsibilities of the member of the Management 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 Management 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 Management 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 reviewed the performance of the members of the Management Board and decides whether the performance targets are met and therefore a member of the Management Board should receive his bonus. The Supervisory Board may take special circumstance into consideration in determining the achievement of the targets.

Shares

» The members of the Management 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 Management Board, are long-term investments.

Loans

» The Company does not grant its Management 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 request to amend the Compensation Policy at the General Meeting of Shareholders held on March 14, 2012. Additionally, the Supervisory Board did not adjust the base salary of Mr. J.B. Sundelin (€ 216k). The remuneration (€ 247k including expenses and 2012 bonus, 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. Given the fact that the operating income lies below the lowest scale, the CEO is not entitled to receive a bonus. The Compensation Policy including bonus arrangement and the bonus for financial year 2014 will be discussed at the next General Meeting of Shareholders.

The remuneration of the Management Board is disclosed in detail on page 111.

A.F.L. Veth

Chairman Supervisory Board, TIE Kinetix N.V.

Report from the Management Board

Developments and achievements in view of the set targets and priorities

Achievements of the last few years

Established new Content Syndication business in the US.
Made the transition to a SaaS company.
Established E-Commerce business in new markets outside telecom, food retail and office supplies distributor.
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 2013

TIE Kinetix very successfully repositioned its CSP offering into a modular approach
TIE Kinetix successfully completed a major upgrade program for all integration accounts (eVision 6, SmartStart and SmartBridge).
TIE Kinetix added third party products to the integration solution to expand value and faster ROI with Medius, portal and free connect.
TIE Kinetix changed the name from TIE Holding N.V. to TIE Kinetix N.V.
TIE Kinetix executed a reverse stock split

Accountability of set targets and priorities for 2013

Accountability of set targets and priorities for 2013

In 2013, similarly to last year, TIE Kinetix target was to realize sustainable and profitable growth. We continue to focus on selling our Solutions 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 2012, our ambitions were the following goals for 2013:

Secure and expand channel partner relations	Executed
Maintain high quality performance on large accounts while mitigating customer dependency through executing diversification strategy	Successful
Execute upgrade program for existing customers	Successful
Expand sales of TIE Kinetix Solutions in the DACH region	Not successful
Expand footprint in France (open up Paris office)	Successful
Improve efficiency of the Netherlands operations through combining resources	Executed
Improve our global marketing and sales approach	On going

In order to achieve our goals TIE set the following priorities for 2013:

Consolidate all operation into one Global Operation Team in order to maximize customer satisfaction	Successful
Grow E-Commerce outside the Netherlands	Not successful
Close major deals, one per quarter	Successful
Develop standardized packages in Content Syndication, E-Commerce and Integration	On going
Develop a unified TIE Kinetix Total Integrated E-Commerce solution	On going
Further expand sales of TIE Kinetix solutions and the [R]evolution software in the DACH region	Not successful
Complete organizational integration of TIE Light	Successful
Complete organizational integration of TIE ascention	Not successful
Resolve the Samar case	On going
Investigate an employee share plan	On going
Execute a Reverse Stock Split	Successful
Change the name TIE Holding N.V. into TIE Kinetix N.V.	Successful
Implement ISO 27001 for our SaaS offering	On going
Grow content syndication business in the US	Successful
Grow customer satisfaction large accounts in the Netherlands	Successful

Report from the Management Board

Review 2013

We look back at 2013 as a tough year for TIE Kinetix. Although we commercially did not achieve all our goals, operationally we did make significant progress. In France, we had a good year thanks to non expected revenue and we are able to grow revenue with less manpower. But in Germany, our performance fell short of expectation. Even with the help of our reseller TWZ we did not reach our targets. In the summer TIE Kinetix lost a top 3 account, our largest Content Syndication reseller in the USA, called C-net. It turned out that TIE Kinetix was the victim of its own success. CNET was so satisfied with our product that it decided to use the knowledge gained with TIE Kinetix product to develop a similar product in-house. As a result of losing such a large ticket account, we decided to accelerate our diversification strategy. We developed our offering into a modular approach and are using this modular approach to recoup the business lost with CNET. This program is now running quite successfully. We closed many new accounts direct via our new module approach and expect to be recovering the setback from C-net and get significantly more traction with our Content Syndication business.

Our E-Commerce operations have merged together in the Netherlands and as a results TIE Kinetix is now able to support multiple accounts and grow in to new geographical markets. This was a significant change for our operation team in NL but it did leave us a bit short in E-Commerce revenue for the year. TIE Kinetix Smart Bridge solutions are very stable for larger HUBs and our upgrade program is working according to plan. We delivered our largest E-Commerce project on time which will be a show case for TIE Kinetix in the coming years.

In the EU development project we have been able to score new projects in line with our product development to grow to a total of € 3mln funding for the coming 3 year. This will be the basis for future product development. For the first time in TIE Kinetix history we are close to introduce our first EU build product the Smart Integrator a new mapping tool for all our solutions.

In all fairness, we are not happy with our 2013 performance in terms of revenue and net result. For 2014, we must do better. We are committed to show revenue growth and at the same time move back in to structural profit. For 2014, cost control and operationally efficiency are high on the company agenda. We strive to centralize operations to utilize technical and staff people for all markets maximize output and minimize cost.

Integrated Report

TIE Kinetix attaches great importance to Corporate Social Responsibility (CSR), which is an essential component of our business strategy. In this, the first integrated Annual Report, we made a start in providing 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, 2013 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, 2013 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.

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

	2013	2012	Δ 2012
Income Statement			
Total Revenue	14,293	12,494	14%
Third Party Hire	(736)	(167)	341%
Direct Purchase Costs	(1,422)	(1,088)	31%
Total Operating Expenses	(13,355)	(10,617)	26%
Non-Recurring expenses included in Operating Expenses	(551)	(219)	152%
Operating Result	(1,220)	622	-296%
Net Income	(1,280)	652	-296%
Balance Sheet			
Shareholders' Equity	4,044	5,357	-25%
Equity	4,089	5,402	-24%
Balance Sheet Total	9,024	9,082	-1%
Solvancy Ratio	45%	59%	-24%
Cash flow from operating activities			
Cash flow from operating activities	696	1,030	-32%
Normalized Net Cash Flow from operating activities	1,247	1,249	0%

The net result for 2013 totaled to a loss of € 1,280k, compared to a profit of € 652k in 2012. Total Revenue 2013 increased with 14% compared to 2012. Operating expenses 2013 increased by € 2,738k compared to 2012. Cash Flow from operating activities is € 696k (2012: € 1,030k), the normalized Net Cash Flow 2013 from operating activities is € 1,247k, see page 113.

Shareholders' equity decreased by € 1,313k amounting to € 4,044k on September 30, 2013 (2012: € 5,357k). Equity decreased to € 4,089k at 2013 year end from € 5,402k at 2012 year end, including Convertible Bonds amounting to € 45k per September 30, 2013. No additional funding was attracted during the year.

Report from the Management Board

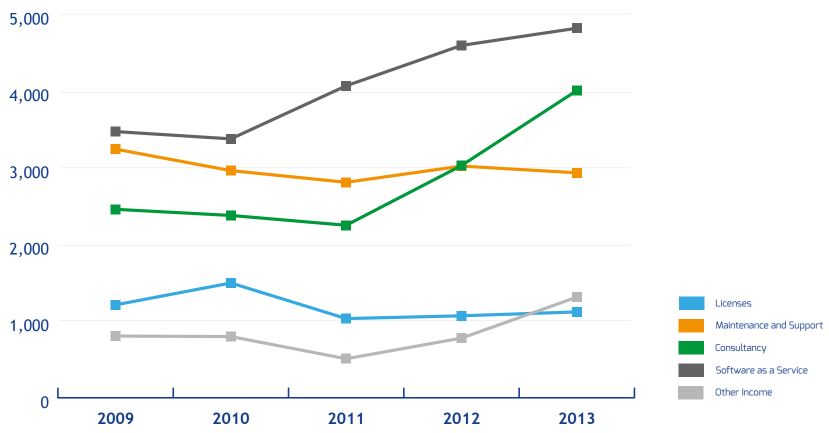
Revenue Analysis

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 2013 - 2012

Total Income and Income Net of Direct Purchase Costs	**2013**		2012	
Licenses	1,220	8%	1,069	9%
Maintenance and Support	2,934	21%	3,022	24%
Consultancy	4,007	28%	3,029	24%
Software as a Service	4,820	34%	4,596	37%
Revenues	**12,981**	**91%**	**11,716**	**94%**
Other Income	1,312	9%	778	6%
Total Revenue	**14,293**	**100%**	**12,494**	**100%**
Third Part Hire	(736)	(5%)	(167)	(1%)
Direct Purchase Costs	(1,422)	(10%)	(1,088)	(9%)
Revenue net of Direct Puchase Costs	**12,135**	**85%**	**11,239**	**90%**

Figure: 5-year development of revenue for the period 2009-2013



The figure shows that revenue of Software as a Service (SaaS) is growing and has become the single largest revenue driver over the last years. Revenue out of licenses decreases as a result of the management's efforts to make the transition to a SaaS company in line with the strategic direction. The growth of our SaaS revenue does improve the quality of our revenues and fits our goal to generate sustainable revenue stream.

SaaS pertains to all hosting, webEDI (TiedByTIE), EDI Managed Services and Value Added Network services; all part of the 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 Content Syndication 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 bases. Maintenance and Support is the annual maintenance fee for maintenance/updates of sold licenses. As the volume of new sold licenses decreases over the years, the Maintenance and Support revenue decreases slightly due to terminated contracts and/or customers shifting to SaaS.

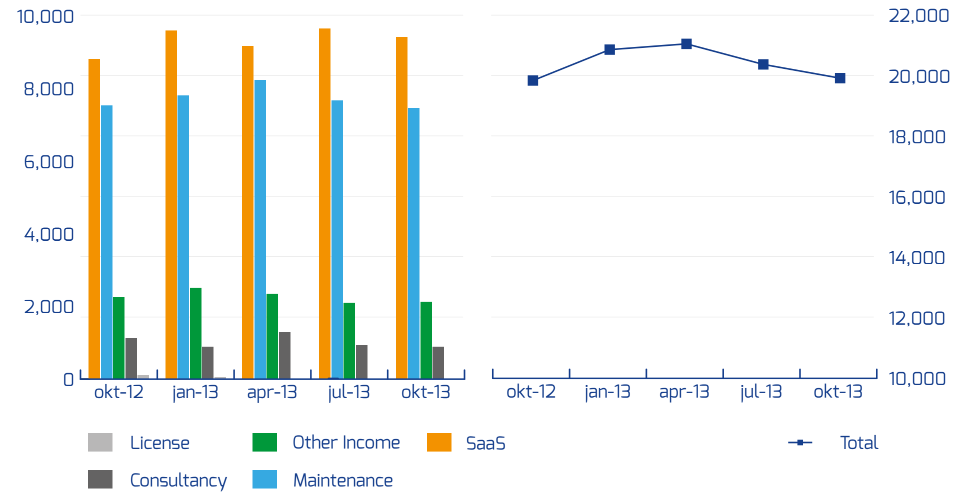
Consultancy Revenue has increased in financial year 2013 compared to financial year 2012, since new projects have been acquired, acquisition of TIE ascention and implementation of solutions has been started.

Other income relates to predominantly European Union projects, amounting to € 958k (2012: € 690k). The level of European Union projects varies with the completion of projects and obtaining new projects. Other Income further included an amount of € 297k which was paid by ADEC as penalty for using the TIE Kinetix solution after cancelling the contract, and an amount of € 100k for divested activities from TIE Light; while € 43k related to payment discounts given to customers.

3 years Contracted Value Projection

The Contracted Value is calculated for the next three years, using the following assumptions: SaaS and Maintenance & Support 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 year, the Contracted Value is adjusted based on historical churn rates.

Figure: 3 years Contracted Value Projection



The 3 years Contracted Value Projection stabilized on € 19.9mln (as of October 1, 2013) compared to € 19.8mln as of October 1, 2012.

Following the growth of SaaS Revenue for all TIE Kinetix solutions from € 4.6mln to € 4.8mln in FY2013, the 3 years Contracted Value Projection of SaaS increased from € 8.8mln as of October 1, 2012 to € 9.4mln as of October 1, 2013. The loss of C-net as CSP customer was compensated by new E-Commerce projects and other Content Syndicaton projects. Maintenance and Support Contracted Value stabilized at € 7.5mln as per October 1, 2013 Consultancy shows a decrease from € 0.2mln predominantly due to the disappointing order intake by TIE ascention.

Report from the Management Board

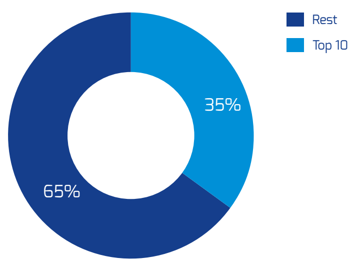
License activities have been included based upon their current contract values.

European Union projects (other income) are included based on the actual contracts and slightly decreased from € 2.2mln as of October 1, 2012 to € 2.1mln as of October 1, 2013.

Customers and Resellers

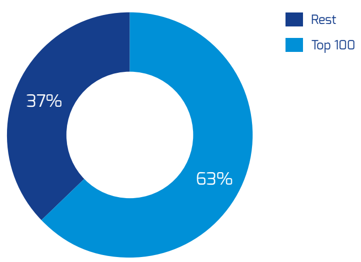
The Top 10 customers contributed to 35% (2012: 29%) and the Top 100 contributed to 63% (2012: 63%) of the sales invoices. The average sales value of the Top 10 amounted to € 459k (2012: € 367k).

Figure: Revenue Breakdown Customers and Resellers 2013



Top 10 Customers and Resellers

Average Revenue of the Top 10 (2013):
€ 459k
Revenue of Top 10 clients as a percentage of Total Revenue: 35%



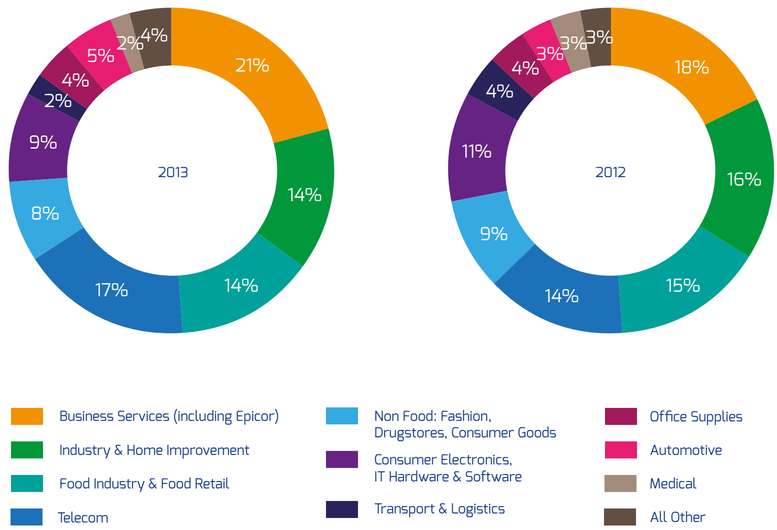
Top 100 Customers and Resellers

Average Revenue of the Top 100 (2013):
€ 84k
Revenue of Top 100 clients as a percentage of Total Revenue: 63%

Highlights in 2013

- October 10, 2012: Court orders Samar to repay € 250K to TIE Kinetix;
- October 15, 2012 : TIE Kinetix is technology provider in European Project ‘ÁRUM’ and receives funding amounting to € 964K;
- October 22, 2012: TIE Kinetix organizes shareholder and investor event on the occasion of its 25th birthday;
- December 10, 2012: TIE Kinetix is technology provider in European Projects SIMPLI-CITY and INTUITEL and receives funding of € 866K;
- January 21, 2013: TIE Kinetix and Singer, De Boer & Partners combine forces to offer E-Commerce solutions to the office supplies market;
- March 12, 2013: Samar requests for Suspension of Payments (‘uitstel van betaling’);
- March 12, 2013: TIE Kinetix assigns SNS as Liquidity Provider;
- March 18, 2013: TIE Kinetix signs four year contract with LeaseWeb to host European infrastructure;
- May 8, 2013: TIE Kinetix launches Social Media Syndication for impactful channel marketing;
- May 22, 2013: TIE Kinetix investor and analyst event;
- June 13, 2013: TIE Kinetix launches Self-Service Content Syndication solution;
- June 26, 2013: eCoast announces TIE Kinetix as their preferred Content Syndication solution provider;
- August 14, 2013: TIE Kinetix appoints new CFO and member of the executive board, subject to shareholder approval;
- September 20, 2013: Court reverses previous ruling on Samar, the case is referred back;
- September 24, 2013: TIE Kinetix selected to empower the Infor partner network with Content Syndication;
- October 11, 2013: TIE Kinetix announces a major acquisition in Germany: expected revenue up with 50%.

Figure: Revenue Breakdown per vertical 2013



Operating Expenses and Non-Recurring Expenses

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

Operating Expenses	2013	As % 2013	2012	As % 2012
Employee Benefits	8,395	63%	7,262	68%
Non-Recurring Expenses	551	4%	219	2%
Depreciation and Amortization Expense	687	5%	632	6%
Reversal of Impairment CSP Trademark	-	0%	(280)	-3%
Impairment of Goodwill, Intangible Assets and Tangible Assets	879	7%	216	2%
Release of Contingent Consideration	(200)	-1%	-	-
Other Operating Expenses:				
Accommodation Expenses	658	5%	535	5%
Professional Services	578	4%	486	5%
Communication Expenses	476	4%	355	3%
Marketing	348	3%	275	3%
Travel Expenses	485	4%	344	3%
Supplies	336	3%	236	2%
General & Administration	162	1%	337	3%
Subtotal Other Operating Expenses	**3,043**	**23%**	**2,568**	**24%**
Total Operating Expenses	**13,355**	**100%**	**10,617**	**100%**

Report from the Management 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 RDI expenses as a percentage of revenue in financial year 2013 were around 13,9% (or 14,6% 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 RDI has worked in key topical areas such as SaaS, Cloud, Mobile, Semantics and Interoperability in vital technologies.

During 2013 various new projects were obtained like Arum, SIMPLI-CITY and INTUITEL.
During 2013, the Company capitalized RDI (including purchased software) for the amount of € 358k (2012: € 394k). 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	2013	2012
Interest Income	2	2
Interest Expenses	(14)	(1)
Exchange gains/(losses)	(2)	3
Total	(14)	4

Impairment/Reversal of impairment of Intangible Assets

Based on the results of the annual impairment test, the Company impaired the Goodwill of the Cash Generating Unit (CGU) TIE ascention for a net amount of € 679k. The major reason for the impairment of TIE Kinetix ascention is that expected new contracts did not materialize, that management did not realize the expected margin improvement and that the operations and sales manager for Austria left the company, whereas requires time to backfill the sales funnel.

The Cash Generating Units are:

- TIE Netherlands (Integration)
- TIE France (Integration)
- TIE Commerce (Integration)
- TIE MamboFive (E-Commerce)
- TIE Kinetix CSP (Content Syndication)
- TIE ascention

As in past years we used a discounted cash flow model to determine the value in use, based on a 15% WACC and 10 years horizon. TIE Kinetix has assessed the assumptions regarding expected growth rates.

Income Taxes

The Company capitalized, based on loss carry forward, an amount of € 353k in the Netherlands and $ 1,290k in the US as deferred tax asset. The Company has in both the Netherlands and the US substantial amounts of loss carry forward. Based on the business expectation for the coming years the Company has reassessed the tax position.

In the Netherlands an amount of € 4.9mln of loss carry forward lapsed as the statutory period for loss compensation did expire. The remaining amount for loss carry forward amounts to € 11.6mln in the Netherlands and $ 2.8mln in the US.

Cash Position

On September 30, 2013, the Company held positive cash and cash equivalents of € 204k (2012: € 747k). The net cash flow from operating activities for the year amounted to € 696k (2012: € 1,030k).

Report from the Management Board

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

Credit Risk

The Credit Risk is discussed on page 86 of this report.

Liquidity Risk

The Liquidity Risk is discussed on page 87 of this report.

Interest Rate Risk

The Interest Rate Risk is discussed on page 89 of this report.

Legal Cases - Samar B.V.

Since December 2007 the Company has been involved in discussions and subsequently in legal proceedings with Samar. All claims in the summary proceedings were instantly dismissed at the court hearing of February 15, 2008. On July 7, 2010, the court of Haarlem unexpectedly granted all claims by Samar. In Q4 of 2010, TIE Kinetix has paid damages. This amount may be adjusted upwards or downwards in the procedure regarding the assessment of the damages.

On October 10, 2012 the High Court decided that Samar needs to repay TIE Kinetix an amount of € 250k. However the High Court dismissed six out of seven grievances submitted by TIE Kinetix. The Company is currently in the process of claiming back the € 250k. As the amount has not been recovered yet, the amount has not been recorded as a receivable in the Company's books. Final settlement may be adjusted upwards or downwards in the procedure regarding the assessment of the damages. In a subsequent court ruling (September 20, 2013) the court decided to reverse the previous ruling and referred the case back to the Court in Lelystad.

Acquisition Strategy

TIE Kinetix strives for long term sustainable growth of the offering of its solutions and services. Such growth implies a strong foothold in the world most important markets. To achieve such a position TIE Kinetix will have grow both organically and through acquisitions. TIE Kinetix 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 set for the coming three years, 2012-2015, by TIE Kinetix management.
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 Management 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

Next year's focus will be our employees. TIE Kinetix management considers its employees the driving force behind the ultimate success of the Company, due to its expertise and know-how. TIE Kinetix also believes that human resources and treatment of the staff are major aspects of corporate responsibility. TIE Kinetix emphasizes that 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.

The workforce of TIE Kinetix is highly diverse and multicultural. 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.

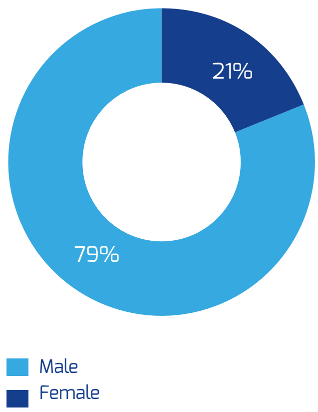
In general TIE Kinetix aims to provide its staff members with safe and healthy working conditions. The absence due to illness in financial year 2013 amounted to 1.3% (2012: 1.1%), which is low compared to the average of 3.22% in the same period for the commercial services sector in the Netherlands (source: Statistics Netherlands/Centraal Bureau voor de Statistiek).

Offering employees in the Netherlands an extra vacation day if they have not been ill during a certain period provides extra encouragement. TIE Kinetix endorses "Het Nieuwe Werken" in the Netherlands, by providing its employees the possibility to balance their private life with their business responsibilities. TIE Kinetix offers flexible working hours and an extensive special leave arrangement.

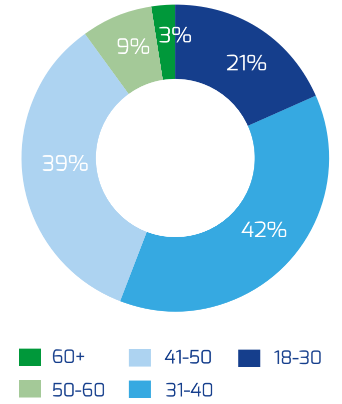
Employee Share Plan

Currently the Company investigates the possibilities of an employee share program and has the intention to put this topic on the agenda of the next AGM.

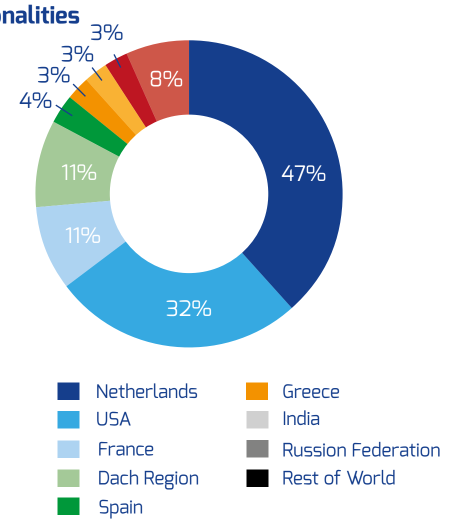
Gender



Age distribution



Nationalities



Employee Demographics

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, Management 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, Management Board member and Supervisory Board member abides by the applicable laws and restrictions. The silent period, in which every employee, executive, specified person, Management Board member and Supervisory Board member is prohibited from trying to execute and/or executing a transaction 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 Management 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

Communication and Engagement with our Shareholders

As in previous years TIE Kinetix has set the following IR objectives:

- Maintain and improve relationships with existing shareholders.
- Increase analyst coverage.
- Increasing geographic coverage.
- Reduce stock price volatility.

During the year various Investor Relations activities have been undertaken:

- On March 13, 2013 a reverse stock split program was executed with the aim to reduce volatility of the stock price;
- TIE Kinetix issued financial guidance (January 30, 2013) which unfortunately had to be revised shortly (April, 26, 2013);
- TIE Kinetix organized an analyst and investor event (May 22, 2013)

All in all, the investor relations activities did not bring what TIE Kinetix expected when we initiated the investor relations program. At this moment the investor climate at the Dutch Stock Market in the Netherlands for shareholders is not very good. Therefore, for 2014 TIE Kinetix will scale down its investor relations ambitions whilst it will continue to focus on improving its operational performance.

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 to 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 FreeConnect 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.

Outlook and Targets for Financial Year 2014

In FY 2009 TIE Kinetix started to reform from a license based company to a subscription model. The focus for the first 3 year was to make seamless transition with minimal impact on TIE Kinetix operating cash flow. At the end of FY 2011 TIE Kinetix largest single source of revenue consisted of SaaS. At the same time TIE Kinetix also targeted to move its product offering focus from a traditional EDI integration company to new high (30%+) growth markets such as web E-Commerce and Content Syndication.

As of end of 2011 both targets were achieved. From that moment onwards TIE Kinetix focus has been to:

- grow its revenue base in existing markets, and
- penetrate new markets with aggressive sales and marketing programs,
- acquire positions in new markets.

While standardizing all solutions that TIE Kinetix is offering. As from 2011 to 2013 the company top line has been growing with 25% even with loss of some lager account top 5 accounts as ADEC in France and C-net worldwide account.

For 2014 our focus will be to:

- Integrate TFT into TIE Kinetix and cross offer solutions and services.
- Continue to offer more standardized solutions in all markets.
- Finalize the ISO 27001 certification for E-Commerce in the Netherlands.
- Grow the 3 year contact value significantly.
- Start offering all solutions worldwide in all our markets.
- Release new versions of Content Syndication, E-Commerce, Integration and Analytics.
- Make up the revenue loss of C-net in Q3 of 2014 with new direct contracts.
- Grow our US revenue.

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.

Financial Calendar 2014

January 22, 2014 until February 12, 2014 - Closed Period
» February 12, 2014: Publication of the Q1 Trading Update
» March 28, 2014: Annual General Meeting of Shareholders

April 30, 2014 until May 21, 2014 – Closed Period
» May 21, 2014: Publication of the 1st half year results

July 23, 2014 until August 13, 2014 – Closed Period
» August 13, 2014 : Publication of the Q3 Trading Update

October 29, 2014 until November 19, 2014 - Closed Period
» November 19, 2014: 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 Management 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 Management 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 Management 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 13, 2013 the General Meeting of Shareholders authorized the Management 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 Objective 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 appointment, discharge and remuneration of the members of the Supervisory Board, material changes of the Compensation Policy, the appointment and the discharge of the members of the Management 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 in the General Meeting of Shareholders by using electronic communication devices. At present the opinion of the Management Board is that, given the size of the Company, the use of such devices will not improve the transparency of the decision-making process.

Structure company bodies

The Company's management and supervision structure is organized in a two-tier system, where the Management Board and the Supervisory Board are independent of each other and are accountable to the General Meeting of Shareholders for the performance of their functions. The members of the Management Board and the Supervisory Board are appointed by the General Meeting of Shareholders. From 2013 on the Management Board has operated in the context of a Management Team, consisting of a Chief Operating Officer, Chief Marketing Officer and a Chief Technical Officer. Thus the company has broadened its leadership team in order to accelerate sustainable growth.

The Company has adopted the rules for large companies ("structuurregeling"). As a result thereof, the Supervisory Board appoints new members of the Management Board. The General Meeting of Share-holders appoints members of the Supervisory Board.

Management Board

The Management 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 Management Board is accountable to the Supervisory Board and the General Meeting of Shareholders. In the performance of its duties, the Management Board is guided by the interests of the Company, taking the relevant interests of all stakeholders into account.

The Management Board performs its activities under the supervision of the Supervisory Board. The Management Board attends the meetings of the Supervisory Board with exception of the meetings focusing on the evaluation of the Supervisory Board and the Management Board and the annual meeting with the external auditor. The Management Board provides the Supervisory Board timely with all information essential for the Supervisory Board to exercise its duties.

Corporate Governance

The Management Board consists of Mr. J.B Sundelin and Dr. M. Wolfswinkel. Dr. Wolfswinkel joined the company as CFO on August 19, 2013 and has been appointed to the Management Board on November 28, 2013. Mr. J. Sundelin, CEO, has been a member of the Management Board since February 2007. His current term will end in March 2015. The remuneration of the members of the Management 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 Management Board is in line with best practice provision II.2.8 of the Dutch corporate governance code.

More information about the remuneration of the Management Board can be found on page 111 of the annual report.

The Management Board avoids (the appearance of) conflicts of interests between the Company and a member of the Management 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 2013, 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 Management Board and over the general conduct of business of the Company as well as to provide the Management Board with advice. The general duties of the Supervisory Board include supervising, monitoring and advising the Management 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 Dr. Ir. A.F.L. Veth, chairman, Mr. P.P. van Schaick and Mr. Drs. E.R. Honée. Further information about the members of the Supervisory Board can be found on page 40 of this annual report. Mr. Van Schaick currently holds 18,9% of the shares of the Company. Therefore Mr. Van Schaick cannot be deemed to be independent as meant in best practice provision III.2.1. of the Code. The other two 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 Management 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 69 of this annual report. On March 13, 2013 the General Meeting of Shareholders approved the remuneration of the members of the Supervisory Board. The remuneration of Mr. Van Schaick 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 2013 the Supervisory Board met nine 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 Management Board. In the financial year 2013, there were no reports on conflicts of interest.

Notes on the Company's corporate governance

All members of the Management 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 Management Board and the Supervisory Board have no other positions than their position within the Company.
Ernst and Young Accountants LLP has been the external auditor of the Company as of the Initial Public Offering in 2000. As explained during the General Meeting of Shareholders of March 13, 2013, the Company will appoint another external accountant from the financial year 2014 on.

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 Management 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 Management Board complete visibility on all transactions that have taken place anywhere within the company and provides detailed reports on revenue costs. It also provides for strong procedures to control purchasing, order fulfillment and support. To all TIE Kinetix employees worldwide, it provides information on policies and procedures, customers and prospects, human resources, assets, documentation and pricing of solutions 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.

Operating since 2004, the My-TIE functionality and design are continuously developed to further improve supporting business processes. My-TIE has also proven to be a very effective instrument of the

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internal risk management and control system. Any shortcomings that come to light as the Management 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 financial year 2013, no material changes have been made to My-TIE.

In view of the above, the Management 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.

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 Management Board makes the following statement:

- The Management 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 Management 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, 2013;
- The internal risk management and control system has worked properly in financial year 2013 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 Management Board has discussed the internal risk management and control system with the Supervisory Board.

Consolidated Financial Statements of TIE Kinetix N.V. for the year 2013

(Notes to the Consolidated Statement of Financial Position from page 77 onwards)

Assets

(€ x 1,000)	Notes	30 September 2013		30 September 2012	
Assets					
Non Current Assets					
Intangible fixed assets	1)				
Goodwill		2,186		2,203	
Other intangible fixed assets		1,754		1,952	
			3,940		4,155
Tangible fixed assets	2)				
Property, Plant and Equipment		453		135	
			453		135
Financial fixed assets	3)				
Loans and Receivables		44		44	
Deferred Tax Asset		1,309		1,396	
			1,353		1,440
Total Non Current Assets			**5,746**		5,730
Current Assets	4)				
Trade Debtors		2,072		1,819	
Income Tax Receivable		21		10	
Taxation and Social Security		14		16	
Other Receivables and Prepayments		967		760	
			3,074		2,605
Cash and Cash Equivalents			204		747
Total Current Assets			**3,278**		**3,352**
Total Assets			**9,024**		**9,082**

Equity and Liabilities

(€ x 1,000)	Notes	30 September 2013		30 September 2012	
Equity	5)				
Shareholders' Equity		4,044		5,357	
Convertible Bonds		45		45	
Total Equity			**4,089**		5,402
Non Current Liabilities	6)				
Loans		171		138	
Deferred Tax Liability		19		34	
Contingent Consideration		44		44	
Provisions		23		18	
Total Non Current Liabilities			**257**		234
Current Liabilities	7)				
Provisions		20		-	
Short Term Debt		160		34	
Trade Creditors		837		530	
Deferred Revenue		1,864		1,646	
Taxation and Social Security, Income tax		294		249	
Other Payables and Accruals		1,503		987	
Total Current Liabilities			**4,678**		3,446
Total Equity and Liabilities			**9,024**		9,082

Consolidated Statement of Comprehensive Income for the year ending September 30, 2013

(Notes to the Consolidated Statement of Comprehensive Income from page 106 onwards)

Revenues (€ x 1,000)	Notes	2013		2012*)	
Licenses		1,220		1,069	
Maintenance and Support		2,934		3,022	
Consultancy		4,007		3,029	
Software as a Service		4,820		4,596	
Revenues			12,981		11,716
EU Projects			958		690*)
Other Income			354		88*)
Total Revenue			**14,293**		**12,494**
Third party hire			(736)		(167)*)
Direct Purchase Costs			(1,422)		(1,088)*)
Gross Profit			**12,135**		**11,239**
Operating Expenses	8)				
Employee Benefits		8,395		7,262	
Non-Recurring expenses		551		219	
Depreciation and Amortization		687		632	
Reversal of Impairment CSP trademark		-		(280)	
Impairments		879		216	
Release of Contingent Consideration		(200)		-	
Other Operating Expenses		3,043		2,568	
Total Operating Expenses			13,355		10,617
Operating Income/(loss)			**(1,220)**		**622**
Interest and other Financial Income			2		5
Interest and other Financial Expense			(16)		(1)
Income/(loss) before Tax			**(1,234)**		**626**
Corporate Income Tax			(46)		26
Net Income/(loss)			**(1,280)**		**652**
Comprehensive Income					
Net Income/(loss)			(1,280)		652
Other Comprehensive Income to be reclassified to profit or loss in subsequent periods					
Exchange differences on translating of foreign operations			(71)		51
Total Comprehensive Income/(loss) net after Tax			**(1,351)**		**703**

Attributable to Shareholders of TIE:	**2013**	**2012**)**
Income after Tax	(1,280)	652
Comprehensive Income net after Tax	(1,351)	703
Net result per share - basic	(1.37)	0.70
Weighted average shares outstanding - basic (thousands)	933	933
Net result per share - diluted	(1.37)	0.70
Weighted average number of shares fully diluted (thousands)	935	935

*) numbers are more specified / **) Numbers restated resulting from Reverse Stock Split

Consolidated Statement of Changes in Equity for the year ending September 30, 2013

(€ 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, 2011		**56,685**	**(51,903)**	**(247)**	**4,535**	**45**	**4,580**
Foreign currency translation reserve		-	-	51	51	-	51
Net Income		-	652	-	652	-	652
Total Comprehensive Income (loss)		**-**	**652**	**51**	**703**	**-**	**703**
Share based payments	8)	-	116	-	116	-	116
Other movements	5)	3	-	-	3	-	3
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**

More details are explained in note 5 and note 8 on page 100 and 111.

Consolidated Statement of Cash Flows for the year ending September 30, 2013

(€ x 1,000)	Notes		2013		2012
Income before tax			(1,234)		626
Adjustments:					
Share based payments expense	8)	38		116	
Depreciation and amortization	8)	687		632	
Impairments	1)	879		216	
Release Contingent Consideration	1)	(200)		-	
Reversal of Impairment CSP trademark	1)	-		(280)	
Increase (decrease) provisions		11		2	
			1,415		686
Working Capital Movements					
(Increase) decrease in debtors and other receivables		(430)		(551)	
(Decrease) increase in deferred revenue		260		69	
(Decrease) increase in current liabilities		707		196	
			537		(286)
Cash generated (applied) in operations			718		1,026
Interest paid			(12)		(1)
Interest received			2		5
Sales taxes paid			(12)		-
Net Cash flow from operating activities			696		1,030
Investments in intangible fixed assets		(328)		(570)	
Desinvestments of intangible fixed assets		60		-	
Acquisition of subsidiary net of cash acquired		(584)		(35)	
Investments in tangible fixed assets		(415)		(68)	
Net Cash flow generated / (used) in investing activities			(1,267)		(673)
Increase (decrease) long term loans		33		-	
Net Cash flow generated / (used) by financing activities			33		-
Net increase (decrease) in Cash and Cash Equivalents			(538)		357
Currency Exchange Rate Difference on opening balance Cash and Cash Equivalents			(4)		10
Opening balance Cash and Cash Equivalents			747		380
Closing balance Cash and Cash Equivalents			204		747

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 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, 2013 are authorized for issuing through a resolution of the Management Board dated January 30, 2014.
The Annual General Meeting of Shareholders, to be held on March 28, 2014, will be requested to decide on the Consolidated Financial Statements.

Statement of Compliance

The consolidated financial statements of the Company, included on pages 72 to 118, 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 costs 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:
IAS 1: Effective per July 1, 2012; Presentation of Items of Other Comprehensive Income. TIE Kinetix did adopt the amended standard; upon adoption, only impact on presentation.

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:
IFRS 7: Will become effective per January 1, 2013 (annual period beginning on or after), with earlier adoption permitted; Amendments regarding disclosures: Off setting Financial Assets and Financial Liabilities. TIE Kinetix is yet to assess IFRS 7's full impact and intends to adopt IFRS 7 amendments no later than the accounting period beginning after January 1, 2013.
IFRS 9: Will become effective per January 1, 2015, with earlier adoption permitted. IFRS 9 introduced new requirements for classifying and measuring financial assets. This standard encompasses an overall change of accounting principles in that standard and will eventually replace IAS 39 – the current standard on financial instruments. The adoption of these new requirements of IFRS 9 may affect classification and measurement of TIE Kinetix financial assets. TIE Kinetix will quantify the effects, if any, when the final standard including all phases is issued.
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

Notes to the Consolidated IFRS Financial Statements

other entities, the new disclosures have no impact on TIE Kinetix financial position or performance.
IFRS 13: Will become effective per January 1, 2013 (annual period beginning on or after), with earlier adoption permitted; Fair Value measurement. Based on the preliminary analyses performed, IFRS 13 is not expected to have any material impact on the financial position and performance.
IAS 19 (R): Will become effective per January 1, 2013 (annual period beginning on or after), with earlier adoption permitted. Employee Benefits, presentation of movements in pensions.TIE Kinetix is yet to assess IAS 19 (R)'th full impact and intends to adopt IAS 19 (R) new presentations no later than the accounting period beginning after January 1, 2013. Especially for TIE France that has an arrangement resulting in a retirement bonus, which may qualify as a post-employment arrangement under IFRS, with limited impact as expected.
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, 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.

Amendments resulting from Improvements (effective in 2013) to IFRS, the following standards have not been adopted:
IFRS 1: First-Time Adoption of IFRS, not applicable since TIE Kinetix is not a first time adopter;
IFRS 1: Government Loans, First time adoption to IFRS, will become effective per January 1, 2013 (annual period beginning on or after). As TIE Kinetix is not a first time adopter and has no governmental loans, this amendment will not become applicable;
IFRS 7 and IFRS 9: Mandatory Effective Date and Transition Disclosures, will become effective per January 1, 2015 (annual period beginning on or after). TIE Kinetix is yet to assess IFRS 7 and 9'th full impact and intends to adopt IFRS 7 and 9 amendments no later than the accounting period beginning after January 1, 2015.
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.
IFRIC 21: Levies. Will become effective per January 1, 2014 (annual period beginning on or after). The Solutions that TIE Kinetix offer are not levied, so not applicable to TIE Kinetix.
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.
IAS 36: Impairment of Assets amended by Recoverable Amount Disclosures for Non- Financial Assets. Will become effective per January 1, 2014 (annual period beginning on or after). TIE Kinetix is yet to assess IAS 36'th full impact and intends to adopt IAS 36 amendments no later than the accounting period beginning after January 1, 2014.
IAS 39: Financial Instruments: Recognition and Measurements, amended by Novation of Derivatives and Continuation of Hedge Accounting. Will become effective per January 1, 2014 (annual period beginning on or after). TIE Kinetix is yet to assess IAS 39'th full impact and intends to adopt IAS 39 amendments no later than the accounting period beginning after January 1, 2014.
As well as the improvements IFRSs 2009-2011 Cycle effective per January 1, 2013 (annual period beginning on or after).
***The Company intends to adopt these standards as per the required date of adoption, subject to EU endorsement of these standards*.**

Going Concern Considerations

During FY 2013, all (important) financial obligations were paid on time and no additional funding was attracted, while the Company had no bank facilities. From the acquisition of the ascention GmbH companies in Germany, Austria and Switzerland, the Company has a debt of € 186k, of which € 121k is current, which is discussed in more detail on pages 86 and 100. The net comprehensive income for FY

2013 amounted to a loss € 1,351k (2012: € 703k profit), the net cash flow used for FY 2013 amounted to € 539k (2012: generated a net cash flow of € 357k). The Company's working capital, adjusted for deferred revenue amounts to € 464k (2012: € 1,552k). There were no additional shares issued during FY 2013.
Based on the 2014 operating plan, excluding TFT, the Company expects a positive cash flow, resulting from increased sales and more tense control on cost. The Company has become less sensitive for cash crunches, 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. In financial year 2014 TFT is acquired. For coming twelve months no additional financing of working capital or repayments of the received loan from seller out of the cash of TIE Kinetix NV is foreseen in relation to the acquisition of TFT.

Given the expected increase of the Company's turnover the effects of proposed cost savings additional cash in from the capital increase (storting) management believes to have adequate cash for coming year. There is no short term need to set up a credit line or loan. It should however be taken into account that the cash position could be affected by market, liquidity, credit etc risk as mentioned on page 86 and on and unforeseen redundancy cost, adjustments due to EU investigation and other.

On November 28, 2013 the Company did a private placement of new TIE Kinetix N.V. shares for the value of € 1.361mln, as approved in the Extraordinary General Meeting of Shareholders that date. TIE Kinetix has received commitments for a total of 194,423 shares and 388,846 warrants for a total subscription price of €1.361mln. All committed funding has been received.The number of outstanding TIE Kinetix N.V. shares increased to 1,127,377. The funding has been used for the acquisition of TFT (€ 1,000k), to absorb the acquisition costs and strengthen working capital.
On December 2, 2013, the Company did acquire 100% of the shares of TOMMOROW FOCUS Technologies GmbH (TFT). The acquisition was approved in the Extraordinary General Meeting of Shareholders on November 28, 2013. TFT has around 50 employees, generated revenue of € 8.2 million in its financial year 2012 and is located in Munich, Germany.
The acquisition will strengthen TIE Kinetix position in the German E-Commerce market and in other European countries. TFT is a full service web business performance organization and a pioneer on the field of user experience. TFT also offers, E-Commerce strategy, consulting and hosting.
Together with TFT, TIE Kinetix plans to generate further sustainable growth in Germany and other German speaking countries. It will take over the entire workforce at TFT and benefit from the expertise of the employees.
The preliminary purchase price amounts to a cash out of € 3 mln, a realized purchase price adjustment (reduction) of € 100k and an employee share plan of € 300k and is financed as follows:

- for € 1mln via a loan provided by seller, repayable in 5 years in 5 annually installments of € 200k and an interest based on Euribor + 300 base points. The first redemption will be setled against the realized purchase price adjustment
- for € 1mln via a non-recourse locally funded bank loan(DZ bank), repayable in 5 years in 20 quarterly installments of € 50k and an interest based on 3 months Euribor + 275 base points.
- for € 1mln via TIE Kinetix N.V. (out of private placement).
- The employee share plan is not yet defined.

The Management Board is of the opinion that TIE Kinetix will benefit from this acquisition, by receiving a strong position in the German market enabling to sell TIE Kinetix Solutions in Germany; the Company will benefit from the products and knowledge of TFT in its existing markets; the Company will benefit from economies of scale by growing over € 20mln; both the Company and TFT will benefit from costs advantages.
In the event the Company needs additional funding, the Company could consider attracting a credit facility, loans or by issuing either Convertible Bonds or additional shares.
It is the intention of the Management Board to repay or convert into Equity Instruments the full amount of debt in accordance to the underlying agreements.
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

Notes to the Consolidated IFRS Financial Statements

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, 2013. 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, 2013, 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, 2013. 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 92.

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.

Content Syndication and Revolution Intangible Assets

The concept Content Syndication and Revolution 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; (5 years for Revolution);
- No new business.

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 Dach);
- 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.

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 92 under CSP. Based on the expectation that the Content Syndication Concept can be successfully managed by current and future TIE Kinetix management, the current level of competition, the international potential for the concept and the high technology standard, it is the opinion of TIE Kinetix management that the period over which this asset will generate net cash inflow is indeterminate. 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.

Notes to the Consolidated IFRS Financial Statements

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 without 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 years;
Office equipment - 4 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.

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 Kinetix 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.

Notes to the Consolidated IFRS Financial Statements

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 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 solutions and (telephone) support. The related revenues are generally invoiced in advance for a twelve-month period, and therefore, deferred and recognized over the contract period.

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.

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 incomes. 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 amounting to € 296k penalties paid by ADEC (France) for using the companies software after the contract was terminated and € 100k resulting from the sale of part of the TIE Light customer base.

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.

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. 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. There are no collective or individual pension plans in the foreign subsidiaries.
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.

Notes to the Consolidated IFRS Financial Statements

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 Comprehensive Statement of income. 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 2013 (nor in 2012).

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 dollars as much as possible.
However, the Company's consolidated net income is affected directly by changes in the currency exchange rates, which affects the weighted average rate applied for translating the US dollar and CHF denominated profits to Euro. The Company does not hedge this risk.

Based on actual net income from TIE Commerce and TIE ascention Switzerland for FY 2013, sensitivity of the consolidated net income to the weighted average Euro/USD respectively Euro/CHF exchange rate and Shareholders Equity to the Euro/USD respectively Euro/CHF exchange rate can be quantified as follows:

	Effect in € on Income with an 5%		Effect in € on Equity with an 5%	
€/USD	increase of	decrease of	increase of	decrease of
2013	37	(41)	225	(248)
2012	32	(35)	187	(207)
€/CHF				
2013	-	-	(2)	3

Reference rates include 1.3490 (2012: 1.2920) for the year-end closing rate, USD against the Euro. For net income, the average rate of USD against the Euro was 1.3118 (2012:1.2966).
Reference rates include 1.2215 for the year-end closing rate, CHF against the Euro. For net income, the average rate of CHF against the Euro was 1.2250.

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. The currency exchange rate development of the USD against the Euro has been especially volatile and unpredictable in the recent past, while the CHF against the Euro has been more stable.

Credit Risk

The Company has assessed its credit risk. The Company has no significant concentrations of credit risk. The Top 100 customers account to 63% (2012: 63%) of total revenue, while no individual customers accounts to more than 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, Automotive, Medical and Others mitigating the risk of being dependent from one sector.
Management has policies in place to ensure that sales of solutions 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 99. The Top 10 outstanding debtors amount to 51% (2012:51%) of the outstanding receivables, as discussed on page 56. The Loans & Receivables are not collateralized. Credit Risks form balances with banks is limited to the outstanding bank balances against their carrying amount as disclosed on page 100. The Company has no derivative financial instruments in use.

Liquidity Risk

The Company has a history of temporary cash crunches, which have been resolved either through issuing additional shares and/or Convertible Bonds to fund operations. These cash crunches usually 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 less sensitive for cash crunches. 2013 was however a difficult year due to the unexpected disappointing results of TIE ascention, relative high costs (including Non-Recurring expenses) while sales in both the Netherlands and US were below budget, TIE Kinetix managed to fulfill its commitments The Company's working capital is nearly to 1.16 if adjusted for deferred revenue. The Companies current liabilities consist for a substantial part out of deferred revenue, limiting the Liquidity Risk that may exist. The remaining liquidity risk exposure 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 € 171k, resulted from the acquisition of Light B.V. in August 2012 and ascention GmbH in October 2012. The total amount payable to the main previous shareholder of Light B.V. amounts to € 145k and of ascention GmbH € 186k and is interest bearing. The amount for Light is repayable in equal monthly installments, within 5 years, for ascention GmbH is equally installments repayable in 2 years. The Contingent Consideration resulted from the acquisition of Light B.V. and is due upon certain agreed performance targets by the managers of Light B.V. If the performance targets are met, then the loans provided by TIE Kinetix to these managers are reversed against the Contingent Consideration.

Summary of financial liabilities (including long term liabilities) based on contractual undiscounted payments per year-end 2013 and comparatives 2012:

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
Provisions	-	20	-	23	43
Taxation and Social Security	294	-	-	-	294
Trade Creditors	561	276	-	-	837
Holiday Allowance	-	195	-	-	195
Other Payables	43	1,085	-	-	1,128
Total	**898**	**1,736**	**171**	**23**	**2,828**
Accruals not resulting in cash out:					
Deferred Tax liability	-	-	10	9	19
Contingent Consideration	-	11	44	-	55
Holiday Days Accrual	42	127	-	-	169
Deferred Revenue	466	1,398	-	-	1,864
Total Liabilities	**1,406**	**3,272**	**225**	**32**	**4,935**
Long Term Liabilities	-	-	225	32	257
Short Term Liabilities	1,406	3,272	-	-	4,678

Summary of Financial Liabilities	Short term		Long term		
	> 0 months < 3 months	> 3 months < 12 months	> 1 year < 5 years	> 5 years	Total 2012
Loans	-	34	138	-	172
Provisions	-	-	-	18	18
Taxation and Social Security	249	-	-	-	249
Trade Creditors	350	180	-	-	530
Holiday Allowance	-	151	-	-	151
Other Payables	44	628	-	-	672
Total	**643**	**993**	**138**	**18**	**1,792**
Accruals not resulting in cash out:					
Deferred Tax liability	-	18	7	9	34
Contingent Consideration	-	11	44	-	55
Holiday Days Accrual	38	115	-	-	153
Deferred Revenue	412	1,235	-	-	1,646
Total Liabilities	**1,093**	**2,371**	**189**	**27**	**3,680**
Long Term Liabilities	**-**	**18**	**189**	**27**	**234**
Short Term Liabilities	**1,093**	**2,353**	**-**	**-**	**3,446**

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, due to the nature of the financial instruments it holds as well as the fact that assets are held to maturity and the Convertible Bonds are expected to be converted into common shares, either on or prior to maturity date. The Convertible Bonds outstanding at 2013 year-end are non-interest bearing. Management regularly assesses the outstanding debt position and evaluates funding opportunities.

At 2013 year-end, the Company held € 160k (2012: € 34k) short term interest bearing debt, resulting from the acquisition of Light B.V. in 2012 consisting of a current account loan of € 34k to one of the previous shareholders, bearing an interest rate of 6.5% and acquisition of ascention GmbH, in total an amount of € 126k of which € 60k is bearing an interest of 5%. The long term part of the loan amounts to € 171k (2012: € 138k), but could be paid back immediately at any time, the part relating to Light B.V. amounts to € 121k and to ascention € 60k. The total interest expense on this loan amounts to approximately € 37k, of which € 16k is current.

Business Combinations

Acquisitions 2013

ascention information management GmbH.
On October 1, 2012, TIE Kinetix completed the acquisition of the company ascention, a consultancy company offering consultancy for Business Intelligence and Business Analytics, located in Germany, Austria and Switzerland (DACH area). The Business Intelligence and Business Analytics knowledge are solutions that are complementary to our E-Commerce and Content Syndication solution, while on the other hand the Company has a footprint in the DACH area for selling TIE Kinetix solutions.

TIE Kinetix acquired, through its 100% subsidiary Gordian Investments 100% of the shares of ascention information management in Germany and Switzerland, which companies were renamed as TIE ascention GmbH and the assets of ascention information management were transferred to the newly established company TIE ascention GmbH in Austria.

The total purchase price amounts to € 1,205k of which € 525k was paid out of the operational cash flow on October 1, 2012, € 180k is payable in 12 quarterly installments and € 500k through an earn out until and including 2014. The first € 70k of the earn out will be paid in shares with a share price equal to the maximum of € 0.15 (or alternatively € 15.00 after the RSS) and the average of TIE Kinetix share price of the last thirty days prior to the payment date. The revenue of ascention for the calendar year 2012 is approximately € 1mln, while operating income is around break-even.

Based on the PPA carried out in the months following the acquisition on October 1, 2012 and completed within the fiscal year 2013 the details of the net assets acquired and goodwill are as follows:

Cash paid	525
Long Term Payment Obligation	120
Short Term Payment Obligation	60
Contingent Consideration	200
Total Purchase Price Consideration	**905**
Net Fair Value of Assets and Liabilities	73
Goodwill including Customer Base and Revolution Concept	**832**
Revolution Concept	300
Customer Base	18
Goodwill resulting from Business Combination	**514**

The intangible asset consist of the Revolution Concept, valued at € 300k, customer base €18k and goodwill € 514k. The Revolution Concept helps to reduce the time to set up a Data Warehouse by 50-75%. Revolution was sold before to various customers, however during 2012 and 2013 renewed to current standards. As a result of this Revolution was not sold in 2013.

The Earn out of € 500k, consists of 3 mile stones, based on EBIT for 2012 (earn out € 150k), 2013 (earn out € 150k) and 2014 (earn out € 200k). Per the acquisition date it appeared that the criteria for 2012 and 2013 would not be met and no contingent consideration was taken into account. Per the acquisition date management believed that the contingent consideration for 2014 could be met in case the business developed well during the course

Notes to the Consolidated IFRS Financial Statements

off 2013, giving a strong starting basis for 2014. Unfortunately this did not happen. At the end of the fiscal year 2013 it became clear that the basis for 2014 is too small to match the minimum EBIT level of € 400k, as a result of this the contingent consideration of € 200k based on the earn out is released in the Income statement against the write off of Goodwill.

Total Income of TIE ascention for 2013 contributed to the DACH Segment to € 1,238k and a loss of € 866k (after impairment). As a result of this the impairment test revealed that an impairment of € 679k (consisting of € 879k impairment minus release of the Contingent Consideration of € 200k) was required, for details of the impairment see page 93.

Euro x 1,000	Germany Book value	Germany Fair value	Switzerland Book value	Switzerland Fair value	Austria Book value	Austria Fair value	Total Book value	Total Fair value
Customer Base Germany	-	8	-	-	-	-	-	8
Concept Revolution	-	-	-	300	-	-	-	300
Customer Base Switzerland	-	-	-	10	-	-	-	10
Intangible Fixed Assets	2	2	60	60	-	-	62	62
Tangible Fixed Assets	7	7	-	-	6	6	13	13
Trade receivables	84	84	19	19	28	28	131	131
Other Current Assets	135	173	23	21	-	-	158	194
Cash and Cash Equivalents	4	4	(3)	(3)	-	-	1	1
Trade Creditors	(162)	(162)	-	-	-	-	(162)	(162)
Deferred Tax Liability	-	(2)	-	(2)	-	-	-	(4)
Other Current Liabilities	(52)	(83)	(79)	(79)	-	-	(131)	(162)
Net Total	**18**	**31**	**20**	**326**	**34**	**34**	**72**	**391**

The Purchase Price Consideration in Cash for 2013 can be summarized as follows:

Purchase Price Consideration in Cash	
Cash and Cash equivalents acquired	1
Purchase Price paid at acquisition date	(525)
Short Term Payment Obligation	(60)
Net Cash Flow from Acquisition	**(584)**

Notes to the Consolidated Statement of Financial Position

(Accounts on page 72)

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 as of October 1, 2011	3,297	800	262	3,607	770	8,736
Accumulated Amortization as of October 1, 2011	-	-	(72)	(2,304)	(521)	(2,897)
Accumulated Impairments as of October 1, 2011	(931)	(280)	-	(357)	(221)	(1,789)
Carrying value as of October 1, 2011	**2,366**	**520**	**190**	**946**	**28**	**4,050**
Movements 2012:						
Additions	36	-	134	351	43	564
Amortization	-	-	(26)	(500)	(20)	(546)
Divestments	-	-	-	(1,557)	-	(1,557)
Reversal of amortization on divestments	-	-	-	1,553	-	1,553
Impairment/Reversal of Impairment	(216)	280	-	-	-	64
Translation adjustments on Investments	17	-	-	73	1	91
Translation adjustments on Amortization	-	-	-	(64)	-	(64)
Carrying value as per September 30, 2012	**2,203**	**800**	**298**	**802**	**52**	**4,155**
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	(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**
Useful life	Indefinite	Indeter-minate	10 years	3 years	3 years	
						2013
Goodwill	2,186	-	-	-	-	2,186
Other Intangibles	-	800	201	714	39	1,754
						3,940
						2012
Goodwill	2,203	-	-	-	-	2,203
Other Intangibles	-	800	298	802	52	1,952
						4,155

Notes to the Consolidated Statement of Financial Position

The main movements in FY 2013 consist of:

» Goodwill paid for the acquisition of ascention € 514k;
» Revolution Concept, from the ascention acquisition € 300k;
» Customer Base of ascention € 18k;
» Capitalized Software ascention € 60k;
» Impairment ascention, see below for details, of Goodwill € 514k, Concept Revolution € 295k, Customer Base € 16k and Capitalized Software € 39k.

The other movements consist of capitalized software development costs and purchased software, and amortization thereupon, as well as 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

The following CGU's can be identified:
» TIE Netherlands (software Integration, including ROW as ROW is operated by TIE Netherlands, NL_BI);
» TIE France (software Integration, FR_BI);
» TIE Commerce US (software Integration, US_BI);
» TIE MamboFive (software E-Commerce);
» Content Syndication (TIE Kinetix Content Syndication or CSP).
» TIE ascention (Business Intelligence)

Allocation of the carrying value of the Intangible Fixed Assets tested to the CGU's and segments for impairment per September 30, 2013 and comparative number per September 30, 2012 are as follows:

CGU	NL_BI	Fr_BI	US_BI	TIE_ascention	E-Commerce	CSP	Total 2013
Goodwill	-	153	393	-	1,046	594	**2,186**
Trademarks	-	-	-	-	-	800	**800**
Customer Base	-	-	-	-	201	-	**201**
Software Development Costs	231	-	231	-	6	246	**714**
Purchased Software	24	7	8	-	-	-	**39**
Total	**255**	**160**	**632**	**-**	1,253	**1,640**	**3,940**

CGU	NL_BI	Fr_BI	US_BI	TIE_ascention	E-Commerce	CSP	Total 2012
Goodwill	-	153	410	-	1,046	594	**2,203**
CSP Trademark	-	-	-	-	-	800	**800**
Customer Base	-	-	-	-	298	-	**298**
Software Development Costs	370	-	233	-	-	200	**803**
Purchased Software	29	9	12	-	-	-	**51**
Total	**399**	**162**	**655**	-	**1,344**	**1,594**	**4,155**

The impairment test was based like in past years on a discounted cash flow model to determine the value in use, similar assumptions as in 2012 have been used. The allocation of Intangible Fixed Assets to the CGU's has been calculated independently from the allocation of Goodwill to the CGU's.

CSP is an independent CGU as many of the customers are global players and make cross border use of the Content Syndication Solution.

The goodwill (€ 1,485k) and CSP concept (€ 800k), prior to impairment, relating to CSP has been consistent with previous years allocated to the segments Netherlands (60%), North America (20%) and ROW (20%) based on expected revenues. Additionally the impairment test on individual operating segments did not result in a different conclusion. 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.

TIE ascention is an independent CGU, operating in Germany, Austria and Switzerland, and specializes in Business Intelligence solutions and specialists. The solution consist of the Revolution Concept offering companies a tool that reduces the set up time of a Data Warehouse by 50-75%. The intangible assets of TIE ascention consists of goodwill € 514k, the Revolution Concept € 300k, Customer Base € 18k and purchased software € 60k. During fiscal year 2013 it appeared that the expected growth in new projects and sales of Revolution did not developed as expected. Based on the individual impairment test done to the CGU TIE ascention, an impairment of gross € 879k (including € 16k of fixed assets) net of € 679k (after release of the contingent consideration of € 200k) was required. Management has taken various measures, but time has been too short to avoid the impairment.

	Increase Cash Flow	Net Impairment	Cash Flow -7.50%	Cash Flow 7.50%	WACC	WACC 13.50%	WACC 16.50%
TIE ascention	0%	679	-	-	15%	-	-

For TIE Netherlands, TIE MamboFive, TIE France, TIE Commerce and CSP the sensitive analyses have been carried out upon the following assumptions:

- Growth rate used to extrapolate cash flow beyond based upon the Annual Operating Plan 2014, as approved by the Management Board and Supervisory Board and the following nine years;
- After ten years a residual value is taken into account;
- The calculation of the future cash flows includes a projection of future investments to update and upgrade our intangible assets;
- A discount rate of 15% before tax has been used;

CGU	Value In Use	Cash Flow -7.50%	Cash Flow 7.50%	WACC 13.50%	WACC 16.50%
NL_BI	1,064	(942)	942	384	(350)
FR_BI	280	(53)	53	22	(20)
US_BI	2,491	(421)	421	172	(156)
E-Commerce	3,600	(587)	587	249	(226)
CSP	2,254	(367)	367	156	(141)

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 0% to 20%, given the uncertainty no growth has been applied after 5 years;
Residual Value: The discounted cash flow calculation showed a 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.

Future Investments: In the calculation the Company has used the estimated costs to keep our software up to date. These estimated costs have been based on our experience over the last couple of year.
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

Notes to the Consolidated Statement of Financial Position

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 analysis on the impairment see page 93.

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 as of October 1, 2011	1,461	314	1,775
Accumulated Amortization as of October 1, 2011	(1,319)	(176)	(1,495)
Accumulated Impairments as of October 1, 2011	(104)	(42)	(146)
Carrying value as of October 1, 2011	**38**	**96**	**134**
Movements 2012			
Additions	18	67	85
Depreciation per Statement of (Comprehensive) Income	(23)	(58)	(81)
Divestments	-	(13)	(13)
Amortization on Divestments	-	9	9
Translation Adjustments Investments	4	5	9
Translation Adjustments Depreciation	(4)	(4)	(8)
Carrying value as per September 30, 2012	**33**	**102**	**135**
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
From acquisition TIE ascention	18	15	33
Depreciation per Statement of (Comprehensive) Income	(50)	(76)	(126)
Divestments	(1,385)	(75)	(1,460)
Amortization on Divestments	1,275	31	1,306
Impaired value on Divestments	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**
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. The investments predominantly relate to the new head office in Breukelen. The impairments relate to the impairment of TIE ascention as described in more detail on page 93.

3) Financial Fixed Assets

Deferred Taxes

Deferred Taxes	**Balance as of October 1,**	**2013**	2012
From US operations		956	1,020
From Dutch operations		353	376
	Balance as at September 30,	**1,309**	**1,396**

The deferred tax and movements thereupon are discussed below.

United States

A Deferred Tax Asset is recognized for temporary differences regarding, among other items, the amortization of goodwill, in the US. Goodwill is amortized for tax purposes over a 15-year period, but is not amortized under IFRS. Goodwill was, under previous GAAP, amortized in 5 years. Deferred Revenues have a tax basis of nil and are therefore causing the recognition of a tax asset.

The Deferred Tax Asset pertains in full to the activities of the Company in the United States and represents temporary differences and loss carry forward to the extent management expects to recover these items from probable future taxable income. The recognized deferred tax asset represents the deferred tax asset available for temporary differences and loss carry forward in the United States.

For the DTA for loss carry forward the company considers a 2-year period as fair and reasonable for estimating the deferred tax asset, based on its business expectation for the next two years.

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

Temporary Differences	**2013**	2012
Deferred Revenue	1,087	1,002
Goodwill	447	905
Acrrued vacation days	112	83
Bad debt impairments	46	29
Depreciation of fixed assets	39	39
Total Temporary Differences	**1,731**	**2,058**
Deferred Tax Asset at 40% on temporay differences	692	823
Deferred Tax Asset at 40% on loss carry forward	264	197
Net deferred Tax Asset	**956**	**1,020**

Movements	**2013**	2012
Balance as at October 1,	**1,020**	**1,036**
Debited to Income	(249)	(257)
Credited to Income	228	197
Net Currency Translation Effect	(43)	44
Balance as at September 30,	**956**	**1,020**

Notes to the Consolidated Statement of Financial Position

The amount debited to income (€ 249k) pertains to the temporary differences (€ 96k) detailed above and the tax charge for 2013 (€ 153k). 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 € 2.1mln (USD 2.8mln). 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 2003. The potential tax benefit pertaining to these losses approximates € 0.78mln (2012: € 0.88mln) and USD 1.05mln (2012: USD 1.14mln) and is recognized for an amount of € 264k (2012 € 197k). The full Deferred Tax Asset potential in the United States amounts to € 1.5mln (2012: € 1.7mln) and USD 2.0mln (2012: USD 2.4mln).

The Netherlands

In the Netherlands, the available but substantially unrecognized loss carry forward totals € 11.6mln (2012: € 15.0mln), which is available to offset future taxable income for a maximum period of 9 years. The total amount that lapsed in FY 2013 amounts to € 4.9mln. The gross amount of the Netherlands deferred tax asset amounts to € 2.9mln (2012: € 3.8mln). Due to temporary differences a deferred tax liability of € 237k exists, which is netted with the recognized DTA in accordance with the accounting principles.
For the DTA for loss carry forward, the company considers a 2-year period as fair and reasonable for estimating the deferred tax asset, based on its business expectation for the next two years. The part pertaining to 2012 has been debited to income. The DTA has been reassessed at reporting to cover a new 2 year period.
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. In 2013 an amount of € 17k of the Deferred Tax Asset was expensed to the profit and loss and netted against a release of € 16k of the Deferred Tax Liability.

Movements	2013	2012
Balance as of October 1,	376	232
Credited to Income	176	195
From Acquisition Light	-	47
Released to Income	(199)	(98)
Balance as at September 30,	353	376

Loans and Receivables

Loans and Receivables	2013	2012
Balance as of October 1,	44	-
Issued	-	44
Balance as at September 30	44	44

No movements during the year, the loan relates to the acquisition of TIE Light (previously Light).

4) Current Assets

Trade Receivables and Other Receivables

Trade Receivables and Other Receivables	2013	2012
Trade Receivables	2,392	2,155
Less: Valuation Allowance	(320)	(336)
Trade debtors net of valuation allowance	**2,072**	**1,819**
Income Tax Receivable	**21**	**10**
Taxation and social security prepaid	**14**	**16**
Security Deposits	126	115
Subsidized Projects	133	211
Projects to be Invoiced (WIP)	285	183
Employees	11	11
Prepayments	412	240
Other Receivables and Prepayments	**967**	**760**
Total	**3,074**	**2,605**

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 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**

		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 2012
The Netherlands	812	112	5	27	956
North America	428	124	2	25	579
France	108	11	38	64	221
Rest of World	51	10	1	1	63
Total	**1,399**	**257**	**46**	**117**	**1,819**

Notes to the Consolidated Statement of Financial Position

The receivables are not collaterized.
The fair value of Trade Debtors amounts to € 2,072k (2012: € 1,819k).

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 Sepember 30, 2011	**147**	**63**	**210**
Charge for the year	153	28	181
Utilised	(40)	(62)	(102)
Unused amounts reversed	19	26	45
Currency exchange rate differences	-	2	2
Balance as at Sepember 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 Sepember 30, 2013	**197**	**123**	**320**

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. 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 (2012: € 20mln), consisting of 2 million (2012: 200 million) ordinary shares with a nominal value of € 7.00 (2012: € 0.10) each.
At the Annual General Meeting of Shareholders held on March 13, 2013, the shareholders approved:

- the proposal of the Management Board, for a Reverse Stock Split (RSS, 1:100) and a Capital Reduction to € 7.00.
- to limit the authorization of the Management Board regarding the issue of shares and rights to acquire shares (options, warrants, convertibles) and the restriction or exclusion of any pre-emptive rights, to a

maximum of 10% of the authorized capital, in case of an acquisition the Management Board is allowed to an additional issuance of 10% of the authorized capital.
» to restrict and/or exclude of any pre-emptive rights for a period totaling to 18 months.

As of March 18, 2013 the RSS and Capital Reduction became effective.
The movements in the number of Common Shares outstanding can be summarized as follows:

(number of shares)	2013	2012
Balance as of October 1,	93,295,421	93,295,421
Reverse Stock Split	(92,362,467)	-
Balance as at September 30,	932,954	93,295,421
In € (x 1,000)	6,531	9,330

During FY 2013 no (2012: no) shares were issued, the movement fully resulted from the RSS (1:100).
Details on movements in Issued Capital in nominal values and Share Premium Account are found below:

	Shares Capital		Share Premium Account	
(€ x 1,000)	2013	2012	2013	2012
Balance as of October 1,	9,330	9,330	47,358	47,355
Transfer to Share Premium	(2,799)	-	2,799	-
Other Movements	-	-	-	3
Balance as at September 30,	6,531	9,330	50,157	47,358

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

Equity Settled Share Based Payments

Annual Stock Options Plan

During the Annual General Meeting of Shareholders held on March 13, 2013, the shareholders approved to limited the Stock Option Plan as described under the paragraph Share Capital on as described above.
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, which then become available for re-issuance.
As a result of the RSS as described under the Company's share capital the comparative number of options for 2012 have been divided by 100, while the comparative exercise price has been multiplied by 100.
During FY 2013, a total of 5.000 (2012: 1.500) Stock Options have been issued under the Annual Stock Option Plan, at a price of € 10.00.
The weighted remaining average lifetime of all Stock Options is 5.26 years (2012: 6.09 years).

Movement of Stock Options		2013		2012*)
Options outstanding as of October 1,	18.00	114,977	18.90	117,815
Options granted during the year	10.00	5,000	10.00	1,500
Options lapsed	-	-	46.00	(2,730)
Options forfeited	19.90	(1,884)	25.60	(1,608)
Option outstanding at September 30,	17.63	118,093	18.00	114,977

*) comparative numbers restated resulting from the RSS

Notes to the Consolidated Statement of Financial Position

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

Fair Value of Stock Options	**2013**	2012
Balance as of October 1,	**71,233**	**177,041**
Fair value of stock options issued	30,764	10,424
Expense for the year	(37,991)	(116,232)
Balance at September 30,	**64,006**	**71,233**

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. For FY 2013, an interest rate of 2.1% (2012: 2.1%), a calculated forfeiture of 5.4% (2012: 7.4%) and a calculated volatility of 50% (2012: 60%) were used. Volatility was determined using the square root of share price movements.
Stock Options outstanding to staff members and management of the Company, as per September 30, 2013, 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	-	6,117	5,496	€ 34.00	Oct 01, 2015
2006	Sep 30, 2006	12,495	-	5,909	6,586	€ 33.00	Oct 01, 2016
2007	Sep 30, 2007	10,394	-	3,576	6,818	€ 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	-	4,165	11,385	€ 10.00	Sep 30, 2018
2009	Feb 24, 2009	27,500	8,000	210	19,290	€ 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	-	2,281	13,933	€ 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	27,557	91,944		
Total	**Sep 30, 2013**	**154,984**	**8,000**	**28,891**	**118,093**		

During the FY 2013 no (2012: 1,500) Stock Options have been awarded to staff members; the Management Board has been rewarded during the FY 2013 with 5,000 (2012: no) Stock Options. During FY 2013, no Stock Options were converted.

Stock Options held by Third Party Investors

Stock Options outstanding with non-staff members as per September 30, 2013:

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**		

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 2013, there have been no movements. The number of outstanding options and its exercise price has been restated as a result of the aforementioned RSS.

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 2013; the conversion rate has been adjusted to according the RSS.

The Balance outstanding as of September 30, 2013 consists of the following Convertible Bonds:

Convertible Bonds	Issue date	Maturity date	Conversion rate in €	(€ x 1,000) 2013	(€ x 1,000) 2012
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 2013, no Convertible Bonds were issued. The related party bond issued on August 4, 2009 is held by one of the managers of the Company.

Notes to the Consolidated Statement of Financial Position

6) Non Current Liabilities

	2013	2012
Loans	171	138
Deferred Tax Liability	19	34
Contingent Consideration	44	44
Other Provisions	23	18
Total Long Term Liabilities	**257**	**234**

The Loans relate to the long term part for the acquisition of Light (TIE Light, € 111k, interest 6.5%) and ascention (TIE ascention, € 60k, interest 5%). The Deferred Tax liability and Contingent Consideration relates to the acquisition of Light in 2012, for more details see page 87. The deferred tax liability relates to the non-deductable part of the amortization of the Customer Base, which is not tax deductible, the movement is resulting from the sale, in FY 2013, of part of the Customer Base to a third party. The provision relates to a retirement provision in France as discussed on page 85.

7) Current Liabilities

Provisions

Movement of Provisions	2013	2012
Balance as of October 1,	-	-
Provision agianst Income	20	-
Balance as at September 30	**20**	**-**

The provision is for redundancy costs in TIE France.

Short Term Debt

Short Term Debt	2013	2012
Balance as of October 1	34	-
Loans obtained	126	34
Redeemed	(27)	-
From Long Term Loan	27	-
Balance as at September 30	**160**	**34**

The short term debt relates to the debts from the acquisitions of ascention (TIE ascention), € 126k, of which € 60k is part of the purchase price as discussed on page 89 and € 66k is part of the current account with the previous owner of ascention. The amount of € 34k relates to the short term debt of the acquisition of Light (TIE Light) in 2012. The interest on the current account of TIE ascention amounts to 5% and of TIE Light to 6.5%

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	**2013**	2012
Payroll Tax	156	41
Social Security Contributions	47	94
VAT/Sales tax US	91	114
Total	**294**	**249**

Other Payables and Accruals

Other Payables and Accruals	**2013**	2012
EC and other Grants	637	126
Accrued Expenses	448	513
Other Accruals and Payables	364	304
Pension Premiums	27	17
Contingent Consideration	11	11
Supervisory Board Compensation	16	16
Total	**1,503**	**987**

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

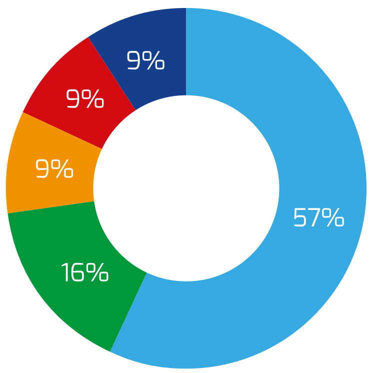
The Company operates mainly in one business segment (Totally Integrated E-Commerce) but operates in different countries through subsidiaries. All subsidiaries provide similar solutions and services, except for TIE MamboFive, that predominantly is involved in E-Commerce. Consequently, the segment reporting is based on the economic environment in which these solutions 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.

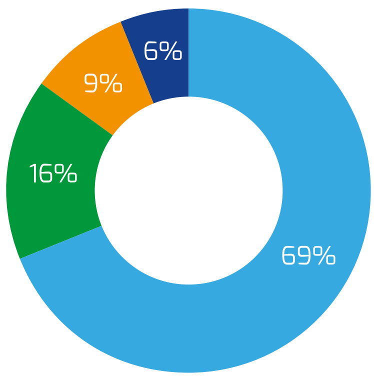
This breakdown is consistent with the Company's organizational structure and internal reporting structure based on the requirements of the Management Board as Chief Operating Decision Maker. The geographical segments are based on the location of the TIE Kinetix markets and customers. Assets, liabilities, 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.
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.
Though the Company operates in one business segment, the Income per solution is detailed below. Resulting from the acquisition of ascention per October 1 2012, a new segment Business Intelligence is added as solution.
More detailed information is not available; the costs to develop a more detailed reporting structure would be excessive and subject to the estimation of the allocation of certain costs.

	2013		2012	
Integration	8,207	57%	8,655	69%
E-Commerce	2,271	16%	1,909	16%
Content Syndication	1,266	9%	1,152	9%
Business Intelligence	1,237	9%	-	0%
EU & Other Projects	1,312	9%	778	6%
Total Revenue	14,293	100%	12,494	100%

2013



2012



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 Sup-port	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
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
Other Direct Purchase Costs	592	546	822	167	150	351	(1,206)	1,422
Income Net of Direct Purchase Costs	**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
Non-Recurring expenses	29	46	8	93	-	-	375	551
Other Operating Expenses	588	223	831	214	279	139	769	3,043
Total Operating expenses	**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
Impairments	-	-	-	-	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
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	40	17	35	10	11	1	-	114

Capital expenditure consists of tangible and intangible assets, including acquisition of TIE ascention and development costs.

Other non-cash expenses referred to above pertain to the Stock Option expense accounted for in FY 2013.

Segment items included in the Segment Statement of Financial Position as of September 30, 2012 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	431	9	413	63	-	153	-	1,069
Maintenance and Support	881	-	1,828	182	-	131	-	3,022
Consultancy	408	1,297	728	311	-	221	65	3,029
Software as a Service	1,235	617	1,952	560	-	232	-	4,596
Revenues	**2,955**	**1,923**	**4,921**	**1,116**	**-**	**737**	**65**	**11,716**
EU Projects	690	-	-	-	-	-	-	690
Other Income	122	(14)	223	123	-	185	(551)	88
Revenue	**3,767**	**1,909**	**5,144**	**1,239**	**-**	**922**	**(486)**	**12,494**
Third Party Hire	54	6	105	2	-	-	-	167
Other Direct Purchase Costs	302	287	679	59	-	310	(549)	1,088
Income Net of Direct Purchase Costs	**3,411**	**1,616**	**4,360**	**1,178**	**-**	**611**	**63**	**11,239**
Operating Expenses								
Employee Benefits	1,796	981	2,611	910	-	82	882	7,262
Non-Recurring expenses	-	-	-	90	-	-	129	219
Other Operating Expenses	620	337	729	263	-	203	416	2,568
Total Operating expenses	**2,416**	**1,318**	**3,340**	**1,263**	**-**	**285**	**1,427**	**10,049**
EBITDA	**995**	**298**	**1,020**	**(85)**	**-**	**326**	**(1,364)**	**1,190**
Depreciation and Amortization Expense	285	47	107	22	-	148	23	632
Reversal of Impairment	(280)	-	-	-	-	-	-	(280)
Impairment of Goodwill	-	-	-	216	-	-	-	216
EBIT	**990**	**251**	**913**	**(323)**	**-**	**178**	**(1,387)**	**622**
Interest and Other Financial Income	-	-	1	-	-	-	4	5
Interest and other Financial Expense	-	(1)	-	-	-	-	-	(1)
Income/(loss) before Tax	**990**	**250**	**914**	**(323)**	**-**	**178**	**(1,383)**	**626**
Corporate Income Tax	-	-	(69)	(2)	-	-	97	26
Net Income/(loss)	**990**	**250**	**845**	**(325)**	**-**	**178**	**(1,286)**	**652**

*) numbers adjusted for comparison

Notes to the Consolidated Statement of Comprehensive Income

Assets	The Netherlands	TIE MamboFive	North America	France	DACH	Rest of World	Holding and Eliminations	Total
Intangible Fixed Assets	999	1,344	1,152	162	-	498	-	4,155
Tangible Fixed Assets	14	37	31	29	-	-	24	135
Financial Assets (deferred tax)& Loans	-	47	1,020	-	-	-	373	1,440
Current Assets	930	805	1,024	334	-	65-	324	3,352
Total Assets	**1,943**	**2,233**	**3,227**	**525**	**-**	**433**	**721**	**9,082**
Liabilities								
Non Current Liabilities	-	172	-	18	-	-	44	234
Current Liabilities	1,158	342	1,240	361	-	59	286	3,446
Total Liabilities	**1,158**	**514**	**1,240**	**379**	**-**	**59**	**330**	**3,680**
Other Selected Income Statement Items								
Capital Expenditure	159	169	100	12	-	110	98	648
Other Non Cash Expenses	37	3	17	44	-	4	11	116
FTE at year end	37	17	31	11	-	1	-	97

Capital expenditure consists of tangible and intangible assets, including development costs.
Other non-cash expenses referred to above pertain to the Stock Option expense accounted for in FY 2012.

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	**2013**	2012
Research and Development	23	16
Sales and Marketing	20	25
Consulting and Support	56	38
General and Administrative	16	18
Total	**114**	**97**

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	**2013**	2012
The Netherlands	3,069	3,310
North America	625	646
France	-	-
Rest of World	246	200
Total	**3,940**	**4,155**

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		2013	2012
Salaries		6,157	5,274
Salaries variable component		212	206
Social Security Charges		954	769
Contributions to Post Employment arrangements		230	221
Share based payments		38	116
Other Employe Benefits		804	676
	Total	8,395	7,262

The WBSO grants received for FY 2013, amounting to € 163k (2012: € 170k), 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 2013 the average number of employees was 109 (2012: 96).

Key Management Personnel Compensation

The total key management personnel compensation, including the remuneration of the Management Board, amounted to € 253k (2012: € 254k).

The CEO and only member of the Management Board received the following remuneration:

Management Board Remuneration		2013	2012
Remuneration		216	216
Expenses		16	12
Bonus		15	15
Stock Option Expense		6	11
	Total	253	254

Based on the operational result 2012 of the company, Mr. Sundelin did receive a cash bonus of € 15k (2012: € 15k), as well as 500,000 options (after RSS 5,000), with a lock up for one year, 3 year vesting period and a strike price of € 0,10 (after the stock split € 10,--)as approved in the annual Shareholders' Meeting as held on March 13, 2013. Since April 2013 Mr. Sundelin has a company lease car.

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 2013 amounted to € 40k (2012: € 40k).

Depreciation and Amortization Expense, Divestment and Impairment Losses

Depreciation, Impairment, Divestment and Amortization		2013	2012
Depreciation and Amortization Expense		687	632
Impairment TIE ascention	879		
Release Contingent Consideration TIE ascention	(200)		
Net Impairment TIE ascention		679	-
Reversal of Impairment of CSP trademark		-	(280)
Impairment of Goodwill France		-	216
	Total	1,366	568

Depreciation and amortization for FY 2013 increased by € 55k predominantly resulting from the development of software that is taken into production and new office furniture and leasehold improvements from the new head office.

The impairment of TIE ascention is described on pages 90 and 93.

Other Operating Expenses and Non-Recurring Expenses

Other Operating Expenses	2013	2012
Accomodation Expenses	658	535
Professional Services	578	486
Communications	476	355
Marketing	348	275
Travel expenses	485	344
Office Supplies	336	236
General & Administration	162	337
Total	3,043	2,568

Non-Recurring Expenses	2013	2012
Redundancy & Severance costs	113	53
Investor Relation Activities (RSS)	103	-
Temporary staff hires	90	-
Office Integration & Moving Costs	77	-
Samar Claim	70	38
Other Legal Costs	50	68
Other Non-Recurring costs	48	-
Acquisitions Light & ascention	-	60
Total	551	219

In 2013 the Non-Recurring expenses resulting from lay off costs in TIE Kinetix N.V. and TIE France, the Investor relation activities which substantially relate to the Reverse Stock Split, temporary staff hires for various (internal) projects, office integration costs and moving costs relating to legal cost of the samar claim, other legal cost relating to the reverse stock split . More details about the status of the Samar claim are described on page 117.

	2013	2012
Net Cash flow from operating activities	696	1,030
Non-Recurring Expenses	551	219
Normalized Net Cash Flow from operating activities	**1,247**	**1,249**

The operating cash flow for 2013 is € 696k (2012: € 1,030k) if adjusted for Non-Recurring expenses 2013 € 1,247k (2012: € 1,249k).

Research and Development Expenses

	2013	2012
Employee Benefits	1,686	1,096
Other RDI related expenses	211	112
Capitalized Development expenses	(338)	(363)
Amortization of Capitalized Development expenses	434	506
Total	**1,993**	**1,351**

A number of projects executed by the RDI team in the Netherlands have funding from the European Commission and from Agentschapnl. The EU and other grants received have been accounted for under Other Income. The EU and other grants in FY 2013 amounted to € 958k (2012: € 690k).

9) Financial income and/or Expense

Financial Income and/or Expense	2013	2012
Interest Income	2	2
Interest Expenses	(14)	(1)
Exchange gains/(losses)	(2)	3
Total	**(14)**	**4**

The Interest Expenses in FY 2013 pertain predominantly to the loan to the old shareholders of TIE Light and TIE ascention.

Notes to the Consolidated Statement of Comprehensive Income

10) Corporate Income Tax

The company operates predominantly in the Netherlands and North America. Applicable tax rates are 25% (2012: 25%) for the Netherlands, France 33,3% (2012: 33,3%), and for the US 34% (2012: 34%) for federal tax and 6% (2012: 6%) for state tax, for Germany 29% (Körperschaftssteuer 15%, Gewerbesteuer 14%), Austria 25% and Switzerland 17,4% (income tax and canton tax). The financial statements have been prepared on a going concern basis, as discussed on pages 78 and 79, therefor the Company could capitalize tax losses despite the annual loss.
The effective tax rate based on income before taxes is -3,7% (2012: -4,2%). Recognition of deferred income tax assets, tax losses carried forward and non-deductible expenses are causing the difference.
Reconciliation between standard and effective income tax is as follows:

Reconciliation between Standard and effective income tax	**2013**	2012
Net Income (loss) before tax	**(1,234)**	**626**
Corporate Tax	(46)	26
Net Income	**(1,280)**	**652**
Income tax calculated using statutory tax rate (25%)	312	160-
Effect of different local statutory rates	(134)	(121)
Adjustment items:		
Non Deductable Expenses/amortizations	(204)	(38)
Capitalized deferred taxes on loss cary forward	404	295
Addition to/or utilization of Unrecognized tax losses	(424)	50
	(46)	**26**

Income Tax reported in the Comprehensive Income Statement	2013	2012
Capitalized deferred taxes on loss cary forward	404	295
Changes in deferred tax assets as a result of recognition/write off of deductable temporary differences	(449)	(257)
Current Income tax charge	(1)	(12)
Income Tax reported in the Comprehensive Income Statement	**(46)**	**26**

The changes in the Deferred Tax Asset are discussed on page 97 in detail.
The main item of the Deferred Tax Asset in FY 2013 is the capitalization of loss carry forward on TIE Commerce as described in more detail on page 97. An update in the estimates of recognized losses carry forward of € 404k has been made in 2013; An amount of € 176k was debited to income in the Netherlands and € 228k in the US. More details can be found on page 97 and 98.
The reversal of the Deferred Tax Asset in FY 2013 is the reduction of the temporary difference pertaining to 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 97 and 98.

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 for 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 Kinetix after deduction of accrued interest on Convertible Bonds, by the weighted average number of shares outstanding. The numbers of shares for 2012 are restated resulting from the RSS.

Basic Earnings per Share	2013	2012
Net income attributable to equity holders of TIE	(1,280)	652
Net Income adjusted for calculation of basic earnings per Share	(1,280)	652
Weighted average number of shares outstanding in thousands	933	933
Basic Earnings per Share (€ per Share)	(1.37)	0.70

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. The numbers of shares for 2012 are restated resulting from the RSS.

Diluted Earnings per Share	**2013**	2012
Net Income adjusted for calculation of basic earnings per Share	**(1,280)**	**652**
Weighted average number of shares outstanding	933	933
Dilutive effect of stock options outstanding at September 30,	-	-
Dilutive effect on Convertible Bonds	2	2
Weighted average number of shares adjusted for calculation of diluted earnings per Share	935	935
Diluted Earnings per Share (€ per Share)	(1.37)	0.70

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, 2013 amounted to € 20k (2012: € 17k). Under the rental agreements concluded, the annual rental charge, including service costs for all TIE Kinetix offices, is approximately € 0.5mln (2012: € 0.5mln).

The remaining terms of leases in the Netherlands are 6.5 years, while United States is 1 year for the Boston Office and 6 months for St Paul, France till January 2014 and the TIE ascention offices can be monthly cancelled. Rentals due within one year amount to € 0.25mln, rentals due between one and five years are approximately € 0.5mln and over 5 years € 0.2mln. Hosting costs relates to the LeaseWeb contract and amounts to € 360k annually, the contract expires in 2 years.

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

	2013			2012	
Leases	**< 1year**	**> 1 year < 5 years**	>5 years	< 1year	> 1 year < 5 years
Office Leases	253	497	183	313	231
Hosting Contracts	360	360	-	26	-
Operational leases company cars	183	302	-	208	185
Operational leases servers and photocopiers	28	15	-	28	43
Total	**824**	**1,174**	**183**	**575**	**459**

Collateral

There are no collaterals to report during 2013 and 2012.
TIE ascention has an off balance rental guarantee with HypoVereinsbank of € 7k.

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**	2013	2012
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%
Ping Li B.V.	Hoofddorp, The Netherlands	100%	-
TIE Commerce Inc.	Burlington, MA, USA	100%	100%
TIE France S.A.S.	Montpellier, France	100%	100%
TIE Asia-Pacific Ltd	Hongkong, People's Republic of China	100%	100%
TIE ascention GmbH	Friedrichshafen, Germany	100%	-
TIE ascention GmbH	Vienna, Austria	100%	-
TIE ascention GmbH	St Gallen, Switzerland	100%	-

Related Party Transactions

Mr. Sundelin obtained during the year 5,000 options, more details can be found on page 102, the total number of options of Mr. Sundelin amounts to 21,148 (2012: 16,148).
During the FY year Mr. Sundelin the number of shares Mr. Sundelin held's in the company remained unchanged, totaling to 24,300 (2,6%). 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 111.
Supervisory Board member Eric Honée obtained 5,000 shares during the year, bringing the total number of shares to 26,600 (2012: 21,600).
All (comparative) numbers have been adjusted for the reverse stock split.

Pending Litigation

Since December 2007, the company has been involved in discussions and subsequently in legal proceedings with Samar. All claims in the summary proceedings were instantly dismissed at the court hearing of February 15, 2008. On July 7, 2010, the court of Haarlem unexpectedly granted all claims by Samar. In Q4_2010, TIE Kinetix paid damages to Samar of €804k. In April 2012, a hearing took place for which in advance both TIE Kinetix and Samar have provided the court with substantiated findings.
On October 10, 2012 the High Court decided that Samar needs to repay TIE Kinetix an amount of € 250k. However the High Court dismissed six out of seven grievances submitted by TIE Kinetix. The Company is currently in the process of claiming back the € 250k. As the amount has not been recovered yet, the amount has not been recorded as a receivable in the Company's books. Final settlement may be adjusted upwards or downwards in the procedure regarding the assessment of the damages.
On March 11, 2013 the Court granted Samar B.V. (Samar) request for suspension of payments. On June 28, 2013 the suspension of payments was ended and followed by declaration of bankruptcy. On September 20, 2013 the Higher Court reversed the declaration of bankruptcy. The case was referred back to the Lelystad Court implying that the period of Suspension of Payments should not have been revoked.

EU grant audit

TIE Kinetix participates in various EU projects under the FP7 program. To distinguish the appropriateness of the EU grants given, EU is entitled to perform audits. In December 2013 TIE Kinetix has been audited for the period 2008-2012. At the publication date of this Annual Report TIE Kinetix has not yet received a (draft) report regarding the outcome of the audit.

Subsequent Events

On October 11, 2013 TIE Kinetix announced:
The acquisition of 100% of the shares of Tomorrow Focus Technologies GmbH (TFT) per December 2, 2013. The acquisition was approved in the Extraordinary General Meeting of Shareholders on November 28, 2013. TFT has around 50 employees, generated revenue of € 8.2 million in its financial year 2012 and is located in Munich, Germany.
The acquisition will strengthen TIE Kinetix position in the German E-Commerce market and in other European countries. TFT is a full service web business performance organization and a pioneer on the field of user experience. TFT also offers, E-Commerce strategy, consulting and hosting. Together with TFT, TIE plans to generate further sustainable growth in Germany and other German speaking countries. It will take over the entire workforce at TFT and benefit from the expertise of the employees. Mr. Erik Jan Hengstmengel will retain his position as Managing Director at TFT, and the company will remain based in Munich. At the same time, the two parties to the contract signed a long-term framework agreement designed to maintain the successful collaboration between them.

Notes to the Consolidated Statement of Comprehensive Income

The preliminary purchase price amounts to a cash out of € 3mln, a realized purchase price adjustment (reduction) of € 100k and an employee share plan of € 300k and is financed as follows:

» partly via a loan of € 1mln provided by seller, repayable in 5 years in 5 annually installments of € 200k and an interest based on Euribor + 300 base points. The first redemption will be settled against the realized purchase price adjustment.

» partly via a non-recourse locally funded bank loan (DZ Bank) of € 1mln, repayable in 5 years in 20 quarterly installments of € 50k and an interest based on 3 months Euribor + 275 base points.

» partly via private placement of new TIE Kinetix N.V. shares for the value of € 1mln.

» The employee share plan is not yet defined.

On October 15, 2013 TIE Kinetix announces the Extraordinary General Meeting of Shareholders in relation to the above mentioned acquisition of TFT.

On November 28, 2013 the Extraordinary General Meeting of Shareholders approved:

» The appointment of Michiel Wolfswinkel CFO as member of the Executive Board.

» Private Placement of shares with warrants with existing shareholder for an amount of € 1.361mln. For each new share TIE Kinetix two warrants will be attached. Each warrant entitles a holder to obtain one TIE Kinetix N.V. share for €7. The warrants will expire after 10 years. Both the newly issued shares and the warrants have a lock-up of one year.

» The acquisition of TOMORROW FOCUS Technologies GmbH.

» Out of the committed €1.361mln, Mr Jan Sundelin, CEO of TIE Kinetix performs an investment amounting to €40k. An amount of €750k will be placed with Objectif Lune EMEA B.V., which is a 100% subsidiary of Objectif Lune International Inc. Mr Peter van Schaick, Supervisory Board member of TIE Kinetix is on the Board of Directors of Objectif Lune International Inc. and holds a minority share in Objectif Lune International Inc.

On December 2, 2013 the Company announced:

» On 2 December 2013, the closing of the acquisition of TFT is completed. Furthermore, TIE Kinetix N.V. has received commitments for a total of 194,423 shares and 388,846 warrants for a total subscription price of €1.361mln. All committed funding has been received. The number of outstanding TIE Kinetix N.V. shares increased to 1,127,377. The funding has been used for the acquisition of TFT (€ 1,000k), to absorb the acquisition costs and strengthen working capital.

On the publication of this Annual Report the final opening balance sheet of TFT is still under discussion with the seller. As a result of this the Purchase Price Allocation is not yet available. Based on the draft balance sheet information, TIE Kinetix expects the Goodwill to vary between € 2.0-2.5mln and the Customer Base to be around € 450k. The transaction is Cash and Debt free, the total balance sheet of TFT operation amounts to approximately € 2mln.

In addition to acquisition funding of € 1mln a standby working capital facility of € 800k was obtained from DZ bank. Neither the acquisition funding nor the working capital facility do have parental guarantees of TIE Kinetix N.V..

Dutch GAAP TIE Kinetix N.V. Balance Sheet as at September 30, 2013

(Before proposed appropriation of results)

Assets

(€ x 1,000)	Notes	2013		2012	
Fixed assets	**12)**				
Intangible Fixed Assets					
Goodwill		1,046		1,046	
Other intangible fixed assets		34		47	
Total Intangible Fixed Assets			1,080		1,093
Tangible fixed assets			363		25
Financial fixed assets					
Subsidairies		9,026		9,125	
Loan receivable		44		44	
Deferred Tax Asset		323		329	
			9,393		9,498
Total fixed assets			**10,837**		**10,616**
Current assets	**13)**				
Debtors		214		146	
Taxation & Social Security		98		17	
Intercompany debtor		76		37	
Cash and cash equivalents		1		233	
Total current assets			**389**		**433**
Total assets			**11,226**		**11,049**

Liabilities and Equity

(€ x 1,000)	Notes	2013		2012	
Shareholders' equity	**14)**				
Issued and paid-up share capital		6,531		9,330	
Share premium		49,443		46,556	
Legal reserves		714		802	
Foreign Currency Translation Reserve		(267)		(196)	
Retained earnings		(51,097)		(51,787)	
Net Result		(1,280)		652	
			4,044		5,357
Convertible Bonds			45		45
Total Equity			**4,089**		**5,402**
Provisions	15)		234		114
Current Liabilities	16)				
Creditors		6,767		5,504	
Banks		136		-	
Taxation and Social Security		-		29	
Total Current Liabilities			**6,903**		**5,533**
Total Liabilities and Equity			**11,226**		**11,049**

Dutch GAAP TIE Kinetix N.V. Income Statement for the year ending September 30, 2013

(€ x 1,000)		2013	2012
Result of participating interests after tax		891	1,938
Other income after tax		(2,171)	(1,286)
	Net Result	**(1,280)**	**652**

Notes to the Company Financial Statements

Corporate Information

The Company financial statements for the year ended September 30, 2013 are authorized for issue through a resolution of the Management Board dated January 30, 2014.
The General Meeting of Shareholders, to be held on March 28, 2014, 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 77.

Notes to the Company Balance Sheet

12) Fixed Assets

Intangible Fixed Assets

Intangible Fixed Assets	Goodwill	Purchased Software	Total
Accumulated Investments as of October 1, 2011	1,010	518	1,528
Accumulated Amortization as of October 1, 2011	-	(443)	(443)
Accumulated Impairments as of October 1, 2011	-	(57)	(57)
Carrying value as of October 1, 2011	**1,010**	**18**	**1,028**
Movements 2012			
Additions	36	42	78
Amortization	-	(13)	(13)
Carrying value as per September 30, 2012	**1,046**	**47**	**1,093**
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**
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 N.V. Income Statement for the year ending September 30, 2013

Tangible Fixed Assets

Tangible Fixed Assets	Fixtures & Fittings	Hardware	Total
Accumulated Investments as of October 1, 2011	-	27	27
Accumulated Amortization as of October 1, 2011	-	(11)	(11)
Carrying value as of October 1, 2011	**-**	**16**	**16**
Movements 2012			
Additions	-	20	20
Depreciation per Statement of (Comprehensive) Income	-	(9)	(9)
Divestments	-	(2)	(2)
Carrying value as per September 30, 2012	**-**	**25**	**25**
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**
Useful life	4 to 10 years	3 years	

The investments in Fixtures & Fittings relate to the leasehold improvements and office equipment purchased during the year for the new head office in Breukelen. 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:

	2013	2012
Total subsidiaries as per October 1,	**9,125**	**7,494**
Share in Net income	891	1,938
Investments	-	32
Divestitures/ movements of IC funding	(906)	(532)
Transfer to (from) provision for Equity Deficit	120	56
Foreign Currency Exchange Rate Differences	(202)	134
Other movements	(2)	3
Total subsidiaries as per September 30,	**9,026**	**9,125**
Loans Receivable	44	44
Deferred tax Asset	323	329
Total Financial Fixed Assets	**9,393**	**9,498**

Funding to subsidiaries is in principle interest bearing with interest rates varying between 0% and 5.5% (2012: 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 2013 and years prior, some subsidiaries had a negative net investment value. For these subsidiaries, a provision for Equity Deficit was set up.

Name	**Statutory Seat**	2013	2012
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%
Ping Li B.V.	Hoofddorp, The Netherlands	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 98.

Dutch GAAP TIE Kinetix N.V. Income Statement for the year ending September 30, 2013

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 (2012: € 20 million), consisting of 2 million ordinary shares (2012: 200 million) with a nominal value of € 7.00 each (2012: € 0.10). On September 30, 2013, a total of 932,954 ordinary shares (2012: 93,295,421) of € 7.00 each, were paid-up and called. On March 13, 2013 the Annual General Meeting of Shareholders approved the proposed RSS and Capital Reduction, more details can be found on page 100 and on.
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, 2011	**9,330**	**46,394**	**(247)**	**961**	**(51,903)**	**4,535**
Foreign Currency Translation Reserve	-	-	51	-	-	51
Shares Based Payments	-	-	-	-	116	116
Transfers to (from) legal reserve	-	159	-	(159)	-	-
Other Movements	-	3	-	-	-	3
Net Income 2012	-	-	-	-	652	652
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**

For the movement in shares, we refer to pages 101.
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 (€ 714k).

Equity Settled Share Based Payments

Annual Stock Options Plan
For the Annual Stock Option Plan for staff members, we refer to page 101, 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 103 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 103, Note 5 of the Consolidated Statement of Financial Position under Convertible Bonds.

15) Non-Current Liabilities

Provision

Provision for Equity Deficit Subsidiaries	2013	2012
Opening Balance as per October 1,	**59**	**3**
Movements from (to) Financial Fixed Assets	120	56
Closing Balance as per September 30,	**179**	**59**
Other provisions	55	55
Total Provisions	**234**	**114**

In 2013 and years prior, some subsidiaries held a negative net investment value. For these subsidiaries, a provision for Equity Deficit was established.
Other provision results from the acquisition of Light B.V. in 2012.

16) Current Liabilities

Current Liabilities	2013	2012
Bank	136	-
Trade creditors	236	123
Taxations and social security contributions	-	29
Inter-company payable	6,233	5,188
Other payable and accruals	298	193
Total	**6,903**	**5,533**

The Bank relates to the overdraft on Rabo bank, which is compensated in a Cash pool with the other Dutch companies; The Company has no credit-facility.
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

Included in the line other income after tax, an amount of Revenue is included of € 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 2013 (2012: 9). 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 € 503k (2012: € 249k) as well as a Stock Option expense, listing fee and amortization charges pertaining to assets.
The audit fees from Ernst & Young Accountants LLP amount to € 51k (2012: € 23k) for the Company; for the total, Company audit fees amount to € 93k (2012: € 96k). Audit related fees from Ernst & Young Accountants LLP amount to € 14k (2012: € 10k).

Income Tax

The Company holds unrecognized deferred tax assets with respect to past tax losses amounting to approximately € 2.5mln (related losses amounting to approximately € 10.3mln). Foreign loss carry forward pertaining to approximately € 0.78mln of the unrecognized losses (of approximately € 2.0mln) will be available for the next 11 to 20 years, depending on the nature of the item. The tax loss carry forward originating from the Netherlands has been reduced to 9 years in 2007.

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

The Company has no issued guarantees.
Pending litigations are disclosed on page 117.
Subsequent events are disclosed on page 117.

Breukelen, January 30, 2014

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 Management Board proposes that the net Loss of € 1,280k be deducted from Retained Earnings and the other Comprehensive Loss of € 71k will be deducted from other Comprehensive Loss 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 Management 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, 2013 and subsequent financial years.
Payment of dividends can be made either in cash or in stock.

Subsequent Events

See disclosure on page 117.

Independent auditor's report

To: The Management Board of TIE Kinetix N.V.

Report on the financial statements

We have audited the accompanying financial statements for the year ended September 30, 2013 of TIE Kinetix N.V., Breukelen. The financial statements include the consolidated financial statements and the company financial statements. The consolidated financial statements as set out on page 72 to 119 comprise the consolidated statement of financial position as at September 30, 2013, 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 as set out on page 120 to 130 comprise the company balance sheet as at September 30, 2013 the company income statement 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 Report from the Management Board 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, 2013 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, 2013 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 Report of the Management Board, 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.

The Hague, January 30, 2014

Ernst & Young Accountants LLP

Signed by E.J. Pieters

TIE Kinetix Subsidiaries & Offices

1

TIE Commerce Inc – US (St. Paul)
1360 Energy Park Drive, ST 110
St Paul, MN 55108
Tel: +1-651-999-8600
Fax: +1-651-999-8845

2

TIE Commerce Inc – US (Boston)
24 New England Executive Park
4th Floor
Burlington, Massachusetts 01803
Tel: +1-800-624-6354
Fax: +1-781-272-0957

3

TIE France SAS – France
Parc de Bellegarde, Bât. B
1 Chemin de Borie
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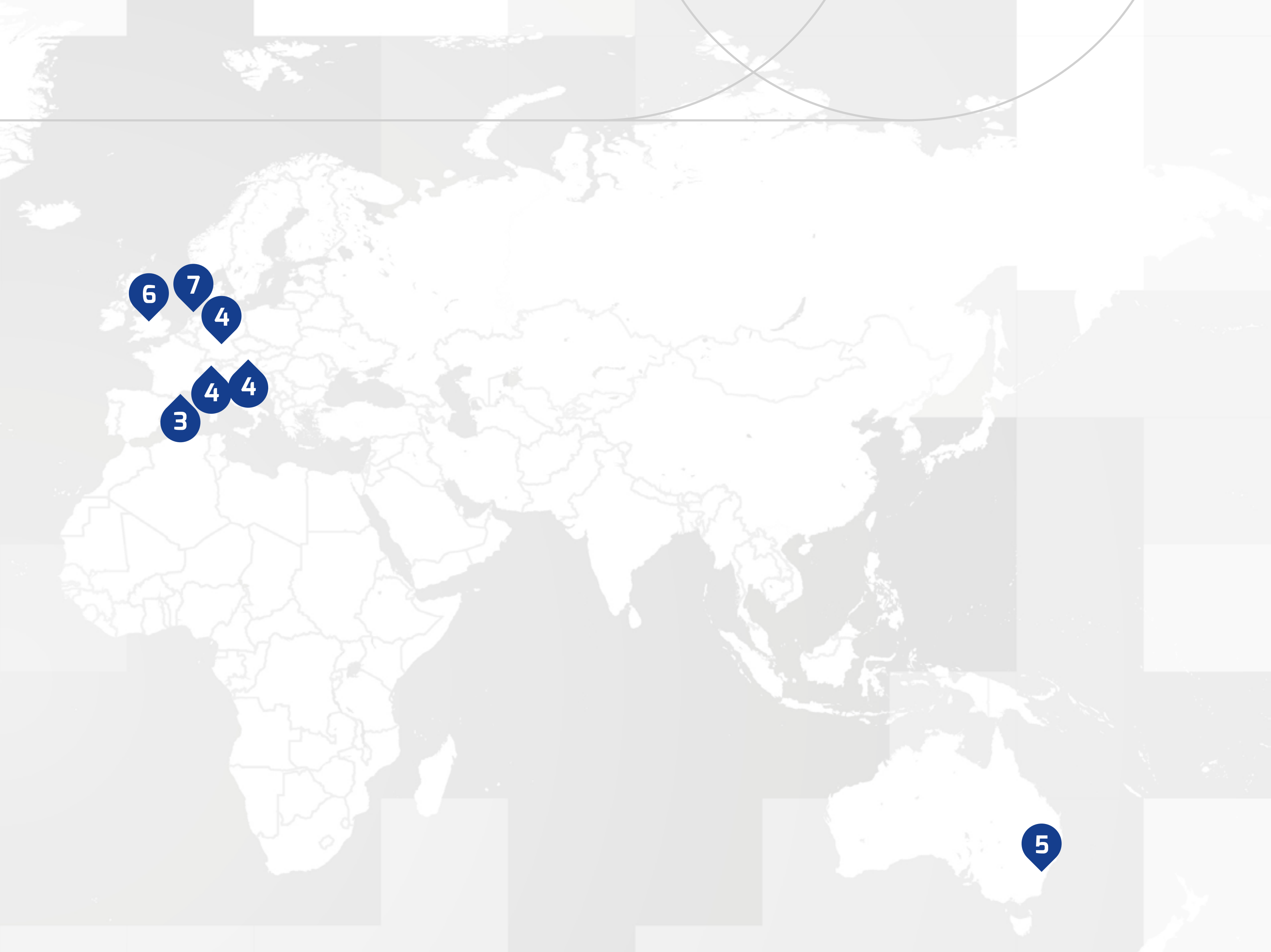

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Glossary

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 Busines
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
RDI	Research, Development & Innovation
ROI	Return on Investment
RoW	Rest of the World
RSS	Reverse Stock Split
SaaS	Software as a Service
SME	Small & Medium Enterprises
TFT	Tomorrow Focus Technologies
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

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