

A RETURN TO POSITIVE RESULTS IN 2014
INCREASE IN CASH
HISTORICAL ACTIVITY STABILIZED
NEW INVESTMENTS AND NEW MARKETS WITH SUBSTANTIAL POTENTIAL

Paris, March 23, 2015 – StreamWIDE (FR0010528059 – ALSTW), the specialist in next generation, value-added telephony solutions, announces a slight core operating profit in 2014 despite a €1.5 million decrease in annual revenue. Core operating profit remained positive and the operating margin before amortization improved to 35%, compared with 30% in 2013. Net profit, affected by a positive forex impact over the second half of the year, was +€0.2 million, up +€0.7 million compared with 2013.

SIMPLIFIED IFRS INCOME STATEMENT (*)

In € thousands	FY 2014	%revenue	FY 2013	%revenue	Δ (€ '000)	Δ %
License revenue	3,733	40%	5,472	51%	-1,739	-32%
Maintenance revenue	3,427	37%	3,198	30%	229	7%
Service revenue	1,758	19%	1,584	14%	174	11%
Third-party sales revenue	352	4%	546	5%	-194	-36%
TOTAL REVENUE	9,270		10,800		-1,530	-14%
Operating profit before amortization	3,237		3,220		17	1%
OPERATING PROFIT	9		187		-178	
Other operating costs / income	-254		-448		194	
Financial costs / income	399		-206		605	
Tax	88		27		61	
NET PROFIT/LOSS	242		-440		682	

(*) Audit procedures are currently being carried out on the Group's consolidated accounts

POSITIVE RESULTS AND STABILITY OF THE GROUP'S HISTORICAL ACTIVITY

Operating costs were reduced by €2.4 million (-21%) over the period, with a -€1.8 million reduction in the payroll (including -€0.9 million dedicated to development) and a -€0.6 million reduction in external and other expenses. Operating profit before amortization (equivalent to EBITDA) was stable compared with 2013, at +€3.2 million, while the operating margin improved by 5% in 2014, to 35%.

Core operating profit, which broke even, was down -€0.2 million on the previous year. This fall was essentially due to the impact of the amortization of development costs, which rose by €0.2 million over the period (€2.9 million in 2014 versus €2.7 million in 2013).

The impact of development costs on profit was down €1.1 million in 2014: the gross amount capitalized in 2014 was €2.6 million, compared with €3.5 million in 2013, with amortization increasing by €0.2 million and research tax credit write-backs remaining stable at €0.8 million.

Once non-recurrent expenses of €0.3 million over the period (specific wage costs), a financial profit of €0.4 million (following the positive forex effects over the second half of 2014 resulting from the €/USD parity) and a tax income of €0.1 million are all taken into account, there was an annual net profit of €0.2 million, i.e. an improvement of €0.7 million on the previous year, despite a context of falling revenue.

IMPROVED CASH POSITION AND SOLID FINANCIAL STRUCTURE

At December 31, 2014, the total balance sheet stood at €21.9 million, versus €23.2 million at December 31, 2013 (see the appendices below). This €1.3 million decrease was essentially a result of the reduction in trade receivables (-€1.4 million), directly associated with the fall in revenue, the decrease in supplier and social debt (-€0.3 million and -€0.5 million respectively), the increase in profit (+€0.7 million) and the increase in the Group's cash position (€8.1 million at December 31, 2014 versus €6.9 million at December 31, 2013, i.e. +€1.2 million).

The significant improvement in the cash position can essentially be explained by the €0.8 million increase in net operating cash flow over the period, while investment flows (development costs) were down -€0.7 million (see the appendices below). The positive operating cash flow of €3.4 million helped finance investments devoted to product development (net figure of -€1.9 million once the €0.8 million reimbursement of research tax credit recorded in 2014 is taken into account).

At end-2014, the Group's financial structure improved and remains solid, with shareholders' equity of €14 million and a considerable net cash position of €5.9 million, thus providing it with the means to ensure its future development.

2014 REVENUE

As a reminder, the first half of 2014 saw a significant decrease in revenue (-€2.5 million) following the substantial fall in operators' investments in services that began in early 2013 and continued to have an impact in 2014. At the same time, revenue in France was affected by the base effect associated with non-recurrent license sales during the first half of 2013 (platform extensions and replacements for a French client). The renewal of activity during the second half of 2014 (+€1.0 million to €5.9 million, i.e. +20%) only managed to partially offset this downward trend, but emphasizes the value added of the Group's historical commercial offer. Within a difficult sectoral and economic context, this illustrates the confidence that operators have in the quality, reliability and performances of the Group's technological solutions (voice messaging and prepaid systems).

Although license sales were down by €1.7 million as a result of the first half's negative base effects discussed above, annual maintenance revenue and services revenue were up €0.2 million each. Third-party sales, weak in absolute terms, were down €0.2 million over the period.

CONTROLLED, OPTIMIZED AND BUOYANT PRODUCT INVESTMENTS

The Group maintained its investment momentum in 2014 despite a difficult economic context. It reorganized itself throughout the year in order to preserve its development and innovation abilities, which are pivotal factors for its success.

While the development of its historical products is now mature and stable (the historical products provided to date being efficient, reliable and comprehensive in terms of features), development was particularly buoyant regarding the Group's application solutions, and in particular its "Team On The Run" corporate mobile instant messaging solution.

This was notably achieved through its Tunisian subsidiary, which has gradually grown as the Group's Chinese subsidiary has reduced its workforce. This orientation also allowed the Group to optimize its resources and reduce its average daily development costs, which explains the decrease in the global development costs capitalized in 2014.

OUTLOOK: EFFECTIVE AND PROMISING STRATEGIC REPOSITIONING

As announced, the second half of 2014 was better than the first. This enabled the Group to record a return to growth for its net profit despite revenue, which increased over the second half of the year, decreasing over the year as a whole. These results are also the positive consequence of the efficient reorganization undertaken since the start of 2014: the development teams have been redeployed to focus on developing high-potential new application solutions.

Regarding the Group's historical activity, early 2015 has seen positive momentum and a major voice-messaging market has recently been concluded with a European operator (a new client). These prospects, combined with a cost structure that has been adapted to the new market orientations in recent months, confirm that the 2015 operational breakeven point should be rapidly achieved over the coming months.

Simultaneously, the "Team On The Run" application and its administration website already provide businesses with a reliable and secure solution enabling them to control their own communication tool. Although the application has been available in "SaaS" (Software as a Service) mode since last summer, new high-value-added features will shortly be made available to the market: web chat and synchronized real-time multi-device access, a walkie-talkie feature and VoIP (voice over IP). These features make "Team On The Run" one of the most comprehensive and simple solutions on the market. Other highly-differentiating "business" features will be added over the coming months in order to further increase the specificity of "Team On The Run", a constantly evolving truly alternative compared to the market's current offers.

The Group has proven its ability to adapt and be resilient in a complex sectoral environment. Its unique positioning, its technological expertise, its solid financial structure and its direct and indirect marketing organization are all assets that should help it fully make the most of the surge in the professional applications market. "Put mobile devices to work" by capitalizing on their current technologies and their inherent advantages should be a priority for businesses in coming months. "Team On The Run" will be ready and very well-positioned on this high-potential emerging market to meet these new requirements expressed by businesses.

Next financial press release: H1 2015 revenue, on Monday July 27, 2015

Appendices

Consolidated balance sheet at December 31, 2014 and December 31, 2013

en K€	12.2014	12.2013
Fixed assets	7,827	8,317
Deferred tax asset	214	385
NON CURRENT ASSETS	8,041	8,702
Accounts receivable	3,954	5,361
Inventories and other receivables	961	1,411
Tax assets	844	881
Cash and cash equivalents	8,093	6,803
CURRENT ASSETS	13,852	14,456
TOTAL ASSETS	21,893	23,158
Equity	303	303
Share premium and reserves	13,490	14,045
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SHAREHOLDERS' EQUITY	14,035	13,908
Financial liabilities	1,971	2,147
Long-term provisions	123	97
Deferred tax benefit	1,245	1,209
Deferred tax liabilities	760	1,162
NON CURRENT LIABILITIES	4,099	4,615
Financial liabilities	196	190
Short-term provisions	12	12
Trade and other payables	700	1,042
Tax and employment-related liabilities	1,305	1,801
Deferred tax benefit	598	604
Deferred revenue	948	986
CURRENT LIABILITIES	3,759	4,635
TOTAL EQUITY AND LIABILITIES	21,893	23,158

2014 and 2013 consolidated cash flow

Cash-flows before tax and financing costs	3,439	2,606
Changes in working capital	-16	-23
Net cash-flows from operating activities	3,423	2,583
Change in fixed assets	-2,720	-3,985
Other cash-flows changes related to investment operations (CIR)	801	1,325
Net cash-flows related to investing activites	-1,919	-2,660
Net cash-flows related to financing activities	-214	4,406
Net change in cash and cash equivalents	1,290	4,329
Closing cash position	8,093	6,803

About StreamWIDE (Alternext Paris: ALSTW)

An established leader for value-added telephony services, StreamWIDE assists worldwide operators and service providers in shaping their telephony multimedia services innovation.

From core network solutions to mobile and web apps, StreamWIDE delivers on-premise or cloud-based, end-to-end, carrier-grade, IP-based VAS solutions in the areas of voice messaging, virtual numbers and telephony for social networks, convergent charging, conferencing, call center services, ringback tones and IVR.

Operating from France, the USA, China, Romania, Tunisia, Austria, Argentina, Indonesia and South Africa, StreamWIDE is listed on Alternext Paris (Euronext) - FR0010528059 – ALSTW.

For further information go to <http://www.streamwide.com>, <http://www.teamontherun.com> or visit our LinkedIn and Twitter pages



StreamWIDE is a Bpifrance “innovative company”,
is eligible for inclusion in “FCPI” (venture capital trusts dedicated to innovation) and is PEA-PME eligible



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