

NENT Group updates financial reporting structure and upgrades Viaplay subscriber target

- New reporting structure is aligned with Group's strategy to be the leading Nordic streaming provider and content producer with a global appeal
- NENT Group to report four net sales categories (Viaplay, Other Subscription, Advertising, Studios & Other) and a total Viaplay subscriber number
- New 2020 Viaplay subscriber intake target of 600k from base of 2,272k at end of 2019
- All remaining rights costs for restarted football league seasons to be expensed in Q2

Nordic Entertainment Group (NENT Group), the Nordic region's leading streaming company, will introduce a new financial reporting structure as of Q2 2020 following the deconsolidation of the Viasat Consumer business after its merger with Canal Digital. In line with the Group's strategy to be the leading Nordic streaming provider and content producer with a global appeal, Viaplay revenues and the total number of paying Viaplay subscribers will also now be reported on a quarterly basis. NENT Group has also set a new Viaplay subscriber intake target for the full year 2020 of 600k. In addition, the Group will report the results for the part of its Studios businesses that are for sale as discontinued operations. The restated quarterly break-downs from Q1 2019 to Q1 2020, including revenue and subscriber definitions, are available [here](#).

All of the remaining rights costs for the current seasons of football leagues that have now restarted will be expensed in the Group's Q2 results, including the 2019/2020 seasons of the Premier League, Bundesliga and Superliga. Costs for some of the other sports events that are yet to restart their seasons will be taken from Q3. The restart of the football leagues has attracted unprecedented interest on Viaplay, with streamed minutes for the first 12 Premier League matches played up 23% compared with the season average before the pause due to COVID-19.

With effect from Q2 2020, NENT Group will no longer report sales and profits by segment but rather provide four net sales categories and a single operating income (EBIT) line. The four categories are:

- Viaplay – comprising paid for streaming revenues
- Other Subscription – comprising wholesale channel, carriage and other subscription related revenues
- Advertising – comprising advertising and sponsorship revenues
- Studios & Other – primarily comprising external revenues from content production and distribution

The total number of paying Viaplay subscribers grew by 23% to 2,510k for the last twelve month period (Q2 2019 – Q1 2020).

The combination of NENT Group's Viasat Consumer business with Telenor's Canal Digital was completed on 5 May and will give rise to a non-cash capital gain, which will be reported in NENT Group's Q2 results in Items Affecting Comparability. The Viasat Consumer business has been deconsolidated from 30 April and NENT Group will report its 50% share of the new joint venture Allente's net income as income from associated companies in the Group's operating income (EBIT). This will include the amortisation of Allente's purchase price allocation. The combination is expected to generate annual cost synergies of approximately SEK 650m, with full effect from 2022, as well as substantial sales synergies. Integration and other related costs are expected to total approximately SEK 900m during 2020 and 2021. Allente will take on external debt and is expected to pay out an extraordinary dividend in due course and, thereafter, quarterly dividends.

Anders Jensen, NENT Group President and CEO: "The new reporting structure is in line with our strategy to focus on the development of Viaplay, and also follows the recent completion of the merger to create the Allente pay-TV business. The provision of Viaplay revenues and total Viaplay subscribers will clarify and simplify our story further, and we have also set a new and upgraded target for full year Viaplay subscriber intake that reflects the strong momentum that we have seen in recent months. The return of a number of key sports leagues in recent weeks has been a massive success, and our Viaplay sports package prices will be back to normal for everyone in July. The ongoing decline in advertising and production revenues due to COVID-19 is in line with our expectations, and the process to sell the non-core part of our Studios operations is on track. Viaplay is continuing to outperform our expectations in Iceland, and our preparations to launch Viaplay in all three Baltic countries in Q1 next year are proceeding according to plan."

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').

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