

Report Q3 2015

Nordlys AB (publ)

Management Commentary

In accordance with the Term and Conditions the IFRS conversion need to be in effect from Q3 2015. Thus, the result of Q3 2015 is not comparable to the budget due to several accounting adjustments. However, the result of the operating activities is not affected by the change of the accounting principle. Revenues and operating costs are in general at expected level in both operating entities; Galliaden AB and Turku Ausade Hotelli Oy. The operating costs are lower than budget as the expected varnishing of the arena floor in the multipurpose hall has not taken place due to the new tenant.

Administrative costs are significantly less than budget due to overestimated costs relating to the prospectus, accountants, and attorneys. Moreover, the extraordinary administrative costs in relation to the IFRS conversion and auditing have been postponed until next quarter. The SEK 1 m depreciation has likewise been activated in Q3 2015. It regards the finance fee paid out in 2014.

Tax is being regulated at the end of a financial year. Moreover, tax in Q3 2015 reflects the IFRS conversion regarding deferred tax. Depreciations are likewise affected by IFRS, therefore they are positive in Q3 2015.

Financial costs are at a high level as Q1 – Q3 2015 interest costs on the shareholder's loan are included. It regards approx. SEK 2,2 m that are not paid out but rolled up. If interest costs on the shareholder's loan are deducted interest costs on the bond issue is at an expected level, SEK 11,4 m.

Moreover, exchange adjustments are not realized. After deduction of the ABG finance fee, interests costs on the shareholder's loan, exchange adjustments, and depreciations from EBT the result is approx. SEK 8,4 m.

Cash accumulates and is at a higher level compared to previous year. However, amortization is solely effective once a year starting from Q4 2015 which will affect the cash position. Amortization will in the future be done in Q3, cf. the Term and Conditions. Moreover, the new tenant at Turku Ausade Hotelli Oy has a four months' rent-free period, ending in January 2015, resulting in no rental income from the Finnish subsidiary until February 2016. Thus, the cash position will drop considerably at the end of the year.

All covenant tests are met.

Financial Report

Profit and Loss – consolidated

Profit and loss	Q3 2015		
	Realised	Budget	Deviation
All figures in SEKt			
Rental income	25.822	25.613	209
Operational costs	-5.894	-5.923	29
NOI	19.928	19.690	238
Administration costs	-1.186	-3.959	2.773
EBITDA	18.742	15.731	3.011
Depreciation	21.770		
EBIT	40.512		
Financial income	80		
Financial cost	-13.721		
Exchange adjustments, not realised	3.022		
EBT	29.894		
Tax	-3.455		
Earnings	26.439		

Financial Report

Balance – consolidated

ASSETS

All figures in SEKt

Fixed assets

Properties

Deferred tax

Fixed assets total

Current assets

Receivables

Cash

Current assets total

ASSETS TOTAL

Q3 2015

Realized

1.053.014

969

1.053.983

8.389

46.564

54.953

1.108.936

2014

Realized

1.070.966

0

1.070.966

7.768

31.884

39.652

1.110.618

LIABILITIES

Q3 2015

Realized

14.556

171.203

-56.988

128.771

20.292

742.500

177.539

940.331

7.500

0

32.334

39.834

1.108.936

2014

Realized

14.556

165.999

-48.403

132.152

19.689

742.500

177.539

939.728

7.500

0

31.238

38.738

1.110.618

LIABILITIES TOTAL

Financial Report

Cash Flow Analysis

Cash Flow Analysis

All figures in SEk

30-09-2015

Operating activities

EBT	10.289
Adjustment	3.687
	13.976
Paid tax	-3.927

Cash flow from Operating Activities (1) 10.049

Adjustment

Receivables	-628
Liabilities	3.994

Cash flow from Operating Activities (2) 13.415

Investing activities

Fixed assets	-1.422
Financial assets	3.000
Cash flow from Investing activities	1.578

Financial activities

New issue	0
Loan	0
Amortization	0

Cash flow from Financial activities 0

Cash flow, Q1 - Q3 2015 14.993

Cash BoP 31.884

Currency difference -313

Cash EoP 46.564

Financial Report

Covenants

Covenant reporting

Portfolio	Nordlys AB (publ)
Financier	Bonds
Period	Q4 2014 - Q3 2015
Currency	SEKt

Assumptions

NOI	
Rental income	104.701
Operating costs	-26.971
NOI Q4 2014 - Q3 2015	77.730
Interest	
Net Interest Expense	48.439
Cash	46.564
Property value	
Latest valuation Galliaden	652.500
Latest valuation Turku Ausade Hotelli	385.888
Currency EUR/SEK	9,41
Outstanding loan	
Outstanding loan, EoP	750.000

Covenants

Interest Coverage Ratio, ICR	
ICR, actual	160,5%
ICR requirement (default)	125,0%
Covenant test	OK
NOI Headroom in percentage	28,4%
NOI Headroom in SEKt	17.181
Net Interest Bearing Debt to Property Value	
NIBD, actual	67,7%
NIBD, requirement	80,0%
Covenant test	OK
NIBD, Headroom in percentage	18,1%
NIBD, Headroom in SEKt	159.093