



Interim financial statements for the period ended
March 31, 2016

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.

In January 2016 NOA acquired the Swedish/American technology 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 March 31 2016 were 182.9 MNOK, up 43% from 2015. The growth in revenues comes largely from the acquisition of Nansen representing NOK 35m of the total net revenues for Q1. Excluding Nansen the organic growth in net revenues were 19.8 MNOK equal to 15.4%.

The EBITDA for Q1 came in at 10.5 MNOK, compared to 1 MNOK for Q1 2015. Nansen represents 4.4 MNOK of the Q1 EBITDA. Reported EBITDA includes 2.8 MNOK in non-recurring cost, mainly related to the Nansen transaction. Adjusted EBITDA for Q1 2016 is 13.3 MNOK.

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 2016 the company is in compliance with all such covenants.

Outlook

We expect the positive development 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, 2016**

(all figures in NOK '000 unless otherwise stated)

Consolidated interim income statement

	Notes	Three months ended	
		31-mar-16	31-mar-15
<i>(Amounts in NOK 1.000)</i>		Unaudited	Unaudited
Continuing operations			
Revenue		236.378	153.142
Cost of sales		53.489	25.026
Net Revenues (Gross profit)	5	182.889	128.116
Other operating expenses	5	28.553	22.063
Personnel expenses	5	143.796	104.977
Depreciation, amortization and writedown		6.346	3.695
Operating profit		4.194	-2.619
Financial Income		628	838
Financial cost		4.292	3.476
Finance costs - net		-3.664	-2.638
Share of income in associated companies		0	0
Profit/loss before taxes		530	-5.257
Income tax expense		2.128	-753
Profit/loss for the period		-1.598	-4.504
Profit/loss attributable to:			
- Owners of the parent		-1.598	-4.504

Consolidated interim statement of comprehensive income

	Notes	Three months ended	
		31-mar-16	31-mar-15
<i>(Amounts in NOK 1.000)</i>		Unaudited	Unaudited
Profit/loss for the period		-1.598	-4.504
Items that may be reclassified to profit/loss in subsequent periods:			
Currency translation differences		-10.582	-8.001
Other comprehensive income for the period		-10.582	-8.001
Total comprehensive income for the period		-12.180	-12.505
Comprehensive income attributable to:			
- Owners of the parent		-12.180	-12.505

The interim financial information has not been subject to audit.

Condensed interim consolidated balance sheet

		31-mar-16	31-mar-15
<i>(Amounts in NOK 1.000)</i>	Notes	Unaudited	Unaudited
Assets			
Non-current assets			
Property, plant and equipment		16.890	11.797
Goodwill		299.800	251.061
Financial assets		718	0
Intangible assets		193.618	173.217
Investments in associated companies		1.262	180
Total non-current assets		512.288	436.255
Current assets			
Trade and other receivables		214.423	150.920
Income tax receivable		6.544	0
Cash and cash equivalents		66.620	78.192
Total current assets		287.587	229.112
Total assets		799.875	665.367
Equity and liabilities			
Equity			
Share capital		1.372	1.194
Share premium		445.916	386.835
Paid, not registered equity		0	0
Retained earnings		-32.772	-47.596
Total Equity		414.516	340.433
Liabilities			
Non-current liabilities			
Borrowings	8	135.413	134.437
Deferred income tax liabilities		28.294	21.807
Total non-current liabilities		163.707	156.244
Current liabilities			
Accounts payable		28.370	19.216
Current income tax liabilities		0	2.919
Borrowings		4.862	608
Other liabilities and charges		188.420	145.947
Total current liabilities		221.652	168.690
Total liabilities		385.359	324.934
Total equity and liabilities		799.875	665.367

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 2016	1.194	386.835	31.663	-20.592	399.100
Capital increase (registered 14 January 2016)	101	33.388	-31.663	0	1.826
Capital increase (registered 29 January 2016)	77	25.693	0	0	25.770
Profit/loss for the period	0	0	0	-1.598	-1.598
Other items in comprehensive income	0	0	0	-10.582	-10.582
Equity as of 31 March 2016	1.372	445.916	0	-32.772	414.516

The interim financial information has not been subject to audit.

Condensed interim consolidated statement of cash flows

	31-mar-16	31-mar-15
<i>(Amounts in NOK 1.000)</i>	Unaudited	Unaudited
Operating activities		
Profit before taxes	530	-5.257
<i>Adjustments for:</i>		
Taxes paid	-3.519	-1.166
Depreciation, amortization and writedown	6.346	3.695
Finance cost - net	3.664	2.638
Share of income in associated companies	0	0
Unrealized foreign exchange gains/losses on operating activities	-53	-375
<i>Changes in working capital:</i>		
Changes in trade and other receivables, net acquired	22.825	16.527
Changes in accounts payable	-14.971	-8.624
Changes in other assets and liabilities	-12.147	-6.217
Cash provided (used) by operating activities	2.675	1.221
Investment activities		
Acquisition of subsidiaries, net of cash acquired	-77.144	-1.021
Purchase of fixed assets	-3.183	-1.395
Cash provided (used) by investing activities	-80.327	-2.416
Financing activities		
Proceeds from borrowings	0	0
Payments on noncurrent liabilities (repurchase of bonds)	0	-11.662
Interest paid	-4.292	-3.476
Interest received	628	838
Capital increase	27.596	0
Cash provided (used) by financing activities	23.932	-14.300
Net changes in cash and cash equivalents	-53.720	-15.495
Cash and cash equivalents - beginning of year	121.547	94.322
Effect of foreign currency rate changes on cash and equivalents	-1.207	-635
Cash and cash equivalents - end of period	66.620	78.192

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 three months ended 31 March 2016 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 2015 of NoA AS and condensed interim financial statements for the period ended 31 December 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 2015, and the condensed interim financial statements for the period ended 31 December 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 2015 and condensed interim financial statements for the period ended 31 December 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 net revenue and EBITDA by operating segment:

**Three months ended 31 March 2016
(Q1 2016)**

(Amounts in NOK 1.000)	Norway	Sweden	Denmark	USA	Holding Companies	Total
Net revenue (gross profit)	78.811	65.273	19.862	18.943	0	182.889
Employee benefit expenses	63.147	53.343	13.545	11.987	1.774	143.796
Other Expenses	9.280	9.816	2.343	2.787	4.327	28.553
EBITDA	6.384	2.114	3.974	4.169	-6.101	10.540

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.

(Amounts in NOK 1.000)	Three months ended	
	31-mar-16	31-mar-15
Total Profit	-1.598	-4.504
Weighted average number of ordinary shares in issue	510.282	477.564
Adjustment for:		
Weighted average number of ordinary shares in issue for earnings per share	510.282	477.564
Weighted average number of ordinary shares in issue for diluted earnings per share	510.282	477.564
Basic Earnings per share (in NOK per share)	-0,00	-0,01
Diluted Earnings per share (in NOK per share)	-0,00	-0,01

Note 8 Borrowings

	31-mar-16	31-mar-15
<i>(Amounts in NOK 1.000)</i>	Unaudited	Unaudited
Non-current		
Bond loan	150.000	150.000
Repurchase of bonds	-11.663	-11.663
Unamortized debt issuance costs	-2.925	-3.900
Closing amount as at 31 March	135.413	134.437

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 9 Related party transactions

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

Note 10 Subsequent events

No significant subsequent events.