

2023
Q3



7% Group organic sales growth & 17% Viaplay organic sales growth

Third quarter highlights

- > 7% Group organic sales growth with reported net sales of SEK 4,536m (3,972)
- > 17% Viaplay organic sales growth and Viaplay now represents 52% share of Group net sales
- > Operating income before associated company income (ACI) and items affecting comparability (IAC) of SEK -321m (-171)
- > IAC of SEK -253m (0) primarily related to restructuring and redundancy costs
- > Total reported operating income of SEK -538m (-100) including ACI of SEK 36m (71)
- > Net income of SEK -693m (-86) and EPS of SEK -8.85 (-1.10)
- > Comprehensive recapitalisation plan announced today

Financial summary

(SEKm)	Q3 2023	Q3 2022	Nine months 2023	Nine months 2022	Full year 2022
Net sales	4,536	3,972	13,664	11,021	15,691
Organic sales growth	7.4%	25.4%	17.3%	18.0%	19.7%
Reported sales growth	14.2%	30.0%	24.0%	21.0%	23.9%
Operating income before ACI and IAC	-321	-171	-885	-88	-372
Associated company income (ACI)	36	71	48	200	275
Items affecting comparability (IAC) ¹⁾	-253	0	-6,577	595	510
Operating income	-538	-100	-7,413	707	413
Net income for the period	-693	-86	-6,867	573	323
Basic earnings per share (SEK)	-8.85	-1.10	-87.78	7.33	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 have just announced the proposal of a comprehensive recapitalisation of the Group, in order to address our financial challenges and provide for the future development of the Group. This follows our strategic review of the entire business and extensive discussions with our major shareholders and debt providers, and includes the renegotiation of our credit arrangements and the proposed injection of new equity into the Group.

We have been implementing a wide range of measures since we introduced our new strategy and plan with our Q2 report in July, in order to improve our operating performance and financial position. These have included the introduction of our new country-based operating model, a major cost reduction programme, which sadly resulted in a more than 30% reduction in the size of our workforce, the renegotiation of partner distribution agreements to focus on value over volume, and the signing of new commercial deals with content providers that will improve our return on investment. These agreements have included an innovative new strategic partnership with Formula One in the Netherlands, which secures our profitability and adds further value for sports subscribers and F1 fans.

Our core Nordic, Netherlands and Viaplay Select operations have stable Viaplay subscriber volumes and rising ARPU levels, a much-improved content mix, and growing content sales to 3rd party platforms. We are well on track to reach our year end revenue and profitability targets for these operations, as we set out in July.

The non-core international operations in the Baltics, Poland and the UK have continued to perform below expectations, but better year-on-year due to the range of cost savings initiatives that we have implemented. We now expect to report higher full year losses for these operations than previously guided for, due to the range of commercial initiatives that we have not been able to initiate now that we are exiting the markets. The route to profitability for these operations is not clear or realistic, which is why we have now reached agreement to sell our UK operation, subject to regulatory approval, and we will exit the Baltic and Polish markets by summer 2025. The negative cash effect of exiting these loss-making operations will be approximately SEK 2.2 billion over the coming years. In addition, we have reached agreement to sell our Paprika Studios content production business, subject to shareholder approval, which will further sharpen our Nordic focus.

Group organic sales growth of 7% in Q3 was primarily driven by 17% organic sales growth in Viaplay, which now accounts for 52% of Group net sales. Our Nordic organic sales growth was 3%, with Viaplay delivering 9% organic sales growth and accounting for 43% of our total Nordic net sales. The Viaplay sales growth reflected positive ARPU developments in almost all markets. We have further cleaned up the subscriber bases and set clear return requirements for our marketing investments, and we have therefore reset our year end subscriber target to reflect a more stable forward trajectory, where our priority is accurately pricing and packaging our very strong content offerings.

The Nordic advertising markets continued to be under pressure in Q3, and our combined advertising sales were

down 10% on an organic basis, as the growth in digital AVOD sales could not offset the fall in linear TV and radio sales. We are working on increasing our digital advertising inventory and expect the growth in this segment to continue as buyers increasingly pivot to digital platforms.

The 5% organic sales growth in our Nordic linear subscription and other sales reflected growth in wholesale channel sales, sublicensing revenues and external sales by our Studios operations. Wholesale linear channel sales account for almost 90% of this line, and the growth reflects our price increases and new agreements with existing partners.

Group operating income before ACI and IAC was, as expected, lower year on year as we continued to report substantial losses in the non-core international markets, and Nordic profits were impacted by the lower advertising sales, the locked in inflation in content costs, and continued adverse currency exchange rate developments.

The IAC in the quarter primarily related to the workforce rightsizing programme, which has been necessary to reset the business according to our new strategy and plan, and in the context of company and market circumstances.

We continue to feel the pressure of higher previously committed original content costs, built-in sports rights inflation, and adverse currency effects. Our full year 2023 sales expectations are unchanged, but we now expect full year operating losses before ACI and IAC of approximately SEK 1.0 to 1.15 billion, due to the underperformance of the international non-core operations. Our sales and profitability expectations for our core operations in 2024 are unchanged, as is our expectation that margins will then gradually rise in the following years towards the long-term objective of double-digit EBIT margins.

“Great storytelling and close partnerships with our key stakeholders are the drivers that will make us competitive in our core markets moving forward.”



We understand the current state, and future potential, of the business, our products, and our people. The energy, enthusiasm, and enterprise of our teams, especially in these challenging times, is fantastic to see. We have much to achieve together and the proposed recapitalisation of the business is a necessary part of resetting the Group for a much more sustainable future, where our attention and resources are focused on those markets where we can compete for the long term, and where our products are relevant, popular and generate healthy returns.

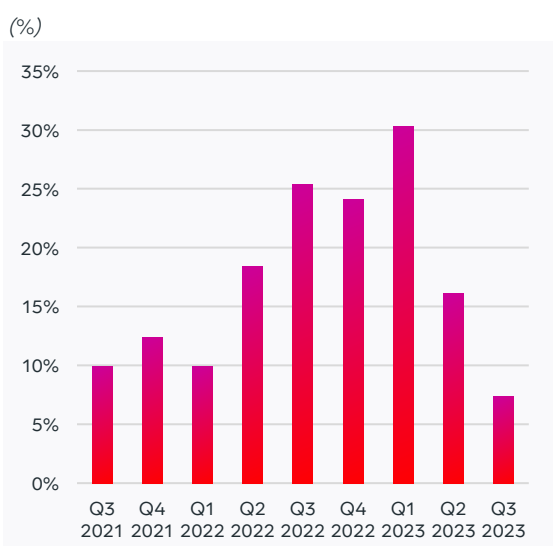
Jørgen Madsen Lindemann
President & CEO

Group performance

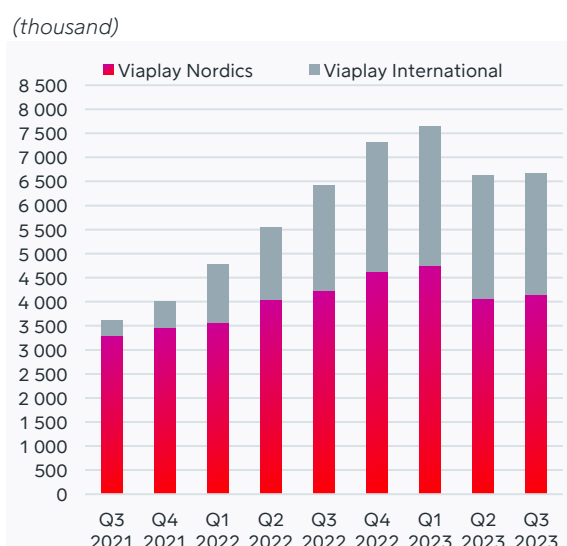
Sales

Group organic sales growth of 7% excluded changes in FX rates and the contribution of Premier Sports, which was acquired in Q4 2022. The sales growth was primarily driven by Viaplay's 17% organic sales growth across the Nordic and International markets, and partly offset by a 10% decline in organic sales growth in advertising revenues. Reported sales amounted to SEK 4,536m (3,972). 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 -321m (-171), with operating income before ACI and IAC of SEK 19m (248) for the Nordic operations offset by SEK -340m (-419) for the international operations. The operational and organisational changes initiated in June resulted in additional items affecting comparability of SEK -253m (0). The IAC comprised SEK -210m of costs related to the restructuring programme, as well as asset impairments of SEK -28m, and advisory costs of SEK -15m related to the ongoing work to refinance the Group. ACI totalled SEK 36m (71) and primarily comprised the Group's 50% share of the net income of Allente. Total operating income therefore amounted to SEK -538m (-100). Please see page 22 for further information about the items affecting comparability and note 3 on page 18 regarding Allente's financial performance and position.

Net financial items and net income

Net interest and other financial items totalled SEK -71m (-28). Net interest amounted to SEK -62m (-24), of which SEK -3m (-3) related to net lease liabilities. Other financial items amounted to SEK -9m (-4) and mainly comprised the impact of currency exchange rates on the revaluation of financial items.

Taxes amounted to SEK -84m (42). Group net income amounted to SEK -693m (-86), and basic earnings per share to SEK -8.85 (-1.10).

Cash flow

Cash flow from operations, excluding changes in working capital, totalled SEK -514m (-167). Changes in working capital amounted to SEK -539m (-1,915) and primarily reflected lower sports rights payments. Cash flow from operating activities amounted to SEK -1,053m (-2,082).

Cash flow related to investing activities amounted to SEK -28m (12), which comprised capital expenditure on tangible and intangible assets of SEK -34m (-45) and other investing activities of SEK 6m (57).

Cash flow from financing activities amounted to SEK 1,169m (-117), with borrowings increasing by SEK 1,203m (0). The total net change in cash and cash equivalents therefore amounted to SEK 88m (-2,187).

Financial position

The Group's net debt position at the end of the period was SEK 3,328m (546). The financial net debt position, which excludes net lease liabilities of SEK 322m (331), was SEK 3,006m (215). Cash and cash equivalents totalled SEK 1,724m (3,065), while the Group's total borrowings amounted to SEK 4,750m (3,400). The Group had drawn down SEK 1,500m of its SEK 4,000m revolving credit facility (RCF) as at the end of the period, and had drawn down the remaining SEK 2,500m by 6 October.

Performance by operating segment

Nordics

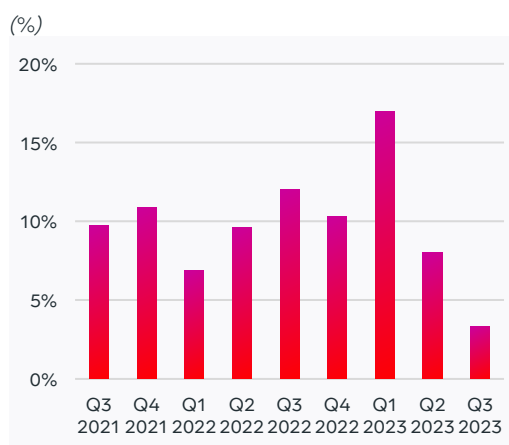
	Q3	Q3	Reported	Organic	Nine	Nine	Full year
(SEKm)	2023	2022	change %	sales	months	months	2022
				growth %	2023	2022	
Viaplay	1,607	1,437	11.8%	9.5%	4,939	3,936	5,535
Linear subscription & other	1,389	1,257	10.5%	5.2%	4,014	3,552	4,914
Advertising	780	845	-7.7%	-9.8%	2,508	2,727	3,808
Net sales	3,776	3,539	6.7%	3.3%	11,461	10,215	14,257
Operating expenses	-3,757	-3,291	-14.2%		-11,071	-9,340	-13,246
Operating income before ACI and IAC	19	248	-92.3%		390	875	1,011
<i>Operating margin before ACI and IAC (%)</i>	<i>0.5%</i>	<i>7.0%</i>	<i>-</i>		<i>3.4%</i>	<i>8.6%</i>	<i>7.1%</i>
Viaplay subscribers ('000)	4,144	4,229	-2.0%		4,144	4,229	4,625

Viaplay's organic sales growth was 9.5% and Viaplay accounted for 43% of total Nordic net sales for the quarter. The sales growth primarily reflected price increases across all markets, as well as more favourable subscriber package mix. The Nordic subscriber base grew quarter-on-quarter and was down year-on-year due to the discontinuation of partnership campaigns announced in connection with the Q2 report.

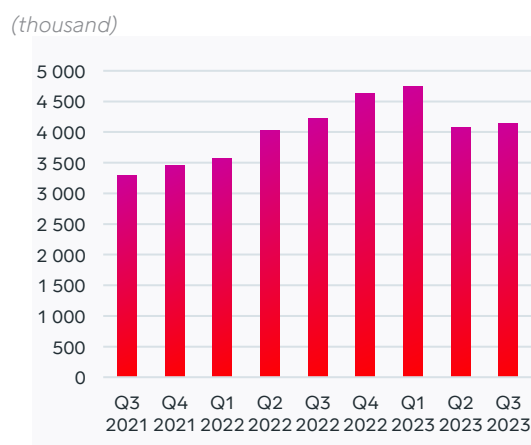
Linear subscription and other sales, which comprise wholesale channel subscription revenues, sublicensing revenues, and external sales by Viaplay Studios, generated organic sales growth of 5% and accounted for 37% of Nordic net sales. The sales growth reflected price increases for the Group's linear channels, higher sports sublicensing revenues and external sales by the Group's studios. The organic advertising sales decline of 10% reflected the adverse market conditions. Digital advertising revenues were up year-over-year but could not offset the linear advertising revenue declines. The Group's TV target audience share increased in Sweden and Denmark and decreased in Norway, with all three TV advertising markets estimated to have declined. The Group's radio target audience share increased in both Norway and Sweden, with the radio advertising market estimated to have grown in Norway and declined in Sweden.

The primary factors behind the 14% rise in operating expenses and 92% decline in operating income before ACI and IAC were increased costs for sports rights and acquired content. This was offset to some extent by cost savings in original productions and lower personnel expenses.

Nordics – organic sales growth



Nordics – Viaplay subscriber base



International

	Q3	Q3	Reported	Organic	Nine	Nine	Full year
(SEKm)	2023	2022	change %	sales	months	months	2022
				growth %	2023	2022	2022
Viaplay	760	433	75.5%	40.2%	2,203	806	1,434
Net sales	760	433	75.5%	40.2%	2,203	806	1,434
Operating expenses	-1,100	-852	-29.1%		-3,478	-1,769	-2,817
Operating income before ACI and IAC	-340	-419	18.9%		-1,275	-963	-1,383
<i>Operating margin before ACI and IAC(%)</i>	<i>n.a</i>	<i>n.a</i>	-		<i>n.a</i>	<i>n.a</i>	<i>n.a</i>
Viaplay subscribers ('000)	2,520	2,200	14.5%		2,520	2,200	2,694

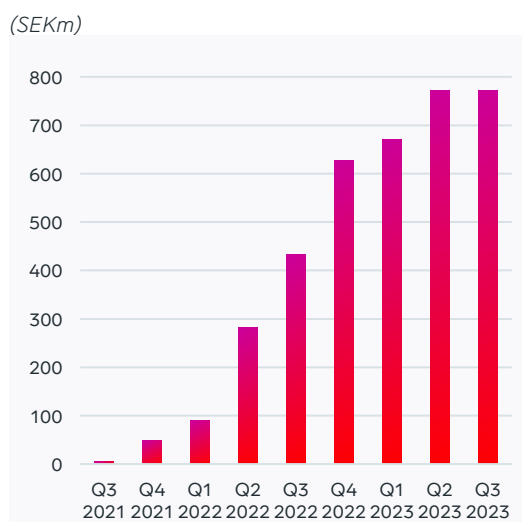
Viaplay's International organic sales growth of 40% was mainly driven by price increases across almost all international markets, as well as increased content distribution sales. The subscriber base was down slightly quarter-on-quarter.

The Group announced a new strategic partnership with Formula 1 in the Netherlands in September, with Viaplay customers soon to be able to access F1 TV Pro as part of their Viaplay subscriptions from the start of the 2024 Formula 1 season.

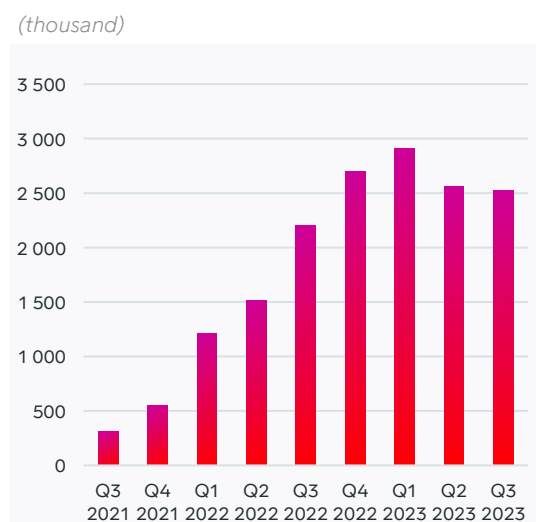
The Group also expanded its Viaplay Select revenues and entered into agreements with Vodafone Greece and CH Media in Switzerland. The total number of announced Viaplay Select markets has thereby increased to 23.

The 29% year-on-year rise in operating expenses reflected the Group's strategic investments in live sports, the integration of the UK business, the entry into the North American market, and the expansion of Viaplay Select. These increased costs were offset by higher net sales, reductions in marketing and personnel expenses and the effects of the previous content provisions and resulted in a 19% improvement in operating income before ACI and IAC.

International – net 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 4m (10). Income before tax and appropriations amounted to SEK -36m (-16), and net income for the period amounted to SEK -29m (-13). The result includes SEK 46m of costs related to the redundancy programme initiated in July, as well as advisory costs related to the ongoing work to refinance the Group. Shares and participation in Group companies has increased as an effect of capital contributions to subsidiaries made during the quarter. The income statement and balance sheet for the parent company are presented on page 14.

Sustainability

The Group continued its efforts to reduce emissions across its value chain through initiatives aimed at engaging its supplier base, such as its Sustainable production programme. This work also included engaging third party production companies in setting sustainability targets, as well as conducting training and third-party sustainability audits to ensure climate-conscious production practices and support efforts to limit global warming to 1.5°C.

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 drama series 'Paradis City'. Viaplay Group's coverage of women's sport increased further with all 64 matches from the FIFA Women's World Cup 2023 shown live in four countries, and featured expanded coverage of Women's Super League football. Viaplay live streamed the 'Barncancergalan' fundraising gala for the Swedish Children's Cancer Fund, to support the fight against childhood cancer. The coverage was watched by over 250 000 viewers and raised SEK 53m.

The Group is undertaking a review of its sustainability strategy, in order to ensure alignment with the Group's revised business plan, and to prepare for the Corporate Sustainability Reporting Directive (CSRD).

Viaplay Group joined 'The Swedish Business Network on Human Rights' and has continued to strengthen its human rights due diligence processes, including alignment with the Norwegian Transparency Act and the forthcoming EU Corporate Sustainability Due Diligence Directive (CSDDD).

In response to Russia's invasion of Ukraine, Viaplay 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 introduced new operational and financial targets in conjunction with the publication of its Q2 results on 20 July 2023. These targets have been updated today as follows:

2023 – Updated targets

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	6.55-6.65 million (changed)
Group EBIT (excluding ACI & IAC)	Loss of SEK 1.0—1.15 billion, with profit of SEK 0.5-0.6 billion for the Nordic operations and loss of SEK 1.6-1.7 billion for the International operations (changed)
Free cash flow ¹⁾	Negative SEK 3.6-3.8 billion (changed)

2023 (Previous targets)

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	~7.0-7.2 million
Group EBIT (excluding ACI & IAC)	Loss of SEK 850-1,050 million, with profit of SEK 450-600 million for the Nordic operations and loss of SEK 1.4-1.5 billion for the International operations
Free cash flow ¹⁾	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 – Updated targets (see paragraph below)

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 ¹⁾	Negative SEK 1.7-2.2 billion including negative SEK 0.6-0.8 billion for the non-core International operations (changed)

2024 (Previous targets) (see paragraph below)

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 ¹⁾	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 targets for 2024 previously assumed that the remaining non-core International operations (Baltics, Poland, UK) would not be part of the Group in 2024. The UK operations are in the process of being sold, with the transaction expected to close in Q1 2024, and it is now envisaged that the Baltic and Polish operations will still be part of the Group in 2024. The negative free cash flow effect from these businesses is included in the free cash flow target, while the effect on the forward income statements will be provided no later than in conjunction with the publication of the Group's Q4 2023 results in February 2024.

Risks & uncertainties

Significant risks and uncertainties exist for the Group and the parent company and are described in the Group's 2022 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. As a result of these factors, several previously identified risks have materialised. Consequently, the Group announced a new strategy and plan in July 2023, which includes focusing on its core Nordic, Netherlands and Viaplay Select operations; implementing a new operational model; downsizing, partnering or exiting its other international markets; rightsizing and pricing its product offering in the Nordics; continuously reviewing its cost base; and conducting an immediate strategic review to consider all options available. Furthermore, the Group has today announced a proposal of a recapitalisation programme to be implemented at the beginning of 2024. There is a risk that the new strategy and plan does not materialise or that the recapitalisation package is not implemented 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 Group does not have sufficient liquidity to meet its commitments, or if the recapitalisation package is not implemented as intended. One of these guarantees is due for renewal at the beginning of December. Viaplay Group monitors each of these situations closely and is prepared to act accordingly. Viaplay Group's ability to meet these financial challenges is dependent on the implementation of the recapitalisation package.

Other information

Significant events during and after the quarter

- > 12 July – Viaplay Group appoints Interim Chair
- > 13 July – Viaplay Group withdraws full year 2023 outlook
- > 29 August – Viaplay Group extends Danish 3F Superliga football rights to 2030
- > 31 August - Viaplay and CH Media add oneplus to Viaplay Select's DACH footprint
- > 8 September - Viaplay Group and Vodafone Greece enter Viaplay Select content partnership
- > 26 September - Nomination Committee convened
- > 29 September - Viaplay Group and Formula 1 agree strategic partnership in the Netherlands
- > 23 October - Viaplay Group reschedules publication of Q3 2023 financial results
- > 30 November – Viaplay Group announces recapitalisation plans

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

Stockholm, 30 November 2023

Jørgen Madsen Lindemann

President & CEO

Auditors' Review Report

Viaplay Group AB

Corp. id. 559124-6847

Introduction

We have reviewed the condensed interim financial information (interim report) of Viaplay Group AB as of September 30, 2023 and the nine-month period then ended. The Board of Directors and the Chief Executive Officer are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements ISRE 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing practices and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, for the Group in accordance with IAS 34 and the Annual Accounts Act, and for the Parent Company in accordance with the Annual Accounts Act.

Material uncertainty relating to the going concern assumption

We draw attention to the information disclosed in the interim report, Note 1, under "Assumptions and estimates including going concern" on pages 15-16, which states that there is an uncertainty of the Group's future fulfilment of certain financial covenants for part of its debt and its resulting ability to access committed credit facilities as well as that the Group's contractual rights to broadcast certain key sports events rely on bank guarantees which may be subject to withdrawal. While the Group is addressing these issues, it does, however, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Stockholm, November 30, 2023

KPMG AB

Tomas Gerhardsson
Authorized Public Accountant

Financial statements

Condensed consolidated income statement

(SEKm)	Q3 2023	Q3 2022	Nine months 2023	Nine months 2022	Full year 2022
Net sales	4,536	3,972	13,664	11,021	15,691
Cost of sales	-4,339	-3,442	-12,664	-8,846	-13,048
Gross income	197	530	1,000	2,175	2,643
Selling and marketing expenses	-232	-335	-845	-933	-1,264
General and administrative expenses	-336	-429	-1,154	-1,390	-1,899
Other operating income and expenses	50	63	115	60	148
Share of earnings in associated companies and joint ventures	36	71	48	200	275
Items affecting comparability	-253	-	-6,577	595	510
Operating income	-538	-100	-7,413	707	413
Net financial items	-71	-28	-144	-66	-88
Income before tax	-609	-128	-7,557	641	325
Tax	-84	42	690	-68	-2
Net income for the period	-693	-86	-6,867	573	323
Other comprehensive income					
Items that are or may be reclassified to profit or loss net of tax					
Currency translation differences	17	19	-4	76	123
Cash flow hedges	-61	88	-25	275	108
Other comprehensive income for the period	-44	107	-29	351	231
Total comprehensive income for the period	-737	21	-6,896	924	554
Net income for the period attributable to:					
Equity holders of the Parent company	-693	-86	-6,867	573	323
Total comprehensive income for the period attributable to:					
Equity holders of the Parent company	-737	21	-6,896	924	554
Earnings per share					
Basic earnings per share (SEK)	-8.85	-1.10	-87.78	7.33	4.13
Diluted earnings per share (SEK)	-8.85	-1.10	-87.78	7.32	4.13
Number of shares					
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	78,225,962	78,225,962	78,107,558	78,137,402
Diluted average number of shares outstanding	78,225,962	78,225,962	78,225,962	78,224,687	78,225,008

Condensed consolidated balance sheet

(SEKm)	30 Sep 2023	30 Sep 2022	31 Dec 2022
Non-current assets			
Intangible assets	1,939	1,972	2,437
Machinery, equipment and installations	173	163	174
Right-of-use assets	287	290	335
Shares and participations	1,242	1,474	1,363
Long-term sublease receivables	97	117	104
Deferred tax assets	743	49	2
Other long-term receivables	56	101	92
Total non-current assets	4,537	4,166	4,507
Current assets			
Inventories	3,097	4,629	5,206
Accounts receivable	1,183	1,023	1,218
Short-term sublease receivables	34	31	32
Prepaid expenses and accrued income	8,051	6,979	7,588
Other current receivables	412	843	537
Short-term investments	-	100	-
Cash and cash equivalents	1,724	3,065	2,775
Total current assets	14,501	16,670	17,356
Total assets	19,038	20,836	21,863
Equity			
Equity	2,014	9,273	8,911
Total equity	2,014	9,273	8,911
Non-current liabilities			
Long-term borrowings	2,550	3,250	3,250
Long-term lease liabilities	339	373	394
Long-term provisions	2,230	169	143
Deferred tax liabilities	55	232	103
Other non-current liabilities	5	6	9
Total non-current liabilities	5,179	4,030	3,899
Current liabilities			
Short-term borrowings	2,200	150	650
Short-term lease liabilities	114	106	119
Short-term provisions	112	70	55
Other current liabilities	9,419	7,207	8,229
Total current liabilities	11,845	7,533	9,053
Total liabilities	17,024	11,563	12,952
Total shareholders' equity and liabilities	19,038	20,836	21,863

Condensed consolidated statement of cash flow

(SEKm)	Q3 2023	Q3 2022	Nine months 2023	Nine months 2022	Full year 2022
Operating activities					
Net income for the period	-693	-86	-6,867	573	323
Dividends from associated companies and joint ventures	-	100	100	100	300
Depreciation, amortisation and write-down	77	67	227	196	270
Adjustment for IAC	253	-	6,532	-	-
Other adjustments incl deferred tax	-151	-248	-1,033	-463	-589
Cash flow from operations, excluding changes in working capital	-514	-167	-1,041	406	304
Changes in working capital	-539	-1,915	-682	-2,960	-3,305
Cash flow from operating activities	-1,053	-2,082	-1,723	-2,554	-3,001
Investing activities					
Acquisitions of operations	-	-	-	-	-387
Capital expenditures in tangible and intangible assets	-34	-45	-138	-128	-186
Other cash flow from investing activities	6	57	11	66	71
Cash flow from investing activities	-28	12	-127	-62	-502
Financing activities					
New borrowings	1,625	-	2,485	900	1,400
Amortisation of borrowings	-422	-	-1,635	-800	-800
Net change in leases	-31	-19	-67	-53	-72
Other cash flow from financing activities	-3	-98	6	-89	7
Cash flow from financing activities	1,169	-117	789	-42	535
Change in cash and cash equivalents for the period	88	-2,187	-1,061	-2,658	-2,968
Cash and cash equivalents at the beginning of the period	1,648	5,254	2,775	5,702	5,702
Translation differences in cash and cash equivalents	-12	-2	10	21	41
Cash and cash equivalents at end of the period	1,724	3,065	1,724	3,065	2,775

Condensed consolidated statement of changes in equity

(SEKm)	Q3 2023	Q3 2022	Nine months 2023	Nine months 2022	Full year 2022
Opening balance	2,765	9,245	8,911	8,323	8,323
Net income for the period	-693	-86	-6,867	573	323
Other comprehensive income for the period	-44	107	-29	351	231
Total comprehensive income for the period	-737	21	-6,896	924	554
Effect of share based programmes	-14	7	-1	26	34
Closing balance	2,014	9,273	2,014	9,273	8,911

Parent company condensed income statement

(SEKm)	Q3 2023	Q3 2022	Nine months 2023	Nine months 2022	Full year 2022
Net sales	4	10	26	30	123
General and administrative expenses	-33	-65	-119	-216	-298
Other operating income and expenses	-	-	-	1	1
Items affecting comparability	-61	-	-71	-	-
Operating income	-90	-54	-163	-185	-174
Net financial items	54	38	244	70	138
Income before tax and appropriations	-36	-16	80	-115	-36
Group contribution	-	-	-	-	-
Income before tax	-36	-16	80	-115	-36
Tax	7	3	-17	25	36
Net income for the period	-29	-13	63	-90	-
Other comprehensive income					
Items that are or may be reclassified to profit or loss net of tax					
Cash flow hedge	1	-	8	-	-2
Other comprehensive income for the period	1	-	8	-	-2
Total comprehensive income for the period	-28	-13	71	-90	-2

Parent company condensed balance sheet

(SEKm)	30 Sep 2023	30 Sep 2022	31 Dec 2022
Non-current assets			
Shares and participations in Group companies	4,723	217	223
Long-term receivables from Group companies	4,517	9,440	9,053
Other long-term receivables	49	3	40
Total non-current assets	9,289	9,660	9,316
Current assets			
Short-term receivables from Group companies	4,721	456	2,919
Other current receivables	235	717	278
Short-term investments	-	100	-
Cash and bank	1,525	2,846	2,610
Total current assets	6,481	4,119	5,807
Total assets	15,770	13,779	15,123
Equity			
Restricted equity	158	157	157
Non-restricted equity	6,547	6,377	6,479
Total equity	6,705	6,534	6,636
Provisions			
Provisions	33	-	-
Total provisions	33	-	-
Non-current liabilities			
Long-term borrowings	2,550	3,250	3,250
Other non-current liabilities	8	7	9
Total non-current liabilities	2,558	3,257	3,259
Current liabilities			
Short-term borrowings	2,200	150	650
Liabilities to Group companies	3,944	3,059	4,163
Other current liabilities	330	779	415
Total current liabilities	6,474	3,988	5,228
Total equity and liabilities	15,770	13,779	15,123

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 July has not impacted how the segments are reported.

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 judgements. 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 has, based on historic and expected viewing, prospectively expensed 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 2023 the Group has been impacted by a number of factors, which are impacting the Group's results and will continue to do so. These include significantly lower than expected demand in the Nordic and international streaming D2C subscriber markets; lower than expected 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. Furthermore, the largely fixed nature of the Group's cost base is creating negative earnings impacts when net sales growth initiatives and cost saving programmes are insufficient to offset the overall net sales growth potential of the business.

In July 2023, the Group announced a new strategy and plan to offset above 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 and SEK 253m in the Q3 results.

As of September 30, the Group had cash and cash equivalents of SEK 1,724m and a revolving free credit line (RCF) of SEK 2,500m. Altogether, the Group's available liquidity therefore amounted to SEK 4,224m as per the balance sheet date. Beginning of October, the Group drew the remaining SEK 2,500m of the RCF to strengthen liquidity ahead of cash commitments coming quarters. The drawn loans mature with SEK 1,000m on December 11th, SEK

1,000m on December 29th and SEK 2,000m on February 6th. The maturities can be rolled over if needed as the facility expires in December 2025. 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 for at least 12 months after the interim 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 the plan and the announced recapitalisation package. The consolidated financial statements for the period ending 30 September 2023 has been prepared based on the going concern assumption. There is, however, a material uncertainty that may cast significant doubt upon the Group's ability to continue as a going concern related to the Group's future fulfilment of certain financial covenants for part of its debt, and its resulting ability to access committed credit facilities as well as that the Group's contractual rights to broadcast certain key sports events rely on bank guarantees that may be subject to withdrawal. One of these guarantees is up for renewal in December. The Group is addressing covenant and funding challenges through the announced proposal on a recapitalisation package that is planned to be implemented at the beginning of 2024. There is however a risk that the new strategy and plan does not materialise or that the recapitalisation package is not implemented as intended.

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 segment reporting

(SEKm)	Nordics		International		Total Group	
	Q3 2023	Q3 2022	Q3 2023	Q3 2022	Q3 2023	Q3 2022
Net sales	3,776	3,539	760	433	4,536	3,972
Operating expenses	-3,757	-3,291	-1,100	-852	-4,857	-4,143
Operating income before ACI and IAC	19	248	-340	-419	-321	-171
Associated company income (ACI)					36	71
Items affecting comparability (IAC)					-253	-
Operating income					-538	-100
Net financial items					-71	-28
Tax					-84	42
Net income for the period					-693	-86

(SEKm)	Nordics		International		Total Group	
	Nine months	Nine months	Nine months	Nine months	Nine months	Nine months
	2023	2022	2023	2022	2023	2022
Net sales	11,461	10,215	2,203	806	13,664	11,021
Operating expenses	-11,071	-9,340	-3,478	-1,769	-14,549	-11,109
Operating income before ACI and IAC	390	875	-1,275	-963	-885	-88
Associated company income (ACI)					48	200
Items affecting comparability (IAC)					-6,577	595
Operating income					-7,413	707
Net financial items					-144	-66
Tax					690	-68
Net income for the period					-6,867	573

Disaggregation of revenue

Revenue by category (SEKm)	Q3 2023	Q3 2022	Nine months 2023	Nine months 2022	Full year 2022
Viaplay	2,367	1,870	7,142	4,742	6,969
Linear subscription & other	1,389	1,257	4,014	3,552	4,914
Advertising	780	845	2,508	2,727	3,808
Total	4,536	3,972	13,664	11,021	15,691

Revenue by revenue stream (SEKm)	Q3 2023	Q3 2022	Nine months 2023	Nine months 2022	Full year 2022
Subscription	3,341	2,847	9,993	7,671	10,841
Advertising	786	853	2,549	2,735	3,837
Licenses, royalties and other	289	159	843	408	657
Production	120	113	279	207	356
Total	4,536	3,972	13,664	11,021	15,691

Revenue recognition	Q3 2023	Q3 2022	Nine months 2023	Nine months 2022	Full year 2022
At a point in time	289	159	843	408	657
Over time	4,247	3,813	12,821	10,613	15,034
Total	4,536	3,972	13,664	11,021	15,691

Note 3 – Income from associated company Allente

Allente's net sales improved slightly and subscribers declined in the quarter. Allente's operating income included SEK -2m (-5) of items affecting comparability. Amortisation and depreciation charges for the period included SEK 110m (86) of PPA-related charges. Viaplay Group's 50% share of Allente's net income of SEK 75m amounted to SEK 38m.

(SEKm)	Q3 2023	Q3 2022	Nine months 2023	Nine months 2022	Full year 2022
Net sales	1,695	1,688	4,967	5,073	6,808
EBITDA before IAC	255	312	632	902	1,264
Depreciation and amortisation	-129	-108	-386	-324	-463
Operating income before IAC	126	205	246	578	801
Items affecting comparability (IAC)	-2	-5	-30	-20	-22
Operating income	124	200	216	558	779
Financial items	-26	-15	-81	-36	-65
Tax	-23	-42	-29	-114	-150
Net income for the period	75	143	106	408	564
<i>Viaplay Group 50% share of net income for the period</i>	<i>38</i>	<i>71</i>	<i>53</i>	<i>204</i>	<i>282</i>
Net debt	1,756	1,797	1,756	1,797	1,938
Total subscribers (thousand)	969	1,017	969	1,017	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
Number of shares at 30 September 2023	531,536	77,701,208	889,500	79,122,244
Of which treasury shares	-	-6,782	-889,500	-896,282
Number of shares excl treasury shares as at 30 September 2023	531,536	77,694,426	-	78,225,962

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

	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3
(SEKm)	2021	2021	2022	2022	2022	2022	2022	2023	2023	2023
Viaplay	1,150	4,331	1,211	1,288	1,437	1,599	5,535	1,682	1,651	1,607
Linear subscription & other	1,214	4,498	1,146	1,149	1,257	1,362	4,914	1,313	1,313	1,389
Advertising	1,140	3,777	876	1,006	845	1,081	3,808	871	856	780
Nordics net sales	3,505	12,606	3,233	3,442	3,539	4,042	14,257	3,866	3,820	3,776
International (Viaplay) net sales	48	55	91	282	433	628	1,434	671	771	760
Total net sales	3,553	12,661	3,324	3,725	3,972	4,670	15,691	4,537	4,591	4,536
Reported sales growth	11.7%	5.5%	11.5%	21.3%	30.0%	31.4%	23.9%	36.5%	23.2%	14.2%
Nordics organic sales growth	10.9%	16.2%	6.9%	9.6%	12.0%	10.3%	9.7%	17.0%	8.0%	3.3%
International organic sales growth	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	115.2%	40.2%
Organic sales growth	12.4%	16.7%	9.9%	18.4%	25.4%	23.9%	19.7%	30.3%	16.1%	7.4%
Nordics operating income before ACI and IAC	340	1,112	256	371	248	136	1,011	163	208	19
International operating income before ACI and IAC	-219	-505	-305	-239	-419	-420	-1,383	-454	-481	-340
Operating income before ACI and IAC	121	607	-49	132	-171	-284	-372	-291	-273	-321
Associated company income (ACI)	-51	40	55	73	71	76	275	10	2	36
Items affecting comparability (IAC)	-	-74	595	-	-	-86	510	-44	-6,279	-253
Operating income	69	573	602	205	-100	-294	413	-325	-6,551	-538
Net income for the period	32	325	483	175	-86	-250	323	-288	-5,886	-693
Basic earnings per share (SEK)	0.41	4.23	6.20	2.25	-1.10	-3.19	4.13	-3.68	-75.24	-8.85
Nordics operating margin before ACI and IAC	9.7%	8.8%	7.9%	10.8%	7.0%	3.4%	7.1%	4.2%	5.4%	0.5%
International operating margin before ACI and IAC	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a
Operating margin before ACI and IAC	3.4%	4.8%	-1.5%	3.5%	-4.3%	-6.1%	-2.4%	-6.4%	-5.9%	-7.1%
Operating margin	2.0%	4.5%	18.1%	5.5%	-2.5%	-6.3%	2.6%	-7.2%	-142.7%	-11.9%
Net debt	-2,059	-2,059	-1,107	-1,636	546	1,482	1,482	2,516	2,229	3,328
Net debt/EBITDA before IAC	-2.1	-2.1	-1.4	-2.3	1.2	8.6	8.6	-24.4	-3.9	-4.5
ROCE adjusted %	9.9	9.9	6.6	5.7	2.4	-1.2	-1.2	-4.1	-9.8	-12.6
Nordics subscribers ('000s)	3,458	-	3,576	4,034	4,229	4,625	-	4,738	4,070	4,144
International subscribers ('000s)	547	-	1,208	1,515	2,200	2,694	-	2,905	2,561	2,520
Total Viaplay subscriber base ('000s)	4,005	-	4,783	5,549	6,428	7,318	-	7,643	6,631	6,664
CSOV Sweden (25-59)	22.0%	21.7%	21.3%	22.2%	20.1%	17.8%	20.3%	24.1%	19.3%	25.6%
CSOV Norway (25-59)	20.2%	17.2%	16.6%	19.9%	17.6%	20.7%	18.9%	19.4%	16.6%	16.8%
CSOV Denmark (25-59)	18.4%	19.3%	19.0%	19.8%	18.5%	21.1%	19.6%	20.3%	22.1%	21.2%
CSOL Sweden (12-79)	40.1%	39.6%	43.5%	44.7%	43.7%	43.9%	44.1%	44.7%	43.3%	44.2%
CSOL Norway (10+)	67.3%	66.7%	69.7%	68.1%	67.5%	64.7%	67.5%	66.0%	65.3%	67.3%

Alternative Performance Measures

Below follows so-called alternative performance measures, i.e., financial measures that are not defined under IFRS. Viaplay Group believes that these alternative performance measures combined with other measures that are defined in accordance with IFRS contribute to the understanding of trends related to financial performance, return on investment and indebtedness and are useful information to investors.

An alternative performance measure is defined as a financial measure of historical or future financial performance, financial position or cash flows other than a financial measure defined or specified in the applicable financial reporting framework. These alternative performance measures should not be considered in isolation or as an alternative to performance measures defined in accordance with IFRS. In addition, such measures, as defined by Viaplay Group, may not be comparable to other similarly titled measures used by other companies.

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 before IAC
- > Capital Employed and Return on Capital Employed (ROCE) adjusted %

The following tables provide an explanation of the use and reconciliation of alternative performance measures.

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 sales growth, i.e. sales growth adjusted for acquisitions/divestments and changes in FX rates, amounted to 7.4% in Q3 2023.

Q3 (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 (organic sales)
Nordics					
2023	3,776	-	3,776	-119	3,657
2022	3,539	-	3,539	-	3,539
Growth	237		237		118
Growth %	6.7%		6.7%		3.3%
International					
2023	760	-83	677	-70	607
2022	433	-	433	-	433
Growth	327		244		174
Growth %	75.5%		56.4%		40.2%
Total					
2023	4,536	-83	4,453	-189	4,264
2022	3,972	-	3,972	-	3,972
Growth	564		481		292
Growth %	14.2%		12.1%		7.4%

Nine months (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 (organic sales)
Nordics					
2023	11,461	-	11,461	-304	11,157
2022	10,215	-	10,215	-	10,215
Growth	1,246		1,246		942
Growth %	12.2%		12.2%		9.2%
International					
2023	2,203	-262	1,941	-173	1,768
2022	806	-	806	-	806
Growth	1,397		1,135		962
Growth %	173.3%		140.8%		119.4%
Total					
2023	13,664	-262	13,402	-477	12,925
2022	11,021	-	11,021	-	11,021
Growth	2,643		2,381		1,904
Growth %	24.0%		21.6%		17.3%

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 the Group's share of associated company's and joint ventures net income and 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 ACI and IAC

(SEKm)	Q3 2023	Q3 2022	Nine months 2023	Nine months 2022	Full year 2022
Operating income	-538	-100	-7,413	707	413
Items affecting comparability (IAC)	-253	-	-6,577	595	510
Operating income before IAC	-285	-100	-836	112	-97
Associated company income (ACI)	36	71	48	200	275
Operating income before ACI and IAC	-321	-171	-885	-88	-372

Items affecting comparability

(SEKm)	Q3 2023	Q3 2022	Nine months 2023	Nine months 2022	Full year 2022
Exit Baltic - sports content (International)	-	-	-540	-	-
Write-down and provision - non sports content (International)	-	-	-1,407	-	-27
Impairment of goodwill & other assets (International)	-28	-	-512	-	-
Write-down and provision - non sports content (Nordics)	-	-	-2,234	-	-
Write-down and provision - sports content (Nordics)	-	-	-1,572	-	-
Restructuring and redundancy costs	-210	-	-286	-	-37
Acquisition and integration cost for Premier Sports	-	-	-3	-	-22
Advisory costs	-15	-	-23	-	-
Settlement of court cases	-	-	-	595	595
Total	-253	-	-6,577	595	510

Items affecting comparability classified by function

(SEKm)	Q3 2023	Q3 2022	Nine months 2023	Nine months 2022	Full year 2022
Cost of sales	-7	-	-5,764	-	-38
Administrative expenses	-215	-	-296	-	-34
Other operating income and expenses	-31	-	-517	595	582
Total	-253	-	-6,577	595	510

Approximately SEK -155m of the Q3 2023 IAC relates to the Nordic operation and SEK -98m to the International operations. In total SEK -28m is non-cash items and SEK -225m will impact the Group's future cash flow.

Reconciliation of net debt/EBITDA before IAC ratio

Financial net debt refers to the sum of short- and long-term borrowings and dividends payable less total cash and cash equivalent, short-term investments, interest-bearing receivables and dividend receivables. Net debt also includes lease liabilities net of sublease receivables. 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 before IAC ratio provides a KPI for net debt in relation to underlying 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.

Net debt

(SEKm)	31 Dec 2021	31 Mar 2022	30 Jun 2022	30 Sep 2022	31 Dec 2022	31 Mar 2023	30 jun 2023	30 sep 2023
Short-term borrowings	800	800	150	150	650	950	997	2,200
Long-term borrowings	2,500	3,400	3,250	3,250	3,250	3,250	2,550	2,550
Total financial borrowings	3,300	4,200	3,400	3,400	3,900	4,200	3,547	4,750
Interest bearing receivables	20	20	20	20	20	20	20	20
Dividend receivable - Allente	-	-	100	-	-	-	-	-
Short-term investments	-	-	-	100	-	-	-	-
Cash and cash equivalents	5,702	5,642	5,254	3,065	2,775	2,007	1,648	1,724
Financial net debt	-2,422	-1,462	-1,974	215	1,105	2,173	1,879	3,006
Lease liabilities	522	508	487	479	513	483	483	453
Sublease receivables	158	153	149	148	136	140	133	131
Total lease liabilities net	364	355	338	331	377	343	350	322
Net debt	-2,059	-1,107	-1,636	546	1,482	2,516	2,229	3,328

Net debt/EBITDA before IAC

(SEKm)	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023
Operating income before IAC, continuing operations	647	443	395	181	-97	-384	-860	-1,045
Operating income before IAC, discontinued operations	8	16	3	-	-	-	-	-
Depreciation and amortisation discontinued operations ¹⁾	296	294	292	292	270	281	291	301
Depreciation and amortisation discontinued operations ¹⁾	30	19	10	-	-	-	-	-
EBITDA before IAC 12 months trailing	980	772	700	473	173	-103	-569	-744
Net debt	-2,059	-1,107	-1,636	546	1,482	2,516	2,229	3,328
Net debt / EBITDA before IAC	-2.1	-1.4	-2.3	1.2	8.6	-24.4	-3.9	-4.5

1) Refers to non-current assets only

Reconciliation of Return on Capital Employed (ROCE) adjusted %

Return on capital employed (ROCE) adjusted % is a performance measure for operating income before items affecting comparability in relation to the capital employed within the operations and is a ratio for measuring return on capital tied up in the operations. Operating income before items affecting comparability is the main profit metric that operations are responsible for and is measured before net financial items and taxes. Capital employed is the sum of certain current and non-current assets less certain current and non-current liabilities and provisions as specified in the reconciliation table below. Capital employed equals the sum of equity and net debt.

	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
(SEKm)	2021	2022	2022	2022	2022	2023	2023	2023
Inventories	3,543	3,869	4,181	4,629	5,206	5,585	3,116	3,097
Accounts receivable	847	924	1,117	1,023	1,218	1,049	1,109	1,183
Prepaid expense and accrued income	4,990	4,888	6,682	6,979	7,588	8,366	8,525	8,051
Other current receivables	350	373	676	843	537	412	472	412
Other current liabilities	-6,772	-5,733	-8,485	-7,207	-8,229	-8,445	-10,418	-9,419
Total working capital	2,958	4,321	4,171	6,267	6,320	6,967	2,804	3,324
Intangible assets	1,981	2,001	1,984	1,972	2,437	2,400	1,962	1,939
Machinery, equipment and installations	163	168	162	163	174	180	176	173
Right-of-use assets	321	313	295	290	335	308	303	287
Shares and participations	1,328	1,445	1,382	1,474	1,363	1,292	1,214	1,242
Other long-term receivables	124	127	155	130	74	219	955	779
Provisions	-372	-255	-270	-239	-198	-210	-2,283	-2,343
Other non-current liabilities	-238	-262	-270	-238	-112	-154	-135	-60
Other items included in the capital employed	3,306	3,538	3,438	3,552	4,073	4,035	2,192	2,017
Capital employed	6,264	7,858	7,609	9,819	10,393	11,002	4,996	5,341
Operating income before IAC 12 months trailing, continuing operations	647	443	395	181	-97	-384	-860	-1,045
Operating income before IAC 12 months trailing, discontinued operations	8	16	3	0	-	-	-	-
Operating income before IAC 12 months trailing, total	655	459	398	181	-97	-384	-860	-1,045
Average Capital Employed (5 quarters)	6,597	6,916	6,981	7,673	8,389	9,337	8,764	8,310
ROCE adjusted %	9.9%	6.6%	5.7%	2.4%	-1.2%	-4.1%	-9.8%	-12.6%

Definitions

Associated company income (ACI)

Associated company income is the Group's share of the associated company's and joint ventures net income. Associated companies (excluding joint ventures) are companies in which the Group holds voting rights of at least 20% and no more than 50%. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

Capital employed

Capital employed is the sum of certain current and non-current assets less certain current and non-current liabilities and provisions. Capital employed equals the sum of equity and net debt.

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.

EBITDA

EBITDA comprises net income before net financial items, taxes, depreciation and amortisation.

EBITDA before IAC

EBITDA after reversal of items affecting comparability.

EBITDA before ACI and IAC

EBITDA after reversal of associated company income and Items affecting comparability.

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

Financial net debt is the sum of short and long-term borrowings and dividends payable total cash and cash equivalent, short-term investments, interest-bearing receivables and dividend receivable. Net debt also includes lease liabilities net of sublease receivables. A negative figure indicates that the Group has a net cash position (cash in excess of interest-bearing liabilities).

Net debt/ EBITDA before IAC

Net debt in relation to EBITDA before IAC for the last 12 months.

Operating income

Operating income comprises net income before net financial items and taxes, otherwise known as EBIT (reads Earnings Before Interest and Taxes).

Operating margin

Operating income as a percentage of net sales.

Operating income before IAC

Operating income after reversal of items affecting comparability.

Operating income before ACI and IAC

Operating income after reversal of associated company income and items affecting comparability.

Organic sales growth

Organic sales 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.

Reported sales growth

Change in net sales compared to the previous period in percentage.

Return On Capital Employed (ROCE) adjusted %

Return on capital employed (ROCE) adjusted % is calculated as operating income before IAC 12 months trailing as a percentage of 5 quarters 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 Q4 Full year report

13 February 2024

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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.