2019
Q4

nordic entertainment group

Full year report January-December

Q4 2019 highlights

- Viaplay subscribers up 310k from Q418 and 110k from Q319 to a total of 1,568k. Viaplay now represents 62% of the Group's total subscriber base
- Sales of SEK 4,169m (3,959) with 4% organic growth
- Operating income for combined business segments of SEK 593m (557)
- Total operating income of SEK -217m (516) including additional SEK 11m of advisory costs for the merger between Viasat Consumer and Canal Digital, as well as IAC of SEK -731m (5) comprising redundancy costs and impairment charges
- Net income of SEK -159m (477) and basic earnings per share of SEK -2.36 (7.12)
- Total net debt of SEK 4,139m, including net lease liabilities of SEK 598m, equivalent to 2.2x 12 month trailing EBITDA before IAC[1)]
- The Board proposes a dividend of SEK 7.00 (6.50) per share, to be paid in two equal tranches

Financial overview

(SEKm)	Q4 2019	Q4 2018	Full year 2019	Full year 2018
Net sales	4,169	3,959	15,671	14,568
Organic growth	4.4%	3.7%	6.4%	3.8%
Change in reported net sales	5.3%	6.4%	7.6%	6.4%
Operating income - Business segments[2)]	**593**	**557**	**1,813**	**1,706**
Central operations	-79	-47	-268	-162
Operating income before IAC	**513**	**511**	**1,545**	**1,544**
Items affecting comparability (IAC)	-731	5	-787	-40
Operating income	**-217**	**516**	**758**	**1,504**
Operating margin before IAC	12.3%	12.9%	9.9%	10.6%
Operating margin	-5.2%	13.0%	4.8%	10.3%
Net income	-159	477	590	1,292
Basic earnings per share (SEK)	-2.36	7.12	8.77	19.24
Net debt	4,139	3,944	4,139	3,944

1) 2018 figures included in the calculation of trailing 12 months EBITDA before IAC have been adjusted for the estimated effect as if IFRS 16 had been applied for the full period.
2) See page 17 for a reconciliation of business segment operating income. Alternative performance measures used in this report are explained and reconciled on pages 20-23.

Reading notes: The information in this report consists of the combined financial statements for Nordic Entertainment Group AB (publ) (NENT Group), which are an aggregation of financial information for entities under common control that do not meet the definition of a group according to IFRS 10. Pro forma information is not provided for historical periods. The cost for central operations is not comparable over time as the parent company, Nordic Entertainment Group AB (publ), was only established on 1 July 2018. The net debt of NENT Group for 2018 in this report refers to the net funding from previous parent company Modern Times Group MTG AB (publ) in the cash pool, less total cash. NENT Group has applied the new accounting standard IFRS 16 Leases from 1 January 2019. See Accounting policies on page 10 for more information.

President & CEO's comments

"Q4 was a strong finish to a successful first year as listed company. We have delivered on our profitable growth commitment in 2019 with 6% organic sales growth and 6% profit growth for our operating businesses, while growing our Viaplay subscriber base by over 25%. Scaling Viaplay remains our top priority simply because it's the best way to drive sustainable long term value. We have continued to innovate and transform, and remain well positioned to benefit from the shift to on-demand and online video consumption."

2019 was a record breaking first year for NENT Group as a standalone business, with strong financial performances by both of our business segments. The momentum continued into Q4 with sales growing 4% on an organic basis and driven primarily by Viaplay. Broadcasting & Streaming delivered continued profitable growth, and the combined profits for our business segments also increased despite ongoing content investments, USD headwinds and falling linear viewing.

We have now implemented our new organisation and operating model, which will enable us to make decisions faster, ensure better strategic alignment, scale flexibly and efficiently, while also generating significant savings. We also announced the proposed 50/50 joint venture between Viasat Consumer and Canal Digital, which is expected to yield substantial synergies and further increase our focus on Viaplay, including the first geographical expansion this year when we launch Viaplay in Iceland later this spring. Our recently announced strategic review of our studios businesses is yet another example of our never-ending quest to optimise our operations to support our streaming ambitions.

The Viaplay subscriber intake is our single most important KPI, as this is where consumers are spending more and more of their time and money. We added 110k Viaplay subscribers compared to Q3 and the base has grown by 310k, or 25%, since the beginning of 2019. Our growth has accelerated and we have gained market share, despite fierce competition. Viaplay is a content champion, offering a unique combination of the broadest and most relevant content, as well as clear category leadership in sports, Nordic originals and films. This is combined with a world-class technology platform that is constantly evolving to enhance the customer experience.

We have continued to invest in our future. We premiered 21 high quality Viaplay Originals in 2019 and will premiere more than 30 in 2020. The majority of these are locally relevant Nordic shows, which are very popular and provide a clear differentiator to rival international services. We have signed a number of new or extended exclusive sports rights agreements. Sports rights are in high demand and we are very conscious not to accept any inflation that would harm our ability to grow profitably. We have improved our kids offering through new deals with NBCUniversal and SF Studios, and signed a new long term agreement with Sony. And our sourcing of original international content will be fueled by our investments in FilmNation UK and PictureStart.

Looking ahead, we have built a very strong foundation to capture the opportunity we see in the streaming world, while also delivering on our profitable growth commitment. 2020 will be another eventful year, in which we will focus on further scaling Viaplay, continue to invest in our content, technology and people, and support this with our relentless search for efficiencies. All credit for the success in 2019 goes to the NENT team members; Your passion, competence and drive are what makes NENT a winner.

Anders Jensen
President & CEO

Significant events in and after the quarter

17 October – NENT Group acquired exclusive Nordic rights to IIHF Ice Hockey World Championship from 2024 to 2028

NENT Group acquired the exclusive Nordic media rights to the IIHF Ice Hockey World Championship from 2024 to 2028. NENT Group already shows the tournament in Sweden until 2023 and will now expand its world class coverage of the tournament across the entire Nordic region.

22 October – NENT Group and Telenor agreed to merge Viasat Consumer and Canal Digital

NENT Group entered into an agreement with Telenor to combine its Viasat Consumer (satellite pay-TV and broadband-TV operations) with Canal Digital (satellite pay-TV). The combination would result in the parties each holding 50 percent of the shares of the new joint venture company and is expected to create substantial synergies and shareholder value, as well as provide an enhanced proposition for customers. The combination is subject to regulatory approvals and expected to be completed during the first half of 2020.

30 October – NENT Group expanded RiksTV distribution partnership in Norway

NENT Group and Norwegian TV operator RiksTV agreed an extended long-term distribution deal that brings NENT Group's Viaplay streaming service and TV channels to more viewers in Norway than ever before. From autumn 2019, Viaplay became available as part of RiksTV's Strim streaming offering, which also includes NENT Group's TV3, TV6 and Viasat 4 channels.

8 November – NENT Group extended Nordic distribution agreement with Telenor

NENT Group and Telenor extended their long-term distribution agreement. The agreement spans Telenor's fixed line and satellite TV offerings, and sees NENT Group's Viaplay streaming service, free TV channels and Viasat pay TV channels offered to Telenor customers.

14 November – NENT Group launched BEAT Diabetes initiative and foundation

NENT Group announced the launch of BEAT Diabetes, a long-term, pan-Nordic initiative to respond to the global diabetes challenge. NENT Group will also launch the BEAT Diabetes Foundation, an independent entity into which NENT Group will invest at least SEK 2.5m every year from 2020, in order to raise awareness and funding levels for those living with Type I and Type II diabetes.

10 December – NENT Group to make annual savings and write down assets

NENT Group announced that its shift to a new operating model has led to a reduction in its overall workforce. NENT Group has simultaneously undertaken a review of its content-related agreements and investments, which has resulted in the decision to write down the value of certain free-TV content and other assets. The total charge, comprising redundancy costs and impairment charges, is estimated to approximately SEK 731m and was taken as an Item Affecting Comparability Q4 2019. The cashflow impact of the charge is expected to be approximately SEK 250m of which SEK 34m was taken in Q4 2019. The personnel savings are expected to be approximately SEK 250m, with the majority impacting in 2020. This will enable NENT Group to offset USD headwinds and allow for continued investments in the expansion of Viaplay.

19 December – NENT Group extends exclusive UFC rights

NENT Group and UFC, the world's premier MMA organisation, have agreed on an extension of NENT Group's exclusive Nordic UFC media rights in a multi-year agreement. UFC events will continue to be shown live on NENT Group's Viaplay streaming service, with selected events available on NENT Group's free-TV channels and through pay-per-view.

20 December – NENT Group and NBCUniversal finalise kids content partnership

NENT Group signed an agreement with NBCUniversal that secured a wide range of popular kids and family content from NBCUniversal for NENT Group's Viaplay streaming service and Viasat pay-TV channels.

24 January – NENT Group agrees new kids content partnership with SF Studios

NENT Group has agreed a new kids content partnership with Nordic film studio SF Studios. As a result, more than 500 additional episodes of high-quality Nordic and international kids series from SF Studios, as well as selected films, will be added to NENT Group's Viaplay streaming service during 2020. Viaplay is already home to more than 1,200 episodes of kids content from SF Studios, and the new deal will increase this number to 1,800 episodes.

29 January – NENT Group reorganising NENT Studios to further focus on scripted drama and international ambitions

NENT Group is reorganising NENT Studios – its content production and distribution business that comprises 32 companies in 17 countries – into a new organisation focused on scripted drama production, both series and movies, and distribution. As part of the reorganisation, the non-scripted production, branded entertainment and events businesses will be divested. NENT Group also intends to bring a minority equity partner into its scripted drama production business, in order to contribute to the further development of the output and operations.

3 February – NENT Group and Sony Pictures Television extend exclusive content partnership

NENT Group has extended its long-term content partnership with Sony Pictures Television in a multi-year deal. Viewers of NENT Group's Viaplay streaming service and Viasat pay-TV channels will remain the first in the Nordic region to see the latest films and series from Sony Pictures Entertainment (SPE), while continuing to enjoy an extensive range of popular library titles. A broad selection of SPE content will also be available on NENT Group's free-TV channels across Scandinavia. Furthermore, the parties have entered into a collaboration to co-develop and co-produce up to six Viaplay original scripted series.

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

Group performance

Net sales

Net sales were up 5% to SEK 4,169m (3,959) following 4% organic growth and a 1% FX contribution.

Operating income and items affecting comparability

Operating income for the combined business segments increased by 6% to SEK 593m (557). Operating income before IAC amounted to SEK 513m (511) as higher profits in the operating segments were offset by higher central operation costs. The increase in central operation costs included advisory costs of SEK 11m related to the proposed Viasat Consumer / Canal Digital combination.

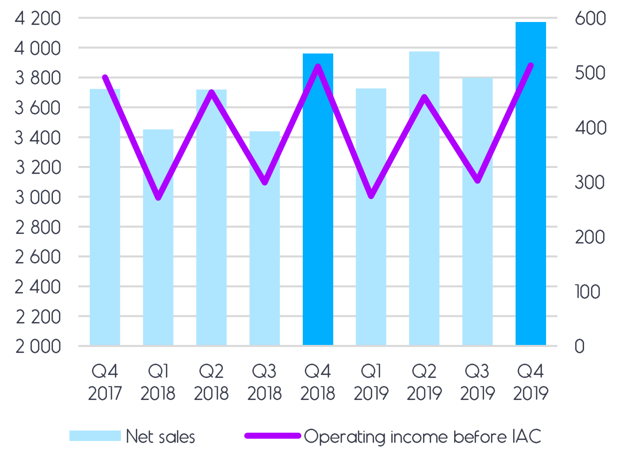
Items affecting comparability amounted to SEK -731m (5) and reflected SEK 190m of restructuring and redundancy costs as well as an write downs of SEK 541m relating to free-TV content and other assets that have limited remaining value. See page 21 for a comprehensive list of items affecting comparability.

Net financials and net income

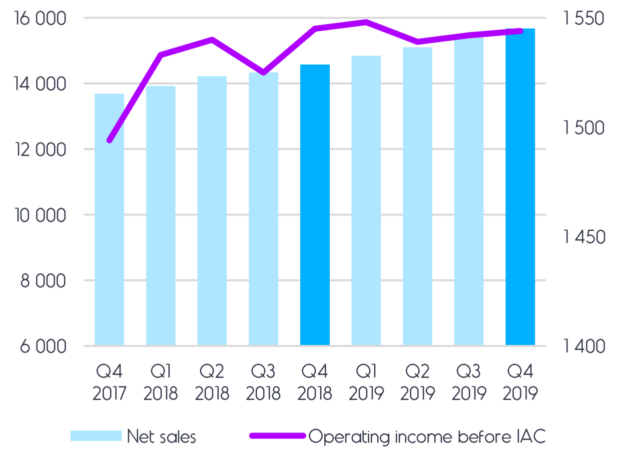
Net interest and other financial items totaled SEK -30m (-47). Net interest amounted to SEK -12 (-5), of which SEK -4m (0) related to the interest on net lease liabilities. Other financial items amounted to SEK -18m (-42) and mainly comprised the impact of exchange rate differences on financial items.

Tax amounted to SEK 89m (8) due to the losses in the quarter and net income totaled SEK -159 (477), with basic earnings per share of SEK -2.36 (7.12).

Net sales and operating income
(SEKm)



Net sales and operating income
Rolling twelve months (SEKm)



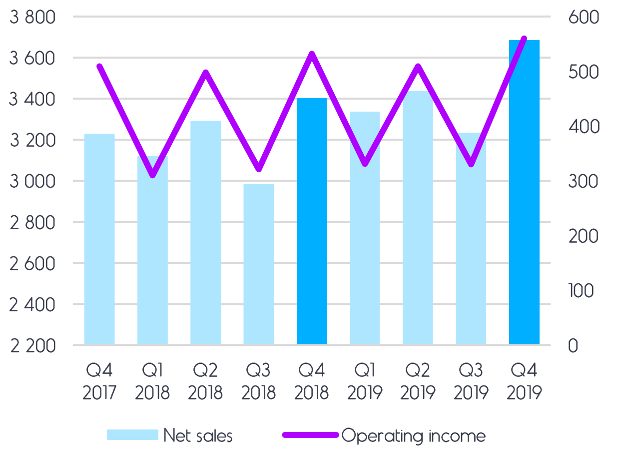
Segmental performance

Broadcasting & Streaming

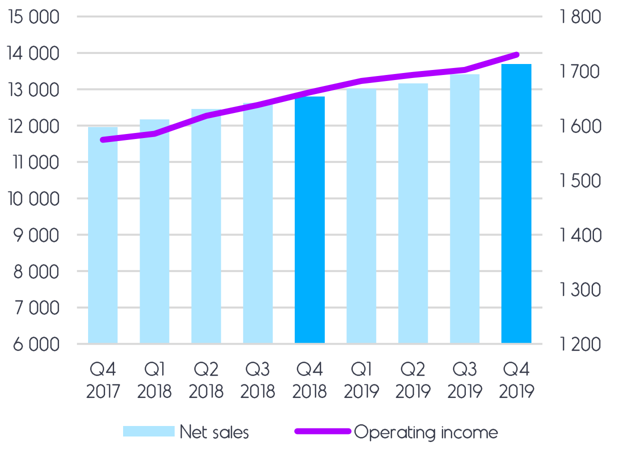
(SEKm)	Q4 2019	Q4 2018	Full year 2019	Full year 2018
Net sales	3,686	3,403	13,697	12,800
of which advertising	1,159	1,171	4,005	4,017
of which subscription & other	2,527	2,232	9,691	8,783
Operating expenses	-3,126	-2,872	-11,966	-11,139
Operating income	560	532	1,731	1,661
Operating margin	15.2%	15.6%	12.6%	13.0%
Net sales growth	8.3%	5.4%	7.0%	7.0%
Organic growth	7.5%	3.0%	6.0%	4.5%
Acquisitions/divestments	-	-	-	-
Changes in FX rates	0.8%	2.4%	1.0%	2.5%

Sales were up 8% on an organic basis and driven primarily by the continued growth of Viaplay. Operating expenses were also up and reflected the ongoing investments in content as well as the depreciation of the Swedish krona. Operating income amounted to SEK 560m (532), with an operating margin of 15.2% (15.6).

Net sales and operating income
(SEKm)



Net sales and operating income
Rolling twelve months (SEKm)



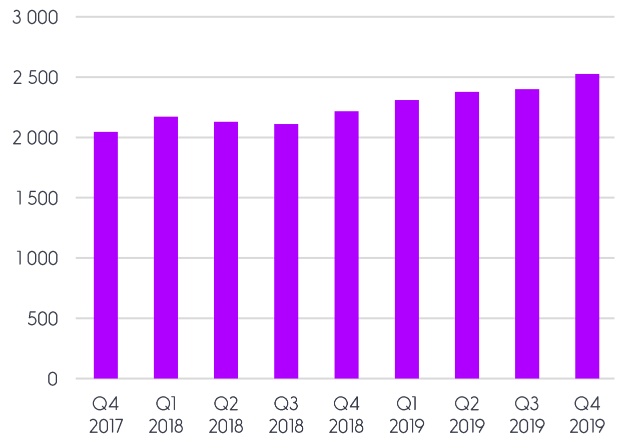
Advertising

Advertising sales were down 1% on a reported basis. TV advertising sales were down slightly as higher prices were offset by lower linear TV viewing levels, as well as soft advertising markets. NENT Group's TV audience shares was up in Denmark but down in Sweden and Norway. TV advertising markets are each estimated to have declined in all three markets. Radio sales were stable in Sweden but down in Norway with both markets estimated to have declined. The Swedish radio audience share was up compared to last year while the Norwegian share was down.

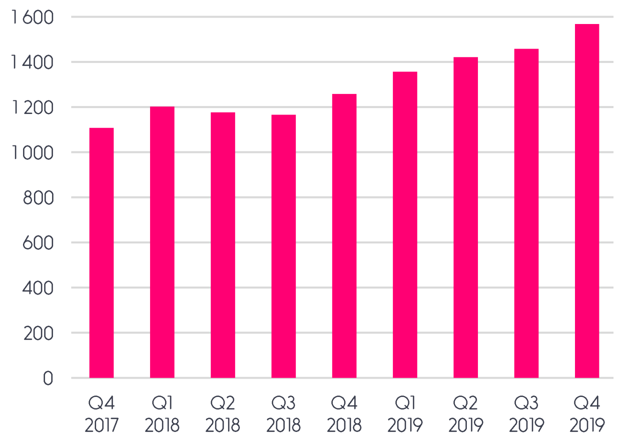
Subscription & other

Subscription & other sales were up 13% on a reported basis and driven by the Viaplay subscriber intake, Swedish broadband-TV sales and content sublicensing deals. The total subscriber base was up y-o-y (year on year) and q-o-q (quarter on quarter). Viaplay added 110k customers q-o-q and 310k y-o-y to end the period with 1,568k subscribers. Viaplay now represents 62% (57) of the total subscriber base. The Viasat direct-to-consumer subscriber base was broadly stable q-o-q at 489k as continued growth in the broadband-TV base was offset by the decline in the satellite base. The third party subscriber base grew by 18k q-o-q to 469k.

Total subscriber base
(thousands)



Viaplay subscriber base
(thousands)



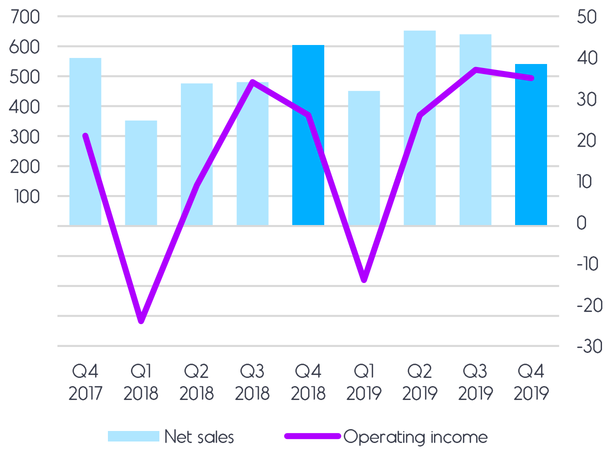
NENT Studios

(SEKm)	Q4 2019	Q4 2018	Full year 2019	Full year 2018
Net sales	540	603	2,284	1,911
Operating expenses	-507	-577	-2,202	-1,866
Operating income	33	26	82	45
Operating margin	6.1%	4.3%	3.6%	2.4%
Net sales growth	-10.5%	7.6%	19.5%	-3.8%
Organic growth	-11.5%	3.6%	17.7%	-7.3%
Acquisitions/divestments	-	-	-	0.1%
Changes in FX rates	1.1%	3.9%	1.8%	3.4%

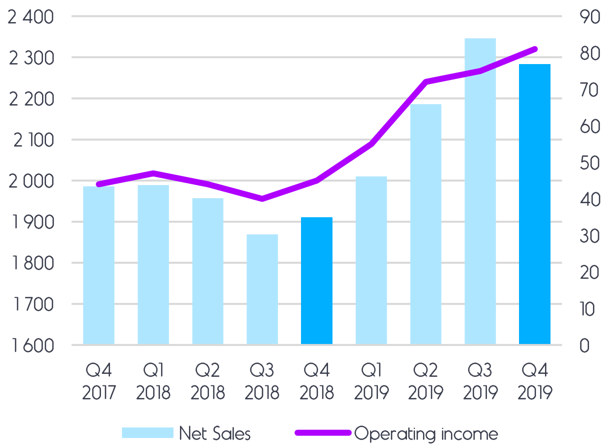
Sales were down 12% on an organic basis, primarily as a result of timing differences in the production schedule with several projects being postponed into 2020.

Operating income increased to SEK 33m (26), with an operating margin of 6.1% (4.3) and included strategic investments into the US.

Net sales and operating income
(SEKm)



Net sales and operating income
Rolling twelve months (SEKm)



Financial position

Cash flow

Cash flow from operations

Cash flow from operations before changes in working capital amounted to SEK 443 (551). Depreciation, amortisation and write-downs charges totalled SEK 621m (59). The Group reported a SEK 253m (179) change in working capital, which was in line with the normal seasonal patterns. Net cash flow from operations totalled SEK 695m (730).

Investing activities

Capital expenditure on tangible and intangible assets totalled SEK -52m (-50). Other investing activities totalled SEK 6m (24). Total cash flow related to investing activities therefore amounted to SEK -46m (-27).

Financing activities

Cash flow from financing activities amounted to SEK -290m (-422) and included the SEK 219m payment of the second instalment of the dividend. Short-term borrowings were repaid by -30m (0).

The net change in cash and cash equivalents amounted to SEK 359m (281), and the Group had cash and cash equivalents of SEK 1,238m (428) at the end of the period.

Net debt

The Group's total net debt position amounted to SEK 4,139m (3,944) at the end of the period. Net debt comprised of financial net debt of SEK 3,542m (3,944) including cash and cash equivalents SEK 1,238m (428) and net of lease liabilities and sublease receivables of SEK 598m (N/A).

Related party transactions

The Group has related party relationships with its subsidiaries, associated companies and joint ventures. Transactions with those companies consist mainly of advertising sales and programming acquisitions. All related party transactions are based on market terms and negotiated on an arm's length basis.

Parent company

Nordic Entertainment Group AB is the Group's parent company and is responsible for Group-wide management, administration and financing. The company was established during June 2018.

(SEKm)	Q4 2019	Q4 2018	Full year 2019	Full year 2018
Net sales	21	-2	43	-
Net interest and other financial items	20	6	48	6
Income before tax and appropriations	-37	-46	-210	-124

Other information

Financial targets

NENT Group does not provide formal financial performance targets or guidance. NENT Group's objective is to deliver sustainable profitable growth in the form of organic sales growth and growth in operating income before items affecting comparability.

NENT Group intends to maintain its balance sheet leverage ratio of no more than 2.5x net debt to trailing twelve month adjusted EBITDA. NENT Group's leverage may exceed these levels temporarily from time to time, in order to finance acquisitions or due to short term effects such as the scheduling of content payments.

NENT Group's dividend policy is to distribute an annual cash dividend of between 30% and 50% of adjusted net income.

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 formation of Nordic Entertainment Group AB (NENT Group) involved transactions between entities that are under common control. Since these transactions are not covered by any IFRS standard, a suitable and established method in accordance with IAS 8, is to use the previous carrying amounts, which is the principle NENT Group has used. The assets and liabilities have been aggregated and recognised based on the carrying amounts they represented in the former parent company MTG AB's consolidated financial statements as from the date they became part of MTG.

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 listing prospectus except for the new standard IFRS 16 Leases that has been applied since 1 January 2019.

Impact from IFRS 16 Leases

A new standard for lease accounting – IFRS 16 Leases – has been introduced with effect from 1 January 2019. The main changes are the following: For the lessee, the classification according to IAS 17 of operating and finance leases is replaced by a single lease accounting model. All leases are recognised on the balance sheet as a right-of-use asset and lease liability. Leases of low value assets, as well as leases of 12 months or less, are exempt from the requirements. A substantial part of the London offices are subleased and a financial receivable is recognised in accordance with the standard. The expense for operating leases is replaced by depreciation on the right-of-use asset, and interest expense on the lease liability and interest income on the sublease. The depreciation of lease assets is separately recognised from the interest on lease liabilities in the income statement. This has increased the operating income at the expense of the financial net. The Group has identified the following categories of leases: offices, cars and car parks. Studio equipment is normally leased on a short-term basis, and most types of leased office furniture and IT equipment are of low value and are therefore out of scope. NENT Group has applied the modified retrospective method, which implies no restatements of previous periods. A right-of-use asset amounting to SEK 566m and a receivable related to subleases amounting to SEK 225m are recognised in the 31 December balance sheet. A leasing obligation amounting to SEK 823m is also recognised. The lease obligation and the sublease receivables have been included in the total net debt calculation. The following table illustrates the effects of the new standard on the Q4 financial statement and key ratios.

(SEKm, %)	Full year 2019 without IFRS 16	Impact IFRS 16	Full year 2019 with IFRS 16
Operating income	740	18	758
IAC	-787	-	-787
Operating income before IAC	**1,527**	**18**	**1,545**
Amortisation and depreciation	235	101	336
EBITDA	**1,762**	**119**	**1,881**
Financial net	-28	-18	-46
Operating margin before IAC (%)	9.7%	0.2%	9.9%
Operating margin (%)	4.7%	0.1%	4.8%
Right of use assets	-	566	566
Sublease receivables	-	225	225
Total assets related to leasing	-	**791**	**791**
Right of use assets	-	566	566
Capital employed related to leasing	-	**566**	**566**
Lease liability	-	823	823
Sublease recievables	-	225	225
Net debt related to leasing	-	**598**	**598**
Total assets	13,906	791	14,697
Capital employed	5,015	566	5,581
Net debt	3,541	598	4,139

Risks & uncertainties

Significant risks and uncertainties exist for the Group and the parent company. These factors include the prevailing economic and business environments in some of the markets; commercial risks related to expansion into new territories; other 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 and the US dollar and Euro linked currencies in particular; and the emergence of new technologies and competitors. The increasing shift towards online viewing could also potentially make the Group a target for cyber-attacks, intrusions, disruptions or denials of service.

Risks also exist in relation to the UK's plans to leave the EU, which may result in the Group having to relocate its broadcast and streaming licences from the UK and could lead to adverse financial, legal and social consequences. There is a risk that new licenses in the UK or other territories would not be issued on the same terms as existing licenses or be stricter in terms of regulation.

Risks and uncertainties are also described in more detail in the prospectus "Admission to trading of shares in Nordic Entertainment Group AB (pub) on Nasdaq Stockholm", which is available at www.nentgroup.com.

Stockholm, 4 February 2020

Anders Jensen
President & CEO

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

Consolidated income statement

(SEKm)	Q4 2019	Q4 2018	Full year 2019[1)]	Full year 2018
Net sales	4,169	3,959	15,671	14,568
Cost of goods and services	-2,726	-2,634	-10,616	-9,805
Gross income	**1,443**	**1,325**	**5,055**	**4,763**
Selling expenses	-283	-213	-1,047	-857
Administrative expenses	-727	-609	-2,598	-2,387
Other operating income	95	17	162	44
Other operating expenses	-17	-7	-32	-17
Share of earnings in associated companies and joint ventures	2	-1	5	-3
Items affecting comparability	-731	5	-787	-40
Operating income	**-217**	**516**	**758**	**1,504**
Interest income	2	5	11	11
Interest expenses	-10	-10	-30	-48
Leasing net interest	-4	-	-18	-
Other financial items	-18	-42	-9	-15
Income before tax	**-247**	**469**	**712**	**1,452**
Tax	89	8	-122	-160
Net income for the period	**-159**	**477**	**590**	**1,292**
ITEMS THAT ARE OR MAY BE RECLASSIFIED TO PROFIT OR LOSS NET OF TAX				
Currency translation differences	-46	-39	52	46
Cash flow hedge	-85	-9	13	68
Other comprehensive income for the period	**-131**	**-48**	**65**	**114**
Total comprehensive income for the period	**-290**	**429**	**655**	**1,406**
NET INCOME FOR THE PERIOD ATTRIBUTABLE TO				
Equity holders of the parent company	-159	470	589	1,286
Non-controlling interest	-	7	1	6
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO				
Equity holders of the parent company	-290	422	654	1,400
Non-controlling interest	-	7	1	6
EARNINGS PER SHARE				
Basic earnings per share (SEK)	-2.36	7.12	8.77	19.24
Diluted earnings per share (SEK)	-2.35	7.08	8.74	19.09
NUMBER OF SHARES[2)]				
Shares outstanding at the end of the period	67,342,244	66,980,902	67,342,244	66,980,902
Basic average number of shares outstanding	67,342,244	66,980,902	67,279,875	66,854,133
Diluted average number of shares outstanding	67,574,801	67,317,949	67,484,565	67,362,405

1) Reported values for Q1 2019 have been restated by SEK 126m between *Cost of goods and services* and *Administrative costs* compared to Interim report January-March 2019.

2) Number of shares in 2018 refers to MTG's number of shares.

Consolidated balance sheet

(SEKm)	31 Dec 2019	31 Dec 2018
NON-CURRENT ASSETS		
Intangible assets	3,384	3,405
Machinery, equipment and installations	165	152
Right-of-use assets	566	-
Shares and participations	142	20
Sublease receivables	192	-
Other long-term receivables	171	127
Total non-current assets	**4,621**	**3,704**
CURRENT ASSETS		
Inventories	2,551	2,428
Accounts receivables	1,112	1,224
Sublease receivables	34	-
Prepaid expense and accrued income	4,609	3,951
Other current assets	532	467
Cash, cash equivalents and short-term investments	1,238	428
Total current assets	**10,077**	**8,498**
Total assets	**14,697**	**12,202**
EQUITY		
Equity[1)]	1,434	581
Non-controlling interest	7	16
Total equity	**1,442**	**597**
NON-CURRENT LIABILITIES		
Long-term borrowings[1)]	1,800	-
Long-term lease liabilities	691	-
Long-term provisions	275	171
Other non-current liabilities	316	324
Total non-current liabilities	**3,082**	**495**
CURRENT LIABILITIES		
Short-term borrowings[1)]	2,980	-
Short-term lease liabilities	132	-
Short-term provisions	139	138
Liabilities related to MTG[1)]	-	4,373
Other current liabilities	6,923	6,598
Total current liabilities	**10,174**	**11,110**
Total liabilities	**13,256**	**11,605**
Total shareholders' equity and liabilities	**14,697**	**12,202**

1) The final capitalisation of the NENT Group took place before listing and included the replacement of liabilities to MTG with external debt and a capital injection.

Consolidated statement of cash flow

(SEKm)	Q4 2019	Q4 2018	Full year 2019	Full year 2018
Net income for the period	-158	477	590	1,292
Depreciations, amortisations and write-downs	621	59	867	208
Other adjustments for non-cash items	-21	14	-64	-5
Cash flow from operations	**443**	**551**	**1,393**	**1,496**
Changes in working capital	253	179	-791	-380
Net cash flow from/to operations	**695**	**730**	**602**	**1,116**
Acquisitions of operations	-	-	-15	-19
Divestments of operations	-	-	-	-
Capital expenditures in tangible and intangible assets	-52	-50	-176	-550
Other investing activities	6	24	-99	2
Cash flow from/used in investing activities	**-46**	**-27**	**-290**	**-567**
New long-term borrowings	-	-	2,300	-
Change in short term borrowings	-30	-	2,480	-
Amortisation of lease receivables	9	-	33	-
Amortisation of lease liabilities	-32	-	-121	-
Change in financing to/from MTG	-	2,945	-4,474	3,171
Shareholders' contribution	-	-	620	-
Dividends to shareholders	-219	-3,278	-438	-3,310
Other cash flow from/to financing activities	-18	-89	75	-70
Cash flow from/used in financing activities	**-290**	**-422**	**475**	**-209**
Total net change in cash and cash equivalents for the period	**359**	**281**	**787**	**339**
Cash and cash equivalents at the beginning of the period	**889**	**146**	**428**	**89**
Translation differences in cash and cash equivalents	-9	-	23	-
Cash and cash equivalents at end of the period	**1,238**	**428**	**1,238**	**428**

Consolidated statement of change in equity

(SEKm)	Q4 2019	Q4 2018	Full year 2019	Full year 2018
Opening balance	**1,735**	**5,473**	**597**	**2,573**
Net income for the period	-159	477	590	1,292
Other comprehensive income for the period	-131	-48	65	114
Total comprehensive income for the period	**-290**	**429**	**655**	**1,406**
Effect of employee share programmes	4	3	15	20
Change in non-controlling interests	-7	-	-7	-
Shareholders' contribution	-	-	620	2,000
Dividends	-	-	-438	-
Other transactions with shareholders	-	-5,306	-	-5,400
Closing balance	**1,442**	**597**	**1,442**	**597**

Parent company income statement

(SEKm)	Q4 2019	Q4 2018	Full year 2019	Full year 2018
Net sales	21	-2	43	-
Gross income	**21**	**-2**	**43**	**-**
Administrative expenses	73	-65	-252	-145
Other operating income	1	15	-	15
Other operating expenses	-	-	-	-
Items affecting comparability	-7	-	-48	-
Operating income	**-57**	**-52**	**-258**	**-130**
Net interest and other financial items	20	6	48	6
Income before tax and appropriations	**-37**	**-46**	**-210**	**-124**
Group contribution	597	124	597	124
Income before tax	**560**	**78**	**387**	**-**
Tax	-112	-17	-75	-
Net income for the period	**448**	61	312	-

Parent company condensed balance sheet

(SEKm)	31 Dec 2019	31 Dec 2018
NON-CURRENT ASSETS		
Intangible assets	-	1
Financial assets	113	-
Total non-current assets	**113**	**1**
CURRENT ASSETS		
Receivables from group companies	10,831	13,056
Other current receivables	88	267
Cash, cash equivalents and short-term investments	974	-
Total current assets	**11,893**	**13,326**
Total assets	**12,006**	**13,627**
SHAREHOLDERS' EQUITY		
Restricted equity	135	1
Non-restricted equity	1,759	2,007
Total equity	**1,894**	**2,008**
NON-CURRENT LIABILITIES		
Long-term borrowings	1,800	-
Total non-current liabilities	**1,800**	**-**
CURRENT LIABILITIES		
Short-term borrowings	2,980	73
Liabiltities to group companies	5,083	11,201
Other current liabilities	249	45
Total current liabilities	**8,312**	**11,319**
Total shareholders' equity and liabilities	**12,006**	**13,327**

Net sales - external & internal

(SEKm)	Q1 2018	Q2 2018	Q3 2018	Q4 2018	FY 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	FY 2019
Broadcasting & Streaming	3,118	3,290	2,981	3,394	12,785	3,322	3,422	3,223	3,672	13,639
Studios	329	423	455	562	1,769	404	552	577	497	2,030
Central operations	4	5	3	3	13	1	-	-	-	2
Total sales external customers	**3,452**	**3,719**	**3,439**	**3,959**	**14,568**	**3,727**	**3,975**	**3,799**	**4,169**	**15,671**
Broadcasting & Streaming	2	2	4	9	15	15	16	12	14	58
Studios	23	53	25	42	142	47	100	64	43	254
Central operations	23	18	10	19	71	16	19	18	24	77
Total sales between segments	**47**	**72**	**39**	**69**	**228**	**78**	**135**	**94**	**81**	**389**

Net sales by segments

(SEKm)	Q1 2018	Q2 2018	Q3 2018	Q4 2018	FY 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	FY 2019
Broadcasting & streaming	3,120	3,292	2,985	3,403	12,800	3,337	3,438	3,235	3,686	13,697
of which advertising	*946*	*1,078*	*823*	*1,171*	*4,017*	*964*	*1,047*	*835*	*1,159*	*4,005*
of which subscription & other	*2,174*	*2,214*	*2,162*	*2,232*	*8,783*	*2,373*	*2,391*	*2,400*	*2,527*	*9,691*
Studios	352	476	480	603	1,911	451	652	640	540	2,284
Central operations	27	23	12	24	84	17	20	18	24	79
Eliminations	-47	-72	-39	-69	-228	-78	-135	-94	-81	-389
Total	**3,452**	**3,719**	**3,439**	**3,959**	**14,568**	**3,727**	**3,975**	**3,799**	**4,169**	**15,671**

Operating income by segment

(SEKm)	Q1 2018	Q2 2018	Q3 2018	Q4 2018	FY 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	FY 2019
Broadcasting & Streaming	310	498	321	532	1,661	331	509	330	560	1,731
Studios	-24	9	34	26	45	-14	26	37	33	82
Business segments	**286**	**508**	**355**	**557**	**1,706**	**317**	**535**	**367**	**593**	**1,813**
Central operations	-16	-44	-56	-47	-162	-43	-80	-65	-79	-268
Total operating income before IAC	**271**	**464**	**299**	**511**	**1,544**	**274**	**455**	**302**	**513**	**1,545**
Items affecting comparability	-	-48	3	5	-40	-56	-	-	-731	-787
Total	**271**	**415**	**303**	**516**	**1,504**	**218**	**455**	**302**	**-217**	**758**

Group & segment performance data

	Q1 2018	Q2 2018	Q3 2018	Q4 2018	FY 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	FY 2019
GROUP										
Sales growth	7.3%	8.7%	3.3%	6.4%	6.4%	8.0%	6.9%	10.5%	5.3%	7.6%
- of which organic growth	*6.2%*	*5.8%*	*-0.5%*	*3.7%*	*3.8%*	*5.9%*	*5.8%*	*9.8%*	*4.4%*	*6.4%*
- of which acquisitions/divestments	-	*0.1%*	-	-	-	-	-	-	-	-
- of which changes in FX rates	*1.1%*	*2.9%*	*3.8%*	*2.8%*	*2.6%*	*2.1%*	*1.1%*	*0.7%*	*0.9%*	*1.1%*
Operating margin before IAC	7.8%	12.5%	8.7%	12.9%	10.6%	7.4%	11.4%	8.0%	12.3%	9.9%
Net debt (SEKm)	-	-	-	3,944	-	4,189	4,148	4,756	4,139	4,139
Net debt/EBITDA 12 months trailing	-	-	-	2.3	-	2.2	2.2	2.5	2.2	2.2
BROADCASTING & STREAMING										
Organic sales growth	6.2%	6.9%	2.2%	3.0%	3.8%	5.2%	3.5%	7.7%	7.5%	6.0%
Operating margin before IAC	9.9%	15.1%	10.8%	15.6%	13.0%	9.9%	14.8%	10.2%	15.2%	12.6%
CSOV Sweden (15-49) %	23.1	23.9	23.1	23.6	23.4	23.6	23.3	24.1	22.9	23.4
CSOV Norway (15-49) %	15.1	15.9	13.5	17.7	15.6	17.0	16.0	16.1	17.2	21.9
CSOV Denmark (15-49) %	21.4	24.6	21.6	23.4	22.7	21.1	23.4	22.4	23.6	22.9
CSOL Sweden (12-79) %	38.0	40.4	42.8	41.9	40.9	45.6	44.8	47.6	42.3	45.1
CSOL Norway (12+) %	66.0	67.1	71.3	68.5	68.2	65.2	66.4	69.1	64.7	66.0
Subscriber base ('000s)	2,173	2,130	2,111	2,218	-	2,310	2,377	2,400	2,526	-
- of which Viaplay	*1,202*	*1,177*	*1,166*	*1,258*	-	*1,357*	*1,421*	*1,459*	*1,568*	-
- of which Viasat direct-to-consumer[1]	*505*	*498*	*496*	*493*	-	*490*	*491*	*490*	*489*	-
- of which Viasat 3rd party	*466*	*455*	*449*	*466*	-	*463*	*465*	*451*	*469*	-
STUDIOS										
Organic sales growth	-0.6%	-10.0%	-19.8%	3.6%	-7.3%	22.9%	35.0%	32.1%	-11.5%	17.7%
Operating margin before IAC	-6.8%	1.9%	7.1%	4.3%	2.4%	-3.1%	4.0%	5.8%	6.1%	3.6%

1) Satellite and broadband subscribers where Viasat has a direct relationship with the customer

Disaggregation of revenues

Q4 (SEKm)	Broadcasting & Streaming 2019	Broadcasting & Streaming 2018	Studios 2019	Studios 2018	Central operations 2019	Central operations 2018	Total 2019	Total 2018
REVENUE STREAMS								
Advertising	1,159	1,171	28	50	-	-	1,187	1,220
Subscription	2,289	2,152	-	-	-	-	2,289	2,152
Production	7	-	386	433	-	-	393	433
Licenses, royalities and other	217	71	84	79	-	3	301	153
Total	**3,672**	**3,394**	**497**	**562**	**-**	**3**	**4,169**	**3,959**
REVENUE RECOGNITION								
at a point in time	217	71	84	79	-	3	301	153
over time	3,455	3,323	413	483	-	-	3,868	3,806
Total	**3,672**	**3,394**	**497**	**562**	**-**	**3**	**4,169**	**3,959**

Full year (SEKm)	Broadcasting & Streaming 2019	Broadcasting & Streaming 2018	Studios 2019	Studios 2018	Central operations 2019	Central operations 2018	Total 2019	Total 2018
REVENUE STREAMS								
Advertising	4,005	4,017	78	172	-	-	4,083	4,189
Subscription	8,771	8,272	-	-	-	-	8,771	8,272
Production	22	61	1,585	1,321	-	-	1,607	1,382
Licenses, royalities and other	841	438	368	276	2	13	1,210	725
Total	**13,639**	**12,785**	**2,030**	**1,769**	**2**	**13**	**15,671**	**14,568**
TIMING OF REVENUE RECOGNITION								
at a point in time	841	436	368	277	2	13	1,210	726
over time	12,798	12,350	1,662	1,493	-	-	14,460	13,842
Total	**13,639**	**12,785**	**2,030**	**1,769**	**2**	**13**	**15,671**	**14,568**

The format for the disaggregation of revenue has changed to fulfil the requirements in IFRS 15 and historical numbers have been restated to include advertising revenue that were previously reported as subscription revenues.

Alternative Performance Measures

The purpose of Alternative Performance Measures (APMs) is to facilitate the analysis of business performance and industry trends that cannot be directly derived from financial statements. NENT Group is using the following Alternative Performance Measures:

- Change in net sales from Organic growth, Acquisitions/divestments and Changes in FX rates
- Operating income & margin 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 in the reporting currency (i.e. SEK, Swedish Krona) and currency rates have proven to be rather volatile, and due to the fact that the Group has historically made several acquisitions and divestments, the Company's sales trends and performance are analysed as changes in organic sales growth. This presents the increase or decrease in the overall SEK net sales on a comparable basis, allowing separate discussions of the impact of acquisitions/divestments and exchange rates.

Sales growth

(SEKm,%)	Q4 2019	%	Q4 2018	%	FY 2019	%	FY 2018	%
BROADCASTING & STREAMING								
Organic growth	255	7.5%	97	3.0%	765	6.0%	543	4.5%
Acquisitions/divestments	-	-	-	-	-	-	-	-
Changes in FX rates	28	0.8%	77	2.4%	132	1.0%	295	2.5%
Reported change	**283**	**8.3%**	**175**	**5.4%**	**897**	**7.0%**	**839**	**7.0%**
STUDIOS								
Organic growth	-70	-11.5%	20	3.6%	338	17.7%	-145	-7.3%
Acquisitions/divestments	-	-	-	-	-	-	3	0.1%
Changes in FX rates	7	1.1%	22	3.9%	35	1.8%	68	3.4%
Reported change	**-63**	**-10.5%**	**42**	**7.6%**	**373**	**19.5%**	**-75**	**-3.8%**
GROUP								
Organic growth	176	4.4%	136	3.7%	938	6.4%	518	3.8%
Acquisitions/divestments	-	-	-	-	-	-	3	-
Changes in FX rates	34	0.9%	103	2.8%	165	1.1%	359	2.6%
Reported change	**210**	**5.3%**	**239**	**6.4%**	**1,103**	**7.6%**	**880**	**6.4%**

Reconciliation of operating income before IAC

Operating income before items affecting comparability 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

(SEKm)	Q4 2019	Q4 2018	Full year 2019	Full year 2018
Operating income	-217	516	758	1,504
Items affecting comparability	-731	5	-787	-40
Operating income before items affecting comparability	**513**	**511**	**1,545**	**1,544**

Items affecting comparability

(SEKm)	Q4 2019	Q4 2018	Full year 2019	Full year 2018
Costs related to the separation and listing of NENT Group	-	-	-56	-
Write down of free-TV content and other assets	-540	-16	-540	-16
Restructuring NENT Group	-190	-	-190	-53
Revaluation of liabilities related to options to acquire shares	-	-	-	14
Impairment of goodwill related to closed company	-	-	-	-6
Deconsolidation of the operations in Tanzania	-	21	-	21
Total	**-731**	**5**	**-787**	**-40**

Items affecting comparability classified by function

(SEKm)	Q4 2019	Q4 2018	Full year 2019	Full year 2018
Cost of goods sold	-416	-	-416	-
Administrative expenses	-312	-	-368	-53
Other operating income	-	21	-	35
Other operating expenses	-3	-16	-3	-22
Total	**-731**	**5**	**-787**	**-40**

Reconciliation of net debt/EBITDA ratio

Net debt refers to the net of interest-bearing liabilities less total cash and interest-bearing assets. As from 1 January 2019 net debt also includes lease liabilities net of sublease receivables and dividend payable. Net debt is used by Group management to track the debt evolvement of the Group and to analyse the leverage and refinancing need 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 off all its debts. This measure is commonly used by financial institutions to rate credit worthiness.

Net debt

(SEKm)	31 Dec 2018	31 Mar 2019	30 Jun 2019[1)]	30 Sep 2019	31 Dec 2019
Short-term borrowings	-	3,762	2,865	2,510	2,980
Liabilities related to MTG	4,373	-	-	-	-
Short-term borrowings	**4,373**	**3,762**	**2,865**	**2,510**	**2,980**
Long-term borrowings	-	501	2,000	2,300	1,800
Total financial borrowings	**4,373**	**4,263**	**4,865**	**4,810**	**4,780**
Cash and cash equivalents	428	731	1,572	889	1,238
Financial net debt	**3,944**	**3,532**	**3,293**	**3,921**	**3,542**
Total lease liabilities	-	897	865	845	823
Total sublease receivables	-	240	229	228	225
Lease liabilities net of sublease receivables	**-**	**657**	**636**	**617**	**598**
Dividend payable	-	-	219	219	-
Net debt	**3,944**	**4,189**	**4,148**	**4,756**	**4,139**

Net debt / EBITDA before IAC trailing 12 months

(SEKm)	Q4 2018	Q1 2019	Q2 2019[1)]	Q3 2019	Q4 2019
Operating income before IAC	1,544	1,562	1,549	1,547	1,545
Depreciation, amortisation and writedowns of non-current assets	201	315	323	330	336
EBITDA trailing 12 months	**1,745**	**1,877**	**1,871**	**1,877**	**1,881**
Net debt	3,944	4,189	4,148	4,756	4,139
Total net debt / EBITDA trailing 12 months	**2.3**	**2.2**	**2.2**	**2.5**	**2.2**

1) Items within accounts receivable and cash and cash equivalents as of 30 June have been restated and reduced and increased by SEK 62m respectively. The net debt as of June 30 was thus SEK 4,148m compared with the previously reported SEK 4,210m.

Reconciliation of Return on Capital Employed (ROCE)

Return on capital employed is a performance measure whereby operating income before items affecting comparability is put in relation to the capital employed within the operations. Operating income before items affecting comparability is the main profit level that operations are responsible for and comprise results before interest and tax. 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 thus equals the sum of equity and net debt.

Return on Capital Employed (ROCE)

(SEKm)	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019[1)]	Q3 2019	Q4 2019[2)]
Inventory	2,514	2,278	2,387	2,428	2,916	2,852	2,877	2,551
Accounts receivables	1,224	1,158	1,187	1,224	1,111	1,209	1,243	1,112
Prepaid expense and accrued income	3,380	3,566	3,285	3,951	3,797	4,295	4,477	4,609
Other current assets	420	799	590	468	732	865	909	532
Other current liabilities	-5,783	-6,287	-5,834	-6,598	-6,616	-7,521	-6,874	-6,923
Total working capital	**1,756**	**1,513**	**1,614**	**1,471**	**1,940**	**1,700**	**2,633**	**1,882**
Intangibles assets	3,101	3,128	3,462	3,404	3,434	3,431	3,424	3,384
Machinery, equipment and installations	145	159	150	152	158	163	163	165
Right-of-use assets	-	-	-	-	631	611	588	566
Shares and participations	16	23	22	20	22	140	147	142
Other long term receivables	144	154	162	127	153	143	178	171
Provisions	-472	-474	-426	-309	-305	-289	-284	-414
Other non-current liabilities	-354	-351	-342	-324	-340	-334	-357	-316
Other items included in the capital employed	**2,581**	**2,639**	**3,028**	**3,071**	**3,753**	**3,865**	**3,859**	**3,699**
Capital employed	**4,337**	**4,151**	**4,640**	**4,541**	**5,693**	**5,564**	**6,492**	**5,581**
Average Capital Employed (5 quarters)	3,446	3,649	4,015	4,229	5,177	5,297	5,638	5,700
Operating income before IAC 12 months trailing	1,533	1,539	1,525	1,544	1,562	1,549	1,547	1,545
ROCE %	**44.5%**	**42.2%**	**38.0%**	**36.5%**	**29.9%**	**29.1%**	**27.4%**	**27.1%**

1) Items within accounts receivable and cash and cash equivalents as of 30 June have been restated and reduced and increased by SEK 62m respectively. Total working capital as of June 30 was thus SEK 1,700m compared with the previously reported SEK 1,762m.

2) Average Capital Employed (5 quarters) and Operating income before IAC 12 months trailing has been adjusted for the estimated effect for IFRS 16 for increased comparability. 2018 periods included in Average capital employed has been adjusted for Right-of-use assets with SEK 631m, adjusting the Average capital employed with SEK 126m from SEK 5,574m to SEK 5,700m.

Definitions

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

CSOL, Commercial Share of Listening
CSOL comprises NENT Group's estimated share of the commercial radio listening in the age group 12+ years in Norway and 12-79 years in Sweden.

CSOV, Commercial Share of Viewing
CSOV comprises NENT Group's estimated share of the commercial TV viewing in the age group 15-49 years.

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.

EBITDA
EBITDA is read Earnings Before Interest, Tax, Depreciation and Amortisation.

Items Affecting Comparability
Items Affecting Comparability refers 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. As from 1 January 2019 net debt also includes lease liabilities net of sublease receivables and dividend payable.

Operating income
Operating income comprise results before interest and tax. A synonym for operating income is EBIT (Earnings Before Interest and Tax).

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

Return On Capital Employed (ROCE) %
Return on capital employed is calculated as operating income as a percentage of average capital employed.

Shareholder information

2020 Annual General Meeting

The 2020 Annual General Meeting of NENT shareholders will be held on Tuesday 19 May 2020 in Stockholm. Shareholders wishing to have matters considered at the meeting should submit their proposals in writing to agm@nentgroup.com or to the Company Secretary, Nordic Entertainment Group AB, BOX 17104, 104 62 Stockholm, Sweden, at least seven weeks before the meeting in order that such proposals may be included in the notices to the meeting. Further details of when and how to register will be published in advance of the meeting.

The Board of Directors will propose the payment of an annual ordinary cash dividend of SEK 7.00 (6.50) per share to the Annual General Meeting of shareholders. The total proposed ordinary cash dividend payment would therefore amount to approximately SEK 471m (438), based on the maximum potential number of outstanding ordinary shares. The Board of Directors of NENT Group intends to further propose that the remainder of the Group's retained earnings for the year ended 31 December 2019 be carried forward into the 2020 accounts. The proposal is in line with NENT Group's dividend policy.

Financial calendar 2020

2019 Annual & Sustainability report	2 April
Q1 interim report	23 April
2020 Annual General Meeting	19 May
Q2 interim report	22 July
Q3 interim report	22 October

Questions?

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Conference call

The company will host a conference call today at 09.00 Stockholm local time, 08.00 London local time and 03.00 New York local time. To participate in the conference call, please dial:

Sweden:	+46 (0) 8 506 921 80
UK:	+44 (0) 8 445 718 892
US:	+1 6 315 107 495

The access pin code for the call is **6697906**.

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