



SAFETY THROUGH KNOWLEDGE



SG BIDCO GROUP INTERIM QUARTERLY REPORT Q4 – 2018

Profit and Loss YTD Q4-18

YTD per Q4-2018 Total Revenue ended 6.3 MNOK up compared to the same period last year. Adjusted for negative FX effects, total revenue is up with 6.8 MNOK compared to Q4-2018.

Some customers changed from annual to semi-annual or quarterly invoicing cycles towards the end of the year, affecting revenue negatively with 7.1 MNOK YTD. These changes in subscription period increases the Group's revenue potential into Q4-2019 with a corresponding amount. Thanks to strong order intake during 2018, the subscription portfolio grew with 7,3% to KUSD 24.573, average portfolio growth in the period 2015 to 2017 was 4.0%.

SG BIDCO GROUP (NOK 1000s)	YTD Q4-2018	YTD Q4-2017
Subscription Renewal	166 992	161 316
Subscription New	8 740	8 113
Subscription Aftersale	11 213	11 202
Recurring Revenue	186 944	180 631
CBT Course Packages	10 072	10 087
Course	4 293	4 155
Other Revenues	5 633	5 760
Non Recurring Revenue	19 998	20 002
TOTAL REVENUE	206 942	200 633
Cost of Sales	-4 085	-4 327
TOTAL COST OF GOODS SOLD	-4 085	-4 327
GROSS PROFIT	202 857	196 306
Gross margin	98,0 %	97,8 %
Direct Opex Training Content	-19 270	-21 771
Direct Opex Course	-10 832	-9 294
Direct Opex Software Division	-12 671	-9 818
Sales & Marketing	-32 070	-32 575
Other Opex	-46 912	-41 974
OPEX	-121 755	-115 432
EBITDA	81 103	80 875
Depreciation	-10 984	-10 143
Amortisation	-63 434	-63 314
DEPRECIATION/AMORTIZATION	-74 418	-73 457
EBIT	6 684	7 418
Net currency gains (1)	-55 285	25 250
Net interest expense	-51 059	-14 362
Profit before tax	-99 660	18 306
EX.ORD.ITEMS	-1 111	-1 855
Net profit	-100 771	16 451

(1): Of which from hedging portfolio:	Q4-2018	Q4-2017
- Net gains/(losses):	-16 372	13 130

Balance Sheet

SG Bidco Group	Q4-2018	Q4-2017
Intangible Assets	720 348	784 107
Tangible Assets	17 699	20 239
Financial Fixed Assets	10 080	10 306
Total Fixed Assets	748 128	814 651
Trade Debtors	84 633	75 028
Trade Debtors, Intragroup	0	111 493
Inventories	1 481	1 266
Prepayments, Accruals,VAT,Other Rec.	2 692	9 855
Cash at Bank	23 618	14 127
Total Current Assets	112 425	211 768
TOTAL ASSETS	860 553	1 026 419
Trade Creditors	1 982	3 288
Accrued Interest Other	22 152	
Accruals&Other Creditors	13 250	15 884
Payroll Taxes, Empl.tax, Holiday allow.	4 388	4 740
Corporation Tax	-1 035	273
Total Current Liabilities	40 736	24 185
Deferred tax	111 130	111 289
Long Term Loan Other	565 240	294 552
Total Long Term Liabilities	676 370	405 841
Share Capital	52 036	52 036
Other Equity	91 411	544 356
Total Equity	143 447	596 392
TOTAL LIABILITIES & EQUITY	860 553	1 026 419

Cash flow statement

SG Bidco Group	YTD Q4-2018	YTD Q4-2017
EBIT	6 684	7 418
Add back Depreciation	10 984	10 143
Add back Amortisation	63 434	63 314
EBITDA	81 102	80 875
(Incr.)/decr.Trade receivables/inventories	(11 690)	925
(Incr.)/decr.Prepayments / Accrued Income	(813)	(4 177)
Increase/(decrease) in Trade payables	(1 479)	(1 581)
Increase/(decrease) in Accruals/provisions	(1 203)	523
CASH GENERATED FROM OPERATIONS	65 918	76 565
Capex	(8 316)	(12 825)
Income taxes paid	2 365	(229)
Debt Amortization	(24 852)	(29 455)
FX Effect	19 444	(8 556)
Aquisitions	0	(900)
Exeptional items	(10 544)	(3 282)
Interest paid	(34 524)	(15 297)
CASHFLOW	9 491	6 021

CASH BALANCE, OPENING	14 127	8 106
CASHFLOW	9 491	6 021
CASH BALANCE, CLOSING	23 618	14 127

Market Development and key numbers Q3-18

Key shipping segments continue to struggle with demanding market conditions, and we experience strong competition. The pressure on reduced prices for our products and services continues, as competition use price as a competitive tool. Despite this tough market environment, our combined order intake from existing and new customers has improved during 2018, so we are satisfied that we have been able to grow the value of our customer base.

We see a positive trend for our range of products, and we continue to launch new products and services to increase our competitive advantages.

Overall we are positive to the maritime training market and see signs of recovery in some of the shipping segments. Introduction of new regulations and rules for the shipping industry is expected to continue, resulting in new training needs and thereby increasing demand for our products and services.

Key numbers portfolio	Q4-2018	Q4-2017
No of Customers at end of period	774	722
Portfolio Value (USD 1000) at end of period	24 573	22 891
New sales orders (USD 1000)	Q4-2018	Q4-2017
New Orders total	1 517	1 681
Value of 10 largest Orders	835	832
3 largest new sales orders (USD 1000)	Q4-2018	Q4-2017
Customer "A"	239	216
Customer "B"	129	161
Customer "C"	123	121

FX rates Q4-2018

Realized FX rates Revenue / Opex:

Revenues:	Q4-2018	Q4-2017
USD	8,24	8,27
EUR	9,57	9,23

Opex:

USD	8,31	8,21
SGD	6,03	5,99
EUR	9,61	9,32
GBP	10,85	10,67
ZL	2,25	2,18
JPY	0,07	0,07
DKK	1,28	1,26