

Interim report for the second quarter 2020





Highlights interim report for Q2 2020:

Second quarter 2020 (same quarter last year in brackets)

- Net revenue amounted to 81.7 MSEK (101.5). Pro-forma revenues decreased with 36.9 MSEK (-31%) compared to Q2 2019
- EBITDA amounted to 7.4 MSEK (19.3)
- Pro-Forma Adjusted EBITDA*) amounted to 5.2 MSEK (23.9)
- For the period Q3 2019 – Q2 2020 Pro-Forma Adjusted EBITDA*) amounted to 81.7 MSEK. Expected additional cost reductions of approx. 7.5 MSEK from the Danish acquisitions not included in Pro-Forma Adjusted EBITDA
- Cash flow from operating activities 45.2 MSEK (53.9)

**) Swedish GAAP EBITDA, pro-forma acquisitions, adjusted for bond financing cost, adjustment items and unrealized synergies from First Camp / Nordic Camping integration*

Significant events after the period and effects of Covid-19

- The quarter was significantly impacted by the ongoing Covid-19 situation, where in particular destinations with a large share of international guests were negatively impacted
- The negative impact decreased during the quarter, as domestic travel restrictions and other restrictions were eased in both Sweden and Denmark
- Preliminary revenue for July 2020 amounted to 139.7 MSEK, corresponding to a decline of approx. 32.0 MSEK (-19%) compared to last year Pro-Forma revenue. The decline was driven by decrease of international guests due to travel restrictions. Lodging revenue from domestic guests in Sweden increased with 12% and total revenue in Denmark increased compared to last year Pro-Forma revenue





CEO Comments

Covid-19, and related government measures, began to have an impact on First Camp in the middle of March. The second quarter was heavily impacted by the pandemic, and proforma revenues declined by 31% (-36.9 MSEK) vs. Q2 2019. On June 13, Sweden opened up for unrestricted domestic travel and bookings from Swedish guests started to recover. However, international guests account for approx. 25% of guest nights in the Swedish camping market, and restrictions on cross-border travel had a major negative impact on total bookings.

We quickly started to take measures in March, including staff reductions and significant cuts on maintenance cost, as well as close monitoring of cash-flow development. In parallel we accelerated sales & marketing efforts towards Swedes that usually go abroad for their summer vacation, including online advertising, campaigns with grocery retailer ICA's membership program, and a cooperation with tour operator Apollo. The impact of these initiatives has been seen on cabin revenues in July.

Thanks to the broad range of cost initiatives that were implemented as early as in March, the 36.9 MSEK year-on-year revenue drop converted into a drop in Pro-Forma Adjusted EBITDA of only 18.7 MSEK. The entire organization has done a tremendous job to deliver such significant cost savings so quickly.

The second quarter was the first full quarter after the closing of our four recent acquisitions in Denmark. Including Lakolk Strand-Rømø that has been operated since 2017, First Camp is now the largest campsite chain in not only Sweden but also Denmark. These additions contributed with 11.1 MSEK in revenues during the quarter. During the fall, we will accelerate the integration of these campsites into the chain.

Covid-19 has created an increased focus on domestic travel in Sweden and Denmark, as well as for camping in general. The industry associations both in Sweden and Denmark report an increase

in sales of caravans (Swedish: husvagnar), and in Denmark also of motor caravans (Swedish: husbilar). A larger installed base of caravans and motor caravans creates even strong growth prospects for the Scandinavian camping industry, and we remain confident that the long-term outlook is very positive.

Stockholm, August 14, 2020

Johan Söör
CEO



Business and market

First Camp operates campsites in Scandinavia, either on owned land or through long-term site leasehold (Swedish: tomträtt) or leasehold (Swedish: arrende) agreements with primarily municipalities. In 2019 First Camp operated 39 campsites in Sweden and one in Denmark, with a total of up to 10,000 camping pitches and approximately 1,400 cabins. In February 2020, an additional campsite in Denmark was acquired, and another three Danish campsites acquired in March 2020. In total First Camp now has 44 campsites.

The long-term market outlook is steadily positive. The Swedish market has had an average growth in guest nights of approximately 2% per year 2013-19, and an estimated revenue growth of approximately 5% per year. The Scandinavian market is highly fragmented and has a total of approximately 2,200 campsites, with First Camp being by far the largest player. Most players in the market are family-owned single-site operators.

Significant event in the second quarter of 2020

- Twelve new cabins added in Råå Vallar Helsingborg and Luleå Arcus
- Several major improvement projects in existing campsites, including new service-buildings
- Launch of First Camp's new kids club concept, with our new character Yessi

Financial development during the second quarter 2020

Net revenue

Net revenue in the quarter amounted to 81.7 MSEK (101.5). The four Danish campsites acquired in the first quarter of 2020 contributed with 11.1 MSEK of revenue during the quarter.

Pro-forma net revenue, adjusted for the four Danish campsites acquired in first quarter of 2020, amounted to 81.7 MSEK (118.6), a decrease of -36.9 MSEK (31%) compared to the same quarter last year.

Operating profit/loss

The operating profit for the quarter amounted to -9.7 MSEK (5.9), a decline with 15.6 MSEK.

Pro-Forma Adjusted EBITDA for the quarter amounted to 5.2 MSEK (23.9), a decline with 18.7 MSEK. Half of the revenue decline of 36.9 MSEK was offset by net cost reductions of 18.4 MSEK. In particular personnel cost at the campsites was reduced by 12.8 MSEK, operating expenses at the campsites (including maintenance) was reduced by 5.2 MSEK. Also, all management team members have cut their salaries during 3 months.

State subsidies / Covid-19 relief packages reduced cost in the quarter with 2.3 MSEK (included in the numbers above).

The IFRS16 effect on operating profit for the quarter was positive 1.7 MSEK. Other operating costs (rent, leasehold and land lease fees, lease fees) were reduced with 5.2 MSEK and Depreciation was increased with 3.5 MSEK amortization of Right of Use debt.

Financial income/expense

The net financial expenses for the quarter amounted to 21.5 MSEK (11.0), including a negative exchange rate effect on group internal loans of 4.7 MSEK.

Financial expenses for the quarter include 2.9 MSEK interest cost on Right of Use Liabilities in accordance with IFRS16.

Profit/loss for the period

The profit for the quarter amounted to -30.9 MSEK (-6.3).

Liquidity and cash flow

Cash flow from operating activities amounted to 45.2 MSEK (53.9), including a positive effect from change in net working capital of 53.6 MSEK. The seasonality effect on customer advances contributed with 49.5 MSEK in positive cash flow during the quarter.

Cash flow from investing activities amounted to -19.9 MSEK (-15.4) related to maintenance, improvement, and expansion projects at the destinations. Major projects finalized during the quarter include twelve new cabins in Råå Vallar Helsingborg and



Luleå Arcus, a new service facility in Stensö Kalmar and a new reception, shop and restaurant in Hagön Halmstad.

Cash flow from financing activities amounted to -6.9 MSEK (-2.4), including amortization of Right of Use liabilities of 3.5 MSEK. During the quarter, the remaining external debt in the acquired Danish companies was repaid.

The cash flow for the quarter was 18.4 MSEK (36.1).

Financial position

At the end of the quarter the Group's cash and cash equivalents amounted to 70.4 MSEK (47.2).

At the end of the quarter, 67.0 MSEK of the overdraft facility was used with a remaining unused facility of 58.0 MSEK.

During the quarter, the terms of the Super Senior Revolving Facility (SSRCF) provided by Nordea was renegotiated in order to secure liquidity should the adverse effects of the Covid-19 continue during autumn and winter. The maximum SSRCF utilization, measured as Utilization / LTM Pro-Forma Adjusted EBITDA, within the SSRCF headroom of 125 MSEK as stipulated in the Bond Term Sheet, was increased from 1.25x to 2.50x LTM Pro-Forma Adjusted EBITDA effective from June 2020 until and including the period ending 31 December 2021.

Financial development during the reporting period

January 1st – June 30th, 2020

Net revenue

Net revenue for the period amounted to 102.6 MSEK (119.9).

Pro-forma net revenue, adjusted for the First Camp acquisition and the four Danish campsites acquired in first quarter of 2020, amounted to 102.6 MSEK (145.3), a decrease with 29% compared to the same period last year.

Operating profit/loss

The operating profit for the period amounted to -51.3 MSEK (-14.1).

The IFRS16 effect on operating profit for the period was positive 4.3 MSEK. Other operating costs (rent, leasehold and land lease fees, lease fees) were reduced with 10.7 MSEK and Depreciation was increased with 6.4 MSEK amortization of Right of Use debt.

Financial income/expense

The net financial expenses for the period amounted to 39.5 MSEK (28.0).

Financial expenses for the period include 5.7 MSEK interest cost on Right of Use Liabilities in accordance with IFRS16.

Profit/loss for the period

The profit for the period amounted to -85.9 MSEK (-39.1).

Liquidity and cash flow

Cash flow from operating activities amounted to 10.0 MSEK (40.1).

Cash flow from investing activities amounted to -91.3 MSEK (-70.3), including closing of the acquisitions of Bøsøre Strand Feriepark, Hasmark Strand, Bogense and final settlement of First Camp purchase price.

Cash flow from financing activities amounted to -45.3 MSEK (64.4). As part of the acquisitions closed in the period, the company repaid 85.0 MSEK of debt in the acquired companies of Hasmark, Bogense and Bøsøre.

The cash flow for the period was -126.7 MSEK (34.2).

Significant events after the reporting period

July development

Preliminary revenue for July 2020 amounted to 139.7 MSEK, corresponding to a decline of approx. 32.0 MSEK (-19%) compared to last year Pro-Forma revenue.

The development shows the advantage First Camp has of being a camp site chain with destinations of different characteristics. Our camp sites with a large share of international guests had larger reduction in net revenue, whereas twelve destinations show higher revenue than in 2019.



Although lodging revenue from domestic guests in Sweden increased with 12% year-on-year, this could not fully compensate for the decline of international guests which declined with 94%.

In Denmark, revenue increased compared to last year Pro-Forma revenue.



Condensed Consolidated income statement

| Amounts in MSEK | 2020 Apr-Jun | 2019 Apr-Jun | 2020 Jan-Jun | 2019 Jan-Jun | 2019 Jan-Dec |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| Total revenue | 81.7 | 101.5 | 102.6 | 119.9 | 380.9 |
| | | | | | |
| COGS | (6.0) | (7.5) | (7.5) | (8.5) | (33.4) |
| Salaries | (32.9) | (38.6) | (54.9) | (51.2) | (123.2) |
| Other Operating Costs | (35.3) | (36.1) | (62.2) | (52.6) | (121.9) |
| Operating Profit Before Depreciation, Amortization (EBITDA) | 7.4 | 19.3 | (22.0) | 7.6 | 102.4 |
| | | | | | |
| Depreciation and Amortization | (17.1) | (13.4) | (29.2) | (21.7) | (48.1) |
| Operating Profit (EBIT) | (9.7) | 5.9 | (51.3) | (14.1) | 54.3 |
| | | | | | |
| Net Financial Expense | (21.5) | (11.0) | (39.5) | (28.0) | (62.8) |
| Profit Before Tax | (31.2) | (5.1) | (90.7) | (42.1) | (8.5) |
| | | | | | |
| Tax For The Period | 0.3 | (1.2) | 4.8 | 3.0 | (5.0) |
| Profit/loss For The Period | (30.9) | (6.3) | (85.9) | (39.1) | (13.5) |
| | | | | | |
| Attributable to: | | | | | |
| Owners of the parent | (30.9) | (6.3) | (85.9) | (39.1) | (13.5) |
| Non-controlling interests | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |



Condensed Consolidated balance sheet – Assets

| Amounts in MSEK | 2020-06-30 | 2019-06-30 | 2019-12-31 |
|----------------------------------|----------------|----------------|----------------|
| Goodwill | 287.9 | 287.5 | 287.5 |
| Other Intangible Assets | 56.6 | 59.2 | 58.5 |
| Intangible Assets | 344.6 | 346.7 | 346.0 |
| | | | |
| Deferred Tax Assets | 19.8 | 17.8 | 15.5 |
| Other Long-Term Financial Assets | 2.4 | 2.4 | 2.4 |
| Financial Fixed Assets | 22.2 | 20.2 | 17.8 |
| | | | |
| Buildings and Land | 953.9 | 735.3 | 736.4 |
| Ongoing Projects | 57.8 | 51.6 | 45.6 |
| Equipment | 31.5 | 24.7 | 25.3 |
| Right of Use Assets | 341.9 | 353.1 | 347.2 |
| Tangible Fixed Assets | 1 385.1 | 1 164.7 | 1 154.5 |
| | | | |
| Inventories | 6.0 | 5.9 | 1.6 |
| Account Receivables | 5.0 | 27.6 | 8.7 |
| Other Current Assets | 55.5 | 53.4 | 88.5 |
| Cash and Cash Equivalent | 70.4 | 47.2 | 197.0 |
| Total Current Assets | 136.8 | 134.0 | 295.8 |
| | | | |
| Total Assets | 1 888.7 | 1 665.7 | 1 814.1 |



Condensed Consolidated balance sheet - Liabilities

| Amounts in MSEK | 2020-06-30 | 2019-06-30 | 2019-12-31 |
|---|----------------|----------------|----------------|
| Equity (incl. Minority) | 218.1 | 289.8 | 305.1 |
| Deferred Tax Liability | 88.6 | 75.2 | 73.3 |
| | | | |
| Liabilities to Credit Institutions and Bond Holders | 687.2 | 378.2 | 685.4 |
| Shareholder loan | 104.7 | 104.7 | 104.7 |
| Other Long-Term Liabilities | 161.2 | 159.2 | 158.4 |
| Right of Use Liabilities | 334.6 | 343.6 | 335.9 |
| Total Long-Term Liabilities | 1 287.7 | 985.8 | 1 284.4 |
| | | | |
| Liabilities to Credit Institutions | 67.0 | 110.0 | 25.4 |
| Shareholder loan | 0.0 | 35.0 | 0.0 |
| Accounts Payable | 31.0 | 34.9 | 20.8 |
| Tax Liabilities | 4.4 | 0.0 | 7.2 |
| Other Current Liabilities | 17.5 | 23.1 | 16.7 |
| Customer Advances & Deferred Expenses | 163.9 | 100.9 | 67.9 |
| Right of Use Liabilities | 10.5 | 10.9 | 13.2 |
| Total Short-Term Liabilities | 294.3 | 314.8 | 151.3 |
| | | | |
| Total Equity and Liabilities | 1 888.7 | 1 665.7 | 1 814.1 |



Condensed Consolidated statement of cash flows

| Amounts in MSEK | 2020 Apr-Jun | 2019 Apr-Jun | 2020 Jan-Jun | 2019 Jan-Jun | 2019 Jan-Dec |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| Net cash generated from operating activities | 45.2 | 53.9 | 10.0 | 40.1 | 52.7 |
| Net cash used in investing activities | (19.9) | (15.4) | (91.3) | (70.3) | (107.5) |
| Net cash generated from financing activities | (6.9) | (2.4) | (45.3) | 64.4 | 238.7 |
| Net change in cash and cash equivalents | 18.4 | 36.1 | (126.7) | 34.2 | 184.0 |
| Cash and cash equivalents at beginning of period | 51.9 | 11.1 | 197.0 | 13.0 | 13.0 |
| Cash and cash equivalents at end of period | 70.4 | 47.2 | 70.4 | 47.2 | 197.0 |

Notes to the financial statements

1. Accounting policies

The Group applies the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as adopted by the EU. The Group also applies the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 1 Supplementary Accounting Rules for Groups. This report has been prepared in accordance with IAS 34 Interim Financial Reporting and in compliance with the applicable provisions in the Swedish Annual Accounts Act. Disclosures according to IAS 34 Interim Financial Reporting are provided in the notes and elsewhere in this interim report.

2. Disclaimer

The report has not been reviewed by the company's auditors. Certain items may be subject to re-assessments and changes in the process of preparing the consolidation for the 2020 Annual Report. In particular, the purchase price allocation regarding the acquisition of Danish campsites is not yet finalized and may thus be changed within the next twelve months.

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