

Company announcement 8 / 2019

AX IV EG Holding III ApS Financial statement Q1 2019

This preliminary announcement of financial statements relates to AX IV EG Holding III ApS for the period 1 January 2019 to 31 March 2019.

EARNINGS:

DKK million	Q1 2019	YTD 2019	LTM	Q1 2018	31-12-2018
Realised:					
Revenue	403	403	1.863	500	1.959
Costs of sales	80	80	332	113	365
Gross profit	323	323	1.531	387	1.594
Staff costs	201	201	987	277	1.063
Other external costs	68	68	319	70	322
EBITDA	54	54	224	40	210
Depreciations	27	27	110	20	103
EBITA	27	27	114	19	107
Normalisations:					
Acquisition/sale of activities/companies *)	0	0	0	0	0
Restructuring expenses	1	1	27	2	28
Transaction & integration costs	7	7	18	4	15
Special items (excl. restructuring expenses)	22	22	65	0	43
Normalisations, total	30	30	110	6	86
 Normalised EBITDA	 84	 84	 334	 46	 296
Normalised EBITA	57	57	224	25	193

*) Acquired companies may not have prepared interim financial statements according to the same accounting principles as EG. Normalisation of acquired companies under "Acquisition/sale of activities" is therefore estimated on the basis of the financial due diligence performed in connection with the acquisition.

- Q1-2019 is including the Service business up until February 15 whereas Q1-2018 is including the Service business for the full period.
- Reported revenue in Q1 2019 amounted to DKK 403 million compared to DKK 500 million in Q1 2018. The continuing Software business shows organic growth above 5%.
- Reported EBITDA before Special items in Q1 2019 amounted to DKK 54 million compared to DKK 40 million in Q1 2018. The Q1-19 EBITDA contains divestment costs related to the divestments of the Service business. EG had not adopted IFRS16 in Q1-2018 but in Q1-2019. In Q1 2019 the effect of IFRS16 is an increase in EBITDA of DKK 13 million.
- Normalised EBITDA in Q1 2019 amounted to DKK 84 million compared to DKK 46 million in Q1 2018.
- Reported LTM EBITDA amounts to DKK 224 million, and normalised LTM EBITDA amounts to DKK 334 million.

SELECTED BALANCE SHEET ITEMS:

DKK million	31.03.2019	31.03.2018
Intangible fixed assets	1.188	1.884
Tangible fixed assets	164	39
Financial fixed assets	0	0
Non-current assets	1.352	1.923
Inventory	3	6
Trade receivables	163	289
Contract work in progress	12	8
Prepaid rent and deposits	10	11
Other receivables	139	43
Prepayments	36	41
Trade payables	-86	-100
Other payables	-249	-437
Accruals	-192	-217
Reported NWC	-164	-355
Cash	193	116
- dividend	0	0
Securities	0	0
Bank loan	-400	-400
Bond debt	-1.400	-1.400
Leasing	-154	0
Tax payable	-12	3
Interest-bearing net debt	-1.773	-1.682

- The company's non-current assets amount to DKK 1,352 million, primarily in the form of goodwill and other intangible assets acquired in connection with company acquisitions.
- The company's reported working capital amount to DKK -164 million.
- The company's net interest-bearing debt at the end of Q1 2019 was DKK 1,773 million including the leasing effect of negative DKK 154 million from the IFRS 16 adjustment.

EQUITY:

DKK million	Share capital	Hedge accounting	Exchange adjustment reserve	Retained earnings	Proposed dividend	Total
Equity as at 31 December 2018	0	0	-2	-443	0	-445
Correction primo	0	0	0	0	0	0
Total income for the year	0	0	1	-29	0	-28
Dividend	0	0	0	0	0	0
Warrant adjustment	0	0	0	0	0	0
Adjustments regarding IFRS 15 and 16	0	0	0	0	0	0
Equity as at March 31, 2019	0	0	-1	-471	0	-473

- The company's equity as at 31 March 2019 is negative with DKK 473 million compared to negative with DKK 445 million as at 31 December 2018.

SELECTED ITEMS FROM THE CASH FLOW STATEMENT:

DKK million	31.03.2019	31.03.2018
Cash flows from operating activities:		
Cash flows from operating activities before financial items	301	141
Cash flows from ordinary activities	270	99
Cash flow from operating activities	243	99
Cash flows from investing activities	-30	-48
Free cash flow before financial items	271	92
Cash flows from financing activities	-10	3
Change in liquidity for the year	203	54
Cash 1 January	-10	62
Cash 31 March, net	193	116
Cash 31 March, net		
Cash in accordance with the balance sheet	193	116
Amount owed to banks in accordance with the balance sheet	0	0
Cash 31 March, net	193	116

- The company's cash flows from operating activities before financial items amount to DKK 301 million. After payment of interest, cash flows from ordinary activities amount to DKK 270 million. Cash flows from operating activities amount to DKK 243 million.
- Cash flows from investing activities amount to DKK -30 million, primarily covering acquisitions, software development and investment in technical equipment. EG acquired the activity ClinicCare with the first payment of DKK 15 million.
- Free cash flow before financial items has improved from DKK 92 million in 2018 to DKK 271 million in 2019 including the divestment of the Service Business.
- Cash flows from financing activities amount to DKK -10 million.
- Change in liquidity for the year amounts to DKK 203 million.
- The company's net cash amounted to DKK 193 million at 31 March 2019.

This financial statement has not been reviewed by the company's auditors.

Enquiries regarding this announcement should be addressed to:

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2 May 2019, AX IV EG Holding III ApS

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