

Interim Report

1 January – 31 March 2018



HOISTGROUP™
hospitality innovations.

Interim Report

Hoist Group Holding Intressenter AB, 559094-0689, Parent Company for Hoist Group.

Hoist Group is the complete hospitality partner for hotels and public operations. With more than 20 years of proven hospitality experience, Hoist Group is the market leader in innovative High Speed Internet Access, conference services, TV & content solutions, PMS and back-office software as well as other guest-facing amenities. Based in Sweden, the company has offices in a total of 19 countries in the EMEA region.

Hoist Group Holding Intressenter AB was formed in June 2017 and acquired Hoist Group Holding AB with subsidiaries on 30th of June. The consolidated financial statement for 2017 describes the financial development from when Hoist Group Holding Intressenter AB was formed. This means that the full year 2017 numbers refers only to the development from June 30th, when Hoist Group Holding AB was acquired, until December 31st. Activities in Hoist Group Holding Intressenter AB are included since the establishment of the company in June.

Key Figures

KSEK	Jan- Mar		Jun- Dec *
	2018	2017	2017
Net Sales	243 549	-	685 574
EBITDA	13 361	-	171 650
EBITA	295	-	134 099
Profit before tax	-24 163	-	66 516
Net profit from remaining business	-22 761		54 249
Net profit from divested business	0		491
Net profit	-22 761	-	54 740

* Group established in current form in June 2017 when Hoist Group Holding Intressenter AB acquired Hoist Group Holding AB.

Financial Summary of the First Quarter

In Q4 2017, Hoist Group divested the French healthcare operations and acquired Comelec, a smaller hospitality business in France. The increased focus on the hospitality sector has led to increased new sales in Q1 2018, although not deployed in the quarter.

Net sales for the first quarter were SEK 243.6 million. EBITDA was SEK 13.4 million and EBITA amounted to SEK 0.3 million in the first quarter. EBITA was impacted by extraordinary costs of SEK 1.9 million related to the sale of the French healthcare business and the acquisition of Comelec in December 2017. Net profit amounted to SEK -22.8 million and included amortisation of customer relations of SEK 14.3 million.

During the quarter Hoist Group has built up a significant backlog which is expected to be deployed during 2018.

Total cash flow for the period amounted to negative SEK 70.1 million. Cash flow from operating activity amounted to negative SEK 43 million and was impacted by an increase in inventories related to the deployment backlog.

Significant Events during the First Quarter

During the 1st quarter of 2018 Hoist Group has completed the healthcare transaction in France. A final price adjustment was received in April which will generate extraordinary income of SEK 10.3 million and additional cash flow of SEK 3.7 million in the 2nd quarter of 2018.

Significant Events after March 31st.

No significant events have occurred after March 31st.

The Board of Directors and the CEO certify that the interim financial report gives a fair view of the parent company's and the group's business, financial position and earnings.

Hoist Group Holding Intressenter AB

The board of Directors and the CEO,
Stockholm, May 31st, 2018

Malcolm Lindblom

Chairman of the Board

Carl Fürstenbach

Board member

Niklas Sloutski

Board member

Alfonso Tasso

CEO

This report has not been reviewed by Hoist Group's auditors.

The information was submitted for publication, by the below mentioned contact person, on May 31st 2018.

For more information, please contact:

Rasmus Pedersen CFO, ir@hoistgroup.com

Financial Reports

Consolidated Income Statement

KSEK	Jan- Mar		Jun- Dec *
	2018	2017	2017
Net Sales	243 549	-	685 574
Costs of goods sold	-121 907	-	-298 542
Gross Profit	121 642	-	387 032
<i>GP%</i>	<i>50%</i>		<i>56%</i>
Operating expenses	-24 393	-	-61 850
Personnel expenses	-81 974	-	-153 532
Extraordinary income and expenses	-1 914	-	
EBITDA	13 361	-	171 650
Depreciation of tangible and intangible assets	-13 066	-	-37 551
EBITA	295	-	134 099
Amortisation of customer relationship	-14 248	-	-28 119
Operating Profit	-13 954		105 980
Profit from financial items			
Interest income and similar items	10 888	-	11 034
Interest expense and similar items	-21 097	-	-50 499
Profit from financial items	-10 209	-	-39 465
Profit before tax	-24 163	-	66 516
Tax	1 402	-	-12 266
Net profit from remaining business	-22 761	-	54 249
Net profit from divested business*	0		491
Net profit	-22 761		54 740

* Group established in current form in June 2017 when Hoist Group Holding Intressenter AB acquired Hoist Group Holding AB.

Consolidated Balance Sheet

KSEK	March		December
	2018	2017	2017
Fixed assets			
Capitalised research and development	47 282	-	44 310
Customer relationships	523 874	-	537 696
Goodwill	734 314	-	733 189
Other intangible assets	11 048	-	11 759
Total intangible assets	1 316 518	-	1 326 954
Leasing, equipment, tools and installations	114 071	-	99 752
Total tangible assets	114 071	-	99 752
Other long-term receivables	92 573	-	90 999
Deferred tax asset	2 548	-	2 428
Total financial fixed assets	95 121	-	93 428
Total fixed assets	1 525 710	-	1 520 134
Current assets			
Inventories of products	65 716	-	54 442
Work in progress	61 092	-	39 520
Total inventory	126 808	-	93 962
Accounts receivables	273 987	-	274 215
Tax assets	12 438	-	7 711
Other receivables	38 720	-	34 720
Prepaid expenses and accrued income	78 498	-	64 725
Total current receivables	403 643	-	381 371
Cash & bank deposits	197 064	-	260 383
Total current assets	727 515	-	735 716
Total Assets	2 253 226	-	2 255 850
Equity	200 042	-	212 439
Total Provisions	132 652	-	135 423
Bond	500 000	-	500 000
Shareholder loan	883 060	-	876 733
Leasing backed loans	49 320	-	47 606
Total long term interest-bearing liabilities	1 432 380	-	1 424 338
Utilized overdraft	47 758	-	48 531
Accounts payable	136 539	-	142 162
Other current liabilities	140 996	-	141 652
Accrued cost and prepaid income	162 860	-	151 305
Total current liabilities	488 152	-	483 650
Total equity and liabilities	2 253 226	-	2 255 850

Consolidated Cash Flow Statement

KSEK	Jan- Mar		Jun- Dec *
	2018	2017	2017
Profit after financial items	-24 163	-	67 252
Whereof interest paid	-7 300	-	-16 720
Adjusted for items not included in the cash flow:			
Reversal of depreciation and amortisation	27 315	-	75 054
Taxes paid	-12 879	-	-8 900
Other items, not affecting cash	7 544	-	-61 666
Cash flow from operating activities before change in working capital	-2 183		71 739
Working Capital			
Change in inventory	-29 177	-	30 063
Change in accounts receivable - trade	9 777	-	-62 351
Change in operating receivables	-14 392	-	4 802
Change in accounts payable - trade	-11 622	-	35 232
Change in other operating liabilities	4 018	-	-25 584
CASH FLOW FROM WORKING CAPITAL	-41 395	-	-17 839
CASH FLOW FROM OPERATING ACTIVITIES	-43 578	-	53 901
Investing activities			
Acquisition value subsidiary	0	-	27 835
Sales value subsidiary	0	-	149 680
Investment in intangible fixed assets	-10 731	-	-13 661
Investment in tangible fixed assets	-10 667	-	-1 077
Change in financial fixed assets	-345	-	68
CASH FLOW FROM INVESTING ACTIVITIES	-21 742	-	162 845
Customer leasing activities			
Change in customer leasing	-5 363	-	-31 490
Change in leasing backed loans	-218	-	35 736
CASH FLOW FROM LEASING ACTIVITIES	-5 581	-	4 246
Financing activities			
New share issue	0	-	500
Group contribution	0	-	0
Net change in external loans	-1 918	-	51 302
New increase/decrease bank overdraft facility	-929	-	-5 971
Change in lessee leasing liability	3 688	-	-9 584
CASH FLOW FROM FINANCING ACTIVITIES	841	-	36 248
CASH FLOW FOR THE PERIOD	-70 061	-	257 240
CASH & CASH EQUIVALENTS			
Cash and cash equivalents at the beginning of the period	260 383	-	0
Cash flow for the period	-70 086	-	257 240
Exchange rate effects	6 767	-	3 143
CASH AT END OF PERIOD	197 064	-	260 383

* Group established in current form in June 2017 when Hoist Group Holding Intressenter AB acquired Hoist Group Holding AB.

* Profit after financial income in cash flow includes divested healthcare business.

Changes in Equity

KSEK	Share capital	Additional contributed capital	Other equity (incl. net income for the year)	Total equity
EQUITY 31 DECEMBER 2017	159 502	0	52 936	212 439
Net income for the year			-22 761	-22 761
Exchange rate effect			10 364	10 364
EQUITY 31 MARCH 2018	159 502	0	40 540	200 042

Financial Statements, Parent Company

Income Statement

KSEK	Jan- Mar		Jun- Dec
	2018	2017	2017
Other operating expenses	0	-	0
Operating income	-18		-344
Profit from financial items			
Interest income and similar items	0	-	12 626
Interest expense and similar items	-13 223	-	-40 303
Profit after financial items	-13 242	-	-28 020
Profit before tax	-13 242	-	-28 020
Tax	0	-	0
Net profit	-13 242	-	-28 020

Balance Sheet Parent Company

KSEK	March		December
	2018	2017	2017
Tangible & intangible assets	0	-	0
Financial assets	1 428 420	-	1 428 420
Inventory	0	-	0
Current receivables	56 978	-	57 548
Cash & bank deposits	15 105	-	21 538
Total Assets	1 500 503	-	1 507 506
Equity	118 241	-	131 482
Total other long-term liabilities	0	-	0
Long term interest-bearing liabilities	1 382 264	-	1 375 847
Total current liabilities	-1	-	176
Total equity and liabilities	1 500 503	-	1 507 506

Company Information

Hoist Group comprises the parent company Hoist Group Holding Interessenter AB and its subsidiaries. The parent company is incorporated in Sweden, and its registered office is in Solna. The address of the head office is Vretenvägen 8, 171 54 Solna.

Hoist Group provides TV systems, guest content, booking systems, IT and hosting, Wi-Fi and back-office systems, lock and service products, and related installation, service and support solutions to the hospitality sector primarily in Europe.

The group also undertakes its own development of software such as Hotsoft (booking system), Serviator (back-office system), Fusion IPTV (TV system) and Fusion Wi-Fi (wireless Wi-Fi system). The group develops and integrates solutions for mobile lock systems and the distribution of digital TV channels.

Ownership Structure

Hoist Group is 50 per cent owned by C&M Stockholm AB, reg.no. 556847-5924, registered office in Stockholm, Sweden, and 50 per cent by AccentEleven Holding Ltd, reg no. 107941, registered office in Jersey. Ultimate parent to AccentEleven Holding Ltd is the investment fund Accent Equity 2008.

General Accounting Principles

This interim report and consolidated financial statement has been prepared in accordance with IFRS.

Accounting Principles for/Recognition of Assets, Liabilities and Provisions

Receivables have been valued at the lower of acquisition value and the amount by which they are expected to be settled. Other assets, liabilities and provisions have been valued at acquisition cost unless otherwise stated.

Receivables and liabilities in foreign currency have been valued at the exchange rates on the balance sheet date. Exchange rate gains and losses on current receivables and liabilities are recognised in operating profit, while exchange rate gains and losses on financial receivables and liabilities are recorded as financial items.

Revenue Recognition

Revenue is recognised at the fair value of what the company has received or is due to receive. This means that the company recognises revenue at nominal value (invoice value) if the company receives compensation in cash or cash equivalents directly at the time of delivery. Deductions are made for discounts.

Upon the sale of goods, income is normally recognised as revenue once the essential benefits and risks associated with ownership of the item have been transferred from the company to the buyer.

Compensation in the form of interest or dividends is recognised as revenue when it is probable that the company will receive the economic benefits associated with the transaction and when the income can be calculated in a reliable manner.

Revenue from Service Assignments

The company and the group recognise profit/loss on service assignments performed on an on-going basis at the same rate at which the work is carried out. On-going, non-invoiced service assignments are included in the income statement up to the calculated invoice value and recognised as accrued income.

Fixed Assets

Tangible and intangible fixed assets are recognised at acquisition cost less accumulated amortisation and any impairments. Depreciable amounts consist of the acquisition cost less a calculated carrying amount if this is significant. Depreciation is recognised on a straight-line basis across the expected useful life.

The following depreciation periods apply:

Capitalized expenditure for research and development work 5 years

Equipment, tools and installations 5 years

Customer relationships 10 years

Lessee leasing assets are depreciated over lifetime of contract

Goodwill

Impairment test on goodwill is carried out annually. Goodwill is not amortised unless there is an indication of impairment.

Research and Development of Intangible Assets

A proportion of the work carried out by the group concerns development and adaption of products supplied by the group. This consists of a calculated number of our own staff within development, based on salaries and contracted system development consultants. The development projects that are controlled by the group, shall be technically feasible to carry out and sell, and the developed products shall result in future economic benefits. Development costs which do not fulfil these criteria are expensed on a continuous basis.

The Group as a Lessee

Leased assets with a contract value of more than EUR 6K and a term exceeding 12 months are recognised as tangible fixed assets while future lease payments are recognised as liabilities. Upon initial recognition, the assets and liabilities are recognised at the present value of future minimum lease payments.

Leased assets with a contract value of less than EUR 6K or a term less than 12 months are recognised on a straight-line basis as a cost over the leasing period.

All leases offered to customers are recognised as operating or financial leases dependent on whether the risks and rewards of the assets have been transferred to the customer.

Financial Leasing

All leases offered to customers are recognised as operating or financial leases dependent on whether the risks and rewards of the assets have been transferred to the customer.

The group recognises the discounted value of the future leased payments as revenue and financial leasing receivables. All direct costs associated with establishing the lease are recognised as cost of goods sold. The monthly payments received are recorded in part as a reduction of receivables and in part as financial income. Financial income related to financial leasing is recorded as revenue in the income statement. Financial costs for back-to-back financing of leasing agreements are recorded as cost of goods sold.

Operational Leasing

A lease is classified as an operating lease when the risks and benefits associated with an asset have not been transferred to the lessor. Assets for which the group is a lessor are recognised as fixed assets. The annual lease payments are recognised as revenue across the leasing period.

Inventory

Inventories are recognised at cost or net selling price, whichever is lowest on the balance sheet date. Net selling price refers to the calculated selling price less selling expenses. The valuation method selected takes account of any obsolescence in the inventory.

Consolidated Financial Statement

The consolidated financial statement has been established using the purchase method. The consolidated financial statement covers the parent company and its subsidiaries. Subsidiary refers to companies which the parent company has a controlling influence over, either directly or indirectly.

The company was formed in June 2017 and acquired Hoist Group Holding AB with subsidiaries 30th of June. The consolidated financial statement describes the financial development from when Hoist Group Holding Intressenter AB was formed. This means that the interim report refers only to the development from June 30th, when Hoist Group Holding AB was acquired, until December 31st. Activities in Hoist Group Holding Intressenter AB are included since the establishment of the company in June.

In the consolidated financial statement, the group's appropriations are reversed and included in the reported results after deductions for deferred tax. This means that the group companies' tax-free reserves in the balance sheet are divided between deferred tax liabilities and equity.

Apart from the above statement regarding appropriations the accounting principles of the parent company matches those of the group.

Assets and liabilities from foreign companies have been translated at the rate on the balance sheet date, while the income statement has been translated at the average annual rate.

Tax

The total tax is comprised of current tax and deferred tax. Tax is recognised in the income statement, except when the underlying transaction is recognised directly against equity when the associated tax effect is recognised in equity.

Current Tax

Current tax is income tax for the current financial year plus income tax from the previous financial year that has not yet been recognised. Current tax is calculated using the tax rate on the balance sheet date.

Deferred tax

Deferred tax is income tax that relates to future financial years as a result of previous events. The balance sheet method is used to determine deferred tax. In accordance with this, deferred tax liabilities and deferred tax assets are recognised on temporary differences between the carrying amount and the value for tax purposes of assets and liabilities and for tax credits or tax loss carry-forwards.

Alternative Performance Measures

EBITDA

EBITDA is calculated as the operating result after items of an extraordinary non-recurring nature and before depreciation and amortisation of goodwill.

EBITA

EBITA is calculated as the operating result after depreciation and after items of an extraordinary non-recurring nature and before amortisation of goodwill.