

## 16% Group sales growth and new strategic plan announced

### Second quarter highlights

- > 16% Group organic sales growth with reported sales of SEK 4,591m (3,725)
- > Viaplay revenues up 42% on organic basis to represent 53% share of total revenues
- > Operating income before associated company income (ACI) and items affecting comparability (IAC) of SEK -273m (132)
- > IAC of SEK -6,279m (0) comprised write-downs and provisions for sports and non-sports content, exit from the Baltics and goodwill impairment, and restructuring costs
- > Total reported operating income of SEK -6,551m (205) including ACI of SEK 2m (73)
- > Net income of SEK -5,886m (175) and EPS of SEK -75.24 (2.25)
- > New strategic plan and targets announced (see page 8)
- > Launching strategic review and addressing funding issues (see page 9)

### Financial summary

(SEKm)	Q2 2023	Q2 2022	H1 2023	H1 2022	Full year 2022
Net sales	4,591	3,725	9,128	7,049	15,691
Organic growth	16.1%	18.4%	22.8%	14.2%	19.7%
<b>Operating income before ACI and IAC</b>	<b>-273</b>	<b>132</b>	<b>-564</b>	<b>83</b>	<b>-372</b>
Associated company income (ACI)	2	73	12	128	275
Items affecting comparability (IAC) <sup>1)</sup>	-6,279	0	-6,323	595	510
<b>Operating income</b>	<b>-6,551</b>	<b>205</b>	<b>-6,875</b>	<b>807</b>	<b>413</b>
Net income for the period	-5,886	175	-6,174	659	323
Basic earnings per share (SEK)	-75.24	2.25	-78.93	8.44	4.13

1) Please see page 22 regarding items affecting comparability.

Alternative performance measures used in this report are explained and reconciled on pages 20-24.

## A word from our President & CEO

We are today announcing a new strategy and plan, which includes, but is not limited to, focusing on our core Nordic, Netherlands and Viaplay Select operations; implementing a new operational model; downsizing, partnering or exiting our other international markets; rightsizing and pricing our product offering in the Nordics; undertaking a major cost reduction programme; and conducting an immediate strategic review of the entire business to consider all options including content sublicensing, asset disposals, equity injections or the sale of the whole Group. The content investments that have been made are not all paying off, and are committed in the short and medium term. Furthermore, the pursuit of subscriber volume growth has been at the cost of value, especially when it comes to our partner agreements. The weakness in the advertising markets and currency exchange rates are additional factors that we must live with. The international expansion assumptions, including the timelines to profitability, have also been pushed materially into the future since the expansion started. We are moving quickly to address all of these challenges.

Going forward, our focus will be on the Nordic markets with the new operating model in place, on the right content mix, on the development of our soon to be profitable Dutch operations, and on the sale of our content internationally through Viaplay Select. We are focusing our attention and resources on those markets where we can compete for the long term, and ensuring that our products are relevant, popular and generate healthy returns.

We have had to take a number of immediate decisions for the sake of the future of our business. This regrettably means letting go of more than 25% of our people. Due to the material change in the international business plans, and the fact that not all of the content investments that we have made are paying off, we have SEK 6.3bn of items affecting comparability included in this report, which include a minor part of the redundancy programme costs, as well as writing down the value of content where we are not seeing sufficient return on investment, and exiting the Baltic markets. We are also discontinuing our low tier non-sports offering in each of our international markets, in order to focus on our sports offering and the sale of non-sports content through our profitable Viaplay Select business.

The future payment commitments for our content, when combined with the revenue trajectory that we see, means that we will need to reach agreement with our lenders on how best to navigate the period ahead. We are addressing covenant and funding challenges through discussions with lenders while exploring capital raising alternatives.

The Q2 results were in line with guidance on revenues and EBIT. We delivered 16% organic revenue growth and Viaplay was the primary driver with 42% revenue growth. Viaplay subscriber volumes were substantially lower than at the end of Q1, and than previously guided for, as we decided not to prolong or launch additional B2B partner campaigns that would not drive revenue and profitability. We now expect the Viaplay subscriber base to grow to 7.0 to 7.2 million by the

end of the year, with ARPU rising given the price adjustments that we have introduced.

Our Nordic revenues grew by 8% on an organic basis, with Viaplay representing 43% of Nordic sales and delivering 26% growth. Our Nordic Viaplay subscriber base was up slightly YoY but down QoQ due to the phasing out of ARPU dilutive partner campaigns, as well as seasonally higher churn in the sports packages. Prices have been raised YoY in each market. Our linear channel and other subscription revenues were up 9%, with sublicensing being the main driver. The advertising markets have further deteriorated and our combined TV, radio and AVOD sales were down 16%. The advertising outlook remains weak for the rest of the year. Sales for our international operations were up 115% on an organic basis as the Viaplay subscriber base grew by 69%, and prices have been raised in each market. The growth also reflected the Select deals that we have done. The subscriber base was down QoQ as we phased out ARPU dilutive partner campaigns, with the Polish base growing and Dutch base declining.

Group operating profits before ACI and IAC were in line with the guidance, with a 5.4% Nordic operating margin and higher QoQ losses for the international operations due to the content investments that we have made, the consolidation of the UK operation, and the launches in North America.

*"We are repositioning to drive long-term profitability"*



Looking forward into the second half of the year, we will continue to feel the pressure of the macro environment and rising content costs, due to higher original content costs, built-in sports rights inflation, and adverse currency effects. We now expect full year Group operating losses before ACI and IAC to be approximately SEK 850-1,050 million for 2023, which include approximately SEK 600 million of lower cost of sales following the provisions and write-downs that we have made. Our 2024 guidance is based on our continuing business being the Nordics, Netherlands and Viaplay Select, which will mean that SG&A costs will be borne by a smaller organisation. We expect to deliver between a loss of SEK 150 million and a profit of SEK 150 million in 2024, which includes approximately SEK 700 million of lower cost of sales. Margins are then expected to gradually rise in the following years towards the long-term objective of double digit EBIT margins. It is clear that we have much to do and much to gain, which is exactly what we are focused on!

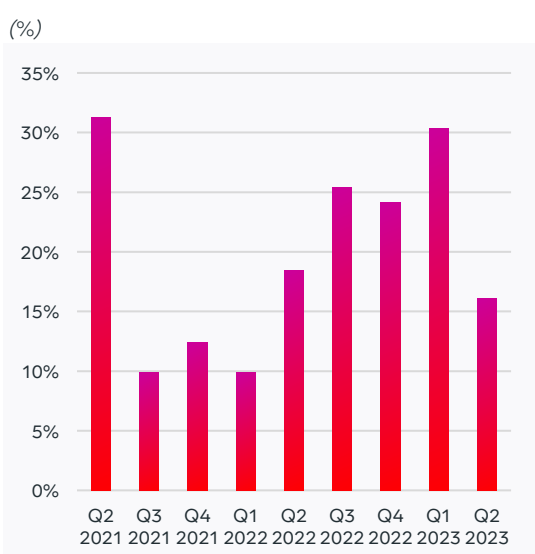
**Jørgen Madsen Lindemann**  
President & CEO

## Group performance

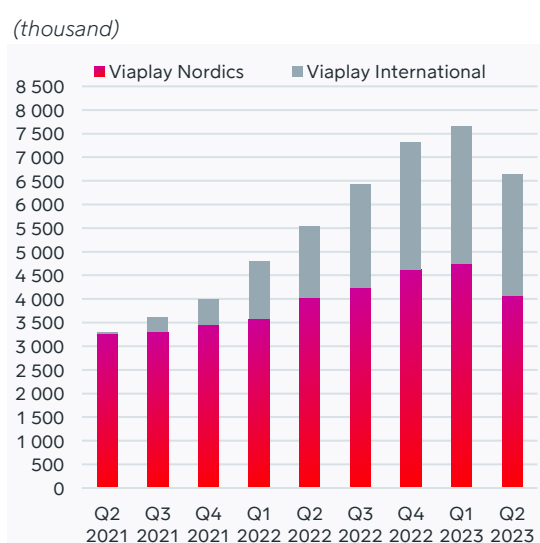
### Sales

Group net sales were up 16% on an organic basis, when excluding changes in FX rates and the contribution of Premier Sports, which was acquired in Q4 2022. This growth was driven by Viaplay's 42% organic sales growth across the Nordic and International markets, partly offset by a 16% decline in advertising revenues. Reported sales amounted to SEK 4,591m (3,725). Please see pages 20-21 for a reconciliation of organic and reported sales growth.

#### Organic sales growth



#### Viaplay subscriber base



### Operating income

Operating income before ACI and IAC amounted to SEK -273m (132), with Nordic operating income of SEK 208m (371) offset by International operating losses of SEK -481m (-239). The operational review initiated in June has resulted in actions that gave rise to items affecting comparability of SEK -6,279m, which are included in Group operating income. The IAC consisted of write-downs and provisions for sports and non-sports content of SEK -5,210m, goodwill impairments of SEK -484m and costs for exiting the Baltics of SEK -540m, and redundancy costs of SEK -45m related to the restructuring of the Group's operations. The majority of the redundancy costs will be taken as an IAC in Q3 2023. ACI totalled SEK 2m (73), which primarily comprised the Group's 50% share of the net income of Allente, which was impacted by SEK -27m (-6) of restructuring costs. Total operating income therefore amounted to SEK -6,551m (205). Please see page 22 for further information about the items affecting comparability, and note 3 regarding Allente's financial performance and position.

### Net financial items and net income

Net interest and other financial items totalled SEK -35m (-19). Net interest amounted to SEK -50m (-25), of which SEK -3m (-3) related to net lease liabilities. Other financial items amounted to SEK 15m (6) and mainly comprised the impact of currency exchange rates on the revaluation of financial items.

Taxes amounted to SEK 700m (-11), of which approximately SEK 646m related to the IAC. The Group's net income amounted to SEK -5,886m (175), and basic earnings per share were SEK -75.24 (2.25).

## Cash flow

Cash flow from operations excluding changes in working capital totalled SEK -198m (82) and included the receipt of a SEK 100m dividend from Allente. Changes in working capital amounted to SEK 506m (373) and primarily reflected the seasonality of sports rights payments. Total cash flow from operating activities amounted to SEK 308m (455).

Cash flow related to investing activities amounted to SEK -45m (-34), which comprised capital expenditure on tangible and intangible assets of SEK -46m (-39) and other investing activities of SEK 1m (4).

Cash flow from financing activities amounted to SEK -651m (-812), with borrowings increasing by SEK 653m (-800). The total net change in cash and cash equivalents therefore amounted to SEK -388m (-392).

## Financial position

The Group's net debt position at the end of the quarter was SEK 2,229m (-1,636). The financial net debt position, when excluding net lease liabilities of SEK 350m (338), was SEK 1,879m (-1,974). Cash and cash equivalents totalled SEK 1,648 (5,254), while the Group's total borrowings amounted to SEK 3,547m (3,400). As per balance sheet date the Group had a revolving free credit line (RCF) of SEK 4,000m. On the July 3, the Group drew SEK 500m of the RCF to strengthen liquidity ahead of cash commitments in the 2nd half of the year.

## Performance by operating segment

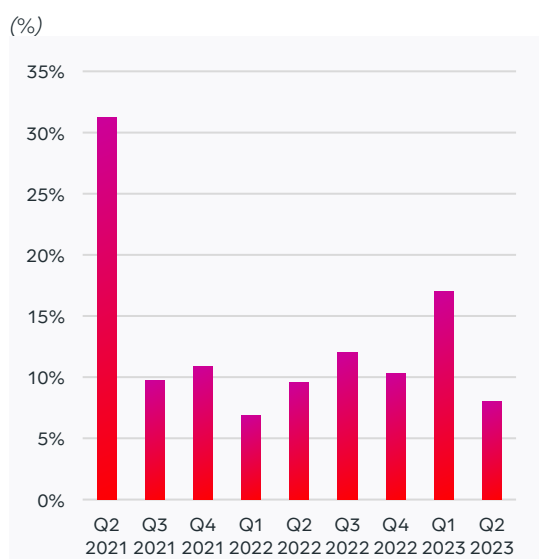
### Nordics

(SEKm)	Q2 2023	Q2 2022	Reported change %	Organic change %	H1 2023	H1 2022	Full year 2022
Viaplay	1,651	1,288	28.2%	25.7%	3,332	2,499	5,535
Linear subscription & other	1,313	1,149	14.3%	9.0%	2,626	2,295	4,914
Advertising	856	1,006	-14.9%	-15.7%	1,728	1,882	3,808
<b>Total sales</b>	<b>3,820</b>	<b>3,442</b>	<b>11.0%</b>	<b>8.0%</b>	<b>7,686</b>	<b>6,676</b>	<b>14,257</b>
Operating expenses	-3,612	-3,071	17.6%	-	-7,315	-6,049	-13,246
<b>Operating income before ACI and IAC</b>	<b>208</b>	<b>371</b>	<b>-43.9%</b>	<b>-</b>	<b>371</b>	<b>627</b>	<b>1,011</b>
Operating margin (%)	5.4%	10.8%	-	-	4.8%	9.4%	7.1%
<b>Viaplay subscribers ('000)</b>	<b>4,070</b>	<b>4,034</b>	<b>0.9%</b>	<b>-</b>	<b>4,070</b>	<b>4,034</b>	<b>4,625</b>

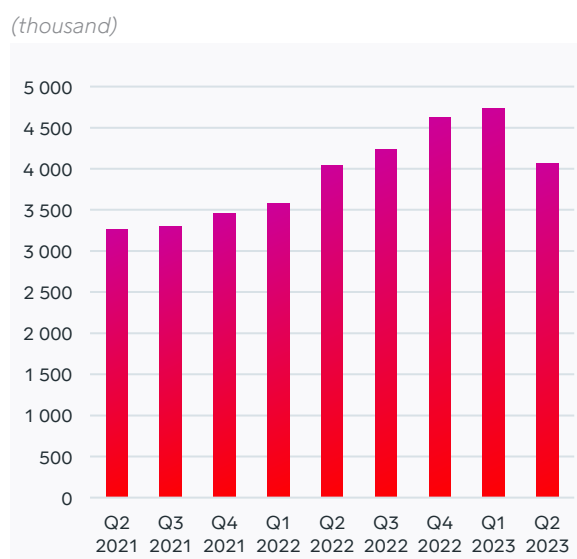
Viaplay sales were up 26% on an organic basis and represented 43% of Nordic sales in the quarter. The Nordic Viaplay paying subscriber base grew slightly year on year but was down quarter on quarter due to the phasing out of partnership campaigns that do not drive revenues and profits, as well as seasonal churn related to the off-season in many sports leagues. Prices have been raised in each market year on year. Linear subscription and other sales, which include wholesale channel subscription sales, sublicensing revenues, and Viaplay Studios external revenues were up 9% on an organic basis and represented 34% of Nordic sales. Advertising sales were down 16% on an organic basis and reflected the accelerated deterioration of the TV and radio advertising markets in Q2. The Group's TV target audience share increased in Denmark and decreased in Sweden and Norway, with all three TV advertising markets estimated to have declined. Viaplay Group's radio target audience share was down in Sweden and Norway, with both radio advertising markets also estimated to have declined.

The Group's investments in live sports and original content were the main drivers of the 18% increase in operating expenses. Operating profits declined by 44%.

### Nordics – organic sales growth



### Nordics – Viaplay subscriber base



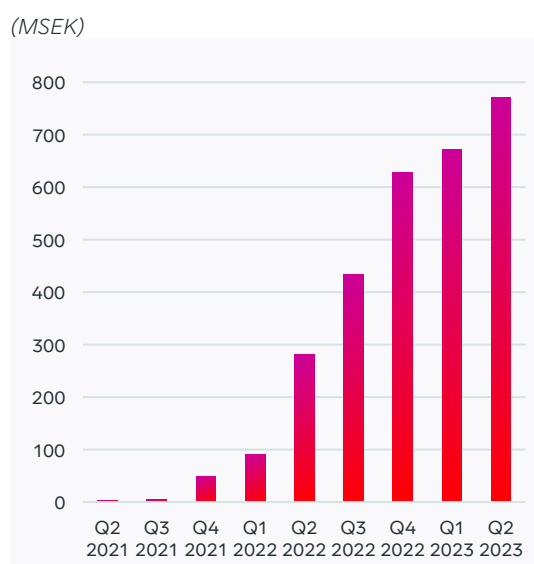
## International

(SEKm)	Q2 2023	Q2 2022	Reported change %	Organic change %	H1 2023	H1 2022	Full year 2022
Viaplay	771	282	173.4%	115.2%	1,442	373	1,434
<b>Total sales</b>	<b>771</b>	<b>282</b>	<b>173.4%</b>	<b>115.2%</b>	<b>1,442</b>	<b>373</b>	<b>1,434</b>
Operating expenses	-1,252	-521	140.3%	-	-2,377	-917	-2,817
<b>Operating income before ACI and IAC</b>	<b>-481</b>	<b>-239</b>	<b>101.3%</b>	<b>-</b>	<b>-935</b>	<b>-544</b>	<b>-1,383</b>
Operating margin (%)	<i>n.a</i>	<i>n.a</i>	-	-	<i>n.a</i>	<i>n.a</i>	<i>n.a</i>
<b>Viaplay subscribers ('000)</b>	<b>2,561</b>	<b>1,515</b>	<b>69.0%</b>	<b>-</b>	<b>2,561</b>	<b>1,515</b>	<b>2,694</b>

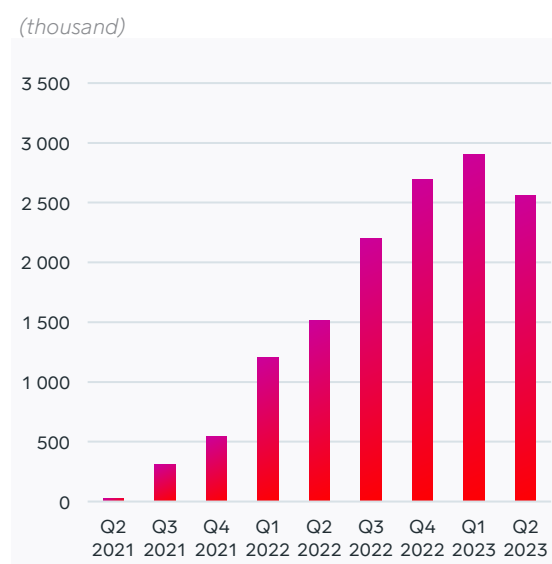
Viaplay sales were up 115% on an organic basis as the paying subscriber base grew by 69% and reflecting the Viaplay Select deals. The base was down quarter on quarter due to the phasing out of partnership campaigns that do not drive revenues and profits, with the Polish base growing and the Netherlands base declining. Prices have been raised year on year in each market. The Group announced a new Viaplay Select agreement during the quarter with Deutsche Telekom's MagentaTV in Germany, which takes the total number of Select sales markets to 21. The addition of the UK business also contributed to the reported sales growth.

The rise in operating expenses and operating losses reflected the Group's investments in live sports, the addition of the UK business, the launches in North America, and the expansion of Viaplay Select.

### International – sales



### International – Viaplay subscriber base



## *Parent company*

Viaplay 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 11m (10). Income before tax and appropriations amounted to SEK 65m (-43), and net income for the period amounted to SEK 51m (-32). The income statement and balance sheet for the parent company are presented on page 14.

## *Sustainability*

Viaplay Group drives sustainability, diversity and inclusion in its operations and productions, and has continued to generate impact externally by investing in storytelling that raises awareness of these topics, such as the recently premiered ecological thriller 'The Swarm'. In April, the Group was recognised as one of Europe's 500 Climate Leaders by the Financial Times. This recognition was testament to the Group's efforts to reduce carbon emissions, future-proof its business, and support global efforts to limit warming to 1.5°C.

The Group continued its efforts to reduce emissions across its value chain through initiatives aimed at engaging its supplier base. These included a collaboration with the Nordic knowledge hub 'Green Producers Club', which will provide suppliers with access to an emission calculator tool, as well as expert support and training in measuring and reducing emissions. During Q2, the Group launched its Sustainable Production Programme, which included a guide, training and third-party audits, and aims to support climate-conscious and responsible productions. Over 400 key suppliers and industry representatives from across the Nordic markets attended roadshow events following the launch of the Programme. The Group has begun implementing the newly launched guide in five productions. Third-party audits of two key international productions have been completed since the start of the year, and one more is planned for the second half of 2023.

The Group has also published its first Norwegian Transparency Act Report regarding the safeguarding of human rights and decent working conditions with business partners and in its supply chain.

In response to Russia's invasion of Ukraine, the Group has continued to apply international sanctions, exclude Russian content from its platforms, and screen contracts and counterparties to ensure that no payments are made to entities in Russia.

## Financial targets

Viaplay Group previously provided long-term operational and financial targets, which were withdrawn on 5 June 2023, and short-term operational and financial targets for 2023, which were withdrawn on 13 July 2023. The Group's new targets have been introduced today and are as follows:

### 2023

Group sales	SEK 18.5-18.8 billion
Nordics sales	SEK 15.2-15.5 billion
International sales	SEK 3.1-3.4 billion
Viaplay subscribers	~7.0-7.2m
Group EBIT (excluding ACI & IAC)	Loss of SEK 850-1,050 million with profit of SEK 450-600 million for Nordic operations and loss of SEK 1.4-1.5 billion for International operations
Free cash flow <sup>1)</sup>	Negative SEK 2.5 – 3.0 billion

- 1) Cash flow from operating activities plus cash flow from investing activities excluding the acquisition or disposal of operations

### 2024

#### (for the Group's continuing operations, which are expected to be its Nordic, Netherlands and Select operations)

Group sales	SEK 18.2-18.8 billion
Group EBIT (excluding ACI & IAC)	Between loss of SEK 150 million and profit of SEK 150 million
Free cash flow <sup>1)</sup>	Negative SEK 1.5 – 2.0 billion

- 1) Cash flow from operating activities plus cash flow from investing activities excluding the acquisition or disposal of operations

The 2023 and 2024 EBIT targets are net of lower cost of sales of approximately SEK 600m and SEK 700m, respectively.

The guidance for 2024 assumes that remaining operations in International are not part of the Group in 2024. In the event that these operations would still be part of the Group in 2024, there would be a much larger negative free cash flow impact in 2024.



## Risks & uncertainties

Significant risks and uncertainties exist for the Group and the parent company and are described in the Group's Annual & Sustainability report on pages 29-37. These factors include the prevailing economic and business environments in each of the Group's markets; commercial risks related to recent expansions; 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 competition for subscribers, audiences, content and talent. The increasing shift towards online entertainment consumption and the Group's expansion also make the Group a potential target for cyber-attacks, intrusions, disruptions or denials of service.

Global macro-economic developments, with increased inflation and interest rates, put pressure on both companies and consumers. During the first half of 2023 several of previously identified risks have materialised due to the global macroeconomic development and longer than expected realisation of Viaplay Group's cost savings programme. Consequently, the Group has today announced a new strategy and plan, which includes focusing on our core Nordic, Netherlands and Viaplay Select operations; implementing a new operational model; downsizing, partnering or exiting our other international markets; rightsizing and pricing our product offering in the Nordics; undertaking a major cost reduction programme; and conducting an immediate strategic review to consider all options available. There is a risk that the plan does not materialise as intended, which could impact the Group's financial position, access to capital and ability to meet its obligations. Under the current circumstances there is a risk related to the Group's fulfilment of certain financial covenants for part of its debt, and its resulting ability to access committed credit facilities. In addition, the Group's contracts to show certain key sports rights rely on bank guarantees, which are renewed annually and may be subject to withdrawal if the banks are unsure of the Group having sufficient liquidity to meet its commitments. Viaplay Group monitors each of these situations closely and acts accordingly.

## Other information

### Significant events during and after the quarter

- > 5 April – Viaplay Group publishes 2022 Annual & Sustainability Report
- > 5 April – Notice to the Annual General Meeting
- > 19 April – Viaplay Group and Deutsche Telekom's MagentaTV enter Viaplay Select partnership
- > 20 April – Viaplay launches on Roku devices in the US, Canada and the UK
- > 3 May – Filippa Wallestam appointed as EVP and Chief Commercial Officer, Nordics
- > 16 May – 2023 Annual General Meeting
- > 23 May – Cecilia Gave appointed as EVP and Head of Sports
- > 25 May – Viaplay Group signs new Polish distribution deal with Play
- > 5 June – Viaplay Group downgrades outlook for 2023 and appoints new CEO
- > 14 June – Peter Nørrelund rejoins Viaplay Group
- > 28 June – Viaplay Group announces new operating model and changes to management team
- > 12 July – Viaplay Group appoints Interim Chair
- > 13 July – Viaplay Group withdraws full year 2023 outlook

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

## 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 position for the period, and describes the material risks and uncertainties facing the Group companies and parent company.

Stockholm, 20 July 2023

Simon Duffy  
Interim Chair of the Board

Andrew House  
Non-executive Director

Kristina Schauman  
Non-executive Director

Anders Borg  
Non-executive Director

Natalie Tydeman  
Non-executive Director

Jørgen Madsen Lindemann  
President & CEO

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

## Financial statements

### Condensed consolidated income statement

(SEKm)	Q2 2023	Q2 2022	H1 2023	H1 2022	Full year 2022
Net sales	4,591	3,725	9,128	7,049	15,691
Cost of sales	-4,195	-2,781	-8,325	-5,403	-13,048
<b>Gross income</b>	<b>396</b>	<b>944</b>	<b>803</b>	<b>1,646</b>	<b>2,643</b>
Selling and marketing expenses	-283	-308	-613	-598	-1,264
General and administrative expenses	-404	-492	-820	-962	-1,899
Other operating income and expenses	17	-12	65	-2	148
Share of earnings in associated companies and joint ventures	2	73	12	128	275
Items affecting comparability	-6,279	-	-6,323	595	510
<b>Operating income</b>	<b>-6,551</b>	<b>205</b>	<b>-6,875</b>	<b>807</b>	<b>413</b>
Net financial items	-35	-19	-72	-37	-88
<b>Income before tax</b>	<b>-6,586</b>	<b>186</b>	<b>-6,948</b>	<b>770</b>	<b>325</b>
Tax expenses	700	-11	774	-111	-2
<b>Net income for the period</b>	<b>-5,886</b>	<b>175</b>	<b>-6,174</b>	<b>659</b>	<b>323</b>
<b>Other comprehensive income</b>					
Items that are or may be reclassified to profit or loss net of tax					
Currency translation differences	91	-38	-21	57	123
Cash flow hedges	69	134	36	187	108
<b>Other comprehensive income for the period</b>	<b>160</b>	<b>96</b>	<b>15</b>	<b>244</b>	<b>231</b>
<b>Total comprehensive income for the period</b>	<b>-5,726</b>	<b>271</b>	<b>-6,159</b>	<b>903</b>	<b>554</b>
<b>Net income for the period attributable to:</b>					
Equity holders of the Parent company	-5,886	175	-6,174	659	323
<b>Total comprehensive income for the period attributable to:</b>					
Equity holders of the Parent company	-5,726	271	-6,159	903	554
<b>Earnings per share</b>					
Basic earnings per share (SEK)	-75.24	2.25	-78.93	8.44	4.13
Diluted earnings per share (SEK)	-75.24	2.24	-78.93	8.42	4.13
<b>Number of shares</b>					
Shares outstanding at the end of the period	78,225,962	78,225,962	78,225,962	78,225,962	78,225,962
Basic average number of shares outstanding	78,225,962	78,123,708	78,225,962	78,047,375	78,137,402
Diluted average number of shares outstanding	78,225,962	78,222,236	78,225,962	78,224,039	78,225,008

## Condensed consolidated balance sheet

(SEKm)	30 Jun 2023	30 Jun 2022	31 Dec 2022
<b>Non-current assets</b>			
Intangible assets	1,962	1,984	2,437
Machinery, equipment and installations	176	162	174
Right-of-use assets	303	295	335
Shares and participations	1,214	1,382	1,363
Long-term sublease receivables	98	117	104
Other long-term receivables	975	175	94
<b>Total non-current assets</b>	<b>4,728</b>	<b>4,115</b>	<b>4,507</b>
<b>Current assets</b>			
Inventories	3,116	4,181	5,206
Accounts receivable	1,109	1,117	1,218
Short-term sublease receivables	35	32	32
Prepaid expenses and accrued income	8,525	6,682	7,588
Other current receivables	472	776	537
Cash and cash equivalents	1,648	5,254	2,775
<b>Total current assets</b>	<b>14,905</b>	<b>18,042</b>	<b>17,356</b>
<b>Total assets</b>	<b>19,632</b>	<b>22,157</b>	<b>21,863</b>
<b>Equity</b>			
Equity	2,765	9,245	8,911
<b>Total equity</b>	<b>2,765</b>	<b>9,245</b>	<b>8,911</b>
<b>Non-current liabilities</b>			
Long-term borrowings	2,550	3,250	3,250
Long-term lease liabilities	364	382	394
Long-term provisions	2,217	170	143
Other non-current liabilities	135	270	112
<b>Total non-current liabilities</b>	<b>5,266</b>	<b>4,072</b>	<b>3,899</b>
<b>Current liabilities</b>			
Short-term borrowings	997	150	650
Short-term lease liabilities	119	105	119
Short-term provisions	66	100	55
Other current liabilities	10,418	8,485	8,229
<b>Total current liabilities</b>	<b>11,600</b>	<b>8,840</b>	<b>9,053</b>
<b>Total liabilities</b>	<b>16,866</b>	<b>12,912</b>	<b>12,952</b>
<b>Total shareholders' equity and liabilities</b>	<b>19,632</b>	<b>22,157</b>	<b>21,863</b>

## Condensed consolidated statement of cash flow

(SEKm)	Q2 2023	Q2 2022	H1 2023	H1 2022	Full year 2022
<b>Operating activities</b>					
Net income for the period	-5,886	175	-6,174	659	323
Dividends from associated companies and joint ventures	100	-	100	-	300
Depreciation, amortisation and write-down	76	66	150	129	270
Adjustment for non-cash IAC	6,279	-	6,279	-	-
Other adjustments for non-cash items	-767	-160	-882	-215	-589
<b>Cash flow from operations, excluding changes in working capital</b>	<b>-198</b>	<b>82</b>	<b>-527</b>	<b>573</b>	<b>304</b>
Changes in working capital	506	373	-143	-1,045	-3,305
<b>Cash flow from operating activities</b>	<b>308</b>	<b>455</b>	<b>-670</b>	<b>-471</b>	<b>-3,001</b>
<b>Investing activities</b>					
Acquisitions of operations	-	-	-	-	-387
Capital expenditures in tangible and intangible assets	-46	-39	-104	-83	-186
Other cash flow from investing activities	1	4	5	9	71
<b>Cash flow from investing activities</b>	<b>-45</b>	<b>-34</b>	<b>-99</b>	<b>-75</b>	<b>-502</b>
<b>Financing activities</b>					
New borrowings	260	-	860	900	1,400
Amortisation of borrowings	-913	-800	-1,213	-800	-800
Net change in leases	-8	-17	-36	-34	-72
Other cash flow from financing activities	10	5	9	9	7
<b>Cash flow from financing activities</b>	<b>-651</b>	<b>-812</b>	<b>-380</b>	<b>75</b>	<b>535</b>
<b>Change in cash and cash equivalents for the period</b>	<b>-388</b>	<b>-392</b>	<b>-1,149</b>	<b>-471</b>	<b>-2,968</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>2,007</b>	<b>5,643</b>	<b>2,775</b>	<b>5,702</b>	<b>5,702</b>
Translation differences in cash and cash equivalents	29	3	22	22	41
<b>Cash and cash equivalents at end of the period</b>	<b>1,648</b>	<b>5,254</b>	<b>1,648</b>	<b>5,254</b>	<b>2,775</b>

## Condensed consolidated statement of changes in equity

(SEKm)	Q2 2023	Q2 2022	H1 2023	H1 2022	Full year 2022
<b>Opening balance</b>	<b>8,486</b>	<b>8,965</b>	<b>8,911</b>	<b>8,323</b>	<b>8,323</b>
Net income for the period	-5,886	175	-6,174	659	323
Other comprehensive income for the period	160	96	15	244	231
<b>Total comprehensive income for the period</b>	<b>-5,726</b>	<b>271</b>	<b>-6,159</b>	<b>903</b>	<b>554</b>
Effect of share based programmes	5	9	13	19	34
<b>Closing balance</b>	<b>2,765</b>	<b>9,245</b>	<b>2,765</b>	<b>9,245</b>	<b>8,911</b>

## Parent company condensed income statement

(SEKm)	Q2 2023	Q2 2022	H1 2023	H1 2022	Full year 2022
Net sales	11	10	22	20	123
General and administrative expenses	-42	-71	-96	-151	-298
Other operating income and expenses	-	-	1	1	1
<b>Operating income</b>	<b>-31</b>	<b>-61</b>	<b>-73</b>	<b>-130</b>	<b>-174</b>
Net financial items	96	18	189	31	138
<b>Income before tax and appropriations</b>	<b>65</b>	<b>-43</b>	<b>116</b>	<b>-99</b>	<b>-36</b>
Group contribution	-	-	-	-	-
<b>Income before tax</b>	<b>65</b>	<b>-43</b>	<b>116</b>	<b>-99</b>	<b>-36</b>
Tax expenses	-14	11	-24	22	36
<b>Net income for the period</b>	<b>51</b>	<b>-32</b>	<b>92</b>	<b>-77</b>	<b>-</b>
<b>Other comprehensive income</b>					
Items that are or may be reclassified to profit or loss net of tax					
Cash flow hedge	8	-	7	-	-2
<b>Other comprehensive income</b>	<b>8</b>	<b>-</b>	<b>7</b>	<b>-</b>	<b>-2</b>
<b>Total comprehensive income for the period</b>	<b>59</b>	<b>-32</b>	<b>99</b>	<b>-77</b>	<b>-2</b>

## Parent company condensed balance sheet

(SEKm)	30 Jun 2023	30 Jun 2022	31 Dec 2022
<b>Non-current assets</b>			
Shares and participations in Group companies	230	212	223
Long-term receivables from Group companies	9,046	9,462	9,053
Other long-term receivables	48	-	40
<b>Total non-current assets</b>	<b>9,324</b>	<b>9,674</b>	<b>9,316</b>
<b>Current assets</b>			
Short-term receivables from Group companies	2,561	105	2,919
Other current receivables	331	529	278
Cash and bank	1,472	5,102	2,610
<b>Total current assets</b>	<b>4,364</b>	<b>5,736</b>	<b>5,807</b>
<b>Total assets</b>	<b>13,688</b>	<b>15,410</b>	<b>15,123</b>
<b>Equity</b>			
Restricted equity	158	157	157
Non-restricted equity	6,590	6,388	6,479
<b>Total equity</b>	<b>6,748</b>	<b>6,545</b>	<b>6,636</b>
<b>Provisions</b>			
Provisions	1	-	-
<b>Total provisions</b>	<b>1</b>	<b>-</b>	<b>-</b>
<b>Non-current liabilities</b>			
Long-term borrowings	2,550	3,250	3,250
Other non-current liabilities	8	1	9
<b>Total non-current liabilities</b>	<b>2,558</b>	<b>3,251</b>	<b>3,259</b>
<b>Current liabilities</b>			
Short-term borrowings	997	150	650
Liabilities to Group companies	2,977	4,891	4,163
Other current liabilities	407	573	415
<b>Total current liabilities</b>	<b>4,381</b>	<b>5,614</b>	<b>5,228</b>
<b>Total equity and liabilities</b>	<b>13,688</b>	<b>15,410</b>	<b>15,123</b>

## 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 2022 Annual & Sustainability Report. Disclosures in accordance with IAS 34.16A are presented in the financial statements and their accompanying notes, as well as in other parts of the interim report.

In December 2022 the Group changed its operational model, introducing commercial regions to the Group's existing functional set-up, with the ambition to strengthen regional focus and bring the business closer to the customer. The new structure was fully operational from 1 January 2023, and the Group introduced reporting by two operating segments, Nordics and International, as disclosed in Note 2. The change in the Group's operating model from 1 July 2023 may have an impact on how the segments are reported moving forward, and this will be evaluated during the third quarter.

### Assumptions and estimates including going concern

The preparation of the interim report requires Viaplay Group to make updated assessments and estimates and make assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities as well as income and expenses, where the underlying risks have been described on page 9 of this interim report. The actual outcome may differ from these estimates and judgments. The critical assessments and sources of uncertainty in estimates are overall the same as those described in note 2 in the 2022 Annual & Sustainability report, however, the prevailing economic and business environments in each of the Group's markets have had a significant effect on these assessments. Historically the Group has expensed programme rights evenly over a license period, however as from H2 2023 the Group will, based on historic and expected viewing, prospectively expense its scripted content on an accelerated basis with a larger part of costs charged in the first year and remaining part over the license period or a maximum of 5 years.

During the first half of 2023 the Group has been impacted by a number of factors, which are already impacting the Group's results and will continue to do so moving forward. These includes significantly lower demand in the Nordic and international streaming D2C subscriber markets; lower wholesale subscription sales by linear distribution partners; weaker advertising markets; and adverse currency exchange rates due to the strengthening of currencies in which the Group has costs against the Swedish Krona. The previously initiated cost savings programmes have not proved sufficient to offset these effects. Furthermore, the largely fixed nature of the Group's cost base is creating negative earnings impacts when revenue growth initiatives and cost saving programmes are insufficient to offset the overall revenue growth potential of the business.

The Group has announced a new strategy and plan to offset these effects. This includes, but is not limited to, focusing on our core Nordic, Netherlands and Viaplay Select operations; implementing a new operational model; downsizing, partnering or exiting our other international markets; rightsizing and pricing our product offering in the Nordics; undertaking a major cost reduction programme; and conducting an immediate strategic review to consider all options available. These actions have resulted in IAC of SEK 6,279m reported in the Q2 results.

As of June 30, the Group had cash and cash equivalents of SEK 1,648m and a revolving free credit line (RCF) of SEK 4,000m. Altogether, the Group's available liquidity therefore amounted to SEK 5,649m as per the balance sheet date. On the July 3, the Group drew SEK 500m of the RCF to strengthen liquidity ahead of cash commitments in the 2nd half of the year. The facilities are subject to financial covenants and those have currently been fulfilled.

The Board of Directors has assessed the Group's ability to continue as a going concern based on the Group's ability to meet its obligations as they fall due at least 12 months after the interim financial report is issued. This assessment is based on the Group's updated business plan approved by the Board of Directors and the risks associated with that plan. The consolidated interim financial report for the period ending June 30 2023 has been prepared based on the going concern assumption, however, there is a material uncertainty that may cast significant doubt upon the Group's ability to continue as a going concern related to the company's fulfilment of certain financial covenants for part of its debt, and its resulting ability to access committed credit facilities. In addition, the Group's contracts to broadcast certain key sports rights rely on bank guarantees and may be subject to withdrawal. The Group is addressing covenant and funding challenges through discussions with lenders while exploring capital raising alternatives.

## Note 2 – Operating Segments

The Group's reporting of two operating segments, Nordics and International, is primarily based on its customers' geographical domicile. The reporting reflects the Group's operational structure and how the performance in the Group is internally monitored, reported and followed up upon by the Chief Operating Decision Maker (CODM). The CEO is identified as the CODM of the Group.

### Nordics

The Nordics segment includes the Group's operations related to the Viaplay streaming service available in all Nordic countries, pay-TV channels in all Nordic countries except Iceland; commercial free-TV channels in Sweden, Denmark and Norway; and commercial radio networks and audio streaming services in Sweden and Norway. The segment also includes Viaplay Studios, which primarily focuses on delivering original content for Viaplay.

### International

The International segment includes the Group's streaming service Viaplay and sales in the regions of Continental Europe, the Baltics, the UK and North America. The segment also includes the Group's Viaplay Select branded content business, which makes curated content available through partner platforms in selected markets.

### Reconciliation of segment reporting

(SEKm)	Nordics		International		Total Group	
	Q2	Q2	Q2	Q2	Q2	Q2
	2023	2022	2023	2022	2023	2022
Net sales	3,820	3,442	771	282	4,591	3,725
Operating expense	-3,612	-3,071	-1,252	-521	-4,864	-3,593
<b>Operating income before ACI and IAC</b>	<b>208</b>	<b>371</b>	<b>-481</b>	<b>-239</b>	<b>-273</b>	<b>132</b>
Associated Company Income (ACI)	-	-	-	-	2	73
Items affecting comparability (IAC)	-	-	-	-	-6,279	-
<b>Operating income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-6,551</b>	<b>205</b>
Net financial items	-	-	-	-	-35	-19
Tax expenses	-	-	-	-	700	-11
<b>Net income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-5,886</b>	<b>175</b>

(SEKm)	Nordics		International		Total Group	
	H1	H1	H1	H1	H1	H1
	2023	2022	2023	2022	2023	2022
Net sales	7,686	6,676	1,442	373	9,128	7,049
Operating expense	-7,315	-6,049	-2,377	-917	-9,692	-6,966
<b>Operating income before ACI and IAC</b>	<b>371</b>	<b>627</b>	<b>-935</b>	<b>-544</b>	<b>-564</b>	<b>83</b>
Associated Company Income (ACI)	-	-	-	-	12	128
Items affecting comparability (IAC)	-	-	-	-	-6,323	595
<b>Operating income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-6,875</b>	<b>807</b>
Net financial items	-	-	-	-	-72	-37
Tax expenses	-	-	-	-	774	-111
<b>Net income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-6,174</b>	<b>659</b>



## Disaggregation of revenue

Revenue by category (SEKm)	Q2 2023	Q2 2022	H1 2023	H1 2022	Full year 2022
Viaplay	2,422	1,570	4,775	2,872	6,969
Linear subscription & other	1,313	1,149	2,626	2,295	4,914
Advertising	856	1,006	1,728	1,882	3,808
<b>Total</b>	<b>4,591</b>	<b>3,725</b>	<b>9,128</b>	<b>7,049</b>	<b>15,691</b>

Revenue by revenue stream (SEKm)	Q2 2023	Q2 2022	H1 2023	H1 2022	Full year 2022
Subscription	3,335	2,553	6,653	4,824	10,841
Advertising	862	1,006	1,763	1,882	3,837
Licenses, royalties and other	282	100	553	248	657
Production	112	66	159	94	356
<b>Total</b>	<b>4,591</b>	<b>3,725</b>	<b>9,128</b>	<b>7,049</b>	<b>15,691</b>

Revenue recognition	Q2 2023	Q2 2022	H1 2023	H1 2022	Full year 2022
At a point in time	282	100	553	248	657
Over time	4,308	3,625	8,574	6,800	15,034
<b>Total</b>	<b>4,591</b>	<b>3,725</b>	<b>9,128</b>	<b>7,049</b>	<b>15,691</b>

## Note 3 – Income from associated company Allente

Allente's revenue and subscribers declined in the quarter. Allente's operating income included SEK -27m (-6) of items affecting comparability, which related to a restructuring programme launched during the quarter. Amortisation and depreciation charges for the period included SEK 107m (85) of PPA-related charges. Viaplay Group's 50% share of Allente's net income of SEK 9m amounted to SEK 5m.

(SEKm)	Q2 2023	Q2 2022	H1 2023	H1 2022	Full year 2022
Net sales	1,626	1,706	3,272	3,385	6,808
EBITDA before IAC	194	323	377	590	1,264
Depreciation and amortisation	-126	-107	-257	-216	-463
<b>Operating income before IAC</b>	<b>69</b>	<b>216</b>	<b>120</b>	<b>373</b>	<b>801</b>
Items affecting comparability (IAC)	-27	-6	-28	-15	-22
<b>Operating income</b>	<b>42</b>	<b>210</b>	<b>92</b>	<b>358</b>	<b>779</b>
Financial items	-32	-20	-55	-22	-65
Tax	-1	-41	-6	-71	-150
<b>Net income</b>	<b>9</b>	<b>149</b>	<b>31</b>	<b>265</b>	<b>564</b>
Viaplay Group 50% share of net income	5	75	15	133	282
Net debt	1,909	2,072	1,909	2,072	1,938
Total subscribers (thousand)	983	1,028	983	1,028	1,040

## Note 4 – Acquired operations

Viaplay Group announced an agreement to acquire Premier Sports on 21 July 2022. Premier Sports operates a sports streaming service and TV channels, which are available across the UK. The acquisition was finalized on 21 October 2022. The purchase price amounted to SEK 387m on a cash and debt-free basis. The purchase price allocation resulted in a surplus value of SEK 443m, which has been allocated to goodwill.

## Note 5 – Number of shares

Viaplay Group AB had a total of 79,122,244 shares at the end of the period, of which 531,536 were class A shares with 10 votes each, 77,701,208 were class B shares with one vote each, and 889,500 were class C shares with one vote each. Following the issue and subsequent buy-back of 680,000 class C shares in Q1 2023, Viaplay Group held 6,782 class B shares and all 889,500 class C shares. The total number of votes in Viaplay Group amounted to 83,906,068. The total number of votes in Viaplay Group excluding 6,782 class B shares and 889,500 class C shares held in treasury amounted to 83,009,786.

Parent company	Class A Shares	Class B Shares	Class C Shares	Total
Number of shares as at 31 December 2022	531,536	77,701,208	209,500	78,442,244
Share issue	-	-	680,000	680,000
<b>Number of shares at 30 June 2023</b>	<b>531,536</b>	<b>77,701,208</b>	<b>889,500</b>	<b>79,122,244</b>
Of which treasury shares	-	-6,782	-889,500	-896,282
<b>Number of shares excl treasury shares as at 30 June 2023</b>	<b>531,536</b>	<b>77,694,426</b>	<b>-</b>	<b>78,225,962</b>

## Note 6 – Related party transactions

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

## Group performance data

	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2
(SEKm)	2021	2021	2021	2022	2022	2022	2022	2022	2023	2023
Viaplay	1,095	1,150	4,331	1,211	1,288	1,437	1,599	5,535	1,682	1,651
Linear subscription & other	1,118	1,214	4,498	1,146	1,149	1,257	1,362	4,914	1,313	1,313
Advertising	837	1,140	3,777	876	1,006	845	1,081	3,808	871	856
<b>Nordics sales</b>	<b>3,049</b>	<b>3,505</b>	<b>12,606</b>	<b>3,233</b>	<b>3,442</b>	<b>3,539</b>	<b>4,042</b>	<b>14,257</b>	<b>3,866</b>	<b>3,820</b>
International (Viaplay) sales	5	48	55	91	282	433	628	1,434	671	771
<b>Total net sales</b>	<b>3,054</b>	<b>3,553</b>	<b>12,661</b>	<b>3,324</b>	<b>3,725</b>	<b>3,972</b>	<b>4,670</b>	<b>15,691</b>	<b>4,537</b>	<b>4,591</b>
Sales growth	8.0%	11.7%	5.5%	11.5%	21.3%	30.0%	31.4%	23.9%	36.5%	23.2%
Nordics organic growth	9.7%	10.9%	16.2%	6.9%	9.6%	12.0%	10.3%	9.7%	17.0%	8.0%
International organic growth	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	115.2%
<b>Organic growth</b>	<b>9.9%</b>	<b>12.4%</b>	<b>16.7%</b>	<b>9.9%</b>	<b>18.4%</b>	<b>25.4%</b>	<b>23.9%</b>	<b>19.7%</b>	<b>30.3%</b>	<b>16.1%</b>
Nordics operating income	280	340	1,112	256	371	248	136	1,011	163	208
International operating income	-200	-219	-505	-305	-239	-419	-420	-1,383	-454	-481
<b>Operating income before ACI and IAC</b>	<b>80</b>	<b>121</b>	<b>607</b>	<b>-49</b>	<b>132</b>	<b>-171</b>	<b>-284</b>	<b>-372</b>	<b>-291</b>	<b>-273</b>
Associated company income (ACI)	34	-51	40	55	73	71	76	275	10	2
Items affecting comparability (IAC)	-	-	-74	595	-	-	-86	510	-44	-6,279
<b>Operating income</b>	<b>114</b>	<b>69</b>	<b>573</b>	<b>602</b>	<b>205</b>	<b>-100</b>	<b>-294</b>	<b>413</b>	<b>-325</b>	<b>-6,551</b>
Net income	55	32	325	483	175	-86	-250	323	-288	-5,886
Basic earnings per share (SEK)	0.71	0.41	4.23	6.20	2.25	-1.10	-3.19	4.13	-3.68	-75.24
Nordics operating margin	9.2%	9.7%	8.8%	7.9%	10.8%	7.0%	3.4%	7.1%	4.2%	5.4%
International operating margin	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a
<b>Operating margin before ACI and IAC</b>	<b>2.6%</b>	<b>3.4%</b>	<b>4.8%</b>	<b>-1.5%</b>	<b>3.5%</b>	<b>-4.3%</b>	<b>-6.1%</b>	<b>-2.4%</b>	<b>-6.4%</b>	<b>-5.9%</b>
Operating margin	3.7%	2.0%	4.5%	18.1%	5.5%	-2.5%	-6.3%	2.6%	-7.2%	-142.7%
Net debt	-1,392	-2,059	-2,059	-1,107	-1,636	546	1,482	1,482	2,516	2,229
Net debt/EBITDA 12 months trailing	-1.1	-2.1	-2.1	-1.4	-2.3	1.2	8.6	8.6	-24.4	-3.9
ROCE	14.0%	9.9%	9.9%	6.6%	5.7%	2.4%	-1.2%	-1.2%	-4.1%	-9.8%
Nordics subscribers ('000s)	3,296	3,458	-	3,576	4,034	4,229	4,625	-	4,738	4,070
International subscribers ('000s)	313	547	-	1,208	1,515	2,200	2,694	-	2,905	2,561
<b>Total Viaplay subscriber base ('000s)</b>	<b>3,608</b>	<b>4,005</b>	<b>-</b>	<b>4,783</b>	<b>5,549</b>	<b>6,428</b>	<b>7,318</b>	<b>-</b>	<b>7,643</b>	<b>6,631</b>
CSOV Sweden (25-59)	20.4%	22.0%	21.7%	21.3%	22.2%	20.1%	17.8%	20.3%	24.1%	19.3%
CSOV Norway (25-59)	17.0%	20.2%	17.2%	16.6%	19.9%	17.6%	20.7%	18.9%	19.4%	16.6%
CSOV Denmark (25-59)	19.1%	18.4%	19.3%	19.0%	19.8%	18.5%	21.1%	19.6%	20.3%	22.1%
CSOL Sweden (12-79)	40.1%	40.1%	39.6%	43.5%	44.7%	43.7%	43.9%	44.1%	44.7%	43.3%
CSOL Norway (10+)	65.6%	67.3%	66.7%	69.7%	68.1%	67.5%	64.7%	67.5%	66.0%	65.3%

## 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. Viaplay 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)

### Reconciliation of sales growth

Since the Group generates the majority of its sales in currencies other than its reporting currency (SEK, Swedish Krona), and the fact that currency rates have proven to be rather volatile, and due to the fact that the Group has historically made several acquisitions and divestments, the Group'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 for separate discussion of the impact of acquisitions/divestments and exchange rates.

Year on year organic growth, i.e. sales growth adjusted for acquisitions/divestments and changes in FX rates, amounted to 16.1% in Q2 2023.

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
<b>Nordics</b>					
2023	3,820	-	3,820	-101	3,719
2022	3,442	-	3,442	-	3,442
<b>Growth</b>	<b>378</b>		<b>378</b>		<b>277</b>
Growth %	11.0%		11.0%		8.0%
<b>International</b>					
2023	771	-94	677	-70	607
2022	282	-	282	-	282
<b>Growth</b>	<b>489</b>		<b>395</b>		<b>325</b>
Growth %	173.4%		140.1%		115.2%
<b>Total</b>					
2023	4,591	-94	4,497	-171	4,326
2022	3,725	-	3,725	-	3,725
<b>Growth</b>	<b>866</b>		<b>772</b>		<b>601</b>
Growth %	23.2%		20.7%		16.1%

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
<b>Nordics</b>					
2023	7,686	-	7,686	-185	7,501
2022	6,676	-	6,676	-	6,676
<b>Growth</b>	<b>1,010</b>		<b>1,010</b>		<b>825</b>
Growth %	15.1%		15.1%		12.4%
<b>International</b>					
2023	1,442	-179	1,263	-105	1,158
2022	373	-	373	-	373
<b>Growth</b>	<b>1,069</b>		<b>890</b>		<b>785</b>
Growth %	286.6%		238.6%		210.5%
<b>Total</b>					
2023	9,128	-179	8,949	-290	8,659
2022	7,049	-	7,049	-	7,049
<b>Growth</b>	<b>2,079</b>		<b>1,900</b>		<b>1,610</b>
Growth %	29.5%		27.0%		22.8%

## 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 company income

(SEKm)	Q2 2023	Q2 2022	H1 2023	H1 2022	Full year 2022
Operating income	-6,551	205	-6,875	807	413
Items affecting comparability (IAC)	-6,279	-	-6,323	595	510
<b>Operating income before IAC</b>	<b>-272</b>	<b>205</b>	<b>-552</b>	<b>212</b>	<b>-97</b>
Associated company income (ACI)	2	73	12	128	275
<b>Operating income before ACI and IAC</b>	<b>-273</b>	<b>132</b>	<b>-564</b>	<b>83</b>	<b>-372</b>

### Items affecting comparability

(SEKm)	Q2 2023	Q2 2022	H1 2023	H1 2022	Full year 2022
Exit Baltic - sports content (International)	-540	-	-540	-	-
Write-down and provision - non-sports content (International)	-1,568	-	-1,568	-	-27
Impairment of goodwill (International)	-484	-	-484	-	-
Write-down and provision - non-sports content (Nordics)	-2,072	-	-2,072	-	-
Write-down and provision - sports content (Nordics)	-1,570	-	-1,570	-	-
Restructuring and redundancy costs (Nordics)	-45	-	-78	-	-37
Acquisition and integration cost for Premier Sports	-	-	-3	-	-22
Advisory costs	-	-	-8	-	-
Settlement of court cases	-	-	-	595	595
<b>Total</b>	<b>-6,279</b>	<b>-</b>	<b>-6,323</b>	<b>595</b>	<b>510</b>

### Items affecting comparability classified by function

(SEKm)	Q2 2023	Q2 2022	H1 2023	H1 2022	Full year 2022
Cost of sales	-5,751	-	-5,756	-	-38
Administrative expenses	-45	-	-81	-	-34
Other operating income and expenses	-484	-	-486	595	582
<b>Total</b>	<b>-6,279</b>	<b>-</b>	<b>-6,323</b>	<b>595</b>	<b>510</b>

\* Approximately SEK -3,687m of the Q2 2023 IAC relates to the Nordic operation and SEK -2,592m to the International operations. In total SEK -3,617m is non-cash items and SEK -2,663m will impact the Group's future cash-flow.

## 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

(SEKm)	30 Sep 2021	31 Dec 2021	31 Mar 2022	30 Jun 2022	30 Sep 2022	31 Dec 2022	31 Mar 2023	30 jun 2023
Short-term borrowings	800	800	800	150	150	650	950	997
Long-term borrowings	2,500	2,500	3,400	3,250	3,250	3,250	3,250	2,550
<b>Total financial borrowings</b>	<b>3,300</b>	<b>3,300</b>	<b>4,200</b>	<b>3,400</b>	<b>3,400</b>	<b>3,900</b>	<b>4,200</b>	<b>3,547</b>
Interest bearing receivables	40	20	20	20	20	20	20	20
Dividend receivable - Allente	-	-	-	100	-	-	-	-
Short-term investments	-	-	-	-	100	-	-	-
Cash and cash equivalents	5,014	5,702	5,642	5,254	3,065	2,775	2,007	1,648
<b>Financial net debt</b>	<b>-1,754</b>	<b>-2,422</b>	<b>-1,462</b>	<b>-1,974</b>	<b>215</b>	<b>1,105</b>	<b>2,173</b>	<b>1,879</b>
Lease liabilities	534	522	508	487	479	513	483	483
Sublease receivables	172	158	153	149	148	136	140	133
<b>Total lease liabilities net</b>	<b>362</b>	<b>364</b>	<b>355</b>	<b>338</b>	<b>331</b>	<b>377</b>	<b>343</b>	<b>350</b>
<b>Net debt</b>	<b>-1,392</b>	<b>-2,059</b>	<b>-1,107</b>	<b>-1,636</b>	<b>546</b>	<b>1,482</b>	<b>2,516</b>	<b>2,229</b>

### Net debt/EBITDA before IAC

(SEKm)	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023
Operating income before IAC, continuing operations	969	647	443	395	181	-97	-384	-860
Operating income before IAC, discontinued operations	2	8	16	3	-	-	-	-
Depreciation, amortisation and write-downs, continuing operations <sup>1)</sup>	267	296	294	292	292	270	281	291
Depreciation, amortisation and write-downs, discontinued operations <sup>1)</sup>	42	30	19	10	-	-	-	-
<b>EBITDA 12 months trailing</b>	<b>1,280</b>	<b>980</b>	<b>772</b>	<b>700</b>	<b>473</b>	<b>173</b>	<b>-103</b>	<b>-569</b>
Net debt	-1,392	-2,059	-1,107	-1,636	546	1,482	2,516	2,229
<b>Total net debt / EBITDA 12 months trailing</b>	<b>-1.1</b>	<b>-2.1</b>	<b>-1.4</b>	<b>-2.3</b>	<b>1.2</b>	<b>8.6</b>	<b>-24.4</b>	<b>-3.9</b>

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.

(SEKm)	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023
Inventories	3,252	3,543	3,869	4,181	4,629	5,206	5,585	3,116
Accounts receivable	1,089	847	924	1,117	1,023	1,218	1,049	1,109
Prepaid expense and accrued income	4,196	4,990	4,888	6,682	6,979	7,588	8,366	8,525
Other current assets	261	350	373	676	843	537	412	472
Other current liabilities	-5,498	-6,772	-5,733	-8,485	-7,207	-8,229	-8,445	-10,418
<b>Total working capital</b>	<b>3,300</b>	<b>2,958</b>	<b>4,321</b>	<b>4,171</b>	<b>6,267</b>	<b>6,320</b>	<b>6,967</b>	<b>2,804</b>
Intangible assets	1,992	1,981	2,001	1,984	1,972	2,437	2,400	1,962
Machinery, equipment and installations	148	163	168	162	163	174	180	176
Right-of-use assets	335	321	313	295	290	335	308	303
Shares and participations	1,495	1,328	1,445	1,382	1,474	1,363	1,292	1,214
Other long-term receivables	115	124	127	155	130	74	219	955
Provisions	-360	-372	-255	-270	-239	-198	-210	-2,283
Other non-current liabilities	-213	-238	-262	-270	-238	-112	-154	-135
<b>Other items included in the capital employed</b>	<b>3,512</b>	<b>3,306</b>	<b>3,538</b>	<b>3,438</b>	<b>3,552</b>	<b>4,073</b>	<b>4,035</b>	<b>2,192</b>
<b>Capital employed</b>	<b>6,812</b>	<b>6,264</b>	<b>7,858</b>	<b>7,609</b>	<b>9,819</b>	<b>10,393</b>	<b>11,002</b>	<b>4,996</b>
Operating income before IAC 12 months trailing, continuing operations	969	647	443	395	181	-97	-384	-860
Operating income before IAC 12 months trailing, discontinued operations	2	8	16	3	0	-	-	-
<b>Operating income before IAC 12 months trailing, total</b>	<b>971</b>	<b>655</b>	<b>459</b>	<b>398</b>	<b>181</b>	<b>-97</b>	<b>-384</b>	<b>-860</b>
Average Capital Employed (5 quarters)	6,933	6,597	6,916	6,981	7,673	8,389	9,337	8,764
<b>ROCE %</b>	<b>14.0%</b>	<b>9.9%</b>	<b>6.6%</b>	<b>5.7%</b>	<b>2.4%</b>	<b>-1.2%</b>	<b>-4.1%</b>	<b>-9.8%</b>



## Definitions

### Associated company income (ACI)

Associated companies are companies in which the Group holds voting rights of at least 20% and no more than 50%. Associated company income is the Group's share of the associated company's net income.

### Capital employed

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

### Commercial Share of Listening (CSOL)

CSOL comprises Viaplay Group's estimated share of commercial radio listening amongst 10+ year olds in Norway and 12-79 year olds in Sweden.

### Commercial Share of Viewing (CSOV)

CSOV comprises Viaplay 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 (IAC)

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 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. Viaplay Group only reports paid-for subscriptions where a payment has been received directly from the end-customer or from a partner organisation. As of Q2 2023, the Viaplay subscriber base excludes temporary campaign subscribers that generate no meaningful ARPU via distribution partners.

## Shareholder information

### Financial calendar

Publication of Q3 interim report

24 October

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### Conference call

A conference call will take place today at 09.00 Stockholm local time, 08.00 London local time and 03.00 New York local time.

The conference call can be accessed online at <https://edge.media-server.com/mmc/p/bq2r3xcf>

Or, register for the conference call at

<https://register.vevent.com/register/B16b1c13b36d8a4e3f80a7b41352bc3c6b>



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This information is information that Viaplay Group AB (publ) 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 20 July 2023.

Viaplay Group AB (publ) is the international entertainment provider. Our Viaplay streaming service is available direct-to-consumer in every Nordic and Baltic country, Poland, the Netherlands, the UK, the US and Canada. Every day, millions of customers enjoy our unique entertainment offering, including acclaimed Viaplay Series, Films and more, and an unrivalled line-up of premium live sports. In addition, our innovative Viaplay Select branded content concept makes Viaplay's compelling storytelling available to partners around the world. From streaming to TV channels, radio stations and production companies, our purpose is to tell stories, touch lives and expand worlds. Viaplay Group is listed on Nasdaq Stockholm ('VPLAY B').

This interim report contains statements concerning, among other things, Viaplay Group's financial condition and results of operations that are forward-looking in nature. Such statements are not historical facts but, rather, represent Viaplay Group's future expectations. Viaplay Group believes that the expectations reflected in these forward-looking statements are based on reasonable assumptions; however, forward-looking statements involve inherent risks and uncertainties, and a number of important factors could cause actual results or outcomes to differ materially from those expressed in any forward-looking statements. Such important factors include but may not be limited to Viaplay Group's market position; growth in the streaming industry; and the effects of competition and other economic, business, competitive and/or regulatory factors affecting the business of Viaplay Group, its group companies and the streaming industry in general. Forward-looking statements apply only as of the date they were made and, other than as required by applicable law, Viaplay Group undertakes no obligation to update any of them in the light of new information or future events.