

# Interim report January-June

## Q2 2019 highlights

- Viaplay subscribers up 65k quarter on quarter to 1,421k representing 60% of total subscriber base
- Sales of SEK 3,975m (3,719) with 6% organic growth
- Operating income for the combined business segments of SEK 535m (508)
- Total operating income of SEK 455m (415) including IAC of SEK 0m (-48)
- Net income of SEK 348m (329) and basic earnings per share of SEK 5.17 (4.93)
- Total net debt of SEK 4,210m, including net lease liabilities of SEK 636m, equivalent to 2.3x 12 month trailing EBITDA before IAC<sup>1)</sup>

## Financial overview

(SEKm)	Q2 2019	Q2 2018	H1 2019	H1 2018	Full year 2018
Net sales	3,975	3,719	7,702	7,171	14,568
Organic growth	5.8%	5.8%	5.9%	6.0%	3.8%
Change in reported net sales	6.9%	8.7%	7.4%	8.0%	6.4%
<b>Operating income - Business segments<sup>2)</sup></b>	<b>535</b>	<b>508</b>	<b>853</b>	<b>794</b>	<b>1,706</b>
Central operations	-80	-44	-123	-59	-162
<b>Operating income before IAC</b>	<b>455</b>	<b>464</b>	<b>729</b>	<b>734</b>	<b>1,544</b>
Items affecting comparability (IAC)	-	-48	-56	-48	-40
<b>Operating income</b>	<b>455</b>	<b>415</b>	<b>673</b>	<b>686</b>	<b>1,504</b>
Operating margin before IAC	11.4%	12.5%	9.5%	10.2%	10.6%
Operating margin	11.4%	11.2%	8.7%	9.6%	10.3%
Net income	348	329	515	545	1,292
Basic earnings per share (SEK)	5.17	4.93	7.66	8.17	19.24
Diluted earnings per share (SEK)	5.17	4.88	7.64	8.09	19.09
Net debt	4,210	-	4,210	-	3,944

1) 2018 figures included in the calculation of 12 month trailing EBITDA before IAC have been adjusted for the estimated effect as if IFRS 16 had been applied for the full period.

2) See page 16 for a reconciliation of business segments operating income. Alternative performance measures used in this report are explained and reconciled on pages 19-22.

**Reading notes:** The information in this report consists of the combined financial statements for Nordic Entertainment Group AB (publ) (NENT Group), which are an aggregation of financial information for entities under common control that do not meet the definition of a group according to IFRS 10. Pro forma information is not provided for historical periods. The cost for central operations is not comparable over time as the parent company Nordic Entertainment Group AB (publ) was only established on 1 July 2018. The net debt of NENT Group for 2018 in this report refers to the net funding from previous parent company Modern Times Group MTG AB (publ) in the cash pool less total cash. NENT Group has applied the new accounting standard IFRS 16 Leases from 1 January 2019. See Accounting policies on page 9 for more information.

# President & CEO's comments

**"We made substantial progress during Q2 to seize the significant opportunity we see in the Nordic streaming market. These results clearly demonstrate the strength of our strategy and the ecosystem that we have built. Organic sales were up, and both our operating segments delivered higher profits. We added 65k Viaplay subscribers in what has historically been a seasonally quiet quarter, and we have now grown the Viaplay sub base by over 20% in the last year"**

Group sales were up 6% on an organic basis, and operating income for our combined business segments was up 5%. Central operational costs were up significantly as anticipated due to extraordinary investments in our team, branding, culture and values.

Our Broadcasting & Streaming operations delivered yet another quarter of profitable growth. Subscription & Other sales, which accounted for 60% of Group sales, were up 8%. We added 65k Viaplay subscribers in what has historically been a quiet quarter due to the seasonality in the sports subscriber base. We have now added 244k subscribers in the last twelve months and expect to have increased our market share. Viaplay's 1,421k subscribers now represent 60% of our total subscriber base. The Viaplay intake was above our targets and driven by a combination of healthy gross intake, lower churn levels, and ground-breaking new B2B deals. We have added more original programming and acquired more content and live sports, which have all contributed to Viaplay's growth, as have our ongoing technology and product developments.

Advertising sales, which accounted for 26% of group sales, were down 3% as double-digit sales growth in both Viafree and Swedish Radio was offset by the fact that we did not have the Ice Hockey World Championship on our Swedish free-tv channels this year, and the continuing soft TV and Radio advertising markets.

We have continued to invest in content, in order to drive our growth. We premiered 5 new Viaplay originals in the quarter, and announced the production of a further 6 new originals. We announced a number of important new sports rights agreements including exclusive coverage of Alpine and cross-country skiing from 2021, the Open golf championship until 2024, and Danish Superliga football until 2024. We have also further enhanced our Hollywood acquired portfolio with the MGM and NBCU deals that we announced earlier in the year, and we have continued to invest in access to high quality content by taking a minority stake in new LA-based studio Picturestart.

We have also signed a series of large scale and long-term strategic distribution agreements with partners such as Tele2 and Telia, which will further extend the reach of our advertising and subscription funded services.

NENT Studios, which accounted for 14% of Group sales, generated 37% sales growth on the back of high scripted drama sales. Operating profits were up significantly as a result. The production pipeline continues to look promising, and we have a high number of very interesting new development projects.

NENT Group comes out of Q2 even better positioned to benefit from the shift to on-demand and online viewing. Scaling Viaplay is the best way to create long-term shareholder value, and we intend to do so while continuing to deliver profitable growth. This is possible because of our unique business model and the dedicated world class *Team NENT*.

**Anders Jensen**  
President & CEO



# Significant events in and after the quarter

## 2 April & 15 May – NENT Group management appointments

On 2 April, NENT Group appointed Cecilia Gave as SVP & Group Head of Viafree, which is the Group's pan-Nordic advertising funded streaming service. On 15 May, NENT Group appointed Jonas Gustafsson as SVP & CEO of Viasat Consumer, a new NENT Group operating unit comprising Viasat's satellite and broadband TV consumer offerings. NENT Group also appointed Sahar Kupersmidt as SVP & Head of People and Culture. All roles are members of the Group's Executive Management team.

## 11 April – NENT Group to be home of Alpine and Nordic winter sports

NENT Group acquired the exclusive Nordic media rights to a comprehensive range of the world's leading winter sports competitions. The landmark five-year deal secures the hugely popular FIS Alpine Ski World Cup and FIS Cross Country World Cup and much more from 2021.

## 24 April – NENT Group to show The Open golf for next six years

NENT Group extended the exclusive Nordic rights to The Open golf championship until the end of 2024. NENT Group holds the Nordic rights to three of the four golf majors – The Open, the US Open and the PGA Championship – along with the Danish rights to the remaining major, the Masters Tournament. NENT Group is also the exclusive Nordic home of the Ladies Professional Golf Association (LPGA) Tour and the European Tour package, which includes the World Golf Championships, the eight Rolex Series competitions and one of the world's most viewed sporting events – the Ryder Cup.

## 2 May – NENT Group invested in new US studio Picturestart

NENT Group has invested in a minority stake in the new US studio Picturestart together with a range of high profile industry partners. Based in Los Angeles and founded by renowned producer Erik Feig, Picturestart will create, co-finance and produce premium scripted content for young adult viewers around the world.

## 16 May – NENT Group closed SEK 1.5 billion bond issue

NENT Group raised SEK 1.5 billion by issuing 3 and 5 year senior unsecured bonds to approximately 25 Nordic investors. The issue, which was oversubscribed was NENT Group's first since it listed on Nasdaq Stockholm at the end of March.

## 18 June – NENT Group extended Nordic rights to Danish Superliga football

NENT Group extended its Nordic media rights to Danish football until 2024. Fans will continue to be able to watch live coverage of Denmark's Superliga, 1st Division and DBU Pokalen cup competitions on NENT Group's Viaplay streaming service, as well as on the TV3+, TV3 SPORT and TV3 Max channels in Denmark.

## 28 June – NENT Group and Tele2 expanded distribution agreement in Sweden

NENT Group expanded its distribution agreement with Tele2 in Sweden. For the first time, NENT Group's Viasat premium pay-TV channels will be available to customers of Boxer, while TV3 and TV8 will be included in more of the basic TV packages offered by Com Hem.

## 28 June – NENT Group extended distribution partnership with Telia

NENT Group extended its long-term partnership with telecommunications and TV operator Telia in Sweden. Telia will continue to distribute TV3, TV6, TV8, TV10 and TV3 Sport HD in Sweden, as well as the Viasat pay-TV channels. All Viasat customers will continue to have access to Viaplay as part of their subscriptions.

A full list of announcements and reports can be found at [www.nentgroup.com](http://www.nentgroup.com).



# Group performance

## Net sales

Net sales were up 6.9% to SEK 3,975m (3,719) following 5.8% organic growth and a 1.1% FX contribution.

## Operating income and items affecting comparability

Operating income for the combined business segments increased by 5.3% to SEK 535m (508).

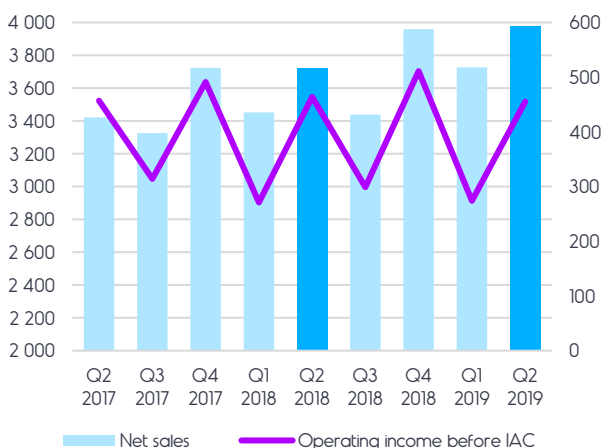
Operating income before IAC was down 1.9% to SEK 455m (464) as higher profits in the operating segments were offset by higher central operation costs. The increase in central operation costs reflected NENT Group’s new status as standalone and listed company and investments in the roll-out of the Group’s culture and values. Items affecting comparability amounted to SEK 0m (-48). See page 20 for a comprehensive list of items affecting comparability.

## Net financials and net income

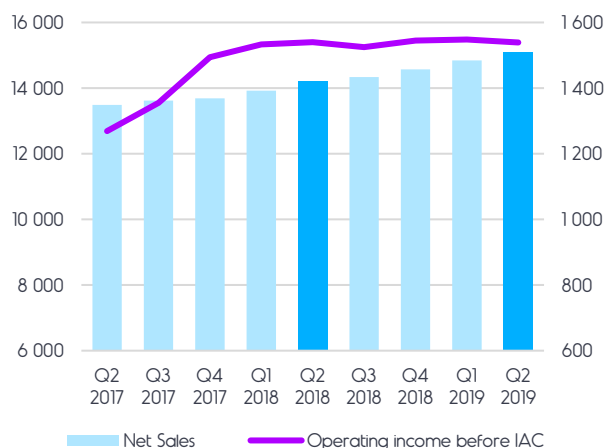
Net interest and other financial items totaled SEK -14m (-36). Net interest amounted to SEK -9m (-10), of which SEK -5m (0) related to interest on net lease liabilities. Other financial items amounted to SEK -5m (-26) and mainly comprised the impact of exchange rate differences on financial items.

Tax charges amounted to SEK -92m (-50) and net income totaled SEK 348m (329), with basic earnings per share of SEK 5.17 (4.93).

**Net sales and operating income**  
(SEKm)



**Net sales and operating income**  
Rolling twelve months (SEKm)



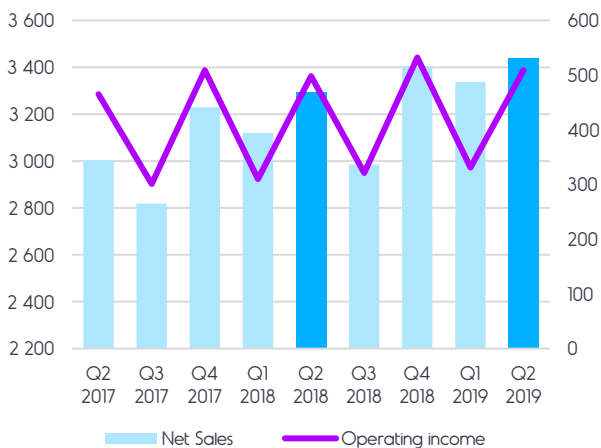
# Segmental performance

## Broadcasting & Streaming

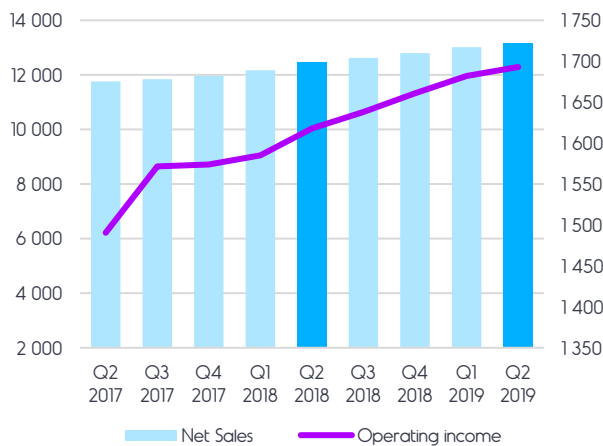
(SEKm)	Q2 2019	Q2 2018	H1 2019	H1 2018	Full year 2018
Net sales	3,438	3,292	6,775	6,412	12,800
of which advertising	1,047	1,078	2,010	2,024	4,017
of which subscription & other	2,391	2,214	4,765	4,388	8,783
Operating expenses	-2,929	-2,794	-5,934	-5,603	-11,139
Operating income	509	498	841	809	1,661
Operating margin	14.8%	15.1%	12.4%	12.6%	13.0%
Net sales growth	4.4%	9.6%	5.7%	8.4%	7.0%
Organic growth	3.5%	6.9%	4.3%	6.5%	4.5%
Acquisitions/divestments	-	-	-	-	-
Changes in FX rates	0.9%	2.8%	13%	1.9%	2.5%

Sales were up 4% on an organic basis and driven primarily by the continued growth of Viaplay. Operating expenses were also up and reflected the ongoing investments in the scaling of the streaming services and the depreciation of the Swedish krona. Operating income amounted to SEK 509m (498), with an operating margin of 14.8%. (15.1).

### Net sales and operating income (SEKm)



### Net sales and operating income Rolling twelve months (SEKm)



### Advertising

Advertising sales were down 3% on a reported basis as higher Viafree and Swedish radio sales as well as higher TV advertising prices were offset by lower linear TV viewing levels, softer advertising markets, the fact that the 2018 result included the impact of the coverage of the Ice Hockey World Championship in Sweden, and a weaker performance by the Norwegian radio business.

Viafree sales were up substantially and the service now has over 2 million registered users and approximately 3.6 million downloaded apps across the region.

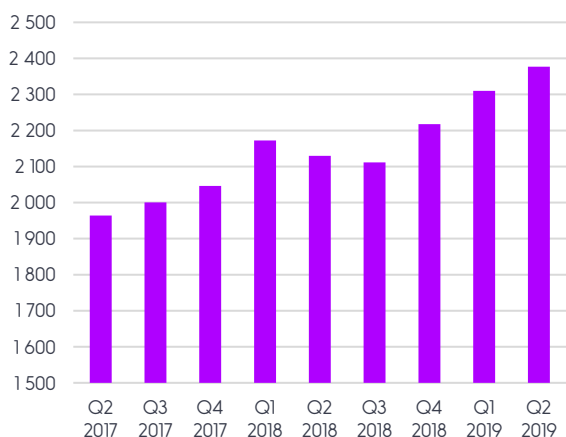
The Swedish and Norwegian TV advertising markets are estimated to have been stable and the Danish TV advertising market is estimated to have been down. NENT Group’s Norwegian TV audience share was stable, while the Swedish and Danish TV audience shares were down due to the absence of the Ice Hockey World Championship this year and the local and EU election coverage on rival channels, respectively.

Radio advertising sales were up as continued strong growth in the Swedish business more than offset a weaker performance in the Norwegian business. The Swedish and Norwegian radio advertising markets are estimated to have declined. NENT Group’s Swedish radio audience share increased significantly while the Norwegian share was slightly down.

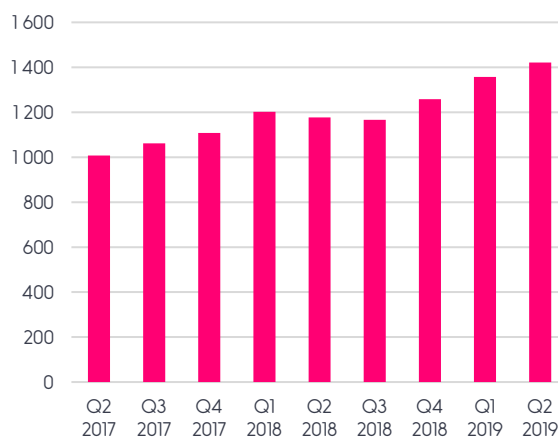
### Subscription & other

Subscription & other sales were up 8% on a reported basis and driven by the Viaplay subscriber intake, Swedish broadband-TV sales and content sublicensing deals. The total subscriber base was up y-o-y (year on year) and q-o-q (quarter on quarter) with Viaplay adding 65k customers q-o-q to end the period with 1,421k subscribers. Viaplay now represents 60% (57) of the total subscriber base. The Viasat subscriber base (direct-to-consumer and third party) increased by 3k q-o-q to 956k as growth in the Swedish broadband-TV base and Nordic third party sales offset the gradual decline in the satellite base.

**Total subscriber base**  
(thousands)



**Viaplay subscriber base**  
(thousands)



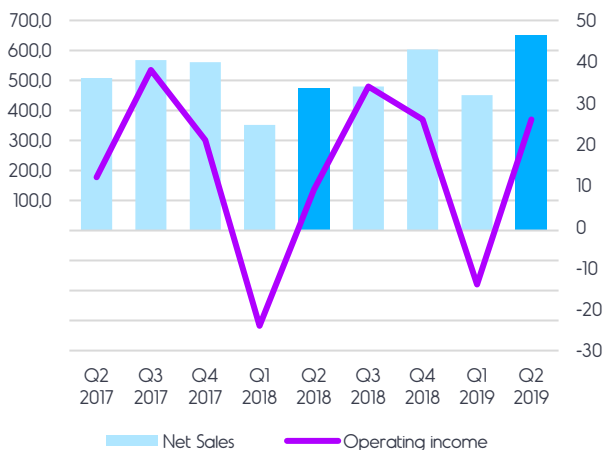
# NENT Studios

(SEKm)	Q2 2019	Q2 2018	H1 2019	H1 2018	Full year 2018
Net sales	652	476	1,104	827	1,911
Operating expenses	-627	-467	-1,092	-842	-1,866
Operating income	26	9	12	-15	45
Operating margin	4.0%	1.9%	1.1%	-1.8%	2.4%
Net sales growth	37.1%	-6.4%	33.4%	-3.5%	-3.8%
Organic growth	35.0%	-10.0%	30.7%	-6.2%	-7.3%
Acquisitions/divestments	-	0.4%	-	0.3%	0.1%
Changes in FX rates	2.1%	3.2%	2.7%	2.4%	3.4%

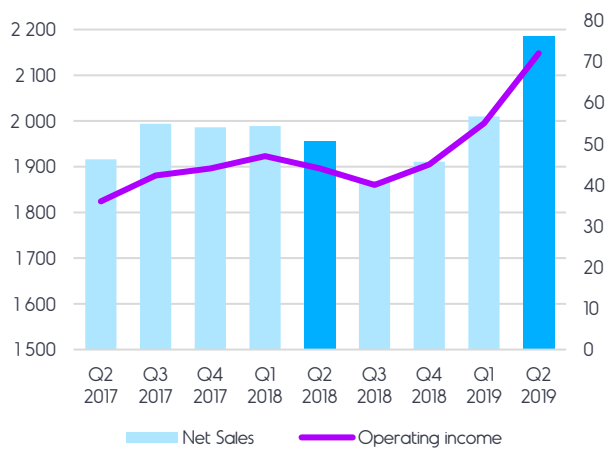
Sales were up 35% on an organic basis, following continued strong growth in scripted drama productions for both Viaplay and third party customers. Splay One also delivered another quarter of double digit sales growth as interest in branded content and digital campaigns continues to grow. Non-scripted sales were slightly down.

Operating income increased to SEK 26m (9), with an operating margin of 4.0% (1.9).

**Net sales and operating income**  
(SEKm)



**Net sales and operating income**  
Rolling twelve months (SEKm)



# Financial position

## Cash flow

### Cash flow from operations

Cash flow from operations before changes in working capital amounted to SEK 391m (351). Depreciation and amortisation charges totalled SEK 82m (49). The Group reported a SEK 175m (276) change in working capital, which reflected the normal seasonal patterns. Net cash flow from operations totalled SEK 566m (627).

### Investing activities

Investments in business operations amounted to SEK -15m (-10). Capital expenditure on tangible and intangible assets totalled SEK -45m (-56). Other investing activities totalled SEK -104m (-28). Total cash flow related to investing activities therefore amounted to SEK -164m (-94).

### Financing activities

Cash flow from financing activities amounted to SEK 370m (-524). New long-term borrowings amounted to SEK 1,500m (0) and related to the issue of a 3-year SEK 800m bond and a 5-year SEK 700m bond in May within the framework of the Group's MTN program. The change in short-term borrowings reflected the issue of commercial paper and SEK 1,000m amortisation of the syndicated bank bridging loan agreed in connection to the separation from MTG, and full amortisation of the utilised part of the revolving credit facility. The SEK 219m 50% instalment of the annual cash dividend was paid in June.

The net change in cash and cash equivalents amounted to SEK 772m (9), and the Group had cash and cash equivalents of SEK 1,510m (113) at the end of the period.

## Net debt

The Group's total net debt position amounted to SEK 4,210m (N/A) at the end of the period and comprised financial net debt of SEK 3,354m (N/A) including cash and cash equivalents of SEK 1,510m (113) net of lease liabilities and sublease receivables of SEK 636m (N/A), as well as the SEK 219m remaining 50% instalment of the annual cash dividend to be paid later in the year.

## Related party transactions

The Group has related party relationships with its subsidiaries, associated companies and joint ventures. Transactions with those companies consist mainly of advertising sales and programming acquisitions. All related party transactions are based on market terms and negotiated on an arm's length basis.





## Parent company

Nordic Entertainment Group AB is the Group's parent company and is responsible for Group-wide management, administration and financing. The company was established during June 2018.

(SEKm)	Q2 2019	Q2 2018	H1 2019	H1 2018	Full year 2018
Net sales	7	-	14	-	-
Net interest and other financial items	4	-	14	-	6
Income before tax and appropriations	-67	-	-153	-	-124

## Other information

### Accounting policies

This Interim report has been prepared according to 'IAS 34 Interim Financial Reporting' and 'The Annual Accounts Act'. The interim report for the parent company has been prepared according to the Annual Accounts Act - Chapter 9 'Interim Report'.

The formation of Nordic Entertainment Group AB involved transactions between entities that are under common control. Since these transactions are not covered by any IFRS standard, a suitable and established method in accordance with IAS 8, is to use the previous carrying amounts, which is the principle NENT Group has used. The assets and liabilities have been aggregated and recognised based on the carrying amounts they represented in the former parent company MTG AB's consolidated financial statements as from the date they became part of MTG.

The Group's financial accounts and the parent company accounts have been prepared according to the same accounting policies and calculation methods as were applied in the preparation of the listing prospectus except for the new standard IFRS 16 Leases that has been applied since 1 January 2019.



## Impact from IFRS 16 Leases

A new standard for lease accounting – IFRS 16 Leases – has been introduced with effect from 1 January 2019. The main changes are the following: For the lessee, the classification according to IAS 17 of operating and finance leases is replaced by a single lease accounting model. All leases are recognised on the balance sheet as a right-of-use asset and lease liability. Leases of low value assets, as well as leases of 12 months or less, are exempt from the requirements. A substantial part of the London offices are subleased and a financial receivable is recognised in accordance with the standard. The expense for operating leases is replaced by depreciation on the right-of-use asset, and interest expense on the lease liability and interest income on the sublease. The depreciation of lease assets is separately recognised from the interest on lease liabilities in the income statement. This has increased the operating income at the expense of the financial net. The Group has identified the following categories of leases: offices, cars and car parks. Studio equipment is normally leased on a short-term basis, and most types of leased office furniture and IT equipment are of low value and are therefore out of scope. NENT Group has applied the modified retrospective method, which implies no restatements of previous periods. A right-of-use asset amounting to SEK 611m and a receivable related to subleases amounting to SEK 229m are recognised in the 30 June balance sheet. A leasing obligation amounting to SEK 865m is also recognised. The lease obligation and the sublease receivables have been included in the total net debt calculation. The following table illustrates the effects of the new standard on the Q2 financial statement and key ratios.

(SEKm, %)	H1 2019 without IFRS 16	Impact IFRS 16	H1 2019 with IFRS 16
Operating income	664	9	673
IAC	-56	-	-56
<b>Operating income before IAC</b>	<b>720</b>	<b>9</b>	<b>729</b>
Amortisation and depreciation	111	51	162
<b>EBITDA</b>	<b>831</b>	<b>60</b>	<b>891</b>
Financial net	-2	-9	-11
Operating margin before IAC (%)	9.3%	0.2%	9.5%
Operating margin (%)	8.6%	0.1%	8.7%
Right of use assets	-	611	611
Sublease receivables	-	229	229
<b>Total assets related to leasing</b>	<b>-</b>	<b>871</b>	<b>871</b>
Right of use assets	-	611	611
<b>Capital employed related to leasing</b>	<b>-</b>	<b>611</b>	<b>611</b>
Lease liability	-	865	865
Sublease receivables	-	197	197
<b>Net debt related to leasing</b>	<b>-</b>	<b>668</b>	<b>668</b>
Total assets	14,639	871	15,510
Capital employed	5,015	611	5,626
Net debt	3,542	668	4,210



## Risks & uncertainties

Significant risks and uncertainties exist for the Group and the parent company. These factors include the prevailing economic and business environments in some of the markets; commercial risks related to expansion into new territories; other political and legislative risks related to changes in rules and regulations in the various territories in which the Group operates; exposure to foreign exchange rate movements and the US dollar and Euro linked currencies in particular; and the emergence of new technologies and competitors. The increasing shift towards online viewing could also potentially make the Group a target for cyber-attacks, intrusions, disruptions or denials of service.

Risks also exist in relation to the UK's plans to leave the EU, which may result in the Group having to relocate its broadcast and streaming licences from the UK and could lead to adverse financial, legal and social consequences. There is a risk that new licenses in the UK or other territories would not be issued on the same terms as existing licenses or be stricter in terms of regulation.

Risks and uncertainties are also described in more detail in the prospectus "Admission to trading of shares in Nordic Entertainment Group AB (pub) on Nasdaq Stockholm", which is available at [www.nentgroup.com](http://www.nentgroup.com).

The Board of Directors and the Chief Executive Officer certify that this interim report provides a true and fair overview of the Group and parent company's operations, performance and financial positions for the period, and describes the material risks and uncertainties facing the Group companies and parent company.

Stockholm, 18 July 2019

David Chance  
Chairman of the Board

Simon Duffy  
Non-Executive Director

Natalie Tydeman  
Non-Executive Director

Anders Borg  
Non-Executive Director

Henrik Clausen  
Non-Executive Director

Kristina Schauman  
Non-Executive Director

Anders Jensen  
President & CEO

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



## Consolidated income statement

(SEKm)	Q2 2019	Q2 2018	H1 2019 <sup>1)</sup>	H1 2018	Full year 2018
Net sales	3,975	3,719	7,702	7,171	14,568
Cost of goods and services	-2,589	-2,403	-5,204	-4,796	-9,805
<b>Gross income</b>	<b>1,386</b>	<b>1,315</b>	<b>2,499</b>	<b>2,375</b>	<b>4,763</b>
Selling expenses	-256	-203	-522	-414	-857
Administrative expenses	-699	-647	-1,299	-1,239	-2,387
Other operating income	24	15	55	16	44
Other operating expenses	-1	-16	-5	-2	-17
Share of earnings in associated companies and joint ventures	2	-	2	-1	-3
Items affecting comparability	-	-48	-56	-48	-40
<b>Operating income</b>	<b>455</b>	<b>415</b>	<b>673</b>	<b>686</b>	<b>1,504</b>
Interest income	3	2	6	4	11
Interest expenses	-7	-12	-10	-25	-48
Leasing net interest	-5	-	-9	-	-
Other financial items	-5	-26	1	-1	-15
<b>Income before tax</b>	<b>441</b>	<b>379</b>	<b>662</b>	<b>664</b>	<b>1,452</b>
Tax	-92	-50	-147	-119	-160
<b>Net income for the period</b>	<b>348</b>	<b>329</b>	<b>515</b>	<b>545</b>	<b>1,292</b>
<b>ITEMS THAT ARE OR MAY BE RECLASSIFIED TO PROFIT OR LOSS NET OF TAX</b>					
Currency translation differences	13	20	79	100	46
Cash flow hedge	-11	52	36	87	68
<b>Other comprehensive income for the period</b>	<b>2</b>	<b>72</b>	<b>115</b>	<b>187</b>	<b>114</b>
<b>Total comprehensive income for the period</b>	<b>350</b>	<b>401</b>	<b>630</b>	<b>732</b>	<b>1,406</b>
<b>NET INCOME FOR THE PERIOD ATTRIBUTABLE TO</b>					
Equity holders of the parent company	347	329	514	544	1,286
Non-controlling interest	1	-	1	1	6
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO</b>					
Equity holders of the parent company	349	400	629	731	1,400
Non-controlling interest	1	1	1	1	6
<b>EARNINGS PER SHARE</b>					
Basic earnings per share (SEK)	5.17	4.93	7.66	8.17	19.24
Diluted earnings per share (SEK)	5.17	4.88	7.64	8.09	19.09
<b>NUMBER OF SHARES<sup>2)</sup></b>					
Shares outstanding at the end of the period	67,342,244	66,725,249	67,342,244	66,725,249	66,980,902
Basic average number of shares outstanding	67,342,244	66,725,249	67,216,473	66,725,249	66,854,133
Diluted average number of shares outstanding	67,443,982	67,315,057	67,393,394	67,310,580	67,362,405

1) Reported values for Q1 2019 have been restated by SEK 126m between *Cost of goods and services* and *Administrative costs* compared to Interim report January-March 2019.

2) Number of shares in 2018 refers to MTG's number of shares.



## Consolidated balance sheet

(SEKm)	30 Jun 2019	30 Jun 2018	31 Dec 2018
<b>NON-CURRENT ASSETS</b>			
Intangible assets	3,431	3,128	3,405
Machinery, equipment and installations	163	159	152
Right-of-use assets	611	-	-
Shares and participations	140	23	20
Sublease receivables	197	-	-
Other long-term receivables	143	154	127
<b>Total non-current assets</b>	<b>4,684</b>	<b>3,464</b>	<b>3,704</b>
<b>CURRENT ASSETS</b>			
Inventories	2,852	2,278	2,428
Accounts receivables	1,271	1,158	1,224
Sublease receivables	32	-	-
Prepaid expense and accrued income	4,295	3,566	3,951
Receivables related to MTG	-	994	-
Other current assets	865	799	467
Cash, cash equivalents and short-term investments	1,510	113	428
<b>Total current assets</b>	<b>10,826</b>	<b>8,907</b>	<b>8,498</b>
<b>Total assets</b>	<b>15,510</b>	<b>12,371</b>	<b>12,202</b>
<b>EQUITY</b>			
Equity <sup>1)</sup>	1,399	5,247	581
Non-controlling interest	17	11	16
<b>Total equity</b>	<b>1,416</b>	<b>5,258</b>	<b>597</b>
<b>NON-CURRENT LIABILITIES</b>			
Long-term borrowings <sup>1)</sup>	2,000	-	-
Long-term lease liabilities	733	-	-
Long-term provisions	142	324	171
Other non-current liabilities	334	351	324
<b>Total non-current liabilities</b>	<b>3,209</b>	<b>674</b>	<b>495</b>
<b>CURRENT LIABILITIES</b>			
Short-term borrowings <sup>1)</sup>	2,865	-	-
Short-term lease liabilities	132	-	-
Dividend payable	219	-	-
Short-term provisions	147	151	138
Liabilities related to MTG <sup>1)</sup>	-	-	4,373
Other current liabilities	7,521	6,287	6,598
<b>Total current liabilities</b>	<b>10,884</b>	<b>6,438</b>	<b>11,110</b>
<b>Total liabilities</b>	<b>14,094</b>	<b>7,113</b>	<b>11,605</b>
<b>Total shareholders' equity and liabilities</b>	<b>15,510</b>	<b>12,371</b>	<b>12,202</b>

1) The final capitalisation of the NENT Group took place before listing and included the replacement of liabilities to MTG with external debt and a capital injection. See Financial position on page 8 for more information.



## Consolidated statement of cash flow

(SEKm)	Q2 2019	Q2 2018	H1 2019	H1 2018	Full year 2018
Net income for the period	348	329	515	545	1,292
Depreciations, amortisations and write-downs	82	49	162	92	208
Other adjustments for non-cash items	-39	-26	-43	7	-5
<b>Cash flow from operations</b>	<b>391</b>	<b>351</b>	<b>634</b>	<b>644</b>	<b>1,496</b>
Changes in working capital	175	276	-227	-374	-380
<b>Net cash flow from/to operations</b>	<b>566</b>	<b>627</b>	<b>407</b>	<b>270</b>	<b>1,116</b>
Acquisitions of operations	-15	-10	-15	-13	-19
Divestments of operations	-	-	-	-	-
Capital expenditures in tangible and intangible assets	-45	-56	-77	-100	-550
Other investing activities	-104	-28	-105	-39	2
<b>Cash flow from/used in investing activities</b>	<b>-164</b>	<b>-94</b>	<b>-197</b>	<b>-153</b>	<b>-567</b>
New long-term borrowings	1,500	-	2,000	-	-
Change in short term borrowings	-900	-	2,865	-	-
Amortisation of lease receivables	8	-	16	-	-
Amortisation of lease liabilities	-23	-	-60	-	-
Change in financing to/from MTG	-	-514	-4,474	-123	3,171
Shareholders' contribution	-	-	620	-	-
Dividends to shareholders	-219	-32	-219	-32	-3,310
Other cash flow from/to financing activities	5	21	90	62	-70
<b>Cash flow from/used in financing activities</b>	<b>370</b>	<b>-524</b>	<b>838</b>	<b>-93</b>	<b>-209</b>
<b>Total net change in cash and cash equivalents for the period</b>	<b>772</b>	<b>9</b>	<b>1,048</b>	<b>24</b>	<b>339</b>
Cash and cash equivalents at the beginning of the period	731	103	428	89	89
Translation differences in cash and cash equivalents	7	-	34	-	-
<b>Cash and cash equivalents at end of the period</b>	<b>1,510</b>	<b>113</b>	<b>1,510</b>	<b>113</b>	<b>428</b>

## Consolidated statement of change in equity

(SEKm)	Q2 2019	Q2 2018	H1 2019	H1 2018	Full year 2018
<b>Opening balance</b>	<b>1,502</b>	<b>2,910</b>	<b>597</b>	<b>2,573</b>	<b>2,573</b>
Net income for the period	348	329	515	545	1,292
Other comprehensive income for the period	2	72	115	187	114
<b>Total comprehensive income for the period</b>	<b>350</b>	<b>401</b>	<b>630</b>	<b>732</b>	<b>1,406</b>
Effect of employee share programmes	1	6	6	13	20
Shareholders' contribution	-	2,000	620	2,000	2,000
Dividends	-438	-	-438	-	-
Other transactions with shareholders	-	-57	-	-59	-5,400
Dividends to non-controlling interests	-	-1	-	-	-1
<b>Closing balance</b>	<b>1,416</b>	<b>5,258</b>	<b>1,416</b>	<b>5,258</b>	<b>597</b>

## Parent company income statement

(SEKm)	Q2 2019	Q2 2018	H1 2019	H1 2018	Full year 2018
Net sales	7	-	14	-	-
<b>Gross income</b>	<b>7</b>	<b>-</b>	<b>14</b>	<b>-</b>	<b>-</b>
Administrative expenses	-78	-	-125	-	-145
Other operating income	-	-	-	-	15
Other operating expenses	-	-	-	-	-
Items affecting comparability	-	-	-56	-	-
<b>Operating income</b>	<b>-70</b>	<b>-</b>	<b>-167</b>	<b>-</b>	<b>-130</b>
Net interest and other financial items	4	-	14	-	6
<b>Income before tax and appropriations</b>	<b>-67</b>	<b>-</b>	<b>-153</b>	<b>-</b>	<b>-124</b>
Group contribution	-	-	-	-	124
<b>Income before tax</b>	<b>-67</b>	<b>-</b>	<b>-153</b>	<b>-</b>	<b>-</b>
Tax	14	-	33	-	-
<b>Net income for the period</b>	<b>-52</b>	<b>-</b>	<b>-120</b>	<b>-</b>	<b>-</b>

## Parent company condensed balance sheet

(SEKm)	30 Jun 2019	30 Jun 2018	31 Dec 2018
<b>NON-CURRENT ASSETS</b>			
Intangible assets	1	-	1
Financial assets	102	-	-
<b>Total non-current assets</b>	<b>102</b>	<b>-</b>	<b>1</b>
<b>CURRENT ASSETS</b>			
Receivables from group companies	8,960	1	13,056
Other current receivables	224	-	267
Cash, cash equivalents and short-term investments	1,377	-	-
<b>Total current assets</b>	<b>10,560</b>	<b>1</b>	<b>13,326</b>
<b>Total assets</b>	<b>10,662</b>	<b>1</b>	<b>13,627</b>
<b>SHAREHOLDERS' EQUITY</b>			
Restricted equity	135	1	1
Non-restricted equity	1,315	-	2,007
<b>Total equity</b>	<b>1,450</b>	<b>1</b>	<b>2,008</b>
<b>NON-CURRENT LIABILITIES</b>			
Long-term borrowings	2,000	-	-
<b>Total non-current liabilities</b>	<b>2,000</b>	<b>-</b>	<b>-</b>
<b>CURRENT LIABILITIES</b>			
Short-term borrowings	2,865	-	73
Liabilities to group companies	3,878	-	11,201
Dividends payable	219	-	-
Other current liabilities	250	-	45
<b>Total current liabilities</b>	<b>7,212</b>	<b>-</b>	<b>11,319</b>
<b>Total shareholders' equity and liabilities</b>	<b>10,662</b>	<b>-</b>	<b>13,327</b>

## Net sales - external & internal

	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2
(SEKm)	2017	2018	2018	2018	2018	2018	2019	2019
Broadcasting & Streaming	11,960	3,118	3,290	2,981	3,394	12,785	3,322	3,422
Studios	1,703	329	423	455	562	1,769	404	552
Central operations	26	4	5	3	3	13	1	-
<b>Total sales external customers</b>	<b>13,688</b>	<b>3,452</b>	<b>3,719</b>	<b>3,439</b>	<b>3,959</b>	<b>14,568</b>	<b>3,727</b>	<b>3,975</b>
Broadcasting & Streaming	2	2	2	4	9	15	15	16
Studios	283	23	53	25	42	142	47	100
Central operations	136	23	18	10	19	71	16	19
<b>Total sales between segments</b>	<b>420</b>	<b>47</b>	<b>72</b>	<b>39</b>	<b>69</b>	<b>228</b>	<b>78</b>	<b>135</b>

## Net sales by segments

	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2
(SEKm)	2017	2018	2018	2018	2018	2018	2019	2019
Broadcasting & streaming	11,961	3,120	3,292	2,985	3,403	12,800	3,337	3,438
<i>of which advertising</i>	<i>3,759</i>	<i>946</i>	<i>1,078</i>	<i>823</i>	<i>1,171</i>	<i>4,017</i>	<i>964</i>	<i>1,047</i>
<i>of which subscription &amp; other</i>	<i>8,202</i>	<i>2,174</i>	<i>2,214</i>	<i>2,162</i>	<i>2,232</i>	<i>8,783</i>	<i>2,373</i>	<i>2,391</i>
Studios	1,986	352	476	480	603	1,911	451	652
Central operations	162	27	23	12	24	84	17	20
Eliminations	-420	-47	-72	-39	-69	-228	-78	-135
<b>Total</b>	<b>13,688</b>	<b>3,452</b>	<b>3,719</b>	<b>3,439</b>	<b>3,959</b>	<b>14,568</b>	<b>3,727</b>	<b>3,975</b>

## Operating income by segment

	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2
(SEKm)	2017	2018	2018	2018	2018	2018	2019	2019
Broadcasting & Streaming	1,574	310	498	321	532	1,661	331	509
Studios	44	-24	9	34	26	45	-14	26
<b>Business segments</b>	<b>1,617</b>	<b>286</b>	<b>508</b>	<b>355</b>	<b>557</b>	<b>1,706</b>	<b>317</b>	<b>535</b>
Central operations	-123	-16	-44	-56	-47	-162	-43	-80
<b>Total operating income before IAC</b>	<b>1,495</b>	<b>271</b>	<b>464</b>	<b>299</b>	<b>511</b>	<b>1,544</b>	<b>274</b>	<b>455</b>
Items affecting comparability	75	-	-48	3	5	-40	-56	-
<b>Total</b>	<b>1,570</b>	<b>271</b>	<b>415</b>	<b>303</b>	<b>516</b>	<b>1,504</b>	<b>218</b>	<b>455</b>





## Group &amp; segment performance data

	FY 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	FY 2018	Q1 2019	Q2 2019
<b>GROUP</b>								
Sales growth	6.1%	7.3%	8.7%	3.3%	6.4%	6.4%	8.0%	6.9%
- of which organic growth	5.4%	6.2%	5.8%	-0.5%	3.7%	3.8%	5.9%	5.8%
- of which acquisitions/divestments	-	-	0.1%	-	-	-	-	-
- of which changes in FX rates	0.7%	1.1%	2.9%	3.8%	2.8%	2.6%	2.1%	1.1%
Operating margin before IAC	10.9%	7.8%	12.5%	8.7%	12.9%	10.6%	7.4%	11.4%
Net debt (SEKm)	-	-	-	-	3,944	-	4,189	4,210
Net debt/EBITDA 12 months trailing	-	-	-	-	2.3	-	2.2	2.3
<b>BROADCASTING &amp; STREAMING</b>								
Organic sales growth	6.6%	6.2%	6.9%	2.2%	3.0%	3.8%	5.2%	3.5%
Operating margin before IAC	13.2%	9.9%	15.1%	10.8%	15.6%	13.0%	9.9%	14.8%
CSOV Sweden (15-49) %	24.1	23.1	23.9	23.1	23.6	23.4	23.6	23.3
CSOV Norway (15-49) %	15.5	15.1	15.9	13.5	17.7	15.6	17.0	16.0
CSOV Denmark (15-49) %	23.6	21.4	24.6	21.6	23.4	22.7	21.1	23.4
CSOL Sweden (12-79) %	40.3	38.0	40.4	42.8	41.9	40.9	45.6	44.8
CSOL Norway (12+) %	68.3	66.0	67.1	71.3	68.5	68.2	65.2	66.4
Subscriber base ('000s)	-	2,173	2,130	2,111	2,218	-	2,310	2,377
- of which Viaplay	-	1,202	1,177	1,166	1,258	-	1,357	1,421
- of which Viasat direct-to-consumer <sup>1)</sup>	-	505	498	496	493	-	490	491
- of which Viasat 3rd party	-	466	455	449	466	-	463	465
<b>STUDIOS</b>								
Organic sales growth	4.2%	-0.6%	-10.0%	-19.8%	3.6%	-7.3%	22.9%	35.0%
Operating margin before IAC	2.2%	-6.8%	1.9%	7.1%	4.3%	2.4%	-3.1%	4.0%

1) Satellite and broadband subscribers where Viasat has a direct relationship with the customer



## Disaggregation of revenues

Q2 (SEKm)	Broadcasting & Streaming		Studios		Central operations		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
<b>REVENUE STREAMS</b>								
Advertising	1,047	1,078	18	52	-	-	1,064	1,130
Subscription	2,176	2,074	-	-	-	-	2,176	2,074
Production	4	8	408	307	-	-	412	315
Licenses, royalties and other	196	130	126	65	-	5	322	200
<b>Total</b>	<b>3,422</b>	<b>3,290</b>	<b>552</b>	<b>423</b>	<b>-</b>	<b>5</b>	<b>3,975</b>	<b>3,719</b>
<b>REVENUE RECOGNITION</b>								
at a point in time	195	130	127	65	-	5	322	200
over time	3,227	3,161	426	358	-	-	3,653	3,519
<b>Total</b>	<b>3,422</b>	<b>3,290</b>	<b>552</b>	<b>423</b>	<b>-</b>	<b>5</b>	<b>3,975</b>	<b>3,719</b>

H1 (SEKm)	Broadcasting & Streaming		Studios		Central operations		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
<b>REVENUE STREAMS</b>								
Advertising	2,010	2,024	36	80	-	-	2,046	2,104
Subscription	4,283	4,089	-	-	-	-	4,283	4,089
Production	9	48	711	547	-	-	720	595
Licenses, royalties and other	442	249	210	125	2	10	654	384
<b>Total</b>	<b>6,744</b>	<b>6,409</b>	<b>957</b>	<b>752</b>	<b>2</b>	<b>10</b>	<b>7,702</b>	<b>7,171</b>
<b>TIMING OF REVENUE RECOGNITION</b>								
at a point in time	442	249	210	125	2	10	654	383
over time	6,302	6,160	747	627	-	-	7,049	6,787
<b>Total</b>	<b>6,744</b>	<b>6,409</b>	<b>957</b>	<b>752</b>	<b>2</b>	<b>10</b>	<b>7,702</b>	<b>7,171</b>

Full year (SEKm)	Broadcasting & Streaming		Studios		Central operations		Total	
	2018		2018		2018		2018	
<b>REVENUE STREAMS</b>								
Advertising	4,017		172		-		4,189	
Subscription	8,272		-		-		8,272	
Production	61		1,321		-		1,382	
Licenses, royalties and other	438		276		13		725	
<b>Total</b>	<b>12,785</b>		<b>1,769</b>		<b>13</b>		<b>14,568</b>	
<b>TIMING OF REVENUE RECOGNITION</b>								
at a point in time	436		277		13		726	
over time	12,350		1,493		-		13,842	
<b>Total</b>	<b>12,785</b>		<b>1,769</b>		<b>13</b>		<b>14,568</b>	

The format for the disaggregation of revenue has changed to fulfil the requirements in IFRS 15 and historical numbers have been restated to include advertising revenue that were previously reported as subscription revenues.



## Alternative Performance Measures

The purpose of Alternative Performance Measures (APMs) is to facilitate the analysis of business performance and industry trends that cannot be directly derived from financial statements. NENT Group is using the following Alternative Performance Measures:

- Change in net sales from Organic growth, Acquisitions/divestments and Changes in FX rates
- Operating income & margin before IAC
- Net debt and Net debt/EBITDA
- Capital Employed and Return on Capital Employed (ROCE)

### Reconciliation of sales growth

Since the Group generates the majority of its sales in currencies other than in the reporting currency (i.e. SEK, Swedish Krona) and currency rates have proven to be rather volatile, and due to the fact that the Group has historically made several acquisitions and divestments, the Company's sales trends and performance are analysed as changes in organic sales growth. This presents the increase or decrease in the overall SEK net sales on a comparable basis, allowing separate discussions of the impact of acquisitions/divestments and exchange rates.

#### Sales growth

(SEKm,%)	Q2 2019		Q2 2018		H1 2019		H1 2018		FY 2018	
		%		%		%		%		%
<b>BROADCASTING &amp; STREAMING</b>										
Organic growth	116	3.5%	206	6.9%	279	4.3%	385	6.5%	543	4.5%
Acquisitions/divestments	-	-	-	-	-	-	-	-	-	-
Changes in FX rates	30	0.9%	83	2.8%	84	1.3%	113	1.9%	295	2.5%
<b>Reported change</b>	<b>146</b>	<b>4.4%</b>	<b>289</b>	<b>9.6%</b>	<b>363</b>	<b>5.7%</b>	<b>498</b>	<b>8.4%</b>	<b>839</b>	<b>7.0%</b>
<b>STUDIOS</b>										
Organic growth	167	35.0%	-51	-10.0%	254	30.7%	-53	-6.2%	-145	-7.3%
Acquisitions/divestments	-	-	2	0.4%	-	-	3	0.3%	3	0.1%
Changes in FX rates	10	2.1%	17	3.2%	23	2.7%	21	2.4%	68	3.4%
<b>Reported change</b>	<b>177</b>	<b>37.1%</b>	<b>-33</b>	<b>-6.4%</b>	<b>276</b>	<b>33.4%</b>	<b>-30</b>	<b>-3.5%</b>	<b>-75</b>	<b>-3.8%</b>
<b>Group</b>										
Organic growth	217	5.8%	199	5.8%	426	5.9%	398	6.0%	518	3.8%
Acquisitions/divestments	-	-	2	0.1%	-	-	3	-	3	-
Changes in FX rates	40	1.1%	98	2.9%	106	1.5%	132	2.0%	359	2.6%
<b>Reported change</b>	<b>256</b>	<b>6.9%</b>	<b>298</b>	<b>8.7%</b>	<b>532</b>	<b>7.4%</b>	<b>532</b>	<b>8.0%</b>	<b>880</b>	<b>6.4%</b>



## Reconciliation of operating income before IAC

Operating income before items affecting comparability refers to operating income after the reversal of material items and events related to changes in the Group's structure or lines of business, which are relevant for understanding the Group's development on a like-for-like basis. This measure is used by management to follow and analyse the underlying profits and to offer more comparable figures between periods.

### Operating income before IAC

(SEKm)	Q2 2019	Q2 2018	H1 2019	H1 2018	Full year 2018
Operating income	455	415	673	686	1,504
Items affecting comparability	-	-48	-56	-48	-40
<b>Operating income before items affecting comparability</b>	<b>455</b>	<b>464</b>	<b>729</b>	<b>734</b>	<b>1,544</b>

### Items affecting comparability

(SEKm)	Q2 2019	Q2 2018	H1 2019	H1 2018	Full year 2018
Costs related to the separation and listing of NENT Group	-	-	-56	-	-
Impairment of receivables and content	-	-	-	-	-16
Restructuring NENT Group	-	-53	-	-53	-53
Revaluation of liabilities related to options to acquire shares	-	4	-	4	14
Impairment of goodwill related to closed company	-	-	-	-	-6
Deconsolidation of the operations in Tanzania	-	-	-	-	21
<b>Total</b>	<b>-</b>	<b>-48</b>	<b>-56</b>	<b>-48</b>	<b>-40</b>

### Items affecting comparability classified by function

(SEKm)	Q2 2019	Q2 2018	H1 2019	H1 2018	Full year 2018
Administrative expenses	-	-53	-56	-53	-53
Other operating income	-	4	-	4	35
Other operating expenses	-	-	-	-	-22
<b>Total</b>	<b>-</b>	<b>-48</b>	<b>-56</b>	<b>-48</b>	<b>-40</b>

## Reconciliation of net debt/EBITDA ratio

Net debt refers to the net of interest-bearing liabilities less total cash and interest-bearing assets. As from 1 January 2019 net debt also includes lease liabilities net of sublease receivables and dividend payable. Net debt is used by Group management to track the debt evolution of the Group and to analyse the leverage and refinancing need of the Group. The net debt to EBITDA ratio provides a KPI for net debt in relation to cash profits generated by the business, i.e. an indication of a business' ability to pay off all its debts. This measure is commonly used by financial institutions to rate credit worthiness.

### Net debt

	31 Dec 2018	31 Mar 2019	30 Jun 2019
<b>(SEKm)</b>			
Short-term borrowings	-	3,762	2,865
Liabilities related to MTG	4,373	-	-
<b>Short-term borrowings</b>	<b>4,373</b>	<b>3,762</b>	<b>2,865</b>
Long-term borrowings	-	501	2,000
<b>Total financial borrowings</b>	<b>4,373</b>	<b>4,263</b>	<b>4,865</b>
Cash and cash equivalents	428	731	1,510
<b>Financial net debt</b>	<b>3,944</b>	<b>3,532</b>	<b>3,355</b>
Total lease liabilities	-	897	865
Total sublease receivables	-	240	229
<b>Lease liabilities net of sublease receivables</b>	<b>-</b>	<b>657</b>	<b>636</b>
Dividend payable	-	-	219
<b>Net debt</b>	<b>3,944</b>	<b>4,189</b>	<b>4,210</b>

### Net debt/EBITDA before IAC, ratio 12 months trailing

	Q4 2018	Q1 2019	Q2 2019 <sup>1)</sup>
<b>(SEKm)</b>			
Operating income before IAC	1,544	1,562	1,549
Depreciation and amortisation	201	315	323
<b>EBITDA last 12 months</b>	<b>1,745</b>	<b>1,877</b>	<b>1,871</b>
Net debt	3,944	4,189	4,210
<b>Total net debt / EBITDA ration 12 month trailing</b>	<b>2.3</b>	<b>2.2</b>	<b>2.3</b>

1) 2018 figures included in the calculation of 12 month trailing EBITDA before IAC has been adjusted for the estimated effect as if IFRS 16 had been applied for the full period. The 12 month trailing Operating income before IAC has been adjusted for interest on leases with SEK 9m from SEK 1,539m to SEK 1,549m. The 12 month trailing Depreciation and amortisation has been adjusted for depreciation on leases with SEK 51m from SEK 272m to SEK 323m. EBITDA last 12 months has been adjusted in total with SEK 60m.



## Reconciliation of Return on Capital Employed (ROCE)

Return on capital employed is a performance measure whereby operating income before items affecting comparability is put in relation to the capital employed within the operations. Operating income before items affecting comparability is the main profit level that operations are responsible for and comprise results before interest and tax. Capital employed is the sum of current and non-current assets less current and non-current liabilities, provisions and liabilities at fair value. All items are non-interest-bearing. Capital employed thus equals the sum of equity and net debt.

### Return on Capital Employed (ROCE)

(SEKm)	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019 <sup>1)</sup>
Inventory	2,042	2,514	2,278	2,387	2,428	2,916	2,852
Accounts receivables	1,017	1,224	1,158	1,187	1,224	1,111	1,271
Prepaid expense and accrued income	3,517	3,380	3,566	3,285	3,951	3,797	4,295
Other current assets	422	420	799	590	468	732	865
Other current liabilities	-5,940	-5,783	-6,287	-5,834	-6,598	-6,616	-7,521
<b>Total working capital</b>	<b>1,056</b>	<b>1,756</b>	<b>1,513</b>	<b>1,614</b>	<b>1,471</b>	<b>1,940</b>	<b>1,762</b>
Intangibles assets	3,036	3,101	3,128	3,462	3,404	3,434	3,431
Machinery, equipment and installations	120	145	159	150	152	158	163
Right-of-use assets	-	-	-	-	-	631	611
Shares and participations	24	16	23	22	20	22	140
Other long term receivables	137	144	154	162	127	153	143
Provisions	-438	-472	-474	-426	-309	-305	-289
Other non-current liabilities	-342	-354	-351	-342	-324	-340	-334
<b>Other items included in the capital employed</b>	<b>2,537</b>	<b>2,581</b>	<b>2,639</b>	<b>3,028</b>	<b>3,071</b>	<b>3,753</b>	<b>3,865</b>
<b>Capital employed</b>	<b>3,594</b>	<b>4,337</b>	<b>4,151</b>	<b>4,640</b>	<b>4,541</b>	<b>5,693</b>	<b>5,626</b>
Average Capital Employed (5 quarters)	3,143	3,446	3,649	4,015	4,229	5,177	5,309
Operating income before IAC 12 months trailing	1,495	1,533	1,539	1,525	1,544	1,562	1,549
<b>ROCE %</b>	<b>47.5%</b>	<b>44.5%</b>	<b>42.2%</b>	<b>38.0%</b>	<b>36.5%</b>	<b>29.9%</b>	<b>29.0%</b>

1) Average Capital Employed (5 quarters) and Operating income before IAC 12 months trailing has been adjusted for the estimated effect for IFRS 16 for increased comparability. 2018 periods included in Average capital employed has been adjusted for Right-of-use assets with SEK 631m, adjusting the Average capital employed with SEK 379m from SEK 4,930m to SEK 5,309m. The 12 month trailing Operating income before IAC has been adjusted for interest on leases with SEK 9m from SEK 1,539m to SEK 1,549m.



# Definitions

## Capital employed

Capital employed is the sum of current and non-current assets less current and non-current liabilities, provisions and liabilities at fair value. All items are non-interest-bearing.

## CSOL, Commercial Share of Listening

CSOL comprises NENT Group's estimated share of the commercial radio listening in the age group 12+ years in Norway and 12-79 years in Sweden.

## CSOV, Commercial Share of Viewing

CSOV comprises NENT Group's estimated share of the commercial TV viewing in the age group 15-49 years.

## Earnings per share

Earnings per share is expressed as net income attributable to equity holders of the parent divided by the average number of shares.

## EBITDA

EBITDA is read Earnings Before Interest, Tax, Depreciation and Amortisation.

## Items Affecting Comparability

Items Affecting Comparability refers to material items and events related to changes in the Group's structure or lines of business, which are relevant for understanding the Group's development on a like-for-like basis.

## Net debt

Net debt is the sum of short- and long-term interest-bearing liabilities less total cash and interest-bearing assets. As from 1 January 2019 net debt also includes lease liabilities net of sublease receivables and dividend payable.

## Operating income

Operating income comprise results before interest and tax. A synonym for operating income is EBIT (Earnings Before Interest and Tax).

## Organic growth

Change in net sales compared to the same period of the previous year excluding acquisitions and divestments and adjusted for currency effects.

## Return On Capital Employed (ROCE) %

Return on capital employed is calculated as operating income as a percentage of average capital employed.



# Shareholder information

## 2019 Annual General Meeting

The Annual General Meeting resolved to re-elect the Board members Anders Borg, David Chance, Henrik Clausen, Simon Duffy, Kristina Schauman and Natalie Tydeman. The Annual General Meeting also re-elected David Chance as Chairman of the Board. The Meeting approved the payment of an annual ordinary dividend of SEK 6.50 per share to the shareholders in two equal instalments of SEK 3.25 each. The record date for the first dividend payment was Friday 24 May 2019, and the record date for the second dividend payment will be Friday 11 October 2019.

The Meeting further resolved to adopt a long-term incentive plan for key employees, including the authorisation of the Board to issue and repurchase Class C Shares and resolve on the transfer of its own Class B Shares to the participants in the incentive plan.

The Annual General Meeting also resolved on a bonus issue, which will increase the share capital by SEK 134,184,488.

The Annual General Meeting further resolved to amend the Articles of Association in order to carry out the resolutions regarding the hedged delivery of shares to participants in the long-term incentive plan (by introducing a new Class C share) and bonus issue (by increasing the limits for the share capital) and re-elected KPMG as auditor until the close of the 2020 Annual General Meeting. Joakim Thilstedt will continue as auditor-in-charge.

## Financial calendar 2019

Q3 interim report

24 October

## Questions?

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### Conference call

The company will host a conference call today at 09.00 Stockholm local time, 08.00 London local time and 03.00 New York local time. To participate in the conference call, please dial:

Sweden: +46 (0) 8 506 921 80  
UK: +44 (0) 8 445 718 892  
US: +1 6 315 107 495

The access pin code for the call is 1084102. To listen to the conference call online and for further information, please visit [www.nentgroup.com](http://www.nentgroup.com)







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Nordic Entertainment Group AB (publ) (NENT Group) is the Nordic region's leading entertainment provider. We entertain millions of people every day with our streaming services, TV channels and radio stations, and our production companies create content that is experienced around the world. We make life more entertaining by telling stories, touching lives and expanding worlds – from live sports, movies and series to music and original shows. Headquartered in Stockholm, NENT Group is listed on Nasdaq Stockholm ('NENT A' and 'NENT B'). This information is information that Nordic Entertainment Group AB (publ) (NENT Group) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 07:30 CET on 18 July 2019.

