

# NENT Group takes further actions to offset impact of Coronavirus

**Nordic Entertainment Group (NENT Group), the Nordic region's leading streaming company, has previously indicated that the spread of the Coronavirus is having an adverse impact on the Group's performance, which will put at risk NENT Group's previously stated ambition to deliver profitable growth for the full year 2020. This impact includes reduced sports coverage due to the postponement or cancellation of sports events, lower advertising demand levels, and the postponement of content production orders.**

**NENT Group is therefore now implementing a range of measures to reduce its ongoing costs (excluding sports rights costs) by approximately SEK 700 million, which will fully impact on the Group's reported results in 2020. In addition, NENT Group's Board of Directors will not propose the previously indicated cash dividend of SEK 7.0 per share for 2019, nor any executive long-term incentive plan for 2020, to the upcoming 2020 Annual General Meeting of shareholders.**

NENT Group has, in the last week, already announced temporary reductions in its Viaplay sports package prices, that it will not report media rights costs for postponed sports events in its income statement until such time as they take place, that it will not make any new payments for postponed sports rights until they resume, and that it expects to receive compensation for any sports events that are cancelled.

The new measures include but are not limited to reductions in programming and production spend, the deferral or cancellation of any non-core or non-essential development projects, lower sales and marketing spending, and the cancellation of all executive incentive plans for 2020. Following the Group reorganisation in recent months in order to set the business right for the future, there is no intention to reduce permanent staffing levels, but freelance and consultant costs are being reduced and new hires are only being made for essential positions. All non-essential travel and entertainment has been cancelled and the Group expects to make even greater use of its existing remote access, sharing and conferencing facilities for the foreseeable future. The measures being taken are intended to protect staff, business continuity and the future potential of the operations when the current crisis comes to an end.

NENT Group has a stable financial position with SEK 3.3 billion of undrawn credit facilities, and cash of SEK 1.2 billion. The Group ended 2019 with total net debt of SEK 4,139 million (including net lease liabilities of SEK 598 million), which was equivalent to 2.2x last twelve-month EBITDA before items affecting comparability. The Board will also propose to the upcoming AGM that it approve a mandate for the Board to be able to decide from time to time up until the 2021 AGM on buying back up to 10% of its issued share capital.

The merger of the Viasat Consumer business and Telenor's Canal Digital business is proceeding as planned and the EU approval filing will be submitted in the coming days. NENT Group will temporarily pause the previously announced process to sell the non-scripted production, branded entertainment and events businesses in NENT Studios. NENT Group will launch the Viaplay streaming service in Iceland this Spring as planned.

As previously announced, the temporary price reduction for Viaplay direct to consumer packages including Sports across all Nordic markets a week ago has been received well, and the total Viaplay subscriber base has continued to grow with limited churn. Viewing levels have also continued to rise with total minutes viewed and total started streams by non-sports subscribers up 24% and 25%, respectively, between Monday and Wednesday this week when compared to the same period of the previous week. Transaction Video-On-Demand consumption was also up 92% between Monday and Wednesday when compared to the previous week, with all categories increasing.

NENT Group has no confirmed instances of COVID-19 amongst its staff and has implemented wide ranging security and safety initiatives to protect and communicate with its workforce.

Anders Jensen, NENT Group President and CEO: "This is the third announcement in the past week about how we are quickly and proactively responding to the impact of the Coronavirus on our business. We always work to stay ahead of both opportunities and challenges, and we are doing the same now. This is an unprecedented situation that is evolving every day, but let me repeat that we remain in good shape and our operations are running with limited interruption, which is all credit to the fantastic resilience and agility of our platforms and people."

"Our top priorities are the wellbeing of our employees and continuing to deliver the best possible value to our customers. The measures that we are now taking are all about ensuring the long-term health and potential of what drives our business - our people, our content and our technology. The viewing, listening and streaming KPIs for our entertainment services are very encouraging, as people spend more and more time with us."

"The proposed executive and shareholder compensation adjustments are all about ensuring alignment between the operating and financial stakeholders in the business. As a representative of both, I have no doubt that these are the right actions to take in the circumstances. We are well funded to support the continuing development of the Group's businesses, and the fundamentals of our strategy and the opportunity that we have with our streaming operations are unchanged."

\*\*\*\*

## NOTES TO EDITORS

*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 (NENT Group) (publ) 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 below, at 11.00 CET on 20 March 2020.*

### Contact us:

[press@nentgroup.com](mailto:press@nentgroup.com) (or Tobias Gyhlénus, Head of External Communications; +46 73 699 27 09)

[investors@nentgroup.com](mailto:investors@nentgroup.com) (or Stefan Lycke, Head of Investor Relations; +46 73 699 27 14)

**Download high-resolution photos:** [Flickr](#)

### Follow us:

[nentgroup.com](http://nentgroup.com) / [Facebook](#) / [Twitter](#) / [LinkedIn](#) / [Instagram](#)

### Privacy policy:

To read NENT Group's privacy policy, [click here](#)