

West International AB (publ)

Year-end report for the period January-December 2014

53 per cent growth for the full year and positive EBITDA

Fourth quarter 2014

- Operating income amounted to SEK 30.9 million (14.3), an increase of 117%
- EBITDA reached SEK 3.7 million (2.0), an increase of SEK 1.7 million
- Operating profit totalled SEK 2.4 million (0.5), an increase of SEK 1.9 million
- Profit after tax was SEK 1.9 million (0.4), an increase of SEK 1.5 million
- Net earnings per share amounted to SEK 0.10 (0.03)

January - December 2014

- Operating income amounted to SEK 67.9 million (44.5), an increase of 53%
- EBITDA totalled SEK 3.0 million (-0.7), an improvement of SEK 3.7 million
- Operating profit was SEK -2.1 million (-5.7), an improvement of SEK 3.6 million
- Profit after tax reached SEK -2.0 million (-4.5), an improvement of SEK 2.5 million
- Net earnings per share amounted to SEK -0.12 (-0.44)

	Oct-Dec 2014	Oct-Dec 2013	Jan-Dec 2014	Jan-Dec 2013
Operating income, SEK '000s	30 932	14 262	67 859	44 492
EBITDA, SEK '000s	3 736	1 981	2 978	-665
Operating profit/loss, SEK '000s	2 427	452	-2 138	-5 673
Profit/loss after tax, SEK '000s	1 856	436	-1 974	-4 530
Net earnings per share, SEK	0.10	0.03	-0.12	-0.44

Significant events during the quarter

- All-time-high for orders booked. Four orders in October totalling approximately SEK 9.3 million from ABSA Bank in South Africa, and West noted the highest orderbook in the company's history, just over SEK 19 million (SEK 7.1 million in October 2013).
- Order from Micros of just over SEK 1.3 million for self-service kiosks for a leading fast-food chain.
- Redemption of warrants provided SEK 4.2 million in the last registration period to exercise TO1.
- Agreement with Seamless with the first order worth just over SEK 2.5 million. Seamless will offer WestInt card terminals for retailing integrated with the mobile payment service SEQR.
- Payzone and West developed Pay@Table, a mobile payment solution for restaurants and hotels. Payzone ordered mobile card terminals and services for a value of approx. SEK 2 million in an initial phase.
- Another order from Micros of just over SEK 3.0 million for self-service kiosks for a leading fast-food chain. The transaction will primarily be carried out in the first quarter of 2015.

Significant events after the end of the quarter

- An order of approximately SEK 1.6 million from Colorama, which is modernising and replacing its cash register systems in all of its shops in Sweden. The order corresponds to around 25% of the total replacement need and is being handled by the company's business partner Aponsa AB. The deliveries will primarily be made in the first quarter of 2015.



Statement from the CEO

For the full year, business grew by a whole 53 per cent and generated an EBITDA of SEK 3.0 million. In the fourth quarter, we more than doubled operating income compared with the year-before period. Accordingly, the year was wrapped up with a high level of activity in terms of sales and deliveries.

West's card terminals are now the core of the business and the area that is growing the most. In 2014, volume deliveries got started in earnest and more than 50 per cent of sales can now be attributed to our card terminal business. Our market share is now large enough to give us an advantage in discussions with new customers both in Sweden and abroad.

Sales of our mobile card terminals grew strongly, which is particularly pleasing. Mobile cash register systems (mPos) are a strong trend and demand is growing in the large retail segment. The possibility of being able to receive payments and complete sales directly with the customer out on the sales floor improves both the sales closing frequency and the customer experience.

I am very proud that more and more leading operators in retail, hotels and restaurants are using West's card terminals in their businesses. Malmö Arena, Berns Salonger, Polarn o. Pyret, MIO and Elite Hotels are just a few of the new users who accept payments with West's card terminals.

During the year, we also continued to contract more cash register system suppliers as resellers of our card terminal solutions. The feedback we get from these customers and their users continues to be positive. Operating statistics collected from the installed base of card terminals shows that the quality of our card terminal solution is better than that of our competitors. In this context, it's worth mentioning that many of our

card terminals operate in a very transaction-intense environment, where the slightest problem can be devastating for both the trader's finances and the working situation of staff at the cash register.

During the year, our business with ABSA Bank was further strengthened. South Africa is a very large growth market in terms of payment equipment and the fact that South Africa's largest bank continues to choose West as its supplier opens up doors to new business.

In pace with the growth of card terminal use, demand from our customers for the development of new functions is also growing. Consequently, we have had to strengthen the organisation further, primarily in technical development.

The transition to near field communication (nfc) for the wireless transfer of information from plastic cards or mobile phones to the store's card terminal is a major driver of the replacement of older card terminals. Mobile card payments are enabled by nfc, which is positive for West as we have full support for nfc payments in the whole product programme. In 2015, the first nfc payments will be made in WestInt® terminals.

2015 will be a very exciting year for West. Our focus will be on continuing to build the market position we have established in Sweden and launching the card terminal range on other new geographic markets. Due to seasonal variations, EBITDA will be negative in the first quarter of 2015. However, I believe that we will have continued growth for the full year.

Sten Karlsson, CEO of West International AB

