

PSI Group ASA

# Q4 and Year 2013

Financial report and status



## HIGHLIGHTS

- Very good turnover in the quarter for both Retail Solutions and CashGuard. It has however been a challenging quarter for SQS Security, with low turnover and nonrecurring costs
- Overall for 2013, there has been growth in all business areas. Retail Solutions has delivered record high turnover and EBITDA.
- The sale of InStore IT companies generated a profit of MNOK 33.0 in the 3rd quarter. The profit is classified as a financial item.
- The Board proposes to increase the dividend with 20 % to NOK 0.30 per share.

- **Operating revenues**

Operating revenues of MNOK 188.5 in the fourth quarter (MNOK 187.9), an increase of 0.3 per cent.

For the year 2013 operating revenue was MNOK 718.9 (MNOK 595.9), an increase of 20.6 per cent.

- **EBITDA**

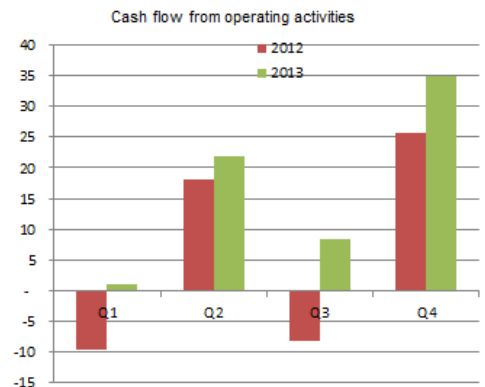
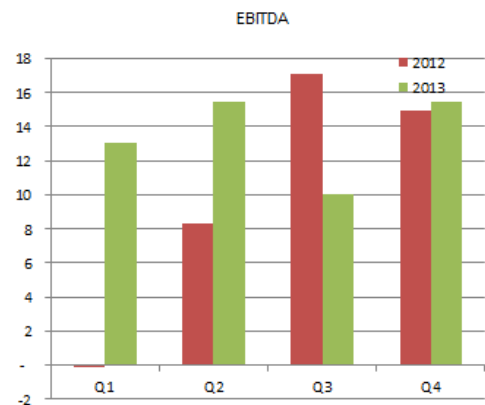
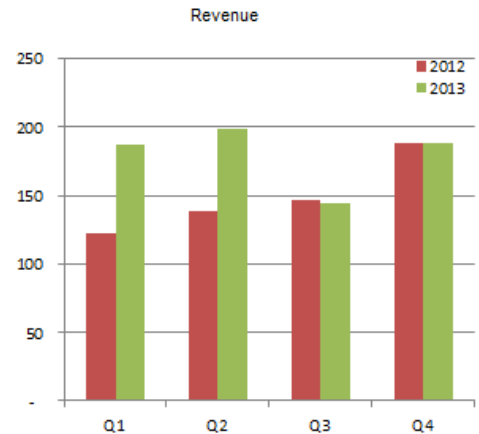
EBITDA of MNOK 15.5 in the fourth quarter (MNOK 14.9), an increase of 4.0 per cent.

For the year 2013 EBITDA was MNOK 54.2 (MNOK 40.2), an increase of 34.8 per cent. This reflects the strong result in Retail Solutions and CashGuard. Despite the good growth in revenue the disappointing results of SQS Security has affected negatively.

- **Cash flow**

Cash flow from operating activities was MNOK 34.9 in the fourth quarter (MNOK 25.8) an increase of MNOK 9.1 compared to the same period in 2012.

For the year 2013 the cash flow from operating activities was MNOK 66.2 (MNOK 25.9).



MNOK	Q4 2013	Q4 2012	Year 2013	Year 2012
Revenue	188,5	187,9	718,9	595,9
EBITDA	15,5	14,9	54,2	40,2
Operating profit (EBIT)	7,3	9,3	28,3	17,4
Ordinary profit before tax (EBT) <sup>1)</sup>	7,1	7,9	56,4	8,7
Net cash flow operations	34,9	25,8	66,2	25,9
Disposable funds	65,0	22,6	65,0	22,6
Earnings per share (NOK)	0,16	-0,16	1,16	-0,14
EBITDA margin	8 %	8 %	8 %	7 %

<sup>1)</sup> Included a profit of MNOK 33.0 related to the sale of InStore IT companies.

Accounting effects of acquisitions and sales are described in Note 6

## THE GROUP

### Results

The Group had nearly unchanged operating revenues with MNOK 188.5 in the fourth quarter 2013 compared to MNOK 187.9 in the corresponding period in 2012. Both Retail Solutions and CashGuard had a good quarter, while SQS Security had a marked decline in turnover.

For fiscal year 2013 all business areas had good organic revenue growth. The Group generated operating revenues of MNOK 718.9 compared with MNOK 595.9 for the year 2012 – an increase of 20.6 per cent. Of this is 17.5 per cent organic growth.

Operating profit before depreciation (EBITDA) in the fourth quarter 2013 was MNOK 15.5 (MNOK 14.9). Retail Solutions and CashGuard delivered good results in the quarter, while SQS Security still has extraordinary costs related to quality improvements and additional restructuring costs. For the year 2013 EBITDA was MNOK 54.2 compared with MNOK 40.2 for the year 2012.

Profit before tax (EBT) for the year 2013 show a profit of MNOK 56.4 compared with MNOK 8.7 for the year 2012. EBT for 2013 includes a profit of MNOK 33.0 related to the sale of InStore IT companies.

### Acquisitions and sales of companies in the period

PSI Group ASA completed 8th July the sales of their shares in five InStore IT companies (one subsidiary and four associated companies) to Visma Norge Holding AS for MNOK 48.9. PSI Systems AS and Visma Retail simultaneously agreed to continue the long-term service cooperation in the regions in Norway through these companies. Retail Solutions will be affected by the sale through future losses of profit contribution after tax from associated companies and the loss of consolidation of the subsidiary. The sale of shares in InStore IT companies revealed the values of these four companies. The sale resulted in a profit of MNOK 33.0, classified as a financial item.

PSI Group ASA acquired Etikett-Produsenten AS 26 June for MNOK 8.65 and Sydetikett AB 10 September for MSEK 40.0. The purchase price is related to the equity in the companies. The companies had at the acquisition time a cash balance of respectively MNOK 1.6 and MSEK 2.7. The companies are specialized commercial printing companies aimed at small and medium circulations in a wide quality range, with very short delivery times and high delivery precision. The acquisitions complement PSI Group ASA's existing commercial printing facilities that are focused on larger circulations. The label business in the Group is a part of the business area Retail Solutions.

The accounting effects of the transactions and unaudited pro forma figures are described in Note 6.



## RETAIL SOLUTIONS

Retail Solutions comprises the sale of technological solutions to the retail sector – including systems integration, installations, service, support and consumables. In addition, the business area is one of Scandinavia's largest producers of adhesive labels.

The business area's goal is to enhance retailers' profitability by making store employees' working environment more efficient and streamlining consumers' shopping experience.

MNOK	Q4 2013		Year	
	2013	2012	2013	2012
Product Sales	113,3	109,2	399,6	318,3
Service	37,2	43,2	155,1	145,8
<b>Revenue</b>	<b>150,5</b>	<b>152,4</b>	<b>554,7</b>	<b>464,1</b>
<b>EBITDA</b>	<b>19,2</b>	<b>18,4</b>	<b>67,4</b>	<b>44,9</b>
EBITDA-margin	12,8 %	12,1 %	12,1 %	9,7 %
EBT <sup>1)</sup>	15,8	16,1	88,6	36,9

<sup>1)</sup>Included a profit of MNOK 33.0 related to the sale of InStore IT companies.

The business area Retail Solutions' gross operating revenue has decreased by 1.3 per cent and ended at MNOK 150.5 (MNOK 152.4) in the fourth quarter, as a result of the completion of ESL to Rema 1000 in the 2<sup>nd</sup> quarter. This was largely offset by strong demand for CashGuard, among others as a result of the introduction of new coins and banknotes in Sweden, the delivery of ESL to other chains, and the acquisition of Sydetikett and Etikett-Produsenten.

For the year 2013 the business area showed an increase in operating revenue of 19.5 per cent to MNOK 554.5 (MNOK 464.1). The highest turnover in the business area's history.

Good cost control and a scalable business model led to an EBITDA margin of 12.8 per cent. EBITDA was MNOK 19.2 (MNOK 18.4) in the fourth quarter. For the year EBITDA was record high with MNOK 67.4 (MNOK 44.9).

### Label and label printers

Retail Solutions sells, designs and produces labels for the Norwegian and Swedish markets and delivers corresponding label printers and supplies. From the 1 quarter of 2014 this will be reported as a separate business area.

Retail Solutions had a turnover of MNOK 31.7 on labels in the fourth quarter (MNOK 17.0), where the acquisition of Sydetikett and Etikett-Produsenten contributed with an increase in turnover of MNOK 16.1.

Retail Solutions' label business is strengthened considerably by the acquisition of two printing facilities (see note 6). Retail Solutions is now one of the leading supplier of adhesive labels in Scandinavia.

In Sweden the production and sale of labels merged in a new common company Antonson Etikett AB. In Norway Etikett-Produsenten AS and PSI Production AS has merged with the name Etikettprodusenten AS. The company sells labels both through PSI Systems AS and direct. In November, the company became a member of the Norwegian Packaging Association, a vital step for making business more known as a label manufacturer for the food industry in Norway.

In the 4th quarter PSI Systems signed an agreement for delivery of labels to Salmar, one of the world's largest producers of farmed salmon. The agreement leads to an annual turnover of labels of approximately MNOK 3.

During the 4th quarter Antonson Etikett AB signed an agreement with hygiene and paper and pulping industry company SCA. In addition, the company also received its first order from the carrier DHL Stockholm as well as OneMed, which is an equipment supplier to the healthcare sector in the nordic region. The total value of the three agreements is approx. MSEK 4.3.

### CashGuard

CashGuard Multi POS, is a new software that allows you to connect multiple cash registers to one CashGuard. So far this year, the chain Right Price Tiles has installed the solution in three of its 11 stores. In the third quarter PSI Systems signed an agreement with G-MAX regarding purchase of CashGuard with MultiPOS to their stores in Norway.

### Other

The delivery of electronic shelf labels to Rema 1000 in Norway is completed. The feedback from the customer is very positive. PSI Systems AS is chosen as the preferred partner of Coop Norge Handel for this type of solution. A larger proportion of the 150 stores where Coop Norge Handel intends to acquire electronic shelf labels are expected to be based on Pricer technology. ICA in Sweden has signed a 2-year contract on purchase of Pricer from PSI Antonson AB.



## CASHGUARD

Comprises the development, production and sale of the market's most reliable cash handling systems to global partners and direct to larger retail chains. The business areas goal is to make cash payments effective and competitive for retailers. Partners who are 100 per cent owned by PSI Group ASA is included in the business area Retail Solutions.

MNOK	Q4 2013		Year	
	2013	2012	2013	2012
Product Sales	37,7	24,0	114,5	85,8
Service	3,7	0,1	12,6	4,3
<b>Revenue</b>	<b>41,4</b>	<b>24,1</b>	<b>127,1</b>	<b>90,0</b>
<b>EBITDA</b>	<b>4,5</b>	<b>-1,2</b>	<b>3,5</b>	<b>2,3</b>
EBITDA-margin	10,9 %	-5,0 %	2,7 %	2,5 %
EBT	3,1	-2,3	-3,4	-6,1

The business area had a very positive trend in export markets, mainly France, Spain and South Africa. In addition we have seen an improvement in Denmark and Germany. Turnover in the Swedish domestic market was very strong in the 4th quarter.

The business area CashGuard's operating revenue has increased by 72.1 per cent and ended at MNOK 41.4 (MNOK 24.1) in the fourth quarter. For the year 2013 the business area showed an increase in operating revenue of 41.2 per cent to MNOK 127.1 (MNOK 90.0), driven by increased sales in export markets, and Sweden (see table below).

Number of sold systems	Q4 2013		Year		Total number of sold systems
	2013	2012	2013	2012	
Norway	112	147	565	574	8 241
Sweden	346	189	700	484	10 266
Total domestic markets	458	336	1 265	1 058	18 507
International	208	47	785	342	3 550
Total	666	383	2 050	1 400	22 057

It is invested significant amounts in building an international sales and marketing department, which will focus on direct sales and marketing to major international retail chains. This has affected the operating profit in 2013. In addition it is in 2013 introduced a more aggressive partner program to increase distributors' focus on CashGuard's products, and the most competent partners are rewarded with a higher discount.

EBITDA was MNOK 4.5 (MNOK - 1.2) in the fourth quarter. For the year 2013 EBITDA was MNOK 3.5 (MNOK 2.3).

We now see that the international commitment starting to give results. In addition, we experience that the market is showing signs of improvement. In the home market in the Nordic countries it is expected an increased demand for CashGuard among others as a result of the introduction of new banknotes and coins in Sweden.

In Denmark CashGuard won during the 4th quarter a contract to Copenhagen municipality with deliveries continuing into 1st quarter in 2014.

During the 4th quarter CashGuard signed an agreement with the gas station chain Felta in Germany.

In Spain there is still strong demand, primarily in pharmacy and healthcare sector.

In the third quarter Sodexo, which among other things offering canteen services worldwide, installed a pilot of CashGuard Premium, and considering further investments.

The French retail chain Monoprix chose in the second quarter CashGuard as their closed cash handling solution. With about 450 stores, Monoprix is a leading retail chain in France, offering food items, clothing, hardware, household items and gifts.

The largest CashGuard installation in the world with 35 systems is in South Africa, at a supermarket called President Hyper.

Go to [www.cashguard.com](http://www.cashguard.com) to subscribe to news about the role cash has in society, as well as news within cash management solutions.



## SQS SECURITY

Comprises development, production and sale of the market's most advanced cash security solutions for ATM and cash in transit (CIT) operators based on patented destruction and tracking technologies. In addition SQS is a sub-contractor of this security technology to some of CashGuard's products in the retail distribution segment which requires the highest level of security on the market.

	Q4 2013		Year	
	2013	2012	2013	2012
MNOK				
Product Sales	19,1	30,4	101,6	93,8
Service	9,6	5,8	32,3	24,1
<b>Revenue</b>	<b>28,7</b>	<b>36,2</b>	<b>133,9</b>	<b>117,9</b>
EBITDA	-5,3	1,1	-5,8	2,7
EBITDA-margin	-18,5 %	3,0 %	-4,4 %	2,3 %
EBT	-8,6	-1,5	-17,4	-10,1

In the business area SQS Security the operating revenue decreased with 20.6 per cent to MNOK 28.7 (MNOK 36.2) in the fourth quarter. For the year 2013 however, the business area show an increase in turnover of 13.5 per cent to MNOK 133.9 (MNOK 117.9). New agreements in both CIT and ATM in Norway have contributed to the positive sales development.

EBITDA in the first quarter included non-recurring expenses of NOK 2.4 million related to management changes in the business area. In the fourth quarter was MSEK 2.9 allocated to restricting. In addition, during the year it is recognized MSEK 7.7 in warranty costs due to quality issues with the current product line. The warranty costs consist of replacement equipment to customers, as well as upgrades of the installed base to resolve quality challenges, and will result in a significant reduction in future warranty costs.

EBITDA was MNOK - 5.3 (MNOK 1.1) in the fourth quarter. For the year 2013 EBITDA was MNOK - 5.8 (MNOK 2.7). It is implemented numerous measures to improve profitability in the business area. It was in 2013 made significant changes in the management, development of a new product family, SMP, which has higher reliability, and where the products are based on the same components. Products within the SMP family will be launched consecutively in 2014. The product has been tested in Croatia for one year with great success. The business area will in 2014 increase its focus on sales and marketing.

SQS Security Qube System AB has been a preferred supplier to Loomis in Norway since 1999. During the third quarter SQS Security delivered an order of approx. MNOK 9 in new cases to secure Loomis' cash in transit. In the fourth quarter Loomis in Sweden has ordered rack-solutions and cases to 7 CIT.

In the first quarter the business area completed the delivery of 900 SMP suitcases to Croatia with very positive feedback from the customer. This delivery was the first step to reach the goal to be the market leader in the region.

The introduction of the new SQS SMP case has, after a successful installation in Croatia, received considerable attention from most international actors in the market. The SMP case can be used for transport for both cash and ATM cassettes. The case is designed for most of the producers of ATM-cassettes. The technology also provides the basis for developing more functions in the future.

In the 4th quarter SQS Security Qube System certified its SMP Mini with SSF (Svenska Stöldskydds Föreningen).

In the UK, Loomis has conducted a successful pilot of SMP CIT-cases.

Erste Bank has started using cases for its internal CIT, as the first bank customer in Austria.

Brinks in France has during the 4th quarter invested in several cases to a value of about 200,000 Euro.

In Germany Reisebank has completed a successful pilot of SQS Security Qube System's new stationary ATM technology ASP. The bank plans initially to equip an additional 16 ATMs with ASP. Germany and Europe are experiencing an increase in the number of robberies of ATMs. Promotion of ASP has therefore received much attention.

The Swedish market continues to show good sales of security systems for ATMs. This trend is also applicable to the market in Norway, where sales of our products is increasing.

The company's traditional customers in Europe are reluctant to investment in new equipment. In Russia the situation is pending.

## CASH FLOW AND EQUITY

Cash flow from operating activities improved by MNOK 9.1 in the fourth quarter, and ended at MNOK 34.9 compared with MNOK 25.8 in the same period in 2012.

Working capital decreased by MNOK 5.7 in the quarter compared with the end of the third quarter of 2013.

Net interest-bearing debt has decreased by MNOK 29.2 compared with the end of the previous quarter and totalled MNOK 44.3.

Disposable funds was MNOK 65.0 per 31 December 2013.

The Norwegian Ministry of Trade and Industry granted 27<sup>th</sup> of June this year the application for permission to carry out a compulsory acquisition of shares owned by shareholders whose shares have a total value that did not exceed NOK 500. The acquisition was completed in the third quarter of 2013. In connection with the compulsory acquisition to a redemption price of NOK 6,00 per share 1,351 shareholders were exercised, and 71,141 shares transferred to PSI Group ASA. After that PSI Group ASA owns 660,253 of its own shares which represent 1.5 per cent of outstanding shares.

The Board wants the members of the executive management to have shares in the company. It was therefore in the first quarter 2013 introduced a share program for the executive management where members have the opportunity to buy shares for up to NOK 500 000 per year with 20 per cent discount. In addition, the first employee share program was conducted, in which all employees in the Norwegian companies were allowed to buy shares for up to NOK 25 000 with 20 per cent discount.

The Board will at the next General Assembly propose a dividend of NOK 0.30 per share.

The Board of Directors of PSI Group ASA,  
Rælingen, 24 February 2014

Svein S. Jacobsen  
Chairman

Erik Pinnås  
Director

Selma Kveim  
Director

Camilla Teffers  
Director

Klaus de Vibe  
Director

Jørgen Waaler  
CEO

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## STATEMENT FROM THE BOARD

The board and group CEO have today considered and approved PSI Group's financial statements for the fourth quarter and the year 2013, including comparative consolidated figures for the fourth quarter and the year 2012. This report has been prepared in accordance with IAS 34 on interim financial reporting as determined by the European Union, and with supplementary requirements pursuant to the Norwegian Securities Trading Act.

The board and CEO hereby declare, to the best of their knowledge, that the financial statements for the fourth quarter and the year 2013 have been prepared in accordance with prevailing accounting principles and that the information in the financial statements gives a true and fair view of the assets, liabilities, financial position and profit of the group taken as a whole at 31 December 2013 and 31 December 2012. To the best of their knowledge, the report gives a true and fair overview of important events during the accounting period and the impact of these events on the financial statements.

The Board of Directors of PSI Group ASA,  
Rælingen, 24 February 2014

Svein S. Jacobsen  
Chairman

Erik Pinnås  
Director

Selma Kveim  
Director

Camilla Teffers  
Director

Klaus de Vibe  
Director

Jørgen Waaler  
CEO



**CONSOLIDATED INCOME STATEMENT**

KNOK	Q4 2013	Q4 2012	Chg. %	Year 2013	Year 2012	Chg. %
Sales revenues	188 546	186 595	1,0 %	716 506	592 448	20,9 %
Profit from AC, Service companies	-	1 344		2 367	3 471	-31,8 %
Cost of goods sold	92 940	102 687	-9,5 %	378 473	298 422	26,8 %
Payroll	55 231	47 284	16,8 %	196 806	174 195	13,0 %
Other operating expenses	24 869	23 062	7,8 %	89 438	83 131	7,6 %
Total operating expenses	173 040	173 033		664 718	555 749	19,6 %
EBITDA	15 506	14 906	4,0 %	54 155	40 170	34,8 %
Depreciation tangible assets	3 310	2 499	32,5 %	10 573	8 514	24,2 %
Depreciation intangible assets	4 899	3 067	59,7 %	15 299	14 235	7,5 %
Write down intangible assets	-	-	-	-	-	-
Write down goodwill	-	-	-	-	-	-
EBIT	7 296	9 341	-21,9 %	28 283	17 421	62,4 %
Interest	-893	-1 119	20,1 %	-4 314	-4 767	9,5 %
Other financial income	674	-324		32 414	-3 969	
EBT <sup>1)</sup>	7 077	7 898	-10,4 %	56 383	8 685	0,0 %
Taxes	294	14 836	-98,0 %	5 214	14 558	-64,2 %
Profit/loss after tax	6 783	-6 938		51 169	-5 872	
Of which						
Majority interest	6 874	-7 032		50 937	-6 206	
Minority interest	-90	95		232	334	
	6 783	-6 938		51 169	-5 872	
<b>Earnings per share</b>						
Number of shares outstanding	44 376 040	44 376 040		44 376 040	44 376 040	
Av. Number of shares - own shares	43 715 787	43 718 999		43 757 742	43 865 891	
Earnings per share	0,16	-0,16		1,16	-0,14	
Diluted earnings per share	0,16	-0,16		1,16	-0,14	
EBITDA per share	0,35	0,34		1,24	0,92	
Diluted EBITDA per share	0,35	0,34		1,24	0,92	

	Q4 2013	Q4 2012	Chg. %	Year 2013	Year 2012	Chg. %
<b>Total earnings</b>						
Profit/loss after tax	6 783	-6 938		51 169	-5 872	
Exchange differences on foreign operations	3 040	-6 034		22 628	-2 992	
Total earnings	9 823	-12 972		73 797	-8 865	
Of which						
Majority interest	9 913	-13 067		73 565	-9 199	
Minority interest	-90	95		232	334	

<sup>1)</sup> The year 2013 includes a profit of MNOK 33.0 related to the sale of InStore IT companies.

**CONSOLIDATED BALANCE SHEET**

KNOK	31.12.2013	31.12.2012	30.09.2013
<b>ASSETS</b>			
Intangible assets	113 747	97 564	116 076
Goodwill	110 779	80 584	110 607
Tangible assets	36 445	25 381	37 430
Long term investments	481	12 590	481
Deferred tax	18 084	29 794	16 971
<b>Non-current assets</b>	<b>279 535</b>	<b>245 913</b>	<b>281 564</b>
Financial investments	26	22	25
Goods	85 787	83 419	81 255
Accounts receivable	98 156	94 325	120 864
Prepaid expenses	13 899	10 078	10 488
Other receivables	8 285	10 906	12 577
Bank deposits	8 554	3 670	9 997
<b>Current assets</b>	<b>214 706</b>	<b>202 421</b>	<b>235 206</b>
<b>TOTAL ASSETS</b>	<b>494 241</b>	<b>448 335</b>	<b>516 769</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital	27 513	27 513	27 513
Holding of own shares	-409	-416	-409
Other equity	223 694	161 262	214 114
<b>Total equity</b>	<b>250 798</b>	<b>188 359</b>	<b>241 218</b>
Long term interest bearing liabilities	43 603	42 943	45 875
Other long term liabilities	9 764	5 909	15 196
<b>Total long term liabilities</b>	<b>53 367</b>	<b>48 852</b>	<b>61 071</b>
Short term interest bearing liabilities	9 271	52 206	37 678
Accounts payable	71 163	70 826	83 641
Taxes payable	207	643	618
Dividend	-	2	-
Other short term liabilities	109 435	87 448	92 544
<b>Total short term liabilities</b>	<b>190 076</b>	<b>211 124</b>	<b>214 481</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>494 241</b>	<b>448 335</b>	<b>516 769</b>

**STATEMENT OF EQUITY**

KNOK	Share capital	Share premium account	Treasury shares	Other paid-in equity	Translation variances	Other equity	Total	Minority interest	Total equity
Equity 31.12.2011	13 757	182 919	-185	108 879	10 152	-112 310	203 213	49	203 261
Dividend to minority interest	-	-	-	-	-	-	-	-120	-120
Purchase of own shares	-	-	-232	-	-	-1 271	-1 503	-	-1 503
Transaction costs on purchase of treasury	-	-	-	-	-	-509	-509	-	-509
Write down share premium account	-	-100 000	-	100 000	-	-	-	-	-
Dividend 2011	-	-	-	-	-	-11 020	-11 020	-	-11 020
Profit this year after tax	-	-	-	-	-	-6 206	-6 206	334	-5 872
Other comprehensive income and expenses	-	-	-	-	-2 992	-	-2 992	-	-2 992
Equity 31.12.2012	27 513	42 383	-416	308 879	6 480	-196 834	188 006	354	188 359
Dividend to minority interest	-	-	-	-	-	-	-	-120	-120
Sale of own shares	-	-	51	-	-	338	389	-	389
Purchase of own shares / Compulsory	-	-	-44	-	-	-636	-680	-	-680
Dividend 2012	-	-	-	-	-	-10 947	-10 947	-	-10 947
Profit this year after tax included divestment	-	-	-	-	-	51 403	51 403	-234	51 169
Other comprehensive income and expenses	-	-	-	-	22 628	-	22 628	-	22 628
Equity 31.12.2013	27 513	42 383	-409	308 879	29 108	-156 675	250 800	-	250 798

**STATEMENT OF CASH FLOW**

KNOK	Q4 2013	Q4 2012	Year 2013	Year 2012
Ordinary profit before tax	7 077	7 898	56 383	8 685
Net interest	893	1 119	4 314	4 767
Tax paid	1 100	650	667	650
Share of profit, associated companies	-	-1 344	-2 367	-3 471
Ordinary depreciation	8 209	5 566	25 872	22 749
Profit / loss on sale of fixed assets	-169	-73	-169	-73
Non-realised loss on financial instruments	-	1 161	-	1 161
Realised profit on financial instruments	-452	-10	-32 969	-10
Change in inventories	-3 876	6 358	4 712	-18 100
Change in receivables	22 903	30 781	9 422	-13 762
Change in accounts payable	-12 979	-31 067	-6 480	32 655
Change in other accrued items	12 202	4 716	6 774	-9 384
<b>Net cash flow from operational activities</b>	<b>34 907</b>	<b>25 756</b>	<b>66 159</b>	<b>25 867</b>
Net payments for fixed assets	-2 077	-1 958	-4 550	-6 282
Net payments for long term shares	-	-	-476	-
Net effect acquisition Etikett-Produsenten AS	128	-	-2 578	-
Net effect acquisition Sydetikett AB	-	-	-24 732	-
Payment from sale of fixed assets	325	268	325	268
Net effect sale InStore IT companies	-	-	46 398	-
Interest income	86	-1 674	199	328
Dividend received from associated companies	-	-	2 300	1 340
<b>Net cash flow from investment activities</b>	<b>-1 538</b>	<b>-3 364</b>	<b>16 887</b>	<b>-4 346</b>
Buying of treasury shares / compulsory acquisition	-174	-	-612	-2 012
Selling of treasury shares	-68	-	320	-
Change in long-term debt	-4 147	-2 649	-13 435	-12 498
Change in overdraft	-29 077	-19 654	-49 114	8 737
Interest expenses	-979	555	-4 513	-5 094
Dividend paid	-397	1	-10 943	-11 018
Dividend paid to minorities	-	-	-120	-120
<b>Net cash flow from financing activities</b>	<b>-34 843</b>	<b>-21 747</b>	<b>-78 416</b>	<b>-22 005</b>
Net change in liquid assets	-1 473	645	4 630	-485
Cash and cash equivalents at the start of the period	9 997	3 079	3 670	4 219
Effect of foreign exchange rate fluctuations on foreign currency deposits	30	-54	254	-64
<b>Cash and cash equivalents at the end of the period</b>	<b>8 554</b>	<b>3 670</b>	<b>8 554</b>	<b>3 670</b>

## KEY FIGURES

KNOK	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Year 2013	Year 2012
<b>Income statement</b>							
Operating revenue	188 546	144 937	198 614	186 776	187 939	718 873	595 919
EBITDA	15 506	10 071	15 499	13 080	14 906	54 155	40 170
Operating revenue EBIT	7 296	3 493	10 114	7 380	9 341	28 283	17 421
Ordinary profit before tax (EBT) <sup>1)</sup>	7 077	35 137	9 054	5 115	7 898	56 383	8 685
Profit for the year	6 783	33 892	6 881	3 613	-6 938	51 169	-5 872
EBITDA-margin	8,2 %	6,9 %	7,8 %	7,0 %	7,9 %	7,5 %	6,7 %
EBT-margin	3,8 %	24,2 %	4,6 %	2,7 %	4,2 %	7,8 %	1,5 %
<b>Balance sheet</b>							
Non-current assets	279 535	281 564	250 064	249 661	245 913	279 535	245 913
Current assets	214 706	235 206	227 805	216 404	202 421	214 706	202 421
Total assets	494 241	516 769	477 869	466 065	448 335	494 241	448 335
Equity	250 798	241 218	198 147	201 674	188 359	250 798	188 359
Long-term debt	53 367	61 071	45 449	48 117	48 852	53 367	48 852
Short-term debt	190 076	214 481	234 273	216 274	211 124	190 076	211 124
Working capital	112 780	118 478	132 907	128 220	106 918	112 780	-
Equity ratio	50,7 %	46,7 %	41,5 %	43,3 %	42,0 %	50,7 %	42,0 %
Liquidity ratio	113,0 %	109,7 %	97,2 %	100,1 %	95,9 %	113,0 %	95,9 %
<b>Cash Flow</b>							
Net cash flow from operation	34 907	8 323	21 943	986	25 756	66 159	25 867
Net cash flow	-1 473	2 273	3 501	329	645	4 630	-485
<b>Share information</b>							
Number of shares	44 376 040	44 376 040	44 376 040	44 376 040	44 376 040	44 376 040	44 376 040
Weighted average shares outstanding	43 715 787	43 785 398	43 786 928	43 742 849	43 718 999	43 757 742	43 860 320
EBT per shares	0,16	0,80	0,21	0,12	0,18	1,29	0,20
Earnings per share	0,16	0,77	0,16	0,08	-0,16	1,17	-0,13
Equity per share	5,7	5,5	4,5	4,6	4,3	5,7	4,3
Dividend per share	-	-	0,25	-	-	-	0,25
<b>Employees</b>							
Number of employees (end of period)	314	326	297	309	301	314	301
Average number of employees	321	307	303	304	306	309	306
Operating revenue per employee	600	445	669	604	624	2 289	1 980
Operating cost per employee	551	414	617	562	575	2 117	1 846
EBT per employee	23	108	30	17	26	180	29

<sup>1)</sup> Q3 2013 and YTD 2013 includes a profit of MNOK 33.0 related to the sale of InStore IT companies.

## DEFINITIONS

Number of shares	Number of issued shares year and
Working capital	Inventories + accounts receivables – accounts payable
Equity per share	Book value equity / number of shares
Operating revenue	Sales revenues and profit from AC, Service companies
Operating revenue per employee	Operating revenue / average number of employees
Operating cost	Operating cost / average number of employees
EBT	Profit before tax
EBIT	Operating profit
EBIT pr. ansatt	EBIT / average number of employees
EBIT pr. utestående aksje	EBIT / average number of shares outstanding
EBIT-margin	EBIT / operatin revenue
EBITDA	Operating profit + depreciation fixed asstets amd tangible assets
EBITDA-margin	EBITDA / operating revenue
Egenkapitalandel	Book value equity / total assets
Weighted average basic shares outstanding	Issued shares adjusted for own shares on average for the year
Cash Flow margin	Net cash flow operations / operating revenue
Liquidity ratio	Current assets / short term debt
Earnings per share	Profit after tax / weighted average basic shares outstanding
Dividend per share	Paid dividend per share throughout the year

## NOTE 1 CONFIRMATION OF REPORTING FRAMEWORK

The condensed and consolidated quarterly financial statements are prepared in accordance with IAS 34 Interim Financial Reporting. The quarterly financial statements do not contain all the information required in an annual financial statement and should be read in connection with the Group financial statements for 2012.

## NOTE 2 KEY ACCOUNTING PRINCIPLES

The accounting principles for 2012 are described in the annual financial statements for 2012. The Group financial statements for 2012 were prepared in accordance with the IFRS principals and interpretations thereof, as defined by the EU, as well as other disclosure requirements pursuant to the Norwegian Accounting Act and the Oslo Stock Exchange regulations and rules applicable as at 31.12.2012. The quarterly report and the interim financial statements have not been revised by auditor.

## NOTE 3 SEGMENT INFORMATION

### SEGMENT: BUSINESS AREAS

MNOK	Q4 2013			Q4 2012			Year 2013			Year 2012		
	Revenues	EBITDA	EBT	Revenues	EBITDA	EBT	Revenues	EBITDA	EBT	Revenues	EBITDA	EBT
CashGuard	41,4	4,5	3,1	24,1	-1,2	-2,3	127,1	3,5	-3,4	90,0	2,3	-6,1
SQS Security	28,7	-5,3	-8,6	36,2	1,1	-1,5	133,9	-5,8	-17,4	117,9	2,7	-10,1
Retail Solutions <sup>1)</sup>	150,5	19,2	15,8	152,4	18,4	16,1	554,7	67,4	88,6	464,1	44,9	36,9
Group	0,1	-3,3	34,2	-0,1	-2,3	19,3	0,5	-11,2	73,6	0,5	-9,2	13,7
Eliminations	-32,2	0,3	-37,3	-24,6	-1,0	-23,7	-97,3	0,4	-85,0	-76,6	-0,5	-25,8
Total	188,5	15,5	7,1	187,9	14,9	7,9	718,9	54,2	56,4	595,9	40,2	8,7

<sup>1)</sup> Q3 2013 and YTD 2013 includes a profit of MNOK 33.0 related to the sale of InStore IT companies.

### SEGMENT: SALES REVENUES BY GEOGRAPHICAL MARKET

MNOK	Q4 2013			Q4 2012			Year 2013			Year 2012		
	Norway	Sweden	Other markets	Norway	Sweden	Other markets	Norway	Sweden	Other markets	Norway	Sweden	Other markets
CashGuard	9,4	19,4	12,7	10,5	12,3	1,3	43,3	41,8	42,0	42,8	29,3	17,9
SQS Security	5,7	11,6	11,4	-0,2	13,6	22,8	20,0	56,6	57,3	4,4	35,5	78,0
Retail Solutions	66,5	83,2	0,7	91,0	61,4	0,1	298,2	255,5	1,0	254,7	209,1	0,3
Group	0,1	0,0	0,0	-0,1	0,0	0,0	0,5	0,0	0,0	0,5	0,0	0,0
Elimineringer	-9,6	-22,6	0,0	-10,5	-14,1	0,0	-44,3	-53,0	0,0	-43,6	-33,0	0,0
Total	72,2	91,6	24,8	90,6	73,2	24,1	317,7	300,9	100,3	258,8	240,9	96,2

### SEGMENT: SALES REVENUES BY PRODUCT AND SERVICE

MNOK	Q4 2013		Q4 2012		Year 2013		Year 2012	
	New sales	Service/repairs	New sales	Service/repairs	New sales	Service/repairs	New sales	Service/repairs
CashGuard	37,7	3,7	24,0	0,1	114,5	12,6	85,8	4,3
SQS Security	19,1	9,6	30,4	5,8	101,6	32,3	93,8	24,1
Retail Solutions	113,3	37,2	109,2	43,2	399,6	155,1	318,3	145,8
Group	0,1	0,0	-0,1	0,0	0,5	0,0	0,5	0,0
Group/Eliminations	-32,2	0,0	-24,6	0,0	-97,3	0,0	-76,6	0,0
Total	138,0	50,5	138,9	49,1	518,9	200,0	421,7	174,2

## NOTE 4 RELATED PARTIES

No significant transactions between the Group and related parties had taken place as at 31 December 2013.

## NOTE 5 TOP 20 SHAREHOLDERS PER 31 DECEMBER 2013

No.	Name	No. of shares	%
1	PINNÅS, ERIK (incl. fully owned companies) <sup>1</sup>	4 932 276	11,1 %
2	GLAAMENE INDUSTRIER AS	4 176 417	9,4 %
3	STRØMSTANGEN AS	3 933 092	8,9 %
4	SKAGEN VEKST OG SKAGEN VEKST III	3 921 280	8,8 %
5	HOLMEN SPESIALFOND	2 100 000	4,7 %
6	AVANZA BANK AB	1 670 938	3,8 %
7	NORDNET BANK AB	1 600 811	3,6 %
8	ZETTERBERG, GEORG (incl. fully owned companies)	1 530 404	3,4 %
9	SKANDINAVISKA ENSKILDA BANKEN	1 333 022	3,0 %
10	WAALER, JØRGEN (incl. fully owned companies) <sup>1</sup>	1 005 315	2,3 %
11	GRESSLIEN, ODD ROAR	910 000	2,1 %
12	DELTA INVEST AS	776 018	1,7 %
13	V. EIENDOM AS	715 000	1,6 %
14	MP PENSJON PK	699 806	1,6 %
15	PSI GROUP ASA	660 253	1,5 %
16	RING, JAN	645 322	1,5 %
17	SWEDBANK AB (PUBL)	567 767	1,3 %
18	NORDEA BANK AB (PUBL)	458 063	1,0 %
19	JACOBSEN, SVEIN (incl. fully owned companies) <sup>1</sup>	450 000	1,0 %
20	SAXO PRIVATBANK A/S	353 000	0,8 %
	Sum 20 largest shareholders	32 438 784	73,1 %
	Sum 1 691 other shareholders	11 937 256	26,9 %
	<b>Sum all 1 711 shareholders</b>	<b>44 376 040</b>	<b>100 %</b>

<sup>1</sup> Primary insiders



## NOTE 6 UNAUDITED PRO FORMA FIGURES

InStore IT companies are deconsolidated as of July 2013.

Etikett-Produsenten AS is consolidated as of July 2013, while Sydetikett AB is consolidated as of September 2013.

KNOK	2013				PSI GROUP ASA Pro forma consolidated
	PSI GROUP ASA consolidated	Sydetikett AB	Etikett-Produsenten AS	InStore IT selskap	
Sales revenues	716 506	34 637	6 570	-2 810	754 903
Profit from AC, Service companies	2 367			-2 367	0
EBITDA	54 155	5 559	1 048	-4 075	56 687
Depreciation and amortizations of intangible assets and goodwill	-25 872	-1 662	-704	85	-28 153
EBIT	28 283	3 897	344	-3 990	28 535
Net financial items	28 100	-218	-68	-32 509	-4 695
Profit before tax <sup>1)</sup>	56 383	3 678	277	-36 498	23 839
Tax	-5 214	-809	-77	452	-5 648
Net Profit <sup>1)</sup>	51 169	2 869	199	-36 046	18 191
<b>BALANCE SHEET</b>	<b>31.12.2013</b>				<b>30.09.13</b>
Intangible assets	242 678				242 678
Tangible assets	36 445				36 445
Financial assets	481				481
Total non-current assets	279 603				279 603
Inventory	85 787				85 787
Receivables	120 365				120 365
Bank deposits	8 554				8 554
Total current assets	214 706				214 706
<b>TOTAL ASSETS</b>	<b>494 309</b>				<b>494 309</b>
Share capital	27 513				27 513
Own shares	-409				-409
Other equity	223 763				223 763
Minority interests	-				-
Total equity	250 866				250 866
Long term interest bearing liabilities	43 603				43 603
Other long term debt	9 764				9 764
Total long term liabilities	53 367				53 367
Short term interest bearing liabilities	9 271				9 271
Short term liabilities	180 805				180 805
Total short term liabilities	190 076				190 076
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>494 309</b>				<b>494 309</b>

<sup>1)</sup> Included a profit of MNOK 33 related to the sale of InStore IT companies.

KNOK	2012				PSI GROUP ASA Pro forma consolidated
	PSI GROUP ASA consolidated	Sydetikett AB	Etikett-Produsenten AS	InStore IT companies	
Sales revenues	592 448	44 887	13 176	-6 207	644 304
Profit from AC, Service companies	3 471			-3 471	-
<b>EBITDA</b>	<b>40 170</b>	<b>6 677</b>	<b>2 346</b>	<b>-5 725</b>	<b>43 467</b>
Depreciation and amortizations of intangible assets and goodwill	-22 749	-1 945	-1 320	50	-25 965
<b>EBIT</b>	<b>17 421</b>	<b>4 732</b>	<b>1 025</b>	<b>-5 676</b>	<b>17 502</b>
Net financial items	-8 736	-235	-191	-17	-9 178
Profit before tax	8 685	4 497	835	-5 693	8 324
Tax	-14 558	-1 201	-249	664	-15 344
<b>Net Profit</b>	<b>-5 872</b>	<b>3 296</b>	<b>586</b>	<b>-5 029</b>	<b>-7 019</b>
<b>BALANCE SHEET</b>	<b>31.12.12</b>	<b>31.12.12</b>	<b>31.12.12</b>	<b>31.12.12</b>	<b>31.12.12</b>
Intangible assets	207 942	-	259	-49	208 152
Tangible assets	25 381	7 850	2 263	-359	35 135
Financial assets	12 590	985	-	-12 585	990
<b>Total non-current assets</b>	<b>245 913</b>	<b>8 835</b>	<b>2 522</b>	<b>-12 993</b>	<b>244 277</b>
Inventory	83 419	1 791	672	-1 066	84 815
Receivables	115 331	6 135	2 756	-2 358	121 864
Bank deposits	3 670	2 591	2 043	-1 348	6 956
<b>Total current assets</b>	<b>202 421</b>	<b>10 517</b>	<b>5 471</b>	<b>-4 773</b>	<b>213 636</b>
<b>TOTAL ASSETS</b>	<b>448 335</b>	<b>19 352</b>	<b>7 993</b>	<b>-17 766</b>	<b>457 913</b>
Share capital	27 513	-	-	-	27 513
Own shares	-416	-	-	-	-416
Other equity	160 908	7 165	4 293	-14 348	158 018
Minority interests	354	-	-	-354	0
<b>Total equity</b>	<b>188 359</b>	<b>7 165</b>	<b>4 293</b>	<b>-14 702</b>	<b>185 115</b>
Long term interest bearing liabilities	42 943	7 307	1 981	-	52 231
Other long term debt	5 909	-	-	-	5 909
<b>Total long term liabilities</b>	<b>48 852</b>	<b>7 307</b>	<b>1 981</b>	<b>-</b>	<b>58 140</b>
Short term interest bearing liabilities	52 206	-	-	-	52 206
Short term liabilities	158 916	4 880	1 719	-3 064	162 451
<b>Total short term liabilities</b>	<b>211 124</b>	<b>4 880</b>	<b>1 719</b>	<b>-3 064</b>	<b>214 659</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>448 335</b>	<b>19 352</b>	<b>7 993</b>	<b>-17 766</b>	<b>457 913</b>



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