FMG

FIRST MOVER GROUP

Financial Statements **2020**

Q1

This is First Mover Group

FMG is a rapidly growing company in Scandinavia providing advisory and logistic services to firms in relation to office relocation. FMG works to maximize our clients' workplace investment. We provide a full circle of services; tenant advisory and commercial real estate brokerage, workplace design, planning and execution of the relocation and the redelivery of properties. We also provide logistics and assembly services for high-end products. We offer our clients a complete concept for outsourcing of logistics making their fixed costs variable.

Based on growing investment in infrastructure, technology and a highly specialized workforce, we are developing a unique product which will add significant value to our clients.

Each year in Scandinavia, thousands of firms are signing up for new rental contracts, totaling up to a multibillion NOK market. Subsequently, many of these contracts result in relocation or upgrades of workplaces. This is our market. Few to none can deliver what we can, because we keep moving.

Our services:

- Commercial real estate brokerage and tenant advisory to ensure the best possible deal focusing on total life cost
- Advisory in relation to workplace relocation
- Planning and execution of physical move
- Outsourcing of logistics and assembly of high end equipment

Management summary **Q1 2020**

Q1 2020 was an exceptional quarter for First Mover Group. Exceptional of more diverse reasons, than previously imagined. Firstly the quarter started out with being 10% above our aggresive budgets, all the way until mid-march. Then Covid-19 hit our nation and our markets. The Norwegian PM has stated that if we two months later are worried about our economy we have had success. This is also true for FMG. We have no confirmed cases of Covid-19, however, some quarantine cases and un-tested suspicions of the virus. Therefore we can count ourselves lucky so far. Our employees and clients health are the primary concern.

Having said this the finances of Q1 was mostly satisfactory. The 2,5 months of high gear gave us a strong quarter, but not as strong as it could have been.

Operationally our group was hit differently according to different logics. Our real estate brokers and our advisors were put in home office and produced nearly 80-90% throughout this crisis. Our office moving department were initially hit hard, but are now back at higher levels. The office furniture assembly department has been hit the hardest, with as low as 30% of budgeted activity as a low point.

During the covid-19 crisis sales have been lower than expected, but still at acceptable levels. Especially the Norwegian market is coming back to work, but the Swedish market is still not in normal function. We have experienced draw on the order book during this time. Some clients have, during this time, delayed their projects. However, most projects are still to be completed in 2020. So far only Nasjonalmuseet in Oslo has reported to postpone operations until 2021. Our project managers report the other major projects to be fulfilled towards the end of 2020.

Expectations and guiding for the future are hard to develop at this point, given the potential longevity of the Covid-19. However, we can state that we have reacted to a new financial situation and cut costs both temporarily on personell and long term on other costs. Our cost base has proved to be quite variable and thus we are able to expect positive EBITDA also in the lowest months of April and most likely May as well. We are now in the process of bringing the company back to what it was, although with a lower forecast for the year and thus we need a lower cost base going forward. This is obtainable as we have already seen.

Playing defense is what we have been forced to do the last couple of months. However, there are also offensive opportunities that still look attractive. The 26th of May we had signing and closing of Move4U AB in Malmø, Sweden. This is an operationally based company with office moving and furniture assembly as their primary activities, with a 2019 revenue of 37,5 mnok and EBITDA of 2,5 mnok. Strategically this purchase gives FMG a strong position in this market as well as a base on which to deliver operational services at low cost in to the Copenhagen market. We wish them welcome into FMG. We have throughout the process recognized that we share the same values and are as such looking forward to working with them in the future.

Lastly, I want to recognize our employees. During the Covid-19 crisis we have been tested as an organization and as individuals. I am proud to see that our culture is strong and that we live our values, Professional, Together and Ahead. The first two values have been in focus the last two months, but now it is time for a refocus on the last value, Ahead. Thank you all for your contribution in this trying time.

Tore Martinsen
CEO

Q1 2020

REVENUE NOKm	90,5
EBITDA NOKm	11,7

Sales came in at NOKm 90,5 in first Quarter of 2020, approximately at the same level as last year. No growth in the revenue numbers as was initially expected due to lower than expected March-numbers.

EBITDA came in at NOKm 11,7 compared to NOKm 17,5 in 2019. NOKm 11,7 is above the budgeted EBITDA level.

LTM 2020

REVENUE NOKm	373,4
EBITDA NOKm	37,5

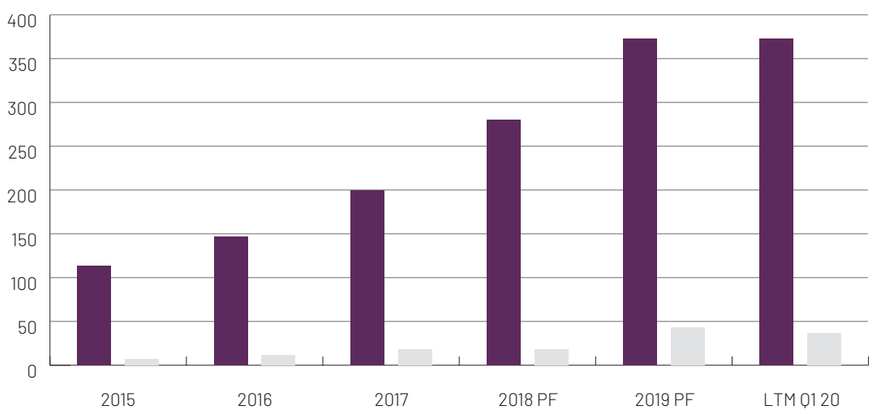
LTM Q1 20 revenue increased by 23,5% compared to LTM Q1 19. The revenue growth is driven by positive developements in contracts as well as implementation of new acquisitions.

LTM Q1 20 EBITDA had marginal growth from LTM Q1 19. Group profitability at sustainable higher levels also in low season.

Highlights

- Strong start to quarter, but headwinds last two weeks due to Covid-19
- Order intake marginally lower than budgeted for the quarter
- Framework agreement developement in Sweden especially positive
- M&A activity high at a groundwork level in Q1, but developement postponed due to Covid-19
- Move4U AB signed and closed at 26th of May Q2.

LTM Q1 2020
Revenue and EBITDA (NOKm)



Financial Statements

GROUP KEY FIGURES
2020

NOKm Proforma	Q1 20	Q1 19	LTM Q1 20	LTM Q1 19
Total Revenue	91	91	373	302
EBITDA excluding exceptional items	**12**	**18**	**37**	**36**
EBITDA %	13 %	19 %	10 %	12 %
EBIT excluding exceptional items	**-3**	**15**	**-7**	**23**
EBIT%	-4 %	16 %	-2 %	8 %
Exceptional items [1]			6,3	
Net Debt			120,4	
Leverage Ratio			3,2	
Interest Coverage Ratio			5,6	

[1] Exceptional items are related to payroll, transaction costs and storage costs.

PROFIT AND LOSS STATEMENT
Q1 2020

	Group				FMG Holding	
NOKm Proforma[1]	Q1 20	Q1 19	LTM Q1 20	LTM Q1 19	Q1 20	2019
Total Revenue	**91**	**91**	**373**	**302**	**1,1**	**12,4**
Cost of goods sold	41	40	181	149	-	-
Total Operating Profit	**50**	**50**	**192**	**153**	**1,1**	**12,4**
Total Operating Margin	54,6 %	55,6 %	51,5 %	50,7 %	1,0 %	1,0 %
Payroll Costs	24	21	98	74	-	0,3
Other Expenses	14	12	56	43	1,7	1,3
EBITDA excluding exeptional items	**12**	**18**	**37**	**36**	**-0,6**	**10,9**
EBITDA Margin	12,9 %	19,3 %	10,0 %	12,0 %	-0,5 %	0,9 %
Depreciation and Loss [2]	15	3	45	13	-	-
EBIT excluding exeptional items	**-3**	**15**	**-7**	**23**	**-0,6**	**10,9**
Net interest expense/income	4	1	7	1	4,0	4,9
EBT excluding exeptional items	**-7**	**14**	**-14**	**22**	**-4,6**	**6,0**
EBT Margin	-7,9 %	15,5 %	-3,7 %	7,3 %	-413,3 %	48,3 %
Exceptional items	-	0,7	6,3	3,5		

[1] Pro forma 2019 is adjusted for the acquisition of YRH AS, Realia AS, Realia Prosjektrådgivning AS and Inreco Gøteborg AB.
[2] Increase in depreciation due to increased M&A activity.

CASH FLOW
2017-2020

	Group				FMG Holding	
NOKm	**2017**	**2018**	**2019**	**Q1 2020**	**2019**	**Q1 2020**
Earnings Before Tax	11,0	-6,6	-8,0	-7,1	6,0	-4,6
Tax payables/Tax effect	-0,7	-2,7	-0,5	-4,5	-	-
Gains / losses on the sale of fixed assets	0,0	-0,7	-	-	-	-
Depreciantions and Amrotizations	6,1	10,7	32,2	21,0	-	-
Impairment of intangible assets	-	3,9	-	-	-	-
Change in goods	0,1	-0,1	0,3	-	-	-
Change in accounts receivables	1,1	8,9	-22,3	18,5	-	-
Change in accounts payable	19,4	-23,1	12,2	-10,2	0,1	0,0
Change in other posts	-31,5	38,0	-33,9	-12,3	-66,5	4,1
Cashflow from Operations	**5,5**	**28,2**	**-20,1**	**5,5**	**-60,4**	**-0,4**
Payments on sale of property, plant and equipment	0,2	1,2	-	0,2	-	-
Payments on purchases of property, plant and equipment	-1,4	-2,4	-9,0	-1,1	-	-
Payments on the purchase of intangible assets	-3,3	-5,2	-	-	-	-
Net payments on purchases of financial fixed assets	-12,9	-21,9	-165,2	-	-152,7	-
Cashflow from Investing	**-17,4**	**-28,3**	**-174,2**	**-0,9**	**-152,7**	**-**
Increace/Decrease in long term payables	12,3	15,2	-27,0	-0,5	-	-
Increace/Decrease in equity	-	-	76,0	-	76,0	-
Dividend paid	-	-	-	-	-	-
Net interest expense/income	-2,5	-	-	-	-	-
Issue of Bond	-	-	193,9	-	193,9	-
Cashflow from Financing	**9,8**	**15,2**	**242,8**	**-0,5**	**269,9**	**-**
Net change cashflow	**-2,0**	**15,1**	**48,5**	**4,1**	**56,7**	**-0,4**
OB Cash Balance	**12,4**	**7,5**	**27,0**	**75,6**	**0,0**	**56,7**
Cash and bank deposits from merger	-2,8	4,5	-	-	-	-
CASH BALANCE	**7,5**	**27,0**	**75,6**	**79,6**	**56,7**	**56,3**

BALANCE SHEET
2017-2020

	Group				FMG Holding	
NOKm	**2017**	**2018**	**2019**	**Q1 2020**	**2019**	**Q1 2020**
ASSETS						
Fixed assets	4,8	5,0	7,4	16,5	16,5	16,5
Other long term receivables	0,2	0,4	-	-	-	-
Goodwill [1]	28,5	35,1	181,4	161,4	161,4	161,4
Brand etc.	7,4	6,9	6,9	-	-	-
Deferred tax asset	-	0,9	0,9	0,4	0,4	0,4
FIXED ASSETS	**41,0**	**48,3**	**196,7**	**178,3**	**207,4**	**203,4**
Stock of goods	0,1	0,3	-	-	-	-
Bank deposits	7,5	27,0	75,6	79,6	56,7	56,3
Other receivables	3,0	5,4	7,6	11,5	0,2	1,3
Accounts receivable	53,7	55,9	78,2	59,7	12,4	12,4
CURRENT ASSETS	**64,4**	**88,6**	**161,4**	**150,8**	**69,4**	**70,1**
TOTAL ASSETS	**105,4**	**136,9**	**358,0**	**329,1**	**276,8**	**273,5**

NOKm	**2017**	**2018**	**2019**	**Q1 2020**	**2019**	**Q1 2020**
EQUITY AND LIABILITIES						
Share capital	0,1	0,1	0,1	0,1	0,1	0,1
Share premium reserved	5,9	5,9	81,9	77,4	75,9	75,9
Other Equity	13,5	4,3	4,3	-6,9	6,0	6,0
Minority interests	0,7	0,2	-	-	-	-
Not allocated profit/loss current year	-	-	-13,1	-5,5	-	-
EQUITY	**20,2**	**10,6**	**73,3**	**65,1**	**82,0**	**77,4**
Dividend to shareholders	-	-	-	-	-	-
Accounts payable	15,5	13,8	26,0	15,8	0,1	0,1
Factoring	-	18,3	-	-	-	-
Other short term liabilities	25,8	25,7	10,2	9,6	0,9	0,8
Payable tax	2,0	0,5	5,5	1,0	-	-
Public duties payable	15,9	22,3	30,6	25,0	-	-
Current Liabilities	**59,3**	**80,6**	**72,2**	**51,4**	**0,9**	**0,9**
Deffered tax	0,8	-	-	-	-	-
Debt to credit institutions	20,9	36,0	0	0	-	-
Bond [2]	-	-	193,9	194,4	193,9	194,4
Other-long term debt [3]	4,2	9,7	18,7	18,1	-	0,8
LONG TERM LIABILITIES	**25,9**	**45,7**	**212,6**	**212,6**	**193,9**	**195,2**
EQUITY AND DEBT	**105,4**	**136,9**	**358,0**	**329,1**	**276,8**	**273,5**

[1] Bond net of fees
[2] Non interest bearing

Philosophy

A firm's workplace is its main physical perimeter which should encourage employees to perform their daily work in an efficient manner. A firm's workplace is its main physical perimeter which should encourage employees to an efficient way of performing their daily work. It is the main display of a firm's values, put into practice. The workplace also represents a significant cost, not only to the firm's financial statements, but also to our environment. Commercial real-estates denote a heavy burden to the environment through construction and operation. The footprint is depending on a building's technical characteristics and how well we utilize its spaces. A conscious management of your workplace can represent large savings, both financially and environmentally.

Financial calendar 2020

- **Q1 2020** will be published no later than May 31st, 2020
- **Q2 2020** will be published no later than August 31st, 2020
- **Q3 2020** will be published no later than November 30st, 2020
- **Q4 2020** will be published no later than February 28th 2021

Definitions

TOTAL REVENUE
Sales Net of VAT.

EBITDA
Earnings before interest, tax, depreciations and amortization.

EXCEPTIONAL ITEMS
Items that are unusual or infrequent in their nature.

EBIT
Earnings before interest and tax.

NET INTEREST EXPENSE/INCOME
Financial income minus financial expenses including exchange rate differences related to financial assets and liabilities.

All figures are presented in million NOK, rounded off to the nearest thousand.

From a presentation standpoint, certain individual figures may therefore differ from the computed totals.

This report has not been subject to audit.

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