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**Interim Financial Statements
For the period ended September 30, 2017
The North Alliance Group**

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Q3

2017

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Introduction

The North Alliance AS (NoA) is a group of companies offering services within communication, design and technology. The family of companies operates in Norway, Sweden, Denmark, Poland and USA.

The group includes the following companies:

- Making Waves (NO, SE, PL, US)	Design & Technology
- Åkestam Holst (SE)	Communication
- Bold (SE, DK, NO)	Design
- Promenad (SE)	Action Marketing and CRM
- Great Works (SE, DK)	Digital strategy and innovation
- AndCo (DK)	Communication
- Anorak (NO)	Communication

Financial results

Total net revenues for the nine months period ended September 30 2017 were 548.7 MNOK, up 3% from 2016.

The EBITDA for the nine months period ended September 30 2017 came in at 41.7 MNOK, compared to 30.9 MNOK for the same period in 2016. An increase of 35%. Reported EBITDA includes MNOK 2.4 in non-recurring cost (MNOK 4.6m in 2016).

Alternative performance measures

The North Alliance disclose alternative performance measures as a supplement to the financial statements prepared in accordance with IFRS. Such performance measures are meant to provide an enhanced insight into the operations of the company.

Profit measures:

Net revenue: corresponds to Total operating revenue less Cost of goods sold in the consolidated income statement. Net revenue is presented to provide an income measure more relevant to communicate the actual operating revenue of the group.

EBITDA: is short for earnings before interest, taxes, depreciation and amortization. EBITDA corresponds to Operating profit plus Depreciation and Amortization in the consolidated income statement.

Non-recurring costs: are costs adjusted for to be indicative to the ongoing operating results of the company. It is presented to provide a better comparison of the underlying business performance between the periods.

Adjusted EBITDA: is EBITDA (as defined above) adjusted for Non-recurring costs (as defined above). It is presented to provide a profit measure more relevant to communicate the actual operating profit of the group.

Presentation of Alternative Performance Measures:

Amounts in NOK 1000	Three months ended		Nine months ended	
	Q3 - 17	Q3 - 16	YTD Q3 - 17	YTD Q3 - 16
Total Operating Revenue	230 725	208 288	748 908	731 147
Cost of goods sold	69 265	55 631	200 189	199 121
Net revenue	161 460	152 657	548 719	532 026

Amounts in NOK 1000	Three months ended		Nine months ended	
	Q3 - 17	Q3 - 16	YTD Q3 - 17	YTD Q3 - 16
Operating Profit	2 777	-4 545	26 864	11 731
Depreciation and amortization	4 967	6 407	14 850	19 123
EBITDA	7 744	1 862	41 714	30 854
Non-recurring items	1 799	4 626	2 362	4 626
Adjusted EBITDA	9 543	6 488	44 076	35 480

Outlook

We expect the positive development to continue. The focus is now to utilize NoA's Nordic digital capabilities as efficient as possible and be ready for further growth across the region.

Consolidated Interim Income Statement

The North Alliance Group

Figures are stated in NOK 1 000

	Note	<i>Three months ended</i>		<i>Nine months ended</i>	
		30-Sep-17	30-Sep-16	30-Sep-17	30-Sep-16
Revenue	2	230,725	208,288	748,908	731,147
Total Operating Revenue		230,725	208,288	748,908	731,147
Cost of goods sold	2	69,265	55,631	200,189	199,121
Personnel expenses	2	128,166	124,453	423,895	415,601
Depreciation and amortization		4,967	6,407	14,850	19,123
Other operating expenses		25,550	26,344	83,110	85,571
Total Operating Expenses		227,948	212,835	722,044	719,416
Operating Profit		2,777	-4,547	26,864	11,731
Total Financial Income		566	534	751	2,522
Total Financial Expense		4,482	9,162	11,363	18,024
Finance costs - net		-3,916	-8,628	-10,612	-15,502
Share of income in associated companies		0	0	0	607
Profit before income tax		-1,139	-13,175	16,252	-3,164
Income tax expense		-211	-1,933	4,388	36
Profit for the period		-928	-11,242	11,864	-3,200
Profit for the period		-928	-11,242	11,864	-3,200
Consolidated statement of comprehensive income					
<u>Items that may be subsequently reclassified to profit and loss</u>					
Currency translation effects		-3,998	0	10,107	-17,666
Other comprehensive income		-3,998	0	10,107	-17,666
Total comprehensive income for the year		-4,926	-11,242	21,971	-20,866
Earnings per Share					
Total Profit		-928	-11,242	11,864	-3,200
Weighted average number of ordinary shares in issue		548,764	548,764	548,764	513,441
Earnings per share (in NOK per share)		-0.00	-0.02	0.02	-0.01

Interim Consolidated Balance Sheet

The North Alliance Group

Figures are stated in NOK 1 000

ASSETS

NON CURRENT ASSETS	Note	As at September 30:	
		2017	2016
Intangible Assets			
Goodwill		299,682	290,978
Intangible assets		168,242	175,921
Total Intangible Assets		467,924	466,899
Fixed Assets			
Machinery and equipment		19,287	18,125
Total Fixed Assets		19,287	18,125
Financial Assets			
Leasehold deposits		578	736
Investment in Associates		2,249	1,869
Total Financial Assets		2,827	2,605
Total Noncurrent Assets		490,038	487,629
CURRENT ASSETS			
Trade and other receivables			
Trade receivables		171,153	135,703
Income tax receivable		11,809	10,682
Other receivables		52,972	60,054
Total trade and other receivables		235,934	206,439
Cash and cash equivalents			
Cash and cash equivalents		27,459	30,035
Total cash and cash equivalents		27,459	30,035
Total Current Assets		263,393	236,474
Total Assets		753,431	724,103

Interim Consolidated Balance Sheet

The North Alliance Group

Figures are stated in NOK 1 000

EQUITY AND LIABILITIES	Note	<i>As at September 30:</i>	
EQUITY		2017	2016
Share capital		1,372	1,372
Share premium		445,915	445,915
Other equity		-28,488	-58,883
Total Equity		418,799	388,404
LIABILITIES			
Non-current liabilities			
Deferred tax liability		20,405	30,250
Bond loan	4	136,388	135,413
Total non-current liabilities		156,793	165,663
Current liabilities			
Accounts payable		29,619	22,917
Short-term borrowings		0	0
Other short-term debt		148,220	147,119
Total current liabilities		177,839	170,036
Total Liabilities		334,632	335,699
Total Equity and Liabilities		753,431	724,103

Interim Consolidated Statement of Changes in Equity

The North Alliance Group

Figures are stated in NOK 1 000

	Share Note	Share Capital	Share Premium	Other Equity	Currency translation effects	Total Equity
Equity 01.01.2017		1,372	445,915	-59,143	8,684	396,828
Profit/loss for the period				11,864		11,864
Other items in comprehensive income (Foreign currency rate changes)					10,107	10,107
Total comprehensive income for the period				11,864	10,107	21,971
Equity 30.09.2017		1,372	445,915	-47,279	18,791	418,799

Consolidated Interim Statement of Cash Flows

The North Alliance Group

Figures are stated in NOK 1 000

	<i>Nine months ended</i>	
	30-Sep-17	30-Sep-16
Operating Activities		
Profit before income tax	16,252	-3,164
<i>Adjustments for:</i>		
Income tax paid	-13,009	-9,981
Depreciation and amortization	14,850	19,123
Finance cost - net	10,612	15,502
Share of income in associated companies	0	-607
Unrealized foreign exchange gains/losses on operating activities	250	642
<i>Changes in working capital:</i>		
Changes in accounts receivable and other receivables	16,436	44,164
Changes in accounts payable, net acquired	-5,003	-20,799
Changes in other assets and liabilities, net acquired	-55,485	-61,104
Cash provided (used) by operating activities	-15,097	-16,224
Investing Activities		
Acquisition of subsidiaries, net of cash acquired	0	-76,439
Acquisition of fixed assets	-6,657	-10,413
Cash provided (used) by investing activities	-6,657	-86,852
Financing Activities		
Interest payments	-11,363	-13,627
Interest received and other finance income	751	2,522
Proceeds from issuance of shares	0	27,595
Cash provided (used) by financing activities	-10,612	16,490
Net change in cash and cash equivalents	-32,366	-86,586
Cash and cash equivalents at start of period	60,485	121,547
Foreign currency effect changes on cash and equivalents	-660	-4,926
Cash and Cash Equivalents at end of period	27,459	30,035

Notes to the Consolidated Financial Statements

Note 1 – Accounting Principles

General information

The North Alliance AS is a limited liability company incorporated and domiciled in Norway with offices at Kristian IV's gate 15 in Oslo.

Basis of preparation

These condensed interim financial statements for the nine months ended 30 September 2017 have been prepared in accordance with IAS 34, 'Interim financial reporting'. The condensed interim financial statements should be read in conjunction with the financial statements for the year ended 31 December 2016 of NoA AS and condensed interim financial statements for the period ended 30 June 2017 of NoA AS, which have been prepared in accordance with IFRS as adopted by the European Union ('IFRS').

Accounting policies

The accounting policies applied in the preparation of the interim financial statements are consistent with those applied in the preparation of the annual financial statements for the year ended 31 December 2016, and the interim financial statements for the period ended 30 June 2017.

Estimates, judgments and assumptions

The preparation of interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing these condensed interim financial statements, the significant judgments made by management in applying the group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements for the year ended 31 December 2016 and condensed interim financial statements for the period ended 30 June 2017.

Note 2 – Segment information

The Board of Directors is the group's chief operating decision-maker. Management has determined the operating segments based on the information reviewed by the Board of Directors for the purposes of allocating resources and assessing performance.

The Board of Directors considers the business from a geographic perspective. This is the performance of the segment Norway, Sweden, USA and Denmark. Holding companies are included as they are administrative centers.

The Board of Directors assesses the performance of the operating segments based on a measure of EBITDA.

The following presents the Company's net revenue and EBITDA by operating segment:

(amounts in NOK 1 000)

Three months ended 30 September 2017	Norway	Sweden	USA	Denmark	Holding companies	Total
Net Revenue (gross profit)	69,179	61,022	11,032	20,227	0	161,460
Payroll expenses	51,920	48,922	8,603	17,575	1,146	128,166
Other expenses	10,240	8,024	1,804	3,162	2,320	25,550
EBITDA	7,019	4,076	625	-510	-3,466	7,744

Nine months ended 30 September 2017	Norway	Sweden	USA	Denmark	Holding companies	Total
Net Revenue (gross profit)	236,268	209,549	33,324	69,578	0	548,719
Personnel expenses	182,123	162,093	26,305	50,091	3,283	423,895
Other operating expenses	31,331	28,060	6,247	9,967	7,505	83,110
EBITDA	22,814	19,396	772	9,520	-10,788	41,714

Note 3 Seasonality

Historically we have seen a higher activity level in late Q3 and Q4 compared to Q1 and Q2. The main factors explaining this are the higher number of marketing campaigns that typically are run by our clients in Q3 and Q4, and the fact that Q3 and Q4 in total have more hours available for client deliveries.

Note 4 Borrowings

Non-current liabilities

	30-Sep-17	30-Sep-16
Bond loan	150,000	150,000
Arrangement fee paid	-4,875	-4,875
Amortization of arrangement fee, accumulated	2,925	1,950
Repurchased bonds	-11,662	-11,662
Total	136,388	135,413

Bond Loan

The bond loan matures fully in December 2018 and bears a floating interest rate of NIBOR + 7%. The interest is paid in quarterly installments.

The issued bond contains covenants including restrictions in dividend payments, financial indebtedness, cash flow and financial support, in addition to specific financial covenants like ensuring that the leverage ratio of the Group on a consolidated basis does not exceed 3.0, that the Group on a consolidated basis maintains an interest coverage ratio of at least 2.0, and that the liquidity of the group on a consolidated basis does not fall below NOK 10 000 000.

Note 5 Related party transactions

There are no significant transactions that affect the Group's financial position.

Note 6 Subsequent events

NoA has called the listed bond and the refinancing will be executed December 20th. The group will be financed by senior loans from Nordea.

November 10th The North Alliance closed the acquisition of Hello Group A/S in Denmark. Hello Group is a leading Danish strategic design group.