DIBS full-year report
January – December 2011

DIBS
Payment Services

Functional, secure and innovative payments

Full-year Report
1 January – 31 December, 2011

DIBS Payment Services is the Nordic region's leading supplier of functional, secure and innovative payment services for commerce via Internet. DIBS manage transactions for about 14 000 customers on a daily basis. DIBS has offices in Stockholm, Gothenburg, Oslo and Copenhagen. DIBS is traded on the First North marketplace with Erik Penser Bankaktiebolag as Certified Advisor.

Condensed January – December 2011

- Sales of services + 9 % at local currency + 12 %
- Net sales (incl. terminals) MSEK 150.7 (144.8) + 4 %

- Operating profit MSEK 29.0 (42.4) - 32 %
- Profit after tax MSEK 21.7 (32.8) - 34 %
- Profit after tax per share SEK 2.26 (3.43) - 34 %

- Portion of recurring income 89 % (86 %)
- Net inflow of customers 1 545 (2 489) - 38 %
- Number of customers* 13 998 (12 452) + 13 %
- Customers' collective transaction value BSEK 82.0 (71.0) + 15 %
- EBITDA MSEK 35.2 (47.1) - 25 %
- EBITDA margin 23 % (33 %)
- The board proposes a dividend of 2 SEK per share for 2010

Condensed October – December 2011

- Sales of services + 16% at local currency + 16 %
- Net sales (incl. terminals) MSEK 39.2 (35.4) + 11 %

- Operating profit MSEK 8.6 (9.1) - 5 %
- Profit after tax MSEK 6.8 (7.3) - 7 %
- Profit after tax per share SEK 0.70 (0.76) - 8 %

- Portion of recurring income 89 % (85 %)
- Net inflow of customers 230 (692) - 67 %

- Customers' collective transaction value BSEK 21.3 (18.1) + 18 %
- EBITDA MSEK 10.3 (10.4)
- EBITDA margin 25 % (30 %)

* In "Number of customers" 1 846 Chippay customers has been deducted. The Chippay product was sold December 30, 2011

"Sales of services increased 16% in the fourth quarter. As the leader in the Nordics, DIBS gained additional market share in the steadily growing e-commerce market. Based on the company's robust cash flow and strong future prospects, the Board proposes to distribute 2 SEK per share in dividend", says Eric Wallin, CEO of DIBS.

CEO's comments

Increased growth in core business

Powered by our leading market position and investments in sales and technology during the year, DIBS growth improved quarter by quarter in 2011.

Following the divestment of the ChipPay customer base in Denmark at the end of the year, the business is exclusively focused on services for payments solutions for e-commerce. The growth in sales of services amounted to 11% in the first, 14% in the second, 15% in the third and 16% in fourth quarter in local currency. Our total revenues increased 11% during the quarter and the EBITDA margin amounted to 25%.

Market leader in the Nordic region

Since many years, DIBS has a leadership position in the Nordic market and a growing international reach. In 2011, we invested and further strengthened our position through new clients, existing customers' sales growth and new services for payments.

DIBS customer base consists of almost 14 000 different companies and organizations in all industries and all sizes. It includes many of the most successful e-merchants, leading Nordic consumer brands, growth companies, established global companies and public sector organizations. The client base is well diversified and no customer accounts for more than 2% of our revenues.

During the fourth quarter, we received 230 new clients and the total number of customers increased 13% for the year. This includes the just over 1 800 ChipPay customers for terminals in physical stores that were divested at the end of the year.

E-commerce is growing much faster than traditional retail, which reflects the structural growth component of e-commerce and consumers' changing buying patterns. Our customers' total transactions increased 18% in value to 21.3 billion in the fourth quarter. In total, nearly 100 million transactions were completed in our system during 2011.

Scalable business model

DIBS business model is partly based on charging per transaction. Therefore, we benefit from our customers' growth, the increase in number of online businesses and consumers' increasingly frequent shopping behaviour. The potential for continued growth is significant given that the average consumer makes one purchase per month via Internet and e-commerce is still only a small fraction of total consumption.

In the first half of 2011, we recruited heavily including a strengthening of our sales and development resources with about 30%. Thus, we built an organization that is designed for continued growth. We believe that the need for further investments in 2012 is limited, which provides good opportunities to take advantage of the leverage in our business model.

Continued development of our mobile platform

DIBS is a driving force in the development of mobile commerce. The technical platform is designed for mobile transactions, and in January 2012 we launched new features for our mobile payment window. It was well received by the market and our customers.

Our new mobile payment services have already helped several customers to increase their sales and reach new customers through this sales channel. Our roadmap for 2012 includes several launches of mobile payment solutions to help our customers get closer to their consumers.

DIBS supports customers' international expansion

DIBS is the leading provider in Sweden, Denmark and Norway and handles around 40 percent of the total Nordic e-commerce transaction volume. In thirteen countries, we have a complete payment infrastructure with international and local payment methods. E-retailers in the Nordic and Baltic countries, Poland, Netherlands, France, Germany and UK are using our payment infrastructure to reach over 300 millions consumers.

We support our clients' international expansion by continuously connecting new payment methods in new markets. Outside the Nordic countries, we are growing especially in cooperation with existing customers and in partnership with various international actors in e-commerce value chain.

Strong finances and unchanged dividend

DIBS continues to generate a strong cash flow and the company has a very good financial position. We had 52.4 million (55.8) in cash at year-end and our equity ratio was 84% (83).

The Board proposes a dividend of 2 SEK for 2011, totalling 19.2 million, which means that the dividend is unchanged compares to 2010. The proposal is based on the expectation that the cash flow will be strong in 2012 and the company's good prospects.

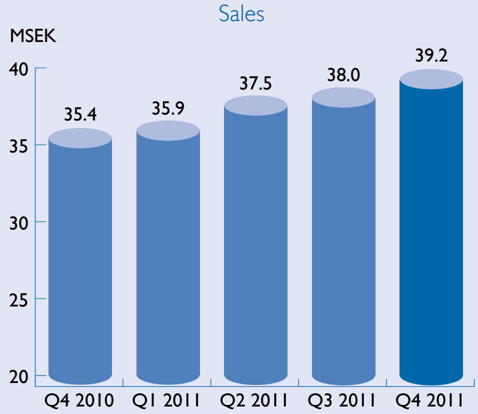
We enter 2012 with an increased growth, a strong market position and a favourable business model. It makes us well positioned to achieve our long-term financial goals.

Stockholm, February 17, 2012

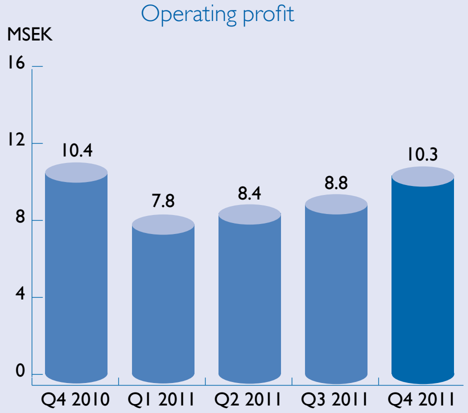
Eric Wallin, CEO

Comments on the report period

Sales

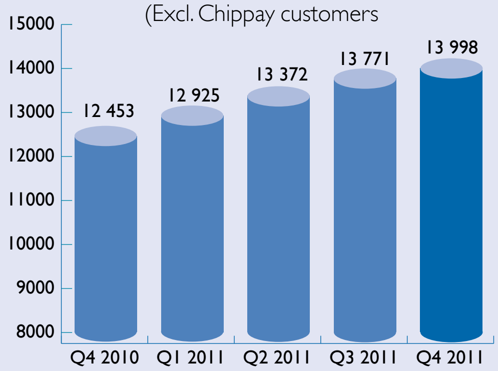


Operating profit

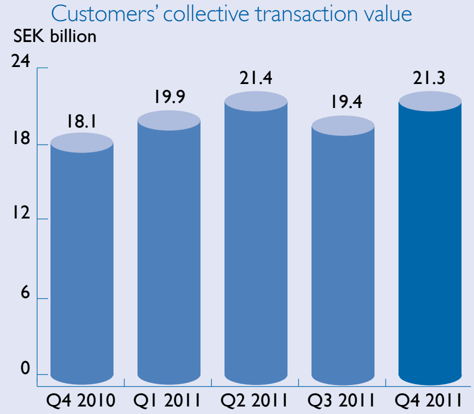


Customers

(Excl. Chippay customers)



Customers' collective transaction value



January - December 2011

Sales of services, excluding sales of terminals and fees, amounted to 147.0 million (134.4) for the period, an increase of 9% in SEK, and 12% calculated in local currencies.

Net sales amounted to 150.7 million (144.8) for the period, a growth of 4% in SEK, and 7% calculated in local currencies.

The proportion of recurring revenue was 89% (86) during the period. In total, the recurring revenue amounted to 134.6 million (124.1) whereof 58% was subscription revenues and 42% was transaction revenues.

Net sales per geographic market

Country	Sales 2011	Sales 2010	in % 2011	in % 2010
Sweden	74 813	66 898	50%	46%
Denmark	52 679	57 761	35%	40%
Norway	23 162	20 146	15%	14%
Total	150 654	144 805	100%	100%

Denmark's share of total sales decreased in 2011, due to one-off revenues of 8 million for ChiPay terminals in 2010.

Recruitment of sales and development resources and other strategic efforts increased the operating expenses to 124.3 million (102.4). EBITDA fell 25% to 35.2 million in the period. EBITDA margin was 23% (33%).

Operating profit amounted to 29.0 million (42.4) and net income tax amounted to 21.7 (32.8) million for the period.

Net inflow of clients was 1 545 (2 489). The customer base increased 13% to 13 998 at the end of the period, this excludes 1 846 ChipPay-customers that were divested.

Liquidity and investments

Cash flow from operating activities totalled SEK 29.5 M (42.3) for the period. The cash position at the end of the year amounted to SEK 52.4 M (55.8). The equity/assets ratio was 84 % (83). The Group's investments of SEK 14.0 M pertain primarily to the purchase of hardware and software SEK 3.4 M and activated development costs SEK 10.6 M.

Shareholders' equity

The Group's shareholders' equity at the end of the period amounted to SEK 110.2 M. In total, shareholders' equity increased by SEK 2.1 M during the quarter. In addition the company has paid out a dividend of SEK 19.2 M.

Employees

DIBS has recruited several new employees during the last year. At the end of the year, the number of employees totalled 99 (85). The employees include 59 employees in sales, support and marketing, 28 in operations and technical development and 21 in management, administration and accounting.

Tax

The group tax amount to an expense of SEK 7.6 M (10.2). The carrying amount of deferred tax asset amounts to SEK 7.2 M and is attributable to the value of tax losses carried forward.

Risk

External risks, such as data security, are thoroughly revised on a yearly basis by Visa and MasterCard in a so-called PCI DSS accreditation. DIBS has been accredited since 2005 and obtained its last PCI DSS certificate in May 2011.

Internal risks such as computer breakdowns and dependency on key personnel with specialist know-how are estimated to be acceptable. DIBS estimates that no significant risks have emerged, other than those mentioned in the annual report. The overall business risk of DIBS remains low. Our model relies on data processing and we do not act as a financial counterpart, hence we take no financial transaction risks.

DIBS has a large portion of recurring revenues. The revenues are considered to be well diversified between many customers, as no single customer accounts for more than two per cent of the revenues. See note 16 in the Annual Report for more information on financial risks.

Outlook

The growth of e-commerce continues and the total value of DIBS customers´ sales increased by 15 % in this quarter compared to last year. Consumers changing purchasing patterns and e-merchant strategies to meet the customers via multiple channels fuel the development. Another important driver for e-commerce is that the consumers´ online buying behaviour is migrated into non-commercial areas. This includes the public sector, organisations and non-profit businesses. The basis for growth is thereby further broadened to include other online services and the public sector.

DIBS business model is partly based on the number of transactions, which means that we benefit from the fact that more and more outlets launch online payments and that consumers increase their frequency of online purchases. The strong underlying growth of e-commerce leads to consolidation amongst the companies in the e-commerce value chain, including platform providers, payment gateways (such as DIBS) and financial companies. The market is consolidating both in the Nordics and internationally.

DIBS has a favourable view on consolidation in the market for e-commerce related services and possesses both the resources and competences to pursue acquisitions should the company see favourable opportunities.

Financial targets

The board's long-term target is to achieve an annual sales growth of above 20 % yearly. The target is considered to be realistic given the long-term structural growth of e-commerce and the company's strong position. The target for profitability is that the average EBITDA-margin shall exceed 25 %. The board's dividend policy is to annually pay out at least 60 % of the profit after tax.

Proposed dividend and Annual General Meeting

The Board proposes a dividend for the fiscal year 2011 with SEK 2 per share, equivalent to SEK 19.2 million. The AGM will be held May 9, 2012, at 3 pm.

Group consolidated income statement

(SEK 000s)	2011 Oct-Dec	2010 Oct-Dec	2011 Jan-Dec	2010 Jan-Dec
Net sales				
Sales of services	38 866	34 350	148 730	135 698
Sales of goods	381	1 093	1 924	9 107
Total net sales	**39 247**	**35 443**	**150 654**	**144 805**
Other income	2 653	-	2 653	-
Total income	**41 900**	**35 443**	**153 307**	**144 805**
Operating expenses				
Cost of goods sold	- 774	- 1 556	- 1 865	- 7 645
Other external expenses	- 8 569	- 10 052	- 36 981	- 33 186
Staff cost	- 22 255	- 13 400	- 79 147	- 56 793
Depreciation of tangible and intangible assets	-1 646	- 1 329	- 6 197	- 4 782
Other operating income	21	- 79	171	89
Other operating expenses	- 36	92	- 266	- 124
Total operating expenses	**-33 259**	**- 26 324**	**- 124 285**	**-102 441**
Operating profit	**8 641**	**9 119**	**29 022**	**42 364**
Result from financial items				
Financial income	447	1 242	930	1 535
Financial expenses	- 277	- 351	- 623	- 833
Total result from financial items	**170**	**891**	**307**	**702**
Profit before income taxes	**8 811**	**10 010**	**29 329**	**43 066**
Tax for the period	- 2 058	-2 682	- 7 640	- 10 228
Net profit for the period	**6 753**	**7 328**	**21 689**	**32 838**
Profit per share, before dilution	0,70	0,76	2,26	3,43
Profit per share, after dilution	0,70	0,76	2,26	3,43

Statement of comprehensive income group

(SEK 000s)	2011 Oct-Dec	2010 Jan-Sep	2011 Jan-Dec	2010 Jan-Dec
Profit for the period	**6 753**	**7 328**	**21 689**	**32 838**
Other comprehensive income				
Foreign exchange gains/losses in foreign subsidiaries	- 1 652	- 1 615	- 462	- 4 870
Other comprehensive income, net after tax	**- 1 652**	**- 1 615**	**- 462**	**- 4 870**
Total comprehensive income for the period	**5 101**	**5 713**	**21 227**	**27 968**
Total comprehensive income for the period				
Comprehensive income for the period attributable to owners of the parent company	5 101	5 713	21 227	27 968
Comprehensive income for the period attributable to subsidiaries outside decisive control	-	-	-	-
Total	**5 101**	**5 713**	**21 227**	**27 968**

Group consolidated balance sheet (summary)

(SEK 000s)	2011 Dec	2010 Dec
ASSETS		
Non-current assets		
Goodwill	17 338	17 339
Other intangible assets	19 962	11 143
Tangible assets	7 801	8 784
Other financial assets	854	295
Deferred tax assets	7 187	12 042
Total non-current assets	**53 142**	**49 603**
Current assets		
Inventories	178	603
Receivables	6 343	11 354
Other current assets	7 310	1 904
Prepayments and accrued income	11 328	11 390
Total current assets (short-term)	**25 159**	**25 251**
Cash and bank	52 409	55 842
Total current assets	**77 568**	**81 093**
TOTAL ASSETS	130 710	130 696
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity		
Share capital	2 395	2 395
Other capital	31 171	31 171
Other reserves	- 4 915	- 4 453
Retained earnings	81 533	79 004
Total shareholders' equity	**110 184**	**108 117**
Non-current liabilities		
Deferred tax liabilities	1 748	1 408
Total non-current liabilities	**1 748**	**1 408**
Current liabilities		
Payables	4 001	6 376
Tax liabilities	940	1 097
Other liabilities	1 912	4 264
Accrued expenses and deferred income	11 925	9 434
Total current liabilities	**18 778**	**21 171**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	130 710	130 696

Statement of changes in equity

2010 — Attributable to owners of the parent company

(SEK 000s)	Share capital	Other share capital	Reserves	Retained earnings	Total
Shareholders' equity 1 January 2010	2 371	27 595	417	57 662	88 045
Net profit for the period	-	-	-	32 838	32 838
Other comprehensive income	-	-	- 4 870	-	- 4 870
New share issue	24	3 576	-	-	3 600
Dividends	-	-	-	- 11 496	- 11 496
Shareholders' equity 31 December 2010	**2 395**	**31 171**	**- 4 453**	**79 004**	**108 117**

2011 — Attributable to owners of the parent company

(SEK 000s)	Share capital	Other share capital	Reserves	Retained earnings	Total
Shareholders' equity 1 January 2011	2 395	31 171	- 4 453	79 004	108 117
Net profit for the period	-	-	-	21 689	21 689
Other comprehensive income	-	-	- 462	-	- 462
Dividends	-	-	-	- 19 160	- 19 160
Shareholders' equity 31 December 2011	**2 395**	**31 171**	**- 4 915**	**81 533**	**110 184**

Consolidated cash flow

(SEK 000s)	2011 Jan-Dec	2010 Jan-Dec
Operating activities		
Result before tax	29 329	43 066
Items included in result with no cash flow effect	6 196	4 835
Income tax paid	- 3 951	- 4 436
Cash flow from operating activities before changes in working capital	**31 574**	**43 465**
Cash flow from changes in working capital		
Increase/Decrease in inventories	424	- 602
Increase/Decrease of receivables	- 238	- 1 586
Increase/Decrease in payable	- 2 223	1 068
Cash flow from operating activities	**29 537**	**42 345**
Cash flow from investing activities		
Investments in tangible assets	- 3 445	- 6 407
Investments in intangible assets	- 10 549	- 4 886
Cash flow from investing activities	**- 13 994**	**- 11 293**
Cash flow from financing activities		
New share issue	-	3 600
Dividends to owners of parent company	- 19 160	- 11 496
Cash flow from financing activities	**- 19 160**	**- 7 896**
Cash flow for the period	**- 3 617**	**23 156**
Cash and cash equivalents at beginning of period	55 842	35 545
Currency effect in cash reserves	184	- 2 859
Cash and cash equivalents at end of period	**52 409**	**55 842**

Consolidated key ratio

	2011 Jan-Dec	2010 Jan-Dec
Sales growth (services) in local currency, %	12	13
Sales growth (services), %	9	13
Operating margin, %	19	29
Profit margin, %	14	23
Equity/assets ratio, %	84	83

Consolidated data per share

(SEK 000s)	2011 Oct-Dec	2010 Oct-Dec	2011 Jan-Dec	2010 Jan-Dec
Earnings per share, (SEK)	0.70	0.76	2.26	3.43
Shareholders' equity per share, (SEK)	11.50	11.29	11.50	11.29
Number of shares on closing day	9 580 000	9 580 000	9 580 000	9 580 000

Consolidated quarterly data

	Year	Q1	Q2	Q3	Q4	Full-year
Group consolidated						
Net sales (MSEK)	**2011**	**35.90**	**37.47**	**38.04**	**39.25**	**150.65**
	2010	35.37	37.12	36.87	35.44	144.8
EBITDA (MSEK)	**2011**	**7.79**	**8.35**	**8.79**	**10.29**	**35.22**
	2010	12.22	12.51	12.01	10.44	47.2
EBITDA margin	**2011**	**22**	**22**	**23**	**25**	**23**
	2010	35	34	33	29	33
Operating profit (MSEK)	**2011**	**6.39**	**6.85**	**7.14**	**8.64**	**29.02**
	2010	11,08	11,30	10,86	9,12	42,36
Earnings per share (SEK)	**2011**	**0.48**	**0.50**	**0.57**	**0.70**	**2.26**
	2010	0.89	0.91	0.87	0.76	3.43
Average number of shares (thousands)	**2011**	**9 580**	**9 580**	**9 580**	**9 580**	**9 580**
	2010	9 513	9 580	9 580	9 580	9 572
Number of employees at end of the period	**2011**	**95**	**98**	**100**	**99**	**99**
	2010	68	73	76	86	86

Income statement parent company (summary)

(SEK 000s)	2011 Oct-Dec	2010 Oct-Dec	2011 Jan-Dec	2010 Jan-Dec
Net sales				
Sales of services	16 167	14 474	64 130	56 112
Sales of goods	33	25	268	25
Total net sales	**16 200**	**14 499**	**64 398**	**56 137**
Operating expenses				
Cost of goods sold	- 36	- 21	- 221	- 21
Other external expenses	- 6 851	- 4 494	- 17 865	- 13 598
Staff costs	- 16 383	- 6 162	- 29 600	- 18 444
Depreciation of tangible and intangible assets	- 125	- 122	- 510	- 354
Other operating income	9	- 76	22	1
Other operating expenses	- 11	66	- 27	- 21
Total operating expenses	**- 23 397**	**- 10 809**	**- 48 201**	**- 32 437**
Operating profit	**- 7 197**	**3 691**	**16 197**	**23 700**
Result from financials items				
Financial income	82	821	527	873
Financial expenses	- 288	- 787	- 422	- 850
Total result from financial items	**- 206**	**34**	**105**	**23**
Profit after financial items	**- 7 403**	**3 724**	**16 302**	**23 723**
Tax for the period	1 888	- 1 032	- 4 334	- 6 388
Net profit for the period	**- 5 515**	**2 692**	**11 968**	**17 335**

Balance sheet parent company (summary)

(SEK 000s)	2011 Dec	2010 Dec
ASSETS		
Tangible non-current assets		
Tangible assets		
Equipment	823	1 216
Total tangible non-current assets	**823**	**1 216**
Financial assets		
Shares in subsidiaries	33 305	33 305
Other non-current financial assets	295	295
Deferred tax asset	5 427	9 762
Total financial non-current assets	**39 027**	**43 362**
Total non-current assets	**39 850**	**44 578**
Inventories	**-**	**21**
Total current assets		
Current receivables		
Receivables	3 450	3 626
Receivables from subsidiaries	806	23
Other assets	3 169	250
Prepaid costs and accrued income	4 039	4 020
Total current assets (short-term)	**11 464**	**7 919**
Cash and Bank	19 915	27 752
Total current assets	**31 379**	**35 692**
TOTAL ASSETS	**71 229**	**80 270**
Shareholders' equity and liabilities		
Shareholders' equity		
Restricted Capital		
Share capital	2 395	2 395
Restricted Reserves	1 072	1 072
Unrestricted Capital		
Share premium reserve	30 639	30 639
Retained earnings	26 276	33 468
Total Shareholders' Equity	**60 382**	**67 574**
Current liabilities		
Payables	1 464	897
Liabilities to subsidiaries	3 747	5 015
Deferred tax liabilities	189	205
Other liabilities	1 234	2 320
Accrued expenses and deferred income	4 213	4 259
Sum current liabilities	**10 847**	**12 696**
TOTAL SHAREHOLDERS' EQUITY LIABILITIES	**71 229**	**80 270**

Accounting principles

DIBS applies International Financial Reporting Standards (IFRS) as adopted by the European Union. This report has been prepared in accordance with IAS 34 Interim Financial Reporting, the Swedish Companies Act and the financial reporting recommendation RFR 2, Accounting for Legal Entities. There have noy been any changes in group accounting and valuation principles compared with the recognition and measurement principles described in note 1 of the Annual Report for 2010.

This report has not been reviewed by the company's auditors.

Stockholm, February 17, 2012

Eric Wallin, CEO

Calender

2012-04-18: Publish Annual Report
2012-05-04: Interim report for the first quarter 2012
2012-05-09: Annual General Meeting
2012-08-09: Interim report for the second quarter 2012
2012-11-01: Interim report for the third quarter 2012

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This is an unathorised English translation of the original Swedish version of the interim report. In the event of a difference in meaning between the Swedish version and the English version, the original Swedish version shall prevail.

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