



Interim financial statements for the period ended
March 31, 2015

COMMENTS TO THE Q1 2015 REPORT

The company

The North Alliance AS (NOA) is a group of companies offering services within marketing communication, design and technology. The family of companies operates in Norway, Sweden, Denmark, and Poland. A new advertising company, Acoustic Ltd., is also under establishment in Singapore.

The group was founded on January 23, 2014 when NOA acquired the following companies:

- | | |
|--|--------------------------|
| - Making Waves Group (NO, SE and PL) | Design & Technology |
| - Åkestam Holst Group | |
| o Åkestam Holst (SE) | Advertising |
| o Bold (SE, DK) | Design |
| o StudioNOC (SE) | Brand Experience |
| o Promenad (SE) | Action Marketing and CRM |
| - Great Works (SE, DK) | Digital communication |
| - AndCo (DK) | Advertising |
| - Anorak (NO) | Advertising |
| - Acoustic (Singapore, established in Jan. 2015) | Advertising |

Financials

Total net revenues for Q1 2015 were 128,1 MNOK, up 5,3% from Q1 2014. The growth in revenues comes largely from group-wide projects where NOA-companies have won significant multidiscipline projects across the Nordic region. The EBITDA for Q1 came in at 1,1 MNOK, compared to a proforma figure of 9,4 MNOK for Q1 2014. Profitability for the quarter, however, is in line with budget as a significant ramp-up has occurred across the group to allow for significant growth going forward.

On December 20, 2013 NOA entered into a Bond Agreement. The Bond issue was subsequently listed on the Oslo Stock Exchange. NOA undertakes to comply with the certain financial covenants during the term of the Bond issue and after Q1 2015 the company is in compliance with all such covenants. Net debt/adjusted EBITDA was after Q1 2015 1,41x, EBITDA (adjusted)/net interest costs was 3,29x, and cash at hand was 78,2 MNOK.

Outlook

We expect the positive development of Q1 2015 to continue. The focus is now to utilize the NOA's Nordic digital capabilities as efficient as possible and be ready for further growth across the region.

Unaudited condensed interim financial statements for the period ended March 31, 2015

(all figures in NOK '000 unless otherwise stated)

The North Alliance AS 2015

Condensed interim consolidated Income Statement

<i>(Amounts in NOK 1.000)</i>	Notes	Three months ended	
		31.mar.15	31.mar.14
		Unaudited	Unaudited
Continuing operations			
Revenue		153 142	106 764
Cost of sales		25 026	13 529
Gross profit	5	128 116	93 235
Administrative expenses	5	22 063	44 342
Employee benefit expenses		104 977	67 788
Depreciation and amortization		3 695	3 426
Operating profit		-2 619	-22 322
Financial Income		838	2 308
Financial cost		3 476	4 617
Net financial items		-2 638	-2 309
Profit/loss before taxes		-5 258	-24 631
Taxes		-753	1 701
Profit/loss for the period		-4 505	-26 332
Profit/loss attributal to:			
- Owners of the parent		-4 505	-26 332

Condensed interim consolidated Comprehensive Income Statement

<i>(Amounts in NOK 1.000)</i>	Notes	Three months ended	
		31.mar.15	31.mar.14
		Unaudited	Unaudited
Profit/loss for the period		-4 505	-26 332
Items that may be reclassified to profit/loss in subsequent periods:			
Currency translation differences		-8 001	-5 999
Other comprehensive income for the period		-8 001	-5 999
Total comprehensive income for the period		-12 506	-32 331
Comprehensive income attributal to:			
- Owners of the parent		-12 506	-32 331

The interim financial information has not been subject to audit.

The North Alliance AS 2015

Condensed interim consolidated Balance Sheet

<i>(Amounts in NOK 1.000)</i>	Notes	31.mar.15 Unaudited	31.mar.14 Unaudited
Assets			
Non-current assets			
Property, plant and equipment		11 797	12 701
Goodwill		251 061	237 941
Intangible assets		173 217	173 333
Investments accounted for using the equity method		180	
Deferred income tax assets		21 171	
Total non-current assets		457 425	423 976
Current assets			
Trade and other receivables		150 960	173 164
Derivate financial instruments		11 623	1 951
Cash and cash equivalents		78 192	84 902
Total current assets		240 775	260 017
Total assets		698 200	683 993
Equity and liabilities			
Equity			
Share capital		1 194	531
Share premium		386 835	166 598
Paid, not registered equity		0	24 940
Retained earnings		-47 596	-32 331
Total Equity		340 433	159 737
Liabilities			
Non-current liabilities			
Borrowings		146 100	150 000
Deferred income tax liabilities		42 055	33 686
Other liabilities and charges		923	1 440
Total non-current liabilities		189 078	185 126
Current liabilities			
Trade and other payables		19 216	35 792
Current income tax liabilities		2 919	4 959
Borrowings		608	158 764
Other liabilities and charges		145 897	139 615
Total current liabilities		168 640	339 129
Total liabilities		357 718	524 255
Total equity and liabilities		698 200	683 993

The interim financial information has not been subject to audit.

The North Alliance AS – Interim report

Footnotes/Definitions

Non – GAAP Measures

Certain financial measures related thereto in this interim report, such as gross profit and EBITDA (collectively, the “Non-GAAP Measures”), are not specifically defined under IFRS or any other generally accepted accounting principles. These measures are presented in this quarterly report because they are among the measures used by management to evaluate the cash available to fund ongoing, long-term obligations and they are frequently used by other interested parties for valuation purposes or as a common measure of the ability of a company to incur and meet debt service obligations. These measures may not be comparable to other similarly titled measures of other companies and are not measurements under IFRS or other generally accepted accounting principles, and you should not consider such items as alternatives to profit for the year, total operating revenues, operating income or any other performance measures derived in accordance with IFRS, and they may be different from similarly titled measures used by other companies.

EBITDA

Our EBITDA represents operating income plus depreciation.

Adjusted EBITDA

Our Adjusted EBITDA represents operating income plus depreciation adjusted for one-off costs.

Gross profit

Gross profit represents revenue less cost of sales.

Net interest bearing debt:

Debt and assets subject to interest

Leverage ratio:

Net interest bearing debt to EBITDA

Leverage ratio:

EBITDA to Net Interest Expense

Operational costs:

Costs included in in the operating profit.