



Interim financial statements for the period ended December 31, 2015

Introduction

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, Poland, and 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 |

In addition, Anorak (NO, Advertising) was acquired in October 2014 and in January 2015 NOA established the advertising company Acoustic in Singapore, a digital centric company that will work in the cross section between communication and technology. During Q4 2015, Bold has established operations in Oslo, in addition to the current locations in Stockholm and Copenhagen.

In January 2016 NOA acquired the Swedish/American digital development and communication company Nansen. Nansen has over 100 employees in Stockholm, Chicago and New York. The acquisition of Nansen will strengthen the Groups digital offering in the Swedish market and will together with Making Waves become a strong entity in the Nordics.

Financials

Total YTD net revenues as of December 31 2015 were 534.4 MNOK, up 19% from 2014. The growth in revenues comes largely from group-wide projects where NOA-companies have won significant multidiscipline projects across the Nordic region, as well as from the acquisition of Anorak AS in Q3 2014. The EBITDA for the same period came in at 20.7 MNOK, compared to a negative 4 MNOK for 2014.

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 Q4 2015 the company is in compliance with all such covenants. Due to good cash conversion across the group, NOA bought back 11.7 MNOK of its outstanding bonds in February 2015.

Outlook

We expect the positive development of 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
December 31, 2015**

(all figures in NOK '000 unless otherwise stated)

Condensed interim consolidated income statement

	Notes	Three months ended ¹⁾		Twelve months ended	
		31-dec-15	31-dec-14	31-dec-15	31-dec-14
<i>(Amounts in NOK 1.000)</i>		Unaudited	Unaudited	Unaudited	Unaudited
Continuing operations					
Revenue		230.283	222.273	761.663	620.854
Cost of sales		77.549	88.858	227.290	173.691
Net Revenues (Gross profit)	5	152.734	133.415	534.373	447.163
Administrative expenses	5	22.546	24.011	87.402	111.062
Employee benefit expenses		124.484	105.239	426.230	340.135
Depreciation, amortization and writedown		11.005	3.845	25.441	16.029
Operating profit		-5.301	320	-4.700	-20.063
Financial Income		4.028	-2.824	6.411	2.744
Financial cost		4.216	20.501	15.097	37.904
Finance costs - net		-188	-23.325	-8.686	-35.160
Profit in associated companies		1.011	0	1.011	0
Profit/loss before taxes		-4.478	-23.005	-12.375	-55.223
Taxes		1.418	-15.241	-3	-14.672
Profit/loss for the period		-5.896	-7.764	-12.372	-40.551
Profit/loss attributable to:					
- Owners of the parent		-5.896	-7.764	-12.372	-40.551

Condensed interim consolidated comprehensive income statement

	Notes	Three months ended		Twelve months ended	
		31-dec-15	31-dec-14	31-dec-15	31-dec-14
<i>(Amounts in NOK 1.000)</i>		Unaudited	Unaudited	Unaudited	Unaudited
Profit/loss for the period		-5.896	-7.764	-12.372	-40.551
Items that may be reclassified to profit/loss in subsequent periods:					
Currency translation differences		11.495	26.869	23.860	9.041
Other comprehensive income for the period		11.495	26.869	23.860	9.041
Total comprehensive income for the period		5.599	19.105	11.488	-31.510
Comprehensive income attributable to:					
- Owners of the parent		5.599	19.105	11.488	-31.510

1) Some restatements have been made to the three months ended 31-dec 14 figures, to reflect the discovery of certain errors.

The interim financial information has not been subject to audit.

Condensed interim consolidated balance sheet

<i>(Amounts in NOK 1.000)</i>	Notes	31-dec-15	31-dec-14
		Unaudited	Unaudited
Assets			
Non-current assets			
Property, plant and equipment		13.443	12.831
Goodwill		271.259	255.854
Intangible assets		169.203	179.375
Investments in associated companies		1.027	0
Total non-current assets		454.932	448.060
Current assets			
Trade and other receivables		208.873	167.448
Income tax receivable		5.264	0
Cash and cash equivalents		121.547	94.322
Total current assets		335.684	261.770
Total assets		790.616	709.830
Equity and liabilities			
Equity			
Share capital		1.194	606
Share premium		386.835	191.494
Paid, not registered equity		31.663	195.929
Retained earnings		-20.592	-32.080
Total Equity		399.100	355.949
Liabilities			
Non-current liabilities			
Borrowings	8	135.413	146.100
Deferred income tax liabilities		26.722	22.239
Other liabilities and charges		0	923
Total non-current liabilities		162.135	169.262
Current liabilities			
Trade and other payables		127.644	27.840
Current income tax liabilities		0	4.402
Borrowings	8	0	0
Other liabilities and charges		101.737	152.377
Total current liabilities		229.381	184.619
Total liabilities		391.516	353.881
Total equity and liabilities		790.616	709.830

The interim financial information has not been subject to audit.

Condensed interim consolidated statement of changes in equity

	Attributable to owners of the parent				Total equity
	Share capital	Share premium	Paid, not registered equity	Retained earnings	
<i>(Amounts in NOK 1.000)</i>					
Equity as of 1 January 2015	606	191.494	195.929	-32.080	355.949
Capital increase (registered 5 January 2015)	588	195.341	-195.929		0
Capital increase (registered 4 January 2016)			31.663		31.663
Profit/loss for the period				-12.372	-12.372
Other items in comprehensive income				23.860	23.860
Equity as of 31 December 2015	1.194	386.835	31.663	-20.592	399.100

The interim financial information has not been subject to audit.

Condensed interim consolidated statement of cash flows

	31-dec-15	31-dec-14
<i>(Amounts in NOK 1.000)</i>	Unaudited	Unaudited
Operating activities		
Profit before taxes	-12.375	-55.223
<i>Adjustments for:</i>		
Taxes paid	-8.547	-4.402
Depreciation, amortization and writedown	25.441	16.029
Fair value movement of financial derivatives	0	0
Finance cost - net	8.686	35.160
Unrealized foreign exchange gains/losses on operating activities	-786	828
<i>Changes in working capital:</i>		
Changes in trade and other receivables	-41.425	-14.496
Changes in trade and other payables	98.832	5.961
Changes in other assets and liabilities	-50.640	13.597
Cash provided (used) by operating activities	19.186	-2.546
Investment activities		
Acquisition of subsidiaries, net of cash acquired	0	-100.548
Acquisition of fixed assets	-6.449	-5.418
Cash provided (used) by investing activities	-6.449	-105.966
Financing activities		
Proceeds from borrowings	0	150.000
Payments on noncurrent liabilities (repurchase of bonds)	-11.662	0
Changes in shareholder loans	0	0
Payment of arrangement fee	0	-4.875
Interest paid	-15.097	-12.718
Interest received	6.411	796
Capital increase	31.663	68.215
Cash provided (used) by financing activities	11.315	201.418
Net changes in cash and cash equivalents	24.052	92.906
Cash and cash equivalents - beginning of year	94.322	7
Effect of foreign currency rate changes on cash and equivalents	3.173	1.409
Cash and cash equivalents - end of period	121.547	94.322

The interim financial information has not been subject to audit.

Notes to the condensed interim financial statements

Note 1 General information

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

The company has acquired several companies with the purchase date 23. January 2014. These acquisitions are consolidated from and including, 23. January 2014. The figures in the statements have not been audited. All amounts in the interim financial statements are presented in NOK 1.000 unless otherwise stated.

Note 2 Basis of preparation

These condensed interim financial statements for the twelve months ended 31 December 2015 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 2014 of NoA AS and condensed interim financial statements for the period ended 30 September 2015 of NoA AS, which have been prepared in accordance with IFRS as adopted by the European Union ('IFRS').

Note 3 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 2014, and the condensed interim financial statements for the period ended 30 September 2015.

Note 4 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 2014 and condensed interim financial statements for the period ended 30 September 2015.

Note 5 Operating segments

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 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 revenue by operating segment:

Tree months ended 31 December 2015

(Q4 2015)

(Amounts in NOK 1.000)	Norway	Sweden	Denmark	Holding Companies	Total
Net revenue (gross profit)	82.592	52.548	17.594	0	152.734
Employee benefit expenses	69.278	39.144	14.356	1.706	124.484
Other Expenses	9.962	6.627	2.698	3.259	22.546
EBITDA	3.352	6.777	540	-4.965	5.704

Twelve months ended 31 December 2015

(Amounts in NOK 1.000)	Norway	Sweden	Denmark	Holding Companies	Total
Net revenue (gross profit)	293.936	178.447	61.990	0	534.373
Employee benefit expenses	230.930	141.219	47.033	7.048	426.230
Other Expenses	38.066	30.064	9.999	9.273	87.402
EBITDA	24.940	7.164	4.958	-16.321	20.741

Note 6 Seasonality

Historically we have seen a higher activity level in 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 7 Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the company by the weighted average number of ordinary shares in issue during the year excluding ordinary shares purchased by the company and held as treasury shares.

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

<i>(Amounts in NOK 1.000)</i>	Three months ended		Twelve months ended	
	31-dec-15	31-dec-14	31-dec-15	31-dec-14
Total Profit	-5.896	-7.764	-12.372	-40.551
Weighted average number of ordinary shares in issue	477.564	477.564	477.564	334.892
Adjustment for:				
Weighted average number of ordinary shares in issue for earnings per share	477.564	477.564	477.564	334.892
Weighted average number of ordinary shares in issue for diluted earnings per share	477.564	477.564	477.564	334.892
Basic Earnings per share (in NOK per share)	-0,01	-0,02	-0,03	-0,12
Diluted Earnings per share (in NOK per share)	-0,01	-0,02	-0,03	-0,12

Note 8 Borrowings

<i>(Amounts in NOK 1.000)</i>	31-dec-15	31-dec-14
	Unaudited	Unaudited
Non-current		
Bond loan	135.413	146.100
Current		
Vendor note	0	0
Total borrowings	135.413	146.100
Opening amount as at 1 January	150.000	0
Proceed of new borrowings	0	150.000
Repurchase of bonds	-11.662	0
Unamortized debt issuance costs	-2.925	-3.900
Closing amount as at 31 December	135.413	146.100

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.

Vendor note

The vendor note matured in December 2014.

Note 9 Related party transactions

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

Note 10 Subsequent events

In January 2016 NOA acquired the Swedish/American digital development and communication company Nansen. Nansen has over 100 employees in Stockholm, Chicago and New York.

No other significant subsequent events.