

Interim Report

1 January – 30 September 2017



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, healthcare institutions 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 18 countries in the EMEA region.

Key Figures

KSEK	Jul-Sept		Jan-Sept		Full Year
	2017	2016	2017	2016	2016
Net Sales	302 077	-	302 077	-	-
EBITDA	32 795	-	32 793	-	-
EBITA	14 750	-	14 748	-	-
Profit before tax	-43 546	-	-43 864	-	-
Net profit	-43 657	-	-43 974	-	-

CEO's Comments

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 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 where Hoist Group Holding AB was acquired until September 30th. Activities in Hoist Group Holding Intressenter AB are included since the establishment of the company in June.

Financial Summary Of The Third Quarter

Net sales for the third quarter were SEK 302,1 million. EBITDA was SEK 32,8 million and EBITA amounted to SEK 14,8 million in the third quarter. The 3rd quarter is normally a low volume quarter due to holiday season. Net income amounted to SEK -43,7 million and included amortisation of goodwill of SEK 34,1 million. Under the group accounting principles the goodwill is amortised over 10 years and thus does not relate to an impairment of assets.

Pro Forma Financial Summary Compared to Last Year

KSEK	Jan-Sept		Full Year
	2017	2016	2016
Net Sales	872 414	799 601	1 199 132
Other operating Income	10 686	79 427	71 247
Net Sales	883 100	879 028	1 270 378
Costs of goods sold	-421 870	-412 054	-620 566
Gross Profit	461 230	466 973	649 812
<i>GP%</i>	52%	53%	51%
Operating expenses	-96 661	-97 789	-110 072
Employee costs	-275 015	-260 233	-358 090
Extraordinary income and expenses	-6 260	-651	-3 581
EBITDA	83 294	108 300	178 068
Depreciation of tangible and intangible assets	-45 849	-61 654	-85 177
EBITA	37 445	46 646	92 891

In the pro forma numbers the activities of Hoist Group Holding AB has been included prior to acquisition date. The decrease in EBITA compared to last year is due to sale of leasing contracts in Q2 last year and high business volume in France last year due to MPEG 4 switchover.

Significant Events During the Quarter

On June 30th Hoist Group Holding Intressenter AB acquired Hoist Group Holding AB at a value of SEK1.009 million. This was financed through shares issued in kind and a loan from the owners of Hoist Group Holding AB. The shareholder loan carries an interest which is accrued, but not paid. Further the group executed a 500 MSEK bond issue to refinance existing debt.

On September 1st Alfonso Tasso assumed the position of CEO for Hoist Group. Former CEO and founder Malcolm Lindblom has been appointed Chairman of the Board of Hoist Group.

Significant Events After September 30th.

On November 7th, 2017 an agreement for the sale of the French healthcare business to MNH was signed. MNH is a French mutual insurance company. The transaction will focus Hoist Group in France on our core hospitality segment. The transaction has a closing date of December 31st 2017 and as part of the agreement Hoist Group will acquire Comelec, the hospitality division of MNH. The expected net cash proceeds from the transaction are EUR 16 million.

Transactions with Related Parties

The acquisition of Hoist Group was made by the owners of Hoist Group Holding AB former parent company of the group.

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, positions and earnings.

Hoist Group Holding Intressenter AB

The Board of Directors and the CEO,
Stockholm, November 30th, 2017



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, at 09:00 CET on November 30, 2017.

For more information, please contact:

Rasmus Pedersen CFO, ir@hoistgroup.com

Financial Reports

Consolidated Income Statement

KSEK	Jul-Sept		Jan-Sept		Full Year
	2017	2016	2017	2016	2016
Net Sales	293 745	-	293 745	-	-
Other operating Income	8 332	-	8 332	-	-
Net Sales	302 077	-	302 077	-	-
Costs of goods sold	-142 792	-	-142 792	-	-
Gross Profit	159 285	-	159 285	-	-
GP%	53%		53%		
Operating expenses	-41 171	-	-41 172	-	-
Employee costs	-85 352	-	-85 352	-	-
Extraordinary income and expenses	32	-	32	-	-
EBITDA	32 795	-	32 793	-	-
Depreciation of tangible and intangible assets	-18 045	-	-18 045	-	-
EBITA	14 750	-	14 748	-	-
Amoritisation of goodwill	-34 118	-	-34 118	-	-
Operating Profit	-19 369		-19 370		
Profit from financial items					
Interest income and similar items	4 325	-	4 325	-	-
Interest expense and similar items	-28 503	-	-28 819	-	-
Profit from financial items	-24 178	-	-24 495	-	-
Profit before tax	-43 546	-	-43 864	-	-
Tax	-111	-	-111	-	-
Net profit	-43 657	-	-43 974	-	-

Consolidated Balance Sheet

KSEK	September		Prior year end
	2017	2016	2016
ASSETS			
Fixed assets			
Capitalised research and development	45 519	-	-
Goodwill	1 122 314	-	-
Other intangible assets	15 425	-	-
Total intangible assets	1 183 258	-	-
Leasing, Equipment, tools and installations	141 272	-	-
Total tangible assets	141 272	-	-
Other long-term receivables	33 418	-	-
Deferred tax asset	1 737	-	-
Total financial fixed assets	35 154	-	-
Total fixed assets	1 359 684	-	-
Current assets			
Inventories of products	63 027	-	-
Work in progress	70 925	-	-
Total inventory	133 952	-	-
Accounts receivables	261 860	-	-
Tax assets	7 132	-	-
Other receivables	37 459	-	-
Prepaid expenses and accrued income	55 359	-	-
Total current receivables	361 811	-	-
Cash & bank deposits	122 704	-	-
Total current assets	618 466	-	-
Total Assets	1 978 150	-	-
Equity	111 037	-	-
Provisions	17 470	-	-
Total Provisions	17 470	-	-
Bond	500 000	-	-
Long-term liabilities external	19 705	-	-
Shareholder loan	866 596	-	-
Nordea loan	7 795	-	-
Total long term interest-bearing liabilities	1 394 096	-	-
Utilized overdraft	54 216	-	-
Accounts payable	151 489	-	-
Other current liabilities	94 636	-	-
Accrued cost and prepaid income	155 207	-	-
Total current liabilities	455 547	-	-
Total equity and liabilities	1 978 150	-	-

Consolidated Cash Flow Statement

KSEK	Jul-Sept		Jan-Sept		Full Year
	2017	2016	2017	2016	2016
Profit after financial items	-43 546	-	-43 864	-	-
Whereof interest paid	-9 198	-	-9 198	-	-
Total items not affecting cash	69 607	-	229 416	-	-
Taxes paid	-6 708	-	-6 708	-	-
Working Capital					
Change in inventory	-3 690	-	-3 690	-	-
Change in accounts receivable - trade	-24 911	-	-24 911	-	-
Change in operating receivables	16 134	-	9 884	-	-
Change in accounts payable - trade	27 433	-	27 433	-	-
Change in other operating liabilities	-18 629	-	-18 620	-	-
CASH FLOW FROM WORKING CAPITAL	-3 663	-	-9 904	-	-
CASH FLOW FROM OPERATING ACTIVITIES	15 689	-	168 941	-	-
Investing activities					
Acquisition value subsidiary	-6	-	-960 486	-	-
Investment in intangible fixed assets	-8 344	-	-8 344	-	-
Investment in tangible fixed assets	-19 458	-	-19 458	-	-
Sales value tangible fixed assets	6 867	-	6 867	-	-
Change in financial fixed assets	-4	-	-4	-	-
CASH FLOW FROM INVESTING ACTIVITIES	-20 946	-	-981 426	-	-
Financing activities					
Net change in external loans	-65 305	-	936 242	-	-
New increase/decrease bank overdraft facility	-190	-	-190	-	-
CASH FLOW FROM FINANCING ACTIVITIES	-65 496	-	936 051	-	-
CASH FLOW FOR THE PERIOD	-70 753	-	123 565	-	-
CASH & CASH EQUIVALENTS					
Cash and cash equivalents at the beginning of the period	194 318	-	0	-	-
Cash flow for the period	-70 753	-	123 565	-	-
Exchange rate effects	-861	-	-861	-	-
CASH AT END OF PERIOD	122 704	-	122 704	-	-

Changes in Equity

KSEK	Share capital	Additional contributed capital	Other equity (incl. Net income for the year)	Total Equity
EQUITY JUNE 2017	0	0	0	0
Net income for the year			-43 974	-43 974
Exchange rate effect			-4 491	-4 491
COMPREHENSIVE INCOME	0	0	-48 465	-48 465
TRANSACTIONS WITH OWNERS				
New emission	500			500
Share Issue in kind	500	158 502		159 002
TOTAL TRANSACTIONS WITH OWNERS	1 000	158 502	0	159 502
CLOSING EQUITY 30 SEP 2017	1 000	158 502	-48 465	111 037

Financial Statements, Parent Company

Income Statement

KSEK	Jul-Sept		Jan-Sept		Full Year
	2017	2016	2017	2016	2016
Net Sales	0	-	0	-	-
Operating income	0		-1		
Profit from financial items					
Interest income and similar items	6 116	-	6 116	-	-
Interest expense and similar items	-22 398	-	-22 714	-	-
Profit after financial items	-16 282		-16 599		
Profit before tax	-16 282		-16 599		
Tax	0	-	0	-	-
Net profit	-16 282		-16 599		

Balance Sheet Parent Company

KSEK	September		Full Year
	2017	2 016	2 016
Tangible & Intangible assets	0	-	-
Financial Assets	1 422 248	-	-
Inventory	0	-	-
Current receivables	25 265	-	-
Cash & bank deposits	60 830	-	-
Total Assets	1 508 343		
Equity	142 904	-	-
Total other long-term liabilities	0	-	-
Long term interest-bearing liabilities	1 365 440	-	-
Total current liabilities	0	-	-
Total equity and liabilities	1 508 343		

Company Information

Hoist Group comprises the Parent Company Hoist Group 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.

All companies in the Hoist group undertake the sale of TV systems, film and television channels, booking systems, IT and hosting, Wi-Fi and back-office systems, lock and service products, and related installation, service and support solutions.

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.

This development occurs primarily in offices located in London, Geneva, Paris, Pau and Stockholm.

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 LTD, reg no. 107941, registered office in Jersey. Ultimate parent to AccentEleven.

General Accounting Principles

This interim report and consolidated financial statement has been prepared in accordance with the Swedish Annual Reports Act (Årsredovisningslagen 1995:1554) as well as the Swedish Accounting Standards Board's standard on financial statements, BFNAR 2012:1 Annual Reports and consolidated financial statements (K3). Hoist Group intends to transfer to IFRS for the annual accounts 2017.

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:

Capitalised expenditure for research and development work 5 years

Equipment, tools and installations 5 years

Goodwill

Impairment test on goodwill is carried out annually. Amortisations relating to goodwill are calculated in accordance with the Swedish accounting standard K3 with an amortisation time of ten years, notwithstanding the underlying current value.

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 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

Financial Leasing

Assets that are leased through a finance lease 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.

Operational Leasing

The Group is a lessee through so-called operating leases whereby the economic risks and benefits associated with an asset have not been transferred to the group. Lease payments are recognised on a straight-line basis as a cost over the leasing period.

The Group as Lessor

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

The Group recognises the discounted value of the future leased payments as revenue and 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.

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 where Hoist Group Holding AB was acquired until September 30th. 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.