

5 year strategy on track – 31% organic sales growth and 21% Viaplay subscriber growth

- Viaplay paying subscribers up 21% YoY to 3,287k (2,716) with 140k subscribers added QoQ, of which 113k were Nordic subscribers and 27k were international subscribers. 2021 year end international Viaplay subscriber target upgraded from more than 250k to 500k
- 31% organic sales growth with reported sales of SEK 3,072m (2,624m including SEK 238m contribution from subsequently deconsolidated Viasat Consumer business)
- Operating income before associated company income (ACI) and items affecting comparability (IAC) up 56% to SEK 244m (156) including SEK -50m impact of Viaplay International expansion. Operating income up 98% on an underlying basis when excluding SEK 33m contribution from the Viasat Consumer business in Q2 2020
- Total reported operating income of SEK 179m (2,594) including ACI of SEK 9m (54) and previously announced IAC of SEK -74m (2,383 capital gain arising from the merger to create Allente joint venture)
- Net income from continuing operations of SEK 87m (2,517)
- Adjusted net income from continuing operations of SEK 266m (148) with adjusted EPS of SEK 3.41 (2.20)
- Net income from total operations of SEK 92m (2,515), with EPS of SEK 1.18 (37.34)

Financial overview

| (SEKm) | Q2 2021 | Q2 2020 | H1 2021 | H1 2020 | Full year 2020 |
|--|------------|--------------|------------|--------------|----------------|
| Continuing operations | | | | | |
| Net sales | 3,072 | 2,624 | 6,054 | 5,994 | 12,003 |
| Organic growth | 31.3% | -12.6% | 23.2% | -6.9% | 0.1% |
| Operating income before ACI and IAC | 244 | 156 | 407 | 375 | 978 |
| Associated company income (ACI) | 9 | 54 | 57 | 54 | 100 |
| Operating income before IAC | 253 | 210 | 463 | 429 | 1,077 |
| Items affecting comparability (IAC) ¹⁾ | -74 | 2,383 | -74 | 2,383 | 2,109 |
| Operating income | 179 | 2,594 | 390 | 2,813 | 3,186 |
| Net income, continuing operations | 87 | 2,517 | 242 | 2,673 | 2,869 |
| Net income, discontinued operations ²⁾ | 5 | -3 | -4 | -2 | -643 |
| Net income, total operations | 92 | 2,515 | 238 | 2,671 | 2,226 |
| Basic earnings per share (SEK) | 1.18 | 37.34 | 3.15 | 39.67 | 33.06 |
| Adjusted net income from continuing operations ³⁾ | 266 | 148 | 497 | 305 | 957 |
| Adjusted earnings per share from continuing operations (SEK) ³⁾ | 3.41 | 2.20 | 6.58 | 4.53 | 14.21 |

- 1) The divestment of the NENT Studios UK content distribution business in June resulted in a capital loss of SEK -74m, which is reported within Items affecting comparability. The Q2 2020 IACs included a capital gain of SEK 2,383m arising from the combination of the Viasat Consumer and Canal Digital businesses. The Viasat Consumer business was consolidated until the beginning of May 2020, and contributed with sales of SEK 238m and operating income of SEK 33m in Q2 2020. Please see page 17 for details.
- 2) Discontinued operations comprise NENT Group's non-scripted, branded entertainment and events businesses. Splay One was divested in April and the sale of the remaining businesses is expected to be completed in Q3 or Q4 2021. Please see note 4 for details. This report refers to NENT Group's continuing operations unless otherwise indicated.
- 3) Adjusted net income and earnings per share from continuing operations exclude items affecting comparability and the amortisation of acquisition-related intangibles within NENT Group and Allente. Please see page 20 for details.

Alternative performance measures used in this report are explained and reconciled on pages 16-20.

President & CEO's comments

"The momentum that we have established continued into the second quarter of our five-year strategy period, and we are well on track to reach our goals. 21% Viaplay subscriber growth, 31% group organic revenue growth and 98% underlying profit growth further demonstrate the strength and potential of the business. This was the first quarter when Viaplay was our largest revenue generating unit, which is a major milestone in our transformation. The pace of our international expansion is now ramping up with the imminent launch in Poland, and we are raising our subscriber and investment targets for the year to reflect the strength of our content offering and the new partnerships that we are forging. Sustainability is at the very heart of what we do, and we are currently developing a new five-year strategy in dialogue with our stakeholders to govern our supply chains, protect privacy, promote diversity and limit our environmental impact."

Viaplay revenues (35% of sales) were up 36% YoY on an organic basis after 21% YoY subscriber growth. We added 113k Nordic subscribers and 27k international subscribers in the quarter to end the first half of the year with a total of 3,287k paying subscribers. The revenue growth also reflected the price adjustments made in the Spring. Total streamed minutes of viewing of our originals was up 82% YoY and our coverage of the European football championships also boosted subscriber intake in Denmark. We have increased our Viaplay originals ambition to at least 50 for the year, and several major sports rights will now come on stream after the summer. We are well on track to meet our year-end target of adding at least 400k new paying Nordic subscribers.

The launch of Viaplay in the three Baltic countries has gone according to plan. We have a healthy pipeline of subscribers on free trial periods, are introducing a number of attractive new B2B and D2C campaigns, and will soon add the UEFA leagues to our offering. We will launch Viaplay in Poland on 3 August and have a very strong content line-up, as well as several B2B distribution agreements ready to be rolled out. This has led us to double our original year-end international subscriber target to 500k. We have also increased our investments in the international Viaplay expansion and now expect an EBIT impact of approximately SEK -500m in 2021, of which we have incurred SEK -86m in H1. We will provide updates on our five-year plan at our Capital Markets Day in

September, including the impact of the newly acquired rights to English Premier League football for five more markets for six years from 2022.

Other subscription revenues (33% of sales) were up 30% YoY on an organic basis when excluding last year's contribution from the Viasat Consumer business. This reflected the growth in revenues from Allente in particular, as well as the low comp from last year.

Advertising revenues (31% of sales) were up 28% YoY on an organic basis, as advertising spending continued to recover from the lows in Q2 2020. We estimate that our overall Nordic TV and radio advertising market share was up, and demand levels continue to be high.

Revenues for the continuing studios businesses (2% of sales) were up 19% YoY on an organic basis, with the NENT Studios UK content distribution business having been sold in June. Our continuing businesses have seen higher external order and production volumes but are now primarily focused on producing content for Viaplay. We announced the sale of all of the remaining discontinued studios businesses earlier this month and expect to close this deal in Q3 or Q4.

Our EBIT before ACI and IAC was up 98% when excluding last year's contribution from the Viasat Consumer business but including our investments in the international expansion of Viaplay.

Our joint venture Allente is on track to deliver the SEK 650m of full run-rate cost synergies next year and is also working to upsell Viaplay to the rest of its subscriber base. The quarterly integration costs are now increasing as the planned programme accelerates, which is why we expect limited earnings contribution this year. We will now receive quarterly dividends from Allente from Q3 and expect the full year 2021 dividends to amount to at least SEK 400m.

We are moving ahead quickly with our expansion in the Nordics and internationally, as well as executing on new opportunities as they arise. We are investing in more and more original local content, as well as securing key acquired content for many years to come. In addition to the launches in the US and the Netherlands, we will announce additional international expansion markets at or before our CMD.

We are learning a lot through the pandemic and establishing flexible new ways of working that will serve us well as our offices gradually re-open. It has undoubtedly further accelerated consumer adoption of streaming services and we are, as always, totally focused on delivering the best customer experiences in the most sustainable way for all of our stakeholders.

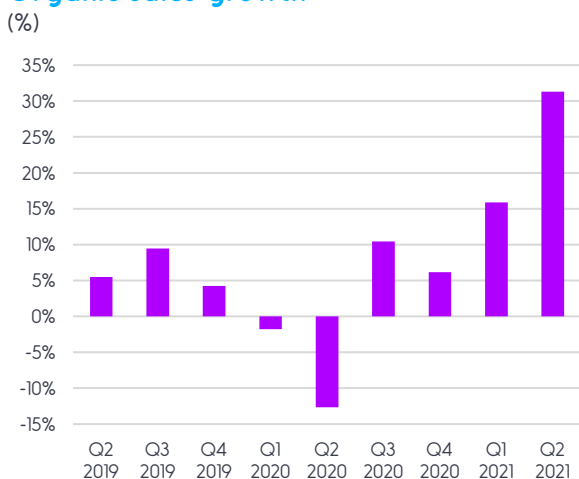
Anders Jensen
President & CEO

Sales

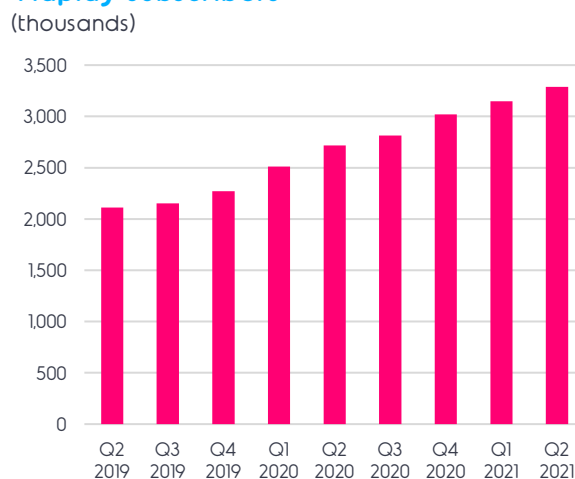
Group

Organic net sales were up 31% when excluding the contribution of the now deconsolidated Viasat Consumer business and changes in FX rates, which reflected the growth in the Viaplay, wholesale subscription and advertising businesses. Reported sales amounted to SEK 3,072m (2,624). Please see page 16 for a reconciliation of organic and reported sales growth.

Organic sales growth



Viaplay subscribers



By sales category

| (SEKm) | Q2 2021 | Q2 2020 | Change % | HI 2021 | HI 2020 | Change % | Full year 2020 |
|--------------------|--------------|--------------|--------------|--------------|--------------|-------------|----------------|
| Viaplay | 1,076 | 798 | 34.7% | 2,088 | 1,685 | 23.9% | 3,625 |
| Other subscription | 1,009 | 1,033 | -2.3% | 2,038 | 2,628 | -22.5% | 4,657 |
| Advertising | 941 | 738 | 27.5% | 1,799 | 1,573 | 14.4% | 3,433 |
| Studios & other | 47 | 55 | -15.4% | 129 | 108 | 19.6% | 289 |
| Total | 3,072 | 2,624 | 17.1% | 6,054 | 5,994 | 1.0% | 12,003 |

Viaplay was the largest quarterly revenue contributor for the first time and accounted for 35% of Group sales. Viaplay sales were up 36% on an organic basis and 35% on a reported basis, and included SEK 2m of sales from Viaplay international. The total subscriber base grew by 21% YoY to 3,287k. Viaplay added 140k paying subscribers QoQ, of which 113k were added in the Nordics and 27k in the Baltics. The Nordic subscriber growth was driven both by business-to-business sales, through Allente in particular, as well as direct-to-consumer sales, in Denmark in particular due to the coverage of the European football championships. The high sales growth in Q2 this year also reflected the decline in sales for the same period of 2020 due to the Coronavirus pandemic, as well as the price adjustments introduced in recent months. Viaplay continues to perform well in the Baltics, with a healthy pipeline of subscribers on free trial periods and new B2B and D2C campaigns to be launched in Q3. Viaplay will be launched in Poland on 3 August.

Other subscription sales accounted for 33% of Group sales and were up 30% on an organic basis when excluding changes in FX rates and the SEK 238m contribution from the deconsolidated Viasat Consumer business in Q2 2020. This underlying growth reflected the increase in wholesale subscription sales by Allente in particular. Sales were down 2% on a reported basis.

Advertising sales accounted for 31% of Group sales and were up 28% on an organic and reported basis. This reflected the YoY recovery from the major impact of the Coronavirus pandemic in the same period of 2020, as well as estimated average overall advertising market share gains. NENT Group's TV audience share was up in Denmark, stable in Norway and down in Sweden, with the TV advertising markets estimated to



have grown strongly in each market. NENT Group's radio audience share was up in Norway and stable in Sweden, with the radio advertising markets estimated to have grown strongly in both markets.

Studios and other sales accounted for 2% of Group sales and were up 19% on an organic basis and down 15% on a reported basis. This reflected higher demand and increased production levels, as well as the deconsolidation of the divested NENT Studios UK content distribution business from 1 June. The continuing businesses are primarily focused on the production of content for Viaplay.

Operating income

Operating expenditure was up 25% on an underlying basis when excluding the costs of the Viasat Consumer business that was deconsolidated from 1 May 2020 but including the costs for the international expansion of Viaplay in Q2 2021. Operating expenditure was up 14% on a reported basis to SEK 2,871m (2,511).

Operating income before ACI and IAC amounted to SEK 244m (156) and was up 98% on an underlying basis when excluding the SEK 33m contribution from the Viasat Consumer business in Q2 2020. The Q2 2021 result included the SEK -50m impact of the investments in the international expansion of Viaplay. Operating income before IAC amounted to SEK 253m (210) and included SEK 9m (54) of associated company income, which primarily comprised the Group's 50% share in the earnings of Allente. Please see note 3 regarding Allente's financial performance and position.

Items affecting comparability amounted to SEK -74m (2,383) and comprised the impact from the previously announced divestment of the NENT Studios UK content distribution business in June 2021. Please see page 17 for details regarding items affecting comparability. Total operating income amounted to SEK 179m (2,594).

Net financials and net income

Net financials

Net interest and other financial items totaled SEK -44m (-29). Net interest amounted to SEK -14m (-18), of which SEK -3m (-3) related to interest on net lease liabilities. Other financial items amounted to SEK -30m (-12) and mainly comprised financing arrangement fees and the impact of exchange rate effects on revaluations of financial items.

Net income

Tax charges amounted to SEK -48m (-47) and net income from continuing operations totaled SEK 87m (2,517). Net income from discontinued operations amounted to SEK 5m (-3) and comprised the income from the Studios businesses that are being divested. Total net income for the Group therefore amounted to SEK 92m (2,515), with total basic earnings per share of SEK 1.18 (37.34). Adjusted net income and earnings per share from continuing operations amounted to SEK 266m (148) and SEK 3.41 (2.20), respectively. Please see page 20 for details.



Cash flow and financial position

Cash flow from operations

Cash flow from operating activities, including discontinued operations, amounted to SEK 274m (147). Changes in working capital amounted to SEK 674m (673) and primarily reflected the seasonality of sports rights and other payments. The net operating cash flow for the quarter amounted to SEK 947m (820).

Cash flow from investing activities

Capital expenditure on tangible and intangible assets totalled SEK -51m (-34). Other investing activities totalled SEK 16m (11). Total cash flow related to investing activities amounted to SEK -4m (-241).

Cash flow from financing activities

Cash flow from financing activities amounted to SEK -143m (-320) with a SEK -50m (-280) net change in Group borrowings. The net change in cash and cash equivalents amounted to SEK 801m (259) and included discontinued operations.

Financial position

The Group's total net debt position, including discontinued operations, amounted to SEK -1,697m (4,189) at the end of the period and comprised financial net debt of SEK -2,160m (3,656), including cash and cash equivalents of SEK 5,420m (1,525), and net of lease liabilities and sublease receivables of SEK 463m (533). The net debt to trailing twelve month adjusted EBITDA ratio was -1.2x (2.6) at the end of the period.

Parent company

Nordic Entertainment Group AB is the Group's parent company and is responsible for Group-wide management, administration and financing.

Net sales for the Parent Company amounted to SEK 13m (18). Income before tax and appropriations amounted to SEK -31m (-17), and net income for the period amounted to SEK -26m (-14). The income statement and balance sheet for the Parent Company are presented on page 11.

Nordic Entertainment Group AB issued 10,600,000 new Class B shares in February 2021, raising gross proceeds of approximately SEK 4,346m, before transaction costs, to finance the international expansion of Viaplay and enhance the Group's future financial flexibility. Please see note 6 for a specification of the number of shares.

Sustainability

Sustainability is at the heart of all that NENT Group does and is a driving force of the Group's strategic development. The promotion of equality, diversity and inclusion, as well as the promotion of Nordic storytelling, have been the primary objectives of the sustainability strategy developed in 2018. NENT Group published its second integrated annual financial and sustainability report in April, which reported on these and other road map activities and ESG deliverables. A new 5 year sustainability strategy is now being developed and a broad-based stakeholder dialogue is underway to set the Group's updated priorities.

The global environmental crisis and the impact of the Coronavirus pandemic have brought the Group's environmental responsibilities into sharper focus and NENT Group will set science-based targets by the end of 2021, in order to help achieve the climate change objectives of the Paris agreement and become carbon neutral by 2023. NENT Group joined industry group DIMPACT during the quarter and also published its second report regarding the carbon impact of streaming. As part of its ongoing efforts, NENT Group is working to exercise greater control and oversight in its content supply chain, in order to protect talent, promote diversity, and decrease the environmental impact of productions. NENT Group is also working



constantly to ensure data privacy, conducting ESG assessments ahead of new market entrance, and encouraging compliance with its codes of conduct.

Other information

Significant events during and after the quarter

- 6 April - NENT Group sells Splay One to Caybon
- 8 April - NENT Group publishes Annual & Sustainability Report 2020
- 14 April - NENT Group Nomination Committee proposal for Board of Directors
- 27 April - NENT Group and Bundesliga agree historic two-cycle, nine-market deal until 2029
- 6 May - NENT Group and Formula 1 enter exclusive rights partnership in Poland
- 7 May - NENT Group and Matchroom Sport agree five-year partnership in nine countries
- 19 May - NENT Group's 2021 Annual General Meeting
- 20 & 25 May - NENT Group to launch Viaplay in the Netherlands with exclusive Formula 1®, Bundesliga and PDC Darts rights
- 3 June - NENT Group secures top motorsport rights in nine European countries
- 11 June - NENT Group's Viaplay to show South American football in nine countries
- 11 June - NENT Group sells NENT Studios UK content distribution business to All3Media
- 2 July - NENT Group agrees sale of 12 NENT Studios production labels to Fremantle
- 6 July - NENT Group to launch Viaplay in Poland on 3 August
- 7 July - NENT Group wins Premier League rights in the Netherlands, Poland, Estonia, Latvia and Lithuania from 2022 to 2028

A full list of announcements and reports can be found at www.nentgroup.com

Risks & uncertainties

Significant risks and uncertainties exist for the Group and the parent company. These factors include the prevailing economic and business environments in each of the Group's markets; commercial risks related to expansion into new territories; 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; changes in the ability to access capital markets, and the emergence of new technologies and competitors. The increasing shift towards online entertainment consumption also makes the Group a potential target for cyber-attacks, intrusions, disruptions or denials of service. The Coronavirus pandemic continues to constitute a risk for NENT Group's people and operations. The vaccination programmes continue to ease the situation in the countries in which NENT Group operates but the vast majority of staff continue to work remotely with restricted access to office locations and a groupwide non-essential travel ban still in place. The Group continues to follow the guidance of governments and international health organisations in considering the potential reopening of its facilities. In the meantime, the Group's remote access, cloud computing and video conferencing facilities continue to work well and enable productivity and motivation to remain at high levels. NENT Group has received SEK 3m in support during the year within its discontinued operations.



5-year targets

While NENT Group does not provide formal regular financial performance targets or guidance, it did provide a series of 5 year operational and financial targets at its Capital Markets Day on 10 November 2020:

- 1) Compound organic sales growth for the Group's total operations of approximately 18-20% between 2020 and 2025 (based on 2020 Group revenues excluding the contribution from the subsequently deconsolidated Viasat Consumer business)
- 2) Compound organic sales growth for the Group's Nordic operations of approximately 13-15% between 2020 and 2025 (based on 2020 Group revenues excluding the contribution from the subsequently deconsolidated Viasat Consumer business)
- 3) To grow the Viaplay Nordic paying subscriber base to approximately 6 million by the end of 2025, and to grow the Viaplay international paying subscriber base to approximately 4.5 million by the end of 2025
- 4) An operating income (EBIT) margin before ACI and IAC for the Group's Nordic operations of approximately 15% for the full year 2025
- 5) A positive operating income (EBIT) result for the Group's Viaplay International operations for the full year 2025
- 6) A balance sheet leverage ratio of less than 2.5x net debt to trailing twelve month adjusted EBITDA, although NENT Group's leverage may exceed these levels temporarily from time to time

In light of the Group's ongoing expansion, the annual ordinary cash dividend policy has been suspended. The Board will continue to consider various means of distributing surplus funds to shareholders from time to time and as circumstances allow.

Board's assurance

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, 21 July 2021

Pernille Erenbjerg
Chair of the Board

Simon Duffy
Non-Executive Director

Natalie Tydeman
Non-Executive Director

Anders Borg
Non-Executive Director

Kristina Schauman
Non-Executive Director

Andrew House
Non-Executive Director

Anders Jensen
President & CEO

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



Consolidated income statement

| (SEKm) | Q2 2021 | Q2 2020 | H1 2021 | H1 2020 | Full year 2020 |
|---|------------|--------------|--------------|--------------|-------------------|
| Continuing operations | | | | | |
| Net sales | 3,072 | 2,624 | 6,054 | 5,994 | 12,003 |
| Cost of sales | -2,220 | -1,903 | -4,418 | -4,399 | -8,815 |
| Gross income | 851 | 721 | 1,635 | 1,596 | 3,188 |
| Selling and marketing expenses | -235 | -201 | -463 | -436 | -821 |
| General and administrative expenses | -416 | -407 | -804 | -823 | -1,541 |
| Other operating income and expenses | 43 | 44 | 38 | 40 | 151 |
| Share of earnings in associated companies and joint ventures | 9 | 54 | 57 | 54 | 100 |
| Items affecting comparability | -74 | 2,383 | -74 | 2,383 | 2,109 |
| Operating income | 179 | 2,594 | 390 | 2,813 | 3,186 |
| Interest income | 2 | 1 | 2 | 2 | 3 |
| Interest expenses | -14 | -15 | -27 | -25 | -60 |
| Net leasing interest | -3 | -3 | -6 | -7 | -13 |
| Other financial items | -30 | -12 | -36 | -14 | -30 |
| Income before tax | 135 | 2,565 | 322 | 2,769 | 3,087 |
| Tax expenses | -48 | -47 | -80 | -96 | -218 |
| Net income for the period, continuing operations | 87 | 2,517 | 242 | 2,673 | 2,869 |
| Net income for the period, discontinued operations | 5 | -3 | -4 | -2 | -643 |
| Net income for the period | 92 | 2,515 | 238 | 2,671 | 2,226 |
| Items that are or may be reclassified to profit or loss net of tax | | | | | |
| Currency translation differences | -64 | -80 | 91 | -95 | -161 |
| Cash flow hedge | -31 | -125 | 178 | -75 | -311 |
| Other comprehensive income for the period | -95 | -207 | 269 | -172 | -472 |
| Total comprehensive income for the period | -3 | 2,308 | 507 | 2,499 | 1,754 |
| Net income for the period attributable to: | | | | | |
| Equity holders of the parent company | 92 | 2,518 | 238 | 2,677 | 2,236 |
| Non-controlling interest | - | -4 | - | -6 | -9 |
| Total comprehensive income for the period attributable to: | | | | | |
| Equity holders of the parent company | -3 | 2,312 | 507 | 2,505 | 1,763 |
| Non-controlling interest | - | -4 | - | -6 | -9 |
| Earnings per share | | | | | |
| Basic earnings per share (SEK), continuing operations | 1.12 | 37.38 | 3.21 | 39.69 | 42.60 |
| Diluted earnings per share (SEK), continuing operations | 1.11 | 37.20 | 3.19 | 39.50 | 42.40 |
| Basic earnings per share (SEK) | 1.18 | 37.34 | 3.15 | 39.67 | 33.06 |
| Diluted earnings per share (SEK) | 1.18 | 37.16 | 3.14 | 39.47 | 32.90 |
| Number of shares | | | | | |
| Shares outstanding at the end of the period | 77,947,526 | 67,347,526 | 77,947,526 | 67,347,526 | 67,347,526 |
| Basic average number of shares outstanding | 77,947,526 | 67,343,579 | 75,487,857 | 67,342,912 | 67,345,231 |
| Diluted average number of shares outstanding | 78,251,262 | 67,675,404 | 75,791,593 | 67,675,275 | 67,664,386 |

Consolidated balance sheet (condensed)

| (SEKm) | 30 Jun 2021 | 30 Jun 2020 | 31 Dec 2020 |
|---|----------------|----------------|----------------|
| Non-current assets | | | |
| Intangible assets | 1,998 | 2,238 | 1,998 |
| Machinery, equipment and installations | 131 | 132 | 96 |
| Right-of-use assets | 330 | 383 | 360 |
| Shares and participations | 1,577 | 2,868 | 1,720 |
| Sublease receivables | 146 | 167 | 150 |
| Other long-term receivables | 147 | 133 | 176 |
| Total non-current assets | 4,329 | 5,922 | 4,501 |
| Current assets | | | |
| Inventories | 3,009 | 2,853 | 2,614 |
| Accounts receivable | 899 | 897 | 789 |
| Sublease receivables | 32 | 31 | 30 |
| Prepaid expense and accrued income | 4,238 | 3,910 | 3,998 |
| Other current receivables | 426 | 517 | 682 |
| Cash, cash equivalents and short-term investments | 5,415 | 1,493 | 2,036 |
| Assets held for sale ¹⁾ | 846 | 1,564 | 1,299 |
| Total current assets | 14,866 | 11,267 | 11,449 |
| Total assets | 19,194 | 17,189 | 15,949 |
| Equity | | | |
| Equity | 8,058 | 3,949 | 3,236 |
| Non-controlling interest | 1 | 2 | 1 |
| Total equity | 8,059 | 3,951 | 3,237 |
| Non-current liabilities | | | |
| Long-term borrowings | 2,500 | 2,600 | 3,300 |
| Long-term lease liabilities | 431 | 503 | 462 |
| Long-term provisions | 142 | 175 | 137 |
| Other non-current liabilities | 256 | 291 | 360 |
| Total non-current liabilities | 3,329 | 3,569 | 4,259 |
| Current liabilities | | | |
| Short-term borrowings | 800 | 2,580 | 1,260 |
| Short-term lease liabilities | 107 | 105 | 104 |
| Short-term provisions | 209 | 173 | 185 |
| Other current liabilities | 6,245 | 6,326 | 6,124 |
| Liabilities related to assets held for sale ¹⁾ | 446 | 485 | 781 |
| Total current liabilities | 7,806 | 9,669 | 8,454 |
| Total liabilities | 11,135 | 13,238 | 12,713 |
| Total shareholders' equity and liabilities | 19,194 | 17,189 | 15,949 |

¹⁾ Assets held for sale June 2020 refers to the non-scripted production, branded entertainment and events business as well as NENT Studio UK in December 2020. Splay One and NENT Studio UK have been divested and June 2021 include the remaining studio businesses.



Consolidated statement of cash flow

| (SEKm) | Q2 2021 | Q2 2020 | H1 2021 | H1 2020 | Full year 2020 |
|--|--------------|--------------|--------------|--------------|-------------------|
| Cash flow from operations | | | | | |
| Net income, continuing operations | 87 | 2,517 | 242 | 2,673 | 2,869 |
| Net income, discontinued operations | 5 | -3 | -4 | -2 | -643 |
| Dividends from associated companies | - | - | 250 | - | 1,200 |
| Depreciations, amortisations and write-downs | 77 | 79 | 153 | 159 | 1,202 |
| Other adjustments for non-cash items | 104 | -2,446 | 69 | -2,436 | -2,428 |
| Cash flow from operations, excluding changes in working capital | 274 | 147 | 710 | 394 | 2,200 |
| Changes in working capital | 674 | 673 | -222 | -121 | -674 |
| Cash flow from operations | 947 | 820 | 488 | 273 | 1,526 |
| Investing activities | | | | | |
| Divestments of operations | 31 | -218 | 31 | -218 | -222 |
| Capital expenditures in tangible and intangible assets | -51 | -34 | -109 | -71 | -147 |
| Other investing activities | 16 | 11 | 5 | -6 | 2 |
| Cash flow from investing activities | -4 | -241 | -72 | -295 | -367 |
| Financing activities | | | | | |
| Change in long-term borrowings | -800 | 800 | -800 | 800 | 1,500 |
| Change in short-term borrowings | 750 | -1,080 | -460 | -400 | -1,720 |
| Amortisation of lease receivables | 8 | 9 | 16 | 17 | 32 |
| Amortisation of lease liabilities | -32 | -46 | -58 | -70 | -135 |
| Share issue | -9 | - | 4,292 | - | - |
| Other cash flow from financing activities | -60 | -2 | -47 | 10 | 22 |
| Cash flow from financing activities | -143 | -320 | 2,942 | 357 | -301 |
| Total net change in cash and cash equivalents for the period | 801 | 259 | 3,358 | 335 | 858 |
| Cash and cash equivalents at the beginning of the period | 4,629 | 1,267 | 2,040 | 1,238 | 1,238 |
| Translation differences in cash and cash equivalents | -9 | -3 | 22 | -49 | -56 |
| Cash and cash equivalents at end of the period | 5,420 | 1,525 | 5,420 | 1,525 | 2,040 |
| Whereof cash and cash equivalents included in assets held for sale | 5 | 31 | 5 | 31 | 4 |
| Cash and cash equivalents at end of the period | 5,415 | 1,493 | 5,415 | 1,493 | 2,036 |

Consolidated statement of changes in equity (condensed)

| (SEKm) | Q2 2021 | Q2 2020 | H1 2021 | H1 2020 | Full year 2020 |
|--|--------------|--------------|--------------|--------------|-------------------|
| Opening balance | 8,061 | 1,638 | 3,237 | 1,442 | 1,442 |
| Net income for the period | 92 | 2,515 | 238 | 2,671 | 2,226 |
| Other comprehensive income for the period | -95 | -207 | 269 | -172 | -472 |
| Total comprehensive income for the period | -3 | 2,308 | 507 | 2,499 | 1,754 |
| Share issue | - | - | 4,346 | - | - |
| Share issue transaction costs, net of tax | -7 | - | -43 | - | - |
| Effect of share based programmes | 7 | 5 | 12 | 10 | 21 |
| Change in non-controlling interests | - | - | - | - | 3 |
| Dividends to non-controlling interests | - | - | - | - | -1 |
| Transactions with shareholders in associated companies | - | - | - | - | 18 |
| Closing balance | 8,059 | 3,951 | 8,059 | 3,951 | 3,237 |



Parent company income statement (condensed)

| (SEKm) | Q2 2021 | Q2 2020 | H1 2021 | H1 2020 | Full year 2020 |
|--|------------|------------|------------|------------|-------------------|
| Net sales | 13 | 18 | 27 | 27 | 55 |
| Gross income | 13 | 18 | 27 | 27 | 55 |
| Administrative expenses | -58 | -57 | -115 | -106 | -190 |
| Other operating income | - | 1 | - | 1 | 3 |
| Items affecting comparability | - | - | - | - | -10 |
| Operating income | -45 | -38 | -88 | -78 | -141 |
| Net interest and other financial items | 14 | 21 | 21 | 46 | 77 |
| Income before tax and appropriations | -31 | -17 | -67 | -32 | -64 |
| Group contribution | - | - | - | - | 364 |
| Income before tax | -31 | -17 | -67 | -32 | 301 |
| Tax expenses | 5 | 4 | 12 | 7 | -46 |
| Net income for the period | -26 | -14 | -55 | -25 | 255 |
| Other comprehensive income | - | - | - | - | -2 |
| Total comprehensive income for the period | -26 | -14 | -55 | -25 | 253 |

Parent company balance sheet (condensed)

| (SEKm) | 30 Jun 2021 | 30 Jun 2020 | 31 Dec 2020 |
|---|----------------|----------------|----------------|
| Non-current assets | | | |
| Financial assets | 131 | 117 | 123 |
| Total non-current assets | 131 | 117 | 123 |
| Current assets | | | |
| Receivables from group companies | 7,963 | 8,460 | 8,402 |
| Other current receivables | 540 | 105 | 508 |
| Cash and cash equivalents | 5,005 | 1,380 | 1,939 |
| Total current assets | 13,509 | 9,945 | 10,849 |
| Total assets | 13,640 | 10,061 | 10,972 |
| Shareholders' equity | | | |
| Restricted equity | 157 | 135 | 136 |
| Non-restricted equity | 6,271 | 1,724 | 2,032 |
| Total equity | 6,428 | 1,859 | 2,168 |
| Non-current liabilities | | | |
| Long-term borrowings | 2,500 | 2,600 | 3,300 |
| Other non-current liabilities | 4 | 5 | 7 |
| Total non-current liabilities | 2,504 | 2,605 | 3,307 |
| Current liabilities | | | |
| Short-term borrowings | 800 | 2,580 | 1,260 |
| Liabilities to group companies | 3,608 | 2,748 | 3,561 |
| Other current liabilities | 300 | 268 | 677 |
| Total current liabilities | 4,708 | 5,597 | 5,498 |
| Total shareholders' equity and liabilities | 13,640 | 10,061 | 10,972 |



Group performance data

| | Q3 | Q4 | FY | Q1 | Q2 | Q3 | Q4 | FY | Q1 | Q2 |
|--|-------|-------|--------|-------|--------|--------|--------|--------|--------|--------|
| (SEKm) | 2019 | 2019 | 2019 | 2020 | 2020 | 2020 | 2020 | 2020 | 2021 | 2021 |
| Net sales | 3,383 | 3,825 | 14,204 | 3,370 | 2,624 | 2,828 | 3,182 | 12,003 | 2,982 | 3,072 |
| - of which Viaplay | 814 | 885 | 3,323 | 887 | 798 | 957 | 983 | 3,625 | 1,012 | 1,076 |
| - of which Other subscription | 1,586 | 1,642 | 6,367 | 1,595 | 1,033 | 1,030 | 999 | 4,657 | 1,029 | 1,009 |
| - of which Advertising | 836 | 1,160 | 4,006 | 835 | 738 | 762 | 1,097 | 3,433 | 859 | 941 |
| - of which Studios & other | 147 | 139 | 507 | 53 | 55 | 78 | 103 | 289 | 82 | 47 |
| Operating income before ACI and IAC | 265 | 460 | 1,441 | 219 | 156 | 176 | 426 | 978 | 163 | 244 |
| Associated company income (ACI) | - | 2 | 5 | - | 54 | 80 | -35 | 100 | 47 | 9 |
| Operating income before IAC | 265 | 462 | 1,445 | 219 | 210 | 256 | 392 | 1,077 | 210 | 253 |
| Items affecting comparability (IAC) | - | -699 | -755 | - | 2,383 | - | -275 | 2,109 | - | -74 |
| Operating income | 265 | -237 | 690 | 219 | 2,594 | 256 | 117 | 3,186 | 210 | 179 |
| Net income, total operations | 233 | -159 | 590 | 157 | 2,515 | 188 | -633 | 2,226 | 145 | 92 |
| Basic earnings per share (SEK) | 3.46 | -2.36 | 8.77 | 2.33 | 37.34 | 2.79 | -9.40 | 33.06 | 1.99 | 1.18 |
| Adjusted net income from continuing operations | 206 | 389 | 1,145 | 158 | 148 | 219 | 432 | 957 | 231 | 266 |
| Adjusted earnings per share from continuing operations (SEK) | 3.06 | 5.78 | 17.02 | 2.35 | 2.20 | 3.25 | 6.41 | 14.21 | 3.16 | 3.41 |
| Sales growth | 10.5% | 5.3% | 7.6% | -1.7% | -26.4% | -16.4% | -16.8% | -15.5% | -11.5% | 17.1% |
| Organic growth | 9.5% | 4.2% | 6.1% | -1.8% | -12.6% | 10.4% | 6.1% | 0.1% | 15.9% | 31.3% |
| Operating margin before ACI and IAC | 7.8% | 12.0% | 10.1% | 6.5% | 6.0% | 6.2% | 13.4% | 8.1% | 5.5% | 7.9% |
| Operating margin | 7.8% | -6.2% | 4.9% | 6.5% | 98.9% | 9.1% | 3.7% | 26.5% | 7.1% | 5.8% |
| Net debt | 4,756 | 4,139 | 4,139 | 4,754 | 4,189 | 3,865 | 3,026 | 3,026 | -777 | -1,697 |
| Net debt/EBITDA 12 months trailing | 2.5 | 2.2 | 2.2 | 2.6 | 2.6 | 2.5 | 2.2 | 2.2 | -0.6 | -1.2 |
| ROCE | 27.3% | 27.1% | 27.1% | 25.1% | 19.4% | 17.2% | 15.5% | 15.5% | 14.5% | 15.3% |
| CSOV Sweden (25-59) % | 23.3 | 23.0 | 23.0 | 23.2 | 22.4 | 22.6 | 21.6 | 22.5 | 22.5 | 21.3 |
| CSOV Norway (25-59) % | 15.6 | 16.1 | 15.7 | 17.3 | 15.3 | 12.9 | 16.9 | 15.8 | 15.3 | 15.3 |
| CSOV Denmark (25-59) % | 20.9 | 22.7 | 21.3 | 19.0 | 19.9 | 21.7 | 20.3 | 20.2 | 17.8 | 22.7 |
| CSOL Sweden (12-79) % | 47.6 | 42.3 | 45.1 | 39.4 | 39.3 | 44.6 | 39.4 | 40.7 | 39.0 | 39.2 |
| CSOL Norway (12+) % | 69.1 | 64.7 | 66.0 | 66.1 | 66.7 | 66.4 | 66.5 | 66.4 | 67.0 | 67.4 |
| Viaplay subscriber base ('000s) | 2,151 | 2,272 | - | 2,510 | 2,716 | 2,813 | 3,020 | - | 3,147 | 3,287 |
| - of which Nordic subscribers ('000s) | 2,151 | 2,272 | - | 2,510 | 2,716 | 2,813 | 3,020 | - | 3,147 | 3,260 |
| - of which International subscribers ('000s) | - | - | - | - | - | - | - | - | - | 27 |



Notes

Note 1 - 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 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 2020 Annual Report.

The IFRS Interpretations Committee (IFRS IC) published an agenda decision in April 2021 on "cloud computing arrangement costs", i.e. costs for configurations or adaptation of software in a cloud-based solution. NENT Group is currently reviewing the effects of this decision, which could result in a reclassification of a previously recorded intangible asset to be reclassified to a different type of asset or recharged to the income statement.

Note 2 – Disaggregation of revenues

| (SEKm) | Q2 2021 | Q2 2020 | H1 2021 | H1 2020 | Full year 2020 |
|-------------------------------|--------------|--------------|--------------|--------------|-------------------|
| REVENUE STREAMS | | | | | |
| Advertising | 941 | 738 | 1,799 | 1,573 | 3,433 |
| Subscription | 1,936 | 1,679 | 3,807 | 3,942 | 7,575 |
| Production | 39 | 14 | 83 | 43 | 153 |
| Licenses, royalties and other | 156 | 194 | 364 | 436 | 843 |
| Total | 3,072 | 2,624 | 6,054 | 5,994 | 12,003 |
| REVENUE RECOGNITION | | | | | |
| at a point in time | 156 | 194 | 364 | 436 | 843 |
| over time | 2,916 | 2,430 | 5,690 | 5,558 | 11,160 |
| Total | 3,072 | 2,624 | 6,054 | 5,994 | 12,003 |



Note 3 – Income from associated company Allente

Allente's revenues for Q2 amounted to SEK 1,741m. The subscriber base declined by 20k QoQ and ended the period at 1,089k. EBITDA before IAC amounted to SEK 339m, and operating income of SEK 52m included SEK 178m of integration costs that were reported as items affecting comparability. Amortisation for the period amounted to SEK 110m, of which SEK 84m was PPA-related.

NENT Group's 50% share of Allente's Q2 net income of SEK 19m amounted to SEK 9m. Allente's net debt amounted to SEK 1,562m at the end of the period.

| (SEKm) | Q2 2021 | Q2 (May-Jun) 2020 | H1 2021 | H1 (May-Jun) 2020 | May-Dec 2020 |
|---|------------|----------------------|------------|----------------------|-----------------|
| Net sales | 1,741 | 1,127 | 3,432 | 1,127 | 4,595 |
| EBITDA before IAC | 339 | 166 | 677 | 166 | 808 |
| Depreciation and amortisation | -110 | -14 | -219 | -14 | -351 |
| Operating income before IAC | 230 | 152 | 458 | 152 | 458 |
| Items affecting comparability (IAC) | -178 | -31 | -285 | -31 | -202 |
| Operating income | 52 | 121 | 173 | 121 | 256 |
| Financial items | -29 | 8 | -24 | 8 | -4 |
| Tax | -4 | -27 | -31 | -27 | -54 |
| Net income | 19 | 102 | 119 | 102 | 198 |
| <i>NENT Group 50% share of net income</i> | <i>9</i> | <i>51</i> | <i>59</i> | <i>51</i> | <i>99</i> |
| Net debt | 1,562 | -751 | 1,562 | -751 | 1,301 |
| Total subscribers (thousand) | 1,089 | 1,179 | 1,089 | 1,179 | 1,133 |

Note 4 - Discontinued operations

On 20 April 2020, NENT Group announced that the process to sell the non-scripted production, branded entertainment and events business had recommenced. The businesses have been part of the Studios segment and, as of Q2 2020, reported as assets held for sale and discontinued operations. The net income from the operations is reported in a separate line in the income statement, and historical figures have been restated accordingly. The assets and liabilities related to the operations are reported on separate lines in the consolidated balance sheet. Splay One was divested on 6 April 2021 and deconsolidated with effect from 1 April 2021. NENT Group then announced on 2 July 2021 that it had agreed the sale of the remaining discontinued NENT Studios businesses. The transaction, which is subject to customary closing conditions and regulatory approvals, is expected to be completed in Q3 or Q4 this year.

| (SEKm) | Q2 2021 | Q2 2020 | H1 2021 | H1 2020 | Full year 2020 |
|---|------------|------------|------------|------------|-------------------|
| External sales | 232 | 204 | 466 | 491 | 1,108 |
| Internal sales | 23 | 29 | 53 | 51 | 135 |
| Cost of sales | -208 | -176 | -419 | -423 | -1,018 |
| Selling, Technology and administration expenses | -36 | -55 | -98 | -119 | -244 |
| Items affecting comparability | -5 | - | -5 | - | -620 |
| Other income and expenses | 2 | 2 | 3 | 3 | 7 |
| Operating income | 8 | 4 | 0 | 3 | -632 |
| Financial net & Tax | -2 | -6 | -4 | -5 | -11 |
| Net income, discontinued operations | 5 | -3 | -4 | -2 | -643 |



Note 5 - Sale of subsidiaries

NENT Group divested Splay One to Caybon on 6 April 2021, and divested the NENT Studios UK content distribution business to All3Media on 11 June 2021. The divestments resulted in a capital loss amounting to SEK -79m, of which SEK -5m relates to Splay One and is reported within discontinued operations.

Note 6 – Number of shares

Nordic Entertainment Group AB issued 10,600,000 new Class B shares in February 2021. This resulted in a 15.6% increase in the total number of issued and outstanding shares from 67,842,244 to 78,442,244.

| Parent company | Class A shares | Class B shares | Class C shares | Total |
|---|----------------|-------------------|----------------|-------------------|
| Number of shares as at 31 December 2020 | 532,572 | 66,839,153 | 470,519 | 67,842,244 |
| Share issue | - | 10,600,000 | - | 10,600,000 |
| Number of shares as at 30 June 2021 | 532,572 | 77,439,153 | 470,519 | 78,442,244 |
| Treasury shares | | -24,199 | -470,519 | -494,718 |
| Number of shares excl treasury shares as at 30 June 2021 | 532,572 | 77,414,954 | 0 | 77,947,526 |

Note 7 – Related party transactions

The Group has related party relationships with its subsidiaries, associated companies and joint ventures. All related party transactions are based on market terms and negotiated on an arm's length basis.



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 before associated company income (ACI) and items affecting comparability (IAC)
- Operating income before IAC
- Net debt and Net debt/EBITDA
- Capital Employed and Return on Capital Employed (ROCE)
- Adjusted net income and earnings per share

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 discussion of the impact of acquisitions/divestments and exchange rates.

| Q2 (SEKm) | Reported Net sales | Acquisitions / divestments | Net sales adjusted for acquisitions / divestments | Changes in FX rates | Net Sales adjusted for acquisitions/ divestments and changes in FX rates |
|-----------------|--------------------|----------------------------|---|---------------------|--|
| 2021 | 3,072 | | 3,072 | 43 | 3,115 |
| 2020 | 2,624 | -252 | 2,372 | | 2,372 |
| Growth | 448 | | 700 | | 743 |
| <i>Growth %</i> | <i>17,1%</i> | | <i>29,5%</i> | | <i>31,3%</i> |

| H1 (SEKm) | Reported Net sales | Acquisitions / divestments | Net sales adjusted for acquisitions / divestments | Changes in FX rates | Net Sales adjusted for acquisitions/ divestments and changes in FX rates |
|-----------------|--------------------|----------------------------|---|---------------------|--|
| 2021 | 6,054 | | 6,054 | 128 | 6,182 |
| 2020 | 5,994 | -975 | 5,019 | | 5,019 |
| Growth | 60 | | 1,035 | | 1,163 |
| <i>Growth %</i> | <i>1,0%</i> | | <i>20,6%</i> | | <i>23,2%</i> |

Organic growth, i.e. sales growth adjusted for acquisitions/divestments and changes in FX rates, amounted to 31% in Q2 2021 and 23% in H1 2021.



Reconciliation of operating income before associated company income (ACI) and items affecting comparability (IAC)

Operating income before associated company income (ACI) and items affecting comparability (IAC) 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 and associated companies income

| (SEKm) | Q2 2021 | Q2 2020 | H1 2021 | H1 2020 | Full year 2020 |
|--|------------|------------|------------|------------|-------------------|
| Operating income | 179 | 2,594 | 390 | 2,813 | 3,186 |
| Items affecting comparability (IAC) | -74 | 2,383 | -74 | 2,383 | 2,109 |
| Operating income before IAC | 253 | 210 | 463 | 429 | 1,077 |
| Associated company income (ACI) | 9 | 54 | 57 | 54 | 100 |
| Operating income before ACI and IAC | 244 | 156 | 407 | 375 | 978 |

Items affecting comparability

| (SEKm) | Q2 2021 | Q2 2020 | H1 2021 | H1 2020 | Full year 2020 |
|--|------------|--------------|------------|--------------|-------------------|
| Capital loss from divestment of NENT Studio UK | -74 | - | -74 | - | - |
| Write down of Studio assets | - | - | - | - | -268 |
| Capital gain as a result of VCB merger transaction | - | 2,383 | - | 2,383 | 2,383 |
| Transaction and advisory costs | - | - | - | - | -8 |
| Total | -74 | 2,383 | -74 | 2,383 | 2,109 |

Items affecting comparability classified by function

| (SEKm) | Q2 2021 | Q2 2020 | H1 2021 | H1 2020 | Full year 2020 |
|---------------------------------|------------|--------------|------------|--------------|-------------------|
| Cost of sales | - | - | - | - | -268 |
| Administrative expenses | - | - | - | - | -8 |
| Other operating income/expenses | -74 | 2,383 | -74 | 2,383 | 2,383 |
| Total | -74 | 2,383 | -74 | 2,383 | 2,109 |

Reconciliation of net debt/EBITDA ratio

Net debt refers to the sum of interest-bearing liabilities less total cash and interest-bearing assets. Net debt also includes lease liabilities net of sublease receivables and dividends payable. Net debt is used by Group management to track the indebtedness of the Group and to analyse the leverage and refinancing needs 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 its debts. This measure is commonly used by financial institutions to rate creditworthiness. A negative figure indicates that the Group has a net cash position (cash in excess of interest-bearing liabilities).

Net debt

| | 30 Sep 2019 | 31 Dec 2019 | 31 Mar 2020 | 30 Jun 2020 | 30 Sep 2020 | 31 Dec 2020 | 31 Mar 2021 | 30 Jun 2021 |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| (SEKm) | | | | | | | | |
| Short-term borrowings | 2,510 | 2,980 | 3,660 | 2,580 | 1,980 | 1,260 | 50 | 800 |
| Long-term borrowings | 2,300 | 1,800 | 1,800 | 2,600 | 3,300 | 3,300 | 3,300 | 2,500 |
| Total financial borrowings | 4,810 | 4,780 | 5,460 | 5,180 | 5,280 | 4,560 | 3,350 | 3,300 |
| Interest bearing receivables | | | | | | | | 40 |
| Cash and cash equivalents | 889 | 1,238 | 1,267 | 1,493 | 1,912 | 2,036 | 4,604 | 5,415 |
| Cash and cash equivalents included in assets held for sale | - | - | - | 31 | 24 | 4 | 26 | 5 |
| Financial net debt | 3,921 | 3,542 | 4,193 | 3,656 | 3,344 | 2,520 | -1,280 | -2,160 |
| Lease liabilities | 845 | 823 | 783 | 608 | 597 | 566 | 569 | 539 |
| Lease liabilities included in liabilities related to assets held for sale | - | - | - | 124 | 118 | 120 | 122 | 102 |
| Sublease receivables | 228 | 225 | 223 | 199 | 194 | 181 | 188 | 178 |
| Total lease liabilities net | 617 | 598 | 560 | 533 | 521 | 505 | 504 | 463 |
| Dividend payable | 219 | - | - | - | - | - | - | - |
| Net debt | 4,756 | 4,139 | 4,754 | 4,189 | 3,865 | 3,026 | -777 | -1,697 |

Net debt/EBITDA before IAC

| | Q3 2019 | Q4 2019 | Q1 2020 | Q2 2020 | Q3 2020 | Q4 2020 | Q1 2021 | Q2 2021 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| (SEKm) | | | | | | | | |
| Operating income before IAC, continuing operations | 1,498 | 1,445 | 1,380 | 1,157 | 1,148 | 1,077 | 1,069 | 1,111 |
| Operating income before IAC, discontinued operations | 48 | 100 | 109 | 91 | 44 | -12 | -20 | -10 |
| Depreciation, amortisation and write-downs, continuing operations ¹⁾ | 293 | 286 | 287 | 284 | 277 | 267 | 264 | 264 |
| Depreciation, amortisation and write-downs, discontinued operations ¹⁾ | 37 | 50 | 49 | 49 | 49 | 48 | 47 | 44 |
| EBITDA 12 months trailing | 1,875 | 1,881 | 1,826 | 1,581 | 1,518 | 1,379 | 1,359 | 1,409 |
| Net debt | 4,756 | 4,139 | 4,754 | 4,189 | 3,865 | 3,026 | -777 | -1,697 |
| Total net debt / EBITDA 12 months trailing | 2.5 | 2.2 | 2.6 | 2.6 | 2.5 | 2.2 | -0.6 | -1.2 |

¹⁾ Refers to non-current assets only



Reconciliation of Return on Capital Employed (ROCE)

Return on capital employed is a performance measure for operating income before items affecting comparability in relation to the capital employed within the operations. Operating income before items affecting comparability is the main profit metric that operations are responsible for, and is measured before interest and taxes. 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 equals the sum of equity and net debt.

Return on Capital Employed (ROCE)

| (SEKm) | Q3 2019 | Q4 2019 | Q1 2020 | Q2 2020 | Q3 2020 | Q4 2020 | Q1 2021 | Q2 2021 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Inventory | 2,877 | 2,551 | 2,857 | 2,853 | 2,708 | 2,614 | 2,900 | 3,009 |
| Accounts receivables | 1,243 | 1,112 | 981 | 897 | 970 | 789 | 947 | 899 |
| Prepaid expense and accrued income | 4,477 | 4,609 | 3,918 | 3,910 | 4,053 | 3,998 | 4,076 | 4,238 |
| Other current assets | 909 | 532 | 920 | 517 | 462 | 682 | 290 | 406 |
| Other current liabilities | -6,874 | -6,923 | -5,885 | -6,326 | -6,575 | -6,124 | -5,155 | -6,245 |
| Total working capital | 2,633 | 1,882 | 2,791 | 1,853 | 1,617 | 1,959 | 3,057 | 2,307 |
| Intangibles assets | 3,424 | 3,384 | 3,304 | 2,238 | 2,257 | 1,998 | 2,031 | 1,998 |
| Machinery, equipment and installations | 163 | 165 | 155 | 132 | 90 | 96 | 120 | 131 |
| Right-of-use assets | 588 | 566 | 527 | 383 | 375 | 360 | 350 | 330 |
| Shares and participations | 147 | 142 | 163 | 2,868 | 2,948 | 1,720 | 1,599 | 1,577 |
| Other long-term receivables | 178 | 171 | 191 | 133 | 162 | 176 | 133 | 127 |
| Capital employed held for sale | - | - | -46 | 1,172 | 1,154 | 635 | 614 | 498 |
| Provisions | -284 | -414 | -358 | -348 | -349 | -322 | -339 | -351 |
| Other non-current liabilities | -357 | -316 | -336 | -291 | -306 | -360 | -280 | -256 |
| Other items included in the capital employed | 3,859 | 3,699 | 3,600 | 6,288 | 6,330 | 4,304 | 4,227 | 4,054 |
| Capital employed | 6,492 | 5,581 | 6,391 | 8,140 | 7,947 | 6,263 | 7,284 | 6,361 |
| Operating income before IAC 12 months trailing, continuing operations | 1,498 | 1,445 | 1,380 | 1,157 | 1,148 | 1,077 | 1,069 | 1,111 |
| Operating income before IAC 12 months trailing, discontinued operations | 48 | 100 | 109 | 91 | 44 | -12 | -20 | -10 |
| Operating income before IAC 12 months trailing, total | 1,547 | 1,545 | 1,490 | 1,248 | 1,192 | 1,065 | 1,049 | 1,101 |
| Average Capital Employed (5 quarters) | 5,638 | 5,700 | 5,944 | 6,434 | 6,910 | 6,864 | 7,205 | 7,199 |
| ROCE % | 27.3% | 27.1% | 25.1% | 19.4% | 17.2% | 15.5% | 14.5% | 15.3% |
| Assets held for sale | - | - | 855 | 1,564 | 1,615 | 1,299 | 1,352 | 846 |
| Cash and cash equivalents included in assets held for sale | - | - | - | -31 | -24 | -4 | -26 | -5 |
| Liabilities related to assets held for sale | - | - | -901 | -485 | -555 | -781 | -834 | -446 |
| Lease liability, included in liabilities related to assets held for sale | - | - | - | 124 | 118 | 120 | 122 | 102 |
| Capital employed held for sale | - | - | -46 | 1,172 | 1,154 | 635 | 614 | 498 |



Adjusted net income from continuing operations

Adjusted net income and earnings per share are the Group's net income and EPS from continuing operations when excluding items affecting comparability and the amortisation of acquisition-related intangible assets, net of tax, for both NENT Group and its 50% share in the earnings of Allente. These performance measures provide a relevant metric to better understand the Group's underlying results and development. Please see note 3 for more information on Allente's performance and page 17 regarding NENT Group's items affecting comparability.

Adjusted net income

| (SEKm) | Q2 2021 | Q2 2020 | H1 2021 | H1 2020 | Full year 2020 |
|---|-------------|--------------|-------------|--------------|-------------------|
| Net income, continuing operations | 87 | 2,517 | 242 | 2,673 | 2,869 |
| Adjustment items | 179 | -2,369 | 255 | -2,368 | -1,912 |
| Adjusted net income from continuing operations | 266 | 148 | 497 | 305 | 957 |
| Basic average number of shares outstanding | 77,947,526 | 67,343,579 | 75,487,857 | 67,342,912 | 67,345,231 |
| Adjusted earnings per share from continuing operations (SEK) | 3.41 | 2.20 | 6.58 | 4.53 | 14.21 |
| Adjustment items | | | | | |
| <i>NENT Group</i> | | | | | |
| IAC | -74 | 2,383 | -74 | 2,383 | 2,109 |
| Tax effect on IAC | - | - | - | - | 1 |
| Amortisations of surplus value (PPA) | -2 | -2 | -4 | -4 | -8 |
| Tax effect on amortisations of surplus value (PPA) | 0 | 0 | 1 | 1 | 2 |
| <i>Allente</i> | | | | | |
| IAC | -89 | -16 | -143 | -16 | -101 |
| Tax effect on IAC | 19 | 3 | 30 | 3 | 22 |
| Amortisations of surplus value (PPA) | -42 | - | -83 | - | -145 |
| Tax effect on amortisations of surplus value (PPA) | 9 | - | 18 | - | 32 |
| Adjustment items | -179 | 2,369 | -255 | 2,368 | 1,912 |



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.

Commercial Share of Listening (CSOL)

CSOL comprises NENT Group's estimated share of commercial radio listening amongst 12+ year olds in Norway and 12-79 year olds in Sweden.

Commercial Share of Viewing (CSOV)

CSOV comprises NENT Group's estimated share of commercial TV viewing amongst 25-59 year olds.

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 outstanding.

EBITDA

EBITDA is Earnings Before Interest, Taxes, Depreciation and Amortisation.

Items Affecting Comparability

Items Affecting Comparability refer 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. Net debt also includes lease liabilities net of sublease receivables and dividends payable. A negative figure indicates that the Group has a net cash position (cash in excess of interest-bearing liabilities).

Operating expenditure

Operating expenditure comprises of Cost of sales, Selling and marketing expenses and Administrative expenses.

Operating income

Operating income comprises results before interest and taxes, otherwise known as EBIT (Earnings Before Interest and Taxes).

Organic growth

Organic growth is the change in net sales compared to the same period of the previous year excluding acquisitions and divestments and adjusted for currency translation and transaction effects.

Return On Capital Employed (ROCE) %

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

Viaplay subscribers

A Viaplay subscriber is defined as a customer who has access to Viaplay and for whom a method of payment has been provided. NENT Group only reports paid-for subscriptions where a payment has been received directly from the end-customer or from a partner organisation.



Shareholder information

2021 Annual General Meeting

The AGM resolved to re-elect Board members Anders Borg, Simon Duffy, Pernille Erenbjerg, Kristina Schauman and Natalie Tydeman and to elect Andrew House as a new member of the Board. The AGM also elected Pernille Erenbjerg as the new Chair of the Board.

The AGM resolved to implement a long-term incentive plan for 2021, and that NENT Group enter into a swap agreement with a third party to hedge the long-term incentive plan by acquiring and transferring NENT Group Class B shares to the plan participants. The AGM also resolved to re-elect KPMG as auditor until the end of the 2022 AGM, and Tomas Gerhardsson has been appointed as new auditor-in-charge.

The AGM approved the remuneration to the Board and auditor, in accordance with the Nomination Committee's proposal, and resolved to adopt new updated guidelines for the remuneration of the senior executives, in accordance with the Board's proposal.

The AGM resolved to authorise the Board to resolve on repurchases of no more than 10%, at any time, of all shares issued by NENT Group, and to amend NENT Group's Articles of Association to reflect formal requirements pursuant to the Swedish Companies Act.

Financial calendar

Publication of Q3 interim report
Publication of Full year report

26 October 2021
8 February 2022

Questions?

press@nentgroup.com (or Roberta Alenius, Head of Corporate Communications: +46 70 270 72 17)

investors@nentgroup.com (or Matthew Hooper, Chief Corporate Affairs Officer: +44 7768 440 414)

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

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

Teleconference and webcast

A teleconference and webcast will be held at 09.00 Stockholm local time, 08.00 London local time and 03.00 New York local time. The webcast will be streamed via the following link:

<https://edge.media-server.com/mmc/p/e9x7aopo>

To participate in the conference call, please dial:

Sweden: +46 (0) 8 566 184 67
UK: +44 (0) 2071 928 338
US: +1 646 741 3167

The access code for the call is 8549677.

Please note that only dial-in participants will be able to ask questions.





+46 (0)8 562 023 00

[nentgroup.com](https://www.nentgroup.com)

investors@nentgroup.com

Nordic Entertainment Group AB (publ) (NENT Group)'s Viaplay streaming service is available in every Nordic country and in Estonia, Latvia and Lithuania. Viaplay will launch in Poland and the US in 2021 and the Netherlands in 2022, followed by four additional markets by the end of 2023. We operate streaming services, TV channels, radio stations and production companies, and our purpose is to tell stories, touch lives and expand worlds. Headquartered in Stockholm and with a global outlook, 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 and the Swedish Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out above, at 07:30 CET on 22 July 2021.

