

Trading Update Q1 2023

TIE KINETIX N.V. ~ Q1 2023 TRADING UPDATE

Breukelen, 1 February 2023, 08.00 – TIE Kinetix, a leader in 100% supply chain digitalization announces its trading update for the first quarter of financial year 2023 today.

High Growth Plan on track with Q1, 2023 Record Order Intake

TIE Kinetix today reports that the High Growth Plan is on track for 2023 with a record high Q1, 2023 order intake of € 6.1 million (Q1, 2022: € 2.8 million). Investments in sales and marketing are paying off with an all-time high order intake. From this € 6.1 million order intake, 72% was related to SaaS, compared to 52% in Q1, 2022.

Following the strategic changes that were initiated last year, the Company operates as a 100% SaaS company, with a focus on long term subscription contracts and annual recurring revenues. During financial year 2022, the Company stepped up its expenditures and investments in marketing, sales and onboarding to lay the foundation for further growth in all of its markets. Such increased expenditure was visible in increasing staff levels, recruitment costs, marketing costs etc.

SaaS revenues for Q1, 2023 have increased by 18.3% to € 3.1 million compared to Q1, 2022. Maintenance revenue has decreased in line with plan and consultancy revenue is lower (only) due to the application of IFRS 15. Increased staff levels (with some 30 FTEs) led to higher employee costs. Operating expenses for Q1, 2023 were positively impacted by one-off gains of € 100k, consisting of a release of € 140k from the legal provision, offset by an adjustment of an accrual for employee costs of € 40k. EBITDA for Q1, 2023 came in below Q1, 2022 EBITDA level.

Financial highlights

- » Q1 Order intake at a historic high of € 6,055k, compared to € 2,823k in Q1 2022 (increase of 115%);
- » SaaS revenue up from € 2,626k (Q1 2022) to € 3,106k (increase of 18%);
- » Total revenue up from € 3,596k (Q1 2022) to € 3,825k (increase of 6%);
- » EBITDA down from € 226k (Q1 2022) to negative € 482k (decrease of 314%), please refer to explanatory notes above.

2023 Interim dividend of € 0.50 per share

In 2022 the Company initiated its [dividend policy](#). Management considers that this dividend policy is backed by the very high share (80%+) of recurring business in its business model. Shareholders may elect to receive the dividend either in cash (net of 15% withholding tax) or in TIE Kinetix shares (without withholding taxes). If a shareholder makes no election the dividend will be paid out in TIE Kinetix shares.

The Executive Board proposes to distribute an interim dividend for 2023 in the amount of € 0.50 per share (2022: € 0.50 per share) subject to AGM approval in March 2023. This will imply a maximum cash outflow of € 975k when all shareholders elect a cash dividend.

Management strives to continue the execution of this dividend policy in 2023. To underscore management's confidence in the growth strategy the Company opts to distribute the 2023 interim dividend from its reserves, in the absence of sufficient net profit. Should a similar situation prevail in the near future, the Company may opt for a similar dividend distribution from its reserves. The optional dividend enables TIE Kinetix to realize a higher pay-out while maintaining a strong balance sheet for the roll-out of its strategy and possible acquisitions. This is a good fit with, and expresses management's confidence in, our growth strategy.

2 Trading Update Q1 2023

TIE KINETIX N.V. ~ Q1 2023 TRADING UPDATE

Key figures

(€ * 1000)

	Q1 2023	Q1 2022	Variance (%)
SaaS Revenues	3,106	2,626	18%
Total Revenues	3,825	3,596	6%
EBITDA ¹⁾	(482)	226	-314%

¹⁾ As defined in the section 'Use of alternative performance measures' in our 2022 Annual Report.

Message from Jan Sundelin, CEO

With the first quarter of financial year 2023 behind us, we see that the execution of our High Growth Plan continues to be in full swing. We are on plan. From our investments in new business teams, partner channels and customer success teams, we see a return already in this 1st quarter - something we expected later in 2023. We are both delighted and proud to report a record order intake for the past quarter of € 6.1 million. This order intake includes significant contracts for new hub-type customers as well as significant (50%+) value increases of existing customers, like GiZ. New significant contracts include Volkswagen Financial Services, Advasur, CooperSurgical and Camco Manufacturing.

Part of this success is attributable to our channel strategy. Where we have invested heavily in relations with new and existing partners and we are happy to report that this is starting to show results. The spearhead of our indirect sales strategy is our worldwide partnership with major ERP vendors Microsoft and Oracle. In the Microsoft ecosystem we have collaborative distribution agreements with Avanade and To-Increase.

With SaaS revenue growth of over 18%, we continue ramping up usage of our FLOW platform. Over the past quarter we have proven once again that this is a best-in-class product: besides being ISO 27001, ISO 27017 and ISO 27018 certified, FLOW is now also SOC 2 Type 2 and SOC 3 certified. This proves that we provide our customers a high level of assurance with respect to security, availability, processing integrity, confidentiality and privacy.

Furthermore, with our products and solutions we enable our customers (both buyers and suppliers) to process and enhance all incoming and outgoing documents (such as invoices), data and messages digitally and provide a meaningful contribution to our customers' corporate social responsibility.

Contact and other information

TIE KINETIX N.V. ~ Q1 2023 TRADING UPDATE

For further information, please contact:

- » TIE Kinetix N.V.
- » Mr. Michiel Wolfswinkel (CFO)
- » Phone no.: +31 (0) 88 369 80 60
- » E-mail: Michiel.Wolfswinkel@TIEKinetix.com

About TIE Kinetix

At TIE Kinetix, we help companies of all sizes achieve their digitalization goals. From 1% to 100% or anywhere in between, our cloud-native FLOW Partner Automation platform is designed to completely eliminate paper from the supply chain, enabling our customers to focus on three corporate initiatives that drive true organizational change: business process efficiency, compliance, and corporate social responsibility (CSR).

We believe that digitalization (not digitization) is the future. We believe in conscious development, and we believe in moving ourselves and our customers forward. More than 2,500 companies have chosen TIE Kinetix to support their EDI, e-invoicing, and general digitalization projects, and we proudly facilitate the exchange of over 81 million documents through FLOW each year—the equivalent of 10,000 trees saved.

Founded in 1987, TIE Kinetix is a public company (Euronext: TIE) with offices in the Netherlands (HQ), France, Germany, Australia, and the United States. For more information, please visit www.TIEKinetix.com, and follow us on [LinkedIn](#), [Twitter](#), [Facebook](#), and [YouTube](#).

Financial calendar

Date	Event
24 March 2023	Annual General Meeting
10 May 2023	Publication of 2023 Half year report
2 August 2023	Publication of Q3 2023 Trading update
15 November 2023	Publication of 2023 Full year results press release

Notice

This trading update is unaudited. All figures in this trading update are stated in thousands of euro, unless indicated otherwise.

Cautionary statement regarding forward-looking information

This document may contain expectations about the financial state of affairs and results of the activities of TIE Kinetix as well as certain related plans and objectives, and may be expressed in a variety of ways, such as 'expects', 'projects', 'anticipates', 'intends' or similar words. TIE Kinetix has based these forward-looking statements on its current expectations and projections about future events. Such expectations for the future are naturally associated with risks and uncertainties because they relate to future events, and as such depend on certain circumstances that may not arise in future. Various factors may cause real results and developments to deviate considerably from explicitly or implicitly made statements about future expectations. Such factors may for instance be changes in expenditure by companies in important markets, in statutory changes and changes in financial markets, in the salary levels of employees, in future borrowing costs, in future take-overs or divestitures and the pace of technological developments. TIE Kinetix therefore cannot guarantee that the expectations will be realized. TIE Kinetix also refuses to accept any obligation to update statements made in this document.