

# Q2 2017 Financial report



## NextGenTel Holding ASA – 1<sup>st</sup> half year 2017

### Key figures

(Figures in NOK million)	H1 2017	H1 2016
Revenues	635.6	689.7
Gross profit	282.8	327.6
Gross margin	44.5%	47.5%
EBITDA	92.3	115.6

Note: EBITDA adjusted for non-recurring items

### Group financials H1 2017 (2016 figures in brackets)

Revenues in H1 were NOK 635.6 million (689.7). Gross profit was NOK 282.2 million – 44.5% (327.6 – 47.5%). EBITDA adjusted for non-recurring items was NOK 92.3 million – 14.5 % (115.6 – 16.8%).

Operating profit was NOK 1.0 million in H1 (31.9). Lower revenues and reduced gross margin affects gross profit negatively. Opex is reduced by NOK 19.4 million from H1 2016.

The H1 2017 financial results include NOK 24.2 million in amortization cost related to business combinations and NOK 2.1 million in non-recurring costs. Costs for implementing the agreements with Nordic Choice Hotels and Phonect affect EBITDA for Kvantel negatively, representing NOKm 2.5 of the reduced group EBITDA in Q2'17 compared to Q1'17. Revenues from these contracts will materialize from Q3'17.

The regulatory issue related to the VULA product from Telenor (“Market 5”) is still unresolved and awaiting a final decision by the Ministry of Transport and Communications. A positive effect from the expected reduction in CoGS for the VULA product is *not* included in the financial statements as of 30 June 2017. Based on the proposal from NKOM, the positive effect on the Q2'17 result would be NOK 1 million. The positive effect as of YTD 30 June 2017 would be NOK 1.9 million and the accumulated positive effect NOK 4.2 million (includes 2016).

Cash and cash equivalents were NOK 19.4 million at 30 June 2017 (excluding a NOK 50 million overdraft facility).

EPS was NOK 0.16 negative in H1 2017 and equity ratio was 20.00% at 30 June.

### Capital expenditures

Capital expenditures in H1 2017 were NOK 50.2 million, excluding the acquisition of a broadband/TV customer base of NOK 4.5 million (63.7). For details, see notes 6 and 7 to the financial statements. Capex /sales ratio was 7.8% in H1 (9.2%).

### Financial debt

Total interest-bearing debt was NOK 278.2 million including financial lease (351.8). Net interest-bearing debt was NOK 258.8 million as of 30 June 2017 (290.8). See note 9 to the financial statements.

### Related party transactions

There have been no transactions by related parties that have had a material effect on the Group’s financial position or results in the period.

### Customer base development

The total customer base<sup>\*)</sup> in Norway was 267,000 at the end of H1 2017, a decrease from 281,000 at the end of Q4 2016. The consumer segment had a decrease of 12,500 and the business segment a decrease of 1,500.

The company has continued its activities towards the housing cooperatives segment. In H1, 17 new cooperatives have signed an agreement with NextGenTel representing 1,237 households (total number of units is 116 and 5,894 households of which 4,245 are installed at the end of June).

The total number of subscribers on high-speed Internet access has increased from 42,993 to 44,162 during H1.

The consumer mobile subscriber base counted 38,500 subscribers and the corporate mobile subscriber base counted 16,600 subscribers at the end of June.

The customer base in the international markets declined by 13,800 customers in H1, mainly driven by reduction of white label customers in the Netherlands. The total number of customers in the international markets was 85,000 at the end of June.

### New contracts

In H1 2017, NextGenTel announced the following significant contracts:

- Renewal and expansion of a 3-year contract with Telia (annual revenues NOK 75

\*) Customer base = revenue generating units (RGUs)

- million)
- Framework agreement with Oslo S Utvikling AS (housing project)

Kvantel signed the following contracts:

- 3-year agreement with Nordic Choice Hotels
- Agreement with Phonect (annual revenues NOK 60 million)

### Shareholder information

The total number of registered shares outstanding at the end of H1 2017 was 23,283,180 out of which 274,201 shares were owned by NextGenTel Holding ASA.

The total number of shareholders was 586 and 30.6% of the shares were registered abroad. For information about the top 20 shareholders, please refer to <http://nextgentelholding.com/Investor-relations/Share-information/Top-20-shareholders>

Total outstanding options at the end of H1 2017 were 436,000 of which 261,000 have a dilutive effect with a weighted average strike price of NOK 6.13.

### Dividend

Following a resolution by the board, the company paid a dividend of NOK 0.50 per share on 8 March 2017. Future dividend distributions will depend on the prevailing investment plans, financial covenants and necessary financial flexibility.

### Modernization of the copper network

According to correspondence between the Ministry of Transportation and Communication and NKOM dated 20 February 2017, a conclusion on the modernization issue was expected to be reached by the end of the second quarter. This has not materialized, but the negotiations are in a final phase. Telenor wants to modernize some small parts of the outer copper network where no other access technology will be available short and mid-term. There has been put forward an initiative by NKOM (the Norwegian regulator) where they suggest the current LLUB regime, with some modifications, to be used for modernization purposes paving the ground for GFAST modernization done by other operators. An agreement on modernization of the copper network would most probably imply:

- Telenor will build to a limited extent
- Opportunity for other operators to build
- NexGenTel will build when financially

viable (alone or together with others). It is our expectation that this process will be concluded during September at the latest. There is still a risk that the parties will not reach an agreement.

### Tax issue

Reference is made to previous announcements related to the tax issue (stock exchange notice and Q1 2017 report). The company is now awaiting a final conclusion from the tax authorities.

### Separating the consumer and corporate operations

The board believes there are significant benefits from separating the Norwegian operation in two separate units where one will operate within the consumer segment and one within the corporate segment. As a consequence, a demerger of NextGenTel AS is in process. A new company, Proximo Norge AS, will focus its business on the corporate end-user segment (which currently is part of NextGenTel AS). Kvantel AS and Kvantel Voice AS will be merged and together continue to operate in the wholesale market towards corporate customers. Kvantel and Proximo will be owned by a new company, Fiber Norge AS (100% owned by NextGenTel Holding ASA). Going forward, NextGenTel AS will serve the consumer market only. The new structure will be operational from 1 October 2017. More details will be outlined in a separate presentation material.

### Cost reduction plan

The board has approved a cost reduction plan which implies a reduction of operating expenses by additional NOK 40 million annually. The main source for this cost reduction will be reduction in staff. Other sources are related to maintenance/service agreements and external consultants. This plan will have a small impact in Q4 2017 and full impact from January 2018. The implementation of the plan will not impose any additional expenses (employees will be paid normal salary during the notice period).

### Transformation of operations (automation and digitalization)

The deployment of new business support systems during the past months represents opportunities for NextGenTel to introduce robotics to increase effectiveness in processes and routines. Customers' interaction with customer services will be made more effective through tools and robotics. There is an untapped potential for the company to reduce operating expenses by digitalization and use of robotics in the months ahead.

Oslo, 15 August 2017  
Board of Directors  
NextGenTel Holding ASA

Ellen Hanetho  
(sign.)

Lars B. Thoresen  
Chairman of the Board  
(sign.)

Aril Resen  
(sign.)

Kari Mette Toverud  
(sign.)

Espen Fjogstad  
(sign.)

Eirik Lunde  
CEO  
(sign.)

Vidar Skogedal  
Employee repr.  
(sign.)

Linn Anette Husøy  
Employee repr.  
(sign.)

## Condensed consolidated interim balance sheet (unaudited)

(Figures in NOK 1000)

	Note	30.06.2017	30.06.2016	31.12.2016
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	6	178 572	214 327	194 690
Intangible assets	7	167 463	189 430	185 847
Goodwill	7	132 672	132 672	132 672
Deferred tax assets		23 412	28 876	22 698
		<u>502 119</u>	<u>565 305</u>	<u>535 907</u>
<b>Current assets</b>				
Trade and other receivables		207 618	200 926	215 459
Cash and cash equivalents		19 423	60 965	66 593
		<u>227 041</u>	<u>261 891</u>	<u>282 052</u>
<b>Total assets</b>		<b><u>729 160</u></b>	<b><u>827 196</u></b>	<b><u>817 960</u></b>
<b>EQUITY</b>				
Share capital reduced for treasury shares		2 300	2 298	2 298
Premium paid-in capital		121 325	121 325	121 325
Other reserves		-1 822	-2 645	-3 641
Retained earnings		24 016	25 012	38 703
<b>Total equity</b>		<b><u>145 818</u></b>	<b><u>145 989</u></b>	<b><u>158 684</u></b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Long-term interest-bearing debt	9	184 640	261 877	219 874
Deferred tax liabilities		15 555	28 361	21 360
		<u>200 195</u>	<u>290 238</u>	<u>241 234</u>
<b>Current liabilities</b>				
Trade and other payables		202 573	205 557	225 072
Current income tax liabilities		16 583	17 435	17 335
Short-term interest-bearing debt	9	93 539	89 874	95 084
Deferred income/revenue		70 452	78 103	80 552
		<u>383 147</u>	<u>390 969</u>	<u>418 042</u>
<b>Total liabilities</b>		<b><u>583 342</u></b>	<b><u>681 207</u></b>	<b><u>659 276</u></b>
<b>Total equity and liabilities</b>		<b><u>729 160</u></b>	<b><u>827 196</u></b>	<b><u>817 960</u></b>

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## Condensed consolidated interim income statement (unaudited)

(Figures in NOK 1000)

	Note	Q2 2017	Q2 2016	Jan-Jun 2017	Jan-Jun 2016	Jan-Dec 2016
<b>Total revenues</b>		<b>317 227</b>	<b>345 531</b>	<b>635 567</b>	<b>689 659</b>	<b>1 358 632</b>
Cost of connection and traffic charges		-177 559	-181 531	-352 743	-362 068	-718 559
Salaries and personnel costs		-58 123	-60 455	-117 423	-124 253	-246 007
Selling and marketing costs		-9 263	-11 509	-18 206	-26 060	-50 622
Other costs		-29 174	-30 925	-56 977	-61 650	-117 669
Depreciation and amortization	6, 7	-44 567	-41 203	-89 195	-83 670	-170 526
<b>Operating profit</b>		<b>-1 459</b>	<b>19 907</b>	<b>1 023</b>	<b>31 958</b>	<b>55 249</b>
Finance	8	-3 384	-2 855	-6 766	-7 711	-13 372
<b>Profit before income tax</b>		<b>-4 843</b>	<b>17 052</b>	<b>-5 743</b>	<b>24 246</b>	<b>41 877</b>
Income tax		1 198	-3 894	1 963	-5 603	-9 475
<b>Profit</b>		<b>-3 645</b>	<b>13 159</b>	<b>-3 780</b>	<b>18 644</b>	<b>32 402</b>
<b>Attributable to:</b>						
Equity holders of the parent company		-3 645	13 159	-3 780	18 644	32 402
<b>Other comprehensive income</b>		<b>Q2 2017</b>	<b>Q2 2016</b>	<b>Jan-Jun 2017</b>	<b>Jan-Jun 2016</b>	<b>Jan-Dec 2016</b>
Translation differences		2 190	-477	1 780	-1 088	-2 151
Other income and expenses during the period (after tax)		2 190	-477	1 780	-1 088	-2 151
<b>Comprehensive profit for the period</b>		<b>-1 456</b>	<b>12 681</b>	<b>-2 000</b>	<b>17 556</b>	<b>30 251</b>
<b>Profit attributable to:</b>						
Equity holders of the parent company		-1 456	12 681	-2 000	17 556	30 251
<b>Earnings per share</b>						
Earnings per share		-0.16	0.57	-0.16	0.81	1.41
Diluted earnings per share		-0.16	0.57	-0.16	0.80	1.40

## Condensed consolidated interim statement of changes in equity (unaudited)

(Figures in NOK 1000)

	Share capital	Treasury shares	Premium paid-in equity	Translation differences	Retained earnings	Total equity
<b>Equity as at 1 January 2016</b>	2 328	-30	121 325	-1 490	6 301	128 433
<b>Comprehensive income for the period</b>						
Profit for the period	-	-	-	-	32 402	32 402
<b>Other income and expenses</b>						
Translation differences	-	-	-	-2 151	-	-2 151
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-2 151</b>	<b>32 402</b>	<b>30 251</b>
<b>Transactions with owners, recognized directly against equity</b>						
Contributions by and distributions to owners of the Company	-	-	-	-	-	-
<b>Total contributions by and distributions to owners of the Company</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Equity as at 31 December 2016</b>	<b>2 328</b>	<b>-30</b>	<b>121 325</b>	<b>-3 641</b>	<b>38 703</b>	<b>158 684</b>
<b>Equity as at 1 January 2017</b>	2 328	-30	121 325	-3 641	38 703	158 684
<b>Comprehensive income for the period</b>						
Profit for the period	-	-	-	-	-3 780	-3 780
<b>Other income and expenses</b>						
Translation differences	-	-	-	1 819	-	1 819
Total other revenues and expenses	-	-	-	1 819	-	1 819
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 819</b>	<b>-3 780</b>	<b>-1 961</b>
<b>Transactions with owners, recognized directly against equity</b>						
Contributions by and distributions to owners of the Company						
Dividends to owners	-	-	-	-	-11 505	-11 505
Share-based payment transactions	-	-	-	-	-	-
Share options exercised	-	3	-	-	597	600
Total contributions by and distributions to owners of the Company	-	3	-	-	-10 908	-10 905
<b>Equity as at 30 June 2017</b>	<b>2 328</b>	<b>-28</b>	<b>121 325</b>	<b>-1 822</b>	<b>24 016</b>	<b>145 818</b>

## Condensed consolidated interim statement of cash flows (unaudited)

(Figures in NOK 1000)

Cash flows from operations	Q2 2017	Q2 2016	Jan-Jun 2017	Jan-Jun 2016	Jan-Dec 2016
Profit/loss for the year before tax	-4 843	17 052	-5 743	24 246	41 877
Taxes paid	-2 084	-194	-5 201	-736	-5 703
Depreciation and amortization	44 567	41 203	89 195	83 670	170 526
Net change in current liabilities	-4 690	18 644	-24 487	5 987	14 617
Net change in receivables	3 548	-14 990	8 912	-10 784	-21 777
<b>Net cash flows from operations</b>	<b>36 499</b>	<b>61 716</b>	<b>62 676</b>	<b>102 384</b>	<b>200 011</b>
<b>Cash flows from investment activities</b>					
Investments in fixed assets	-16 572	-8 825	-29 268	-19 392	-51 505
Investments in intangible assets	-12 601	-9 618	-21 600	-16 811	-36 065
<b>Net cash flows used in investment activities</b>	<b>-29 172</b>	<b>-18 443</b>	<b>-50 868</b>	<b>-36 203</b>	<b>-87 570</b>
<b>Cash flows from financing activities</b>					
New financial debt	-	-	-	500	4 369
Repayment of debt	-	-11 642	-35 000	-38 505	-75 048
Payment of financial lease obligations	-6 821	-9 188	-13 720	-13 550	-20 766
Payment of dividend	-	-	-11 505	-	-
Equity changes	-	-	600	-	-
<b>Net cash flows used in financing activities</b>	<b>-6 821</b>	<b>-20 830</b>	<b>-59 625</b>	<b>-51 555</b>	<b>-91 444</b>
<b>Change in cash and cash equivalents</b>	<b>506</b>	<b>22 443</b>	<b>-47 817</b>	<b>14 626</b>	<b>20 997</b>
Cash and cash equivalents and credit facilities utilised as at beginning of period	18 003	38 964	66 593	47 401	47 401
Effect of exchange rate fluctuations on cash and cash equivalents	914	-443	647	-1 062	-1 806
<b>Cash and cash equivalents as at end of period</b>	<b>19 423</b>	<b>60 965</b>	<b>19 423</b>	<b>60 965</b>	<b>66 593</b>

## NextGenTel Holding ASA

### Notes to the condensed consolidated interim financial statements (unaudited)

#### **Note 1: Reporting entity**

NextGenTel Holding ASA (the “Company”) is a company domiciled in Oslo, Norway. These June 2017 condensed consolidated interim financial statements of NextGenTel Holding ASA and its subsidiaries (together “the Group”) are for the six months ended 30 June 2017.

The consolidated financial statements of the Group as at and for the year ended 31 December 2016 are available at [www.nextgentelholding.com/investor\\_relations](http://www.nextgentelholding.com/investor_relations).

#### **Note 2: Statement of compliance**

These condensed consolidated interim financial statements of NextGenTel Holding ASA Group have been prepared in accordance with rules and regulations from Oslo Stock Exchange and International Financial Reporting Standard (IFRS) IAS 34, Interim Financial Reporting. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2016.

These condensed consolidated interim financial statements were approved by the Board of Directors on 15 August 2017.

#### **Note 3: Significant accounting policies**

These condensed consolidated interim financial statements have been prepared under the historical cost convention. They have been prepared under the same accounting principles as those set out in the consolidated financial statements of the Group as at and for the year ended 31 December 2016.

#### **Note 4: Estimates**

The preparation of interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgments made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2016.

## Note 5: Segment information

The group has defined and presented operating segments based on information that is provided to the Board of Directors and CEO, which collectively represent the group's highest decision-making body. The operating segments are defined based on where the customers are domiciled. The following four operating segments have been defined: Norway, Denmark, Switzerland and the Netherlands. The risk and return are influenced by the geographic location of the operations, in addition to the market. Transactions between the segments are eliminated.

### Geographical segments

(Figures in NOK 1000)

	Q2 2017					
<i>Profit and loss by segment</i>	<u>Norway</u>	<u>Denmark</u>	<u>Netherlands</u>	<u>Switzerland</u>	<u>Other <sup>1)</sup></u>	<u>Group</u>
Total revenues	313 962	5 398	3 094	3 886	1 205	327 546
Intra-group revenues	-9 114	0	0	0	-1 205	-10 319
Net revenues	304 848	5 398	3 094	3 886	0	317 227
Total costs of sales	-178 488	-1 783	-2 024	-1 678	0	-183 973
Intra-group cost of sales	4 812	0	1 602	0	0	6 414
Net cost of sales	-173 676	-1 783	-422	-1 678	0	-177 559
Gross profit/loss	131 172	3 615	2 672	2 208	0	139 668
Gross margin	43 %	67 %	86 %	57 %	0 %	44 %
Total operating expenses	-126 755	-1 809	-465	-1 246	-14 702	-144 978
Intra-group operating expenses	2 863	667	0	320	0	3 851
Net operating expenses	-123 892	-1 142	-465	-926	-14 702	-141 127
<b>Operating profit/loss</b>	<b>7 280</b>	<b>2 473</b>	<b>2 207</b>	<b>1 282</b>	<b>-14 702</b>	<b>-1 459</b>

### Q2 2016

<i>Profit and loss by segment</i>	<u>Norway</u>	<u>Denmark</u>	<u>Netherlands</u>	<u>Switzerland</u>	<u>Other <sup>1)</sup></u>	<u>Group</u>
Total revenues	335 743	6 638	3 762	4 237	1 039	351 419
Intra-group revenues	-4 849	0	0	0	-1 039	-5 888
Net revenues	330 894	6 638	3 762	4 237	0	345 531
Total costs of sales	-180 534	-2 894	-1 524	-2 166	0	-187 118
Intra-group cost of sales	4 719	0	869	0	0	5 587
Net cost of sales	-175 815	-2 894	-655	-2 166	0	-181 531
Gross profit/loss	155 079	3 743	3 107	2 071	0	164 000
Gross margin	47 %	56 %	83 %	49 %	0 %	47 %
Total operating expenses	-127 723	-2 228	-326	-1 533	-13 362	-145 172
Intra-group operating expenses	0	737	0	343	0	1 079
Net operating expenses	-127 723	-1 491	-326	-1 190	-13 362	-144 093
<b>Operating profit/loss</b>	<b>27 356</b>	<b>2 252</b>	<b>2 781</b>	<b>880</b>	<b>-13 362</b>	<b>19 907</b>

### Jan-Jun 2017

<i>Profit and loss by segment</i>	<u>Norway</u>	<u>Denmark</u>	<u>Netherlands</u>	<u>Switzerland</u>	<u>Other <sup>1)</sup></u>	<u>Group</u>
Total revenues	627 640	10 823	6 167	7 339	2 545	654 514
Intra-group revenues	-16 402	0	0	0	-2 545	-18 947
Net revenues	611 238	10 823	6 167	7 339	0	635 567
Total costs of sales	-353 424	-3 567	-3 974	-3 333	0	-364 298
Intra-group cost of sales	8 321	0	3 234	0	0	11 555
Net cost of sales	-345 103	-3 567	-739	-3 333	0	-352 743
Gross profit/loss	266 134	7 256	5 428	4 006	0	282 824
Gross margin	44 %	67 %	88 %	55 %	0 %	44 %
Total operating expenses	-252 714	-3 797	-762	-2 532	-29 281	-289 085
Intra-group operating expenses	5 289	1 346	0	649	0	7 284
Net operating expenses	-247 425	-2 451	-762	-1 883	-29 281	-281 801
<b>Operating profit/loss</b>	<b>18 709</b>	<b>4 804</b>	<b>4 666</b>	<b>2 124</b>	<b>-29 281</b>	<b>1 023</b>

### Jan-Jun 2016

<u>Profit and loss by segment</u>	<u>Norway</u>	<u>Denmark</u>	<u>Netherlands</u>	<u>Switzerland</u>	<u>Other <sup>1)</sup></u>	<u>Group</u>
Total revenues	672 702	13 736	7 972	8 795	2 171	705 376
Intra-group revenues	-13 546	0	0	0	-2 171	-15 717
Net revenues	659 156	13 736	7 972	8 795	0	689 659
Total costs of sales	-359 387	-6 136	-4 872	-4 368	0	-374 762
Intra-group cost of sales	9 217	0	3 477	0	0	12 694
Net cost of sales	-350 170	-6 136	-1 395	-4 368	0	-362 068
Gross profit/loss	308 986	7 600	6 577	4 428	0	327 591
Gross margin	47 %	55 %	83 %	50 %	0 %	48 %
Total operating expenses	-262 503	-4 428	-1 074	-2 889	-26 957	-297 851
Intra-group operating expenses	0	1 504	0	714	0	2 217
Net operating expenses	-262 503	-2 924	-1 074	-2 175	-26 957	-295 634
<b>Operating profit/loss</b>	<b>46 483</b>	<b>4 676</b>	<b>5 503</b>	<b>2 253</b>	<b>-26 957</b>	<b>31 957</b>

### 30.06.2017

<u>Balance sheet</u>	<u>Norway</u>	<u>Denmark</u>	<u>Netherlands</u>	<u>Switzerland</u>	<u>Other <sup>1)</sup></u>	<u>Group</u>
Assets	676 070	24 076	17 812	3 354	7 847	729 160
Liabilities	383 086	2 362	431	7 207	190 257	583 342
Equity capital	292 984	21 715	17 381	-3 853	-182 409	145 818

### 30.06.2016

<u>Balance sheet</u>	<u>Norway</u>	<u>Denmark</u>	<u>Netherlands</u>	<u>Switzerland</u>	<u>Other <sup>1)</sup></u>	<u>Group</u>
Assets	722 085	19 266	15 597	6 693	63 554	827 195
Liabilities	343 935	2 439	400	14 504	319 929	681 207
Equity capital	378 150	16 826	15 198	-7 811	-256 375	145 988

<sup>1)</sup> Other items include the parent company NextGenTel Holding ASA and Group adjustments (Q2 2017 includes amortization of NOK 12.1 million related to the acquisition of NextGenTel AS, Kvantel AS and Kvantel Voice AS).

### Revenue by product

	Q2 2017	Q2 2016	Jan-Jun 2017	Jan-Jun 2016
VoIP	43 304	52 812	89 014	111 503
Mobile	47 748	43 628	94 727	85 187
Broadband (incl TV)	213 468	235 889	429 761	470 262
Wholesale	3 025	3 767	6 096	7 977
Other	9 682	9 435	15 969	14 731
<b>Total</b>	<b>317 227</b>	<b>345 531</b>	<b>635 567</b>	<b>689 659</b>

### Revenue by customer segment

	Q2 2017	Q2 2016	Jan-Jun 2017	Jan-Jun 2016
Consumer	203 195	229 546	408 901	458 377
Corporate	114 032	115 985	226 666	231 282
<b>Total</b>	<b>317 227</b>	<b>345 531</b>	<b>635 567</b>	<b>689 659</b>

## Note 6: Property, plant and equipment

(Figures in NOK 1000)

	Q2 2017	Q2 2016	Jan-Jun 2017	Jan-Jun 2016	Jan-Dec 2016
<b>Equipment</b>					
Book value beg. of period	186 625	214 514	194 690	217 478	217 478
Additions	16 627	24 639	33 093	49 615	80 994
Depreciation	-24 680	-24 826	-49 211	-52 765	-103 782
<b>Property, plant and equipment</b>	<b>178 572</b>	<b>214 327</b>	<b>178 572</b>	<b>214 327</b>	<b>194 690</b>

## Note 7: Intangible assets and goodwill

(Figures in NOK 1000)

	Q2 2017	Q2 2016	Jan-Jun 2017	Jan-Jun 2016	Jan-Dec 2016
<b>Intangible assets</b>					
Book value beg. of period	174 750	196 192	185 847	206 299	206 299
Additions	12 600	9 616	21 600	14 035	46 293
Amortization	-19 887	-16 378	-39 984	-30 905	-66 745
Impairment loss	-	-	-	-	-
<b>Book value end of period</b>	<b>167 463</b>	<b>189 430</b>	<b>167 463</b>	<b>189 430</b>	<b>185 847</b>
<b>Goodwill</b>					
Book value beg. of period	132 672	132 672	132 672	132 672	132 672
<b>Book value end of period</b>	<b>132 672</b>				
<b>Intangible assets and goodwill</b>	<b>300 135</b>	<b>322 102</b>	<b>300 135</b>	<b>322 102</b>	<b>318 519</b>

Amortization of intangible assets include amortization of excess values related to the acquisition of NextGenTel AS, Kvantel AS and Kvantel Voice AS (Q2 17: NOK 12.1 million, YTD 17: NOK 24.2 million).

## Note 8: Finance

(Figures in NOK 1000)

	Q2 2017	Q2 2016	Jan-Jun 2017	Jan-Jun 2016	Jan-Dec 2016
Interest income	225	305	625	506	1 039
Interest expense	-2 879	-3 602	-6 167	-7 501	-13 306
Foreign currency gain/(loss)	-476	299	-712	47	157
Other financial income/(expenses)	-254	143	-512	-763	-1 262
<b>Net finance</b>	<b>-3 384</b>	<b>-2 855</b>	<b>-6 766</b>	<b>-7 711</b>	<b>-13 372</b>

## Note 9: Interest-bearing debt

(Figures in NOK 1000)

	30.06.2017	30.06.2016	31.12.2016
Term loan bank	140 000	210 000	175 000
Long term financial lease	44 640	51 877	44 874
<b>Total long-term debt</b>	<b>184 640</b>	<b>261 877</b>	<b>219 874</b>
Current part of term loan bank	70 000	70 000	70 000
Short term financial lease	23 539	19 874	25 084
<b>Total short-term debt</b>	<b>93 539</b>	<b>89 874</b>	<b>95 084</b>
<b>Total interest-bearing debt</b>	<b>278 179</b>	<b>351 751</b>	<b>314 958</b>
Cash	19 423	60 965	66 593
<b>Net interest-bearing debt</b>	<b>258 756</b>	<b>290 786</b>	<b>248 365</b>

## Note 10: Alternative performance measures (APMs)

Alternative performance measures are performance measures not within the applicable financial reporting framework (IFRS). Financial APMs are intended to enhance comparability of financial performance over time and are frequently used by analysts and investors. APMs may also be used internally as basis for performance related remuneration.

NextGenTel uses the following APMs:

**EBITDA:** EBIT (operating profit) + depreciation, amortization and impairments

**Net interest-bearing debt (NIBD):** total interest-bearing debt less cash and cash equivalents

**Equity ratio:** total equity/total equity and liabilities

### EBITDA

<i>(Figures in NOK 1000)</i>	<b>Q2 2017</b>	<b>Q2 2016</b>	<b>Jan-Jun 2017</b>	<b>Jan-Jun 2016</b>	<b>Jan-Dec 2016</b>
Operating profit	-1 459	19 907	1 023	31 958	55 249
Depreciation and amortization	44 567	41 203	89 195	83 670	170 526
Impairments	-	-	-	-	-
<b>EBITDA</b>	<b>43 108</b>	<b>61 111</b>	<b>90 218</b>	<b>115 628</b>	<b>225 775</b>

### Net interest-bearing debt (NIBD)

<i>(Figures in NOK 1000)</i>	<b>30.06.2017</b>	<b>30.06.2016</b>	<b>31.12.2016</b>
Long-term interest bearing debt	184 640	261 877	219 874
Short-term interest bearing debt	93 539	89 874	95 084
Cash and cash equivalents	-19 423	-60 965	-66 593
<b>Net interest-bearing debt (NIBD)</b>	<b>258 756</b>	<b>290 786</b>	<b>248 365</b>

### Equity ratio

	<b>30.06.2017</b>	<b>30.06.2016</b>	<b>31.12.2016</b>
Total equity	145 818	145 989	158 684
Total equity and liabilities	729 160	827 196	817 960
<b>Equity ratio</b>	<b>20,00 %</b>	<b>17,65 %</b>	<b>19,40 %</b>

## Responsibility statement

Today, the board of directors and the chief executive officer reviewed and approved the half-yearly board of directors' report and the condensed consolidated half-yearly financial statements for NextGenTel Holding ASA as of 30 June 2017 and for the six-month period ended 30 June 2017.

The half-yearly financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting as endorsed by the EU, and the Norwegian additional requirements in the Securities Trading Act.

To the best of our knowledge, the half-yearly financial statements for 2017 have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and profit as a whole as of 30 June 2017. To the best of our knowledge, the half-yearly board of directors' report includes a fair review of important events that have occurred during the first six months of the financial year, and their impact on the half-yearly financial statements, together with a description of the principal risks and uncertainties for the remaining six months of the financial year, and the description of major related party transactions.

Oslo, 15 August 2017

Board of Directors  
NextGenTel Holding ASA

Ellen Hanetho  
(sign.)

Lars B. Thoresen  
Chairman of the Board  
(sign.)

Airil Resen  
(sign.)

Kari Mette Toverud  
(sign.)

Espen Fjogstad  
(sign.)

Eirik Lunde  
CEO  
(sign.)

Vidar Skogedal  
Employee repr.  
(sign.)

Linn Anette Husøy  
Employee repr.  
(sign.)

## Company Facts

**NextGenTel Holding ASA**  
**Harbitzalleen 2A**  
**P.O. Box 54 Skøyen**  
**0212 Oslo**

Telephone: +47 2167 3500  
 Homepage: [www.nextgentelholding.com](http://www.nextgentelholding.com)

Company reg. number: 985 968 098  
 Founded: 12 August 2003

### Board of Directors

Lars B. Thoresen (Chairman)  
 Aril Resen  
 Ellen Hanetho  
 Kari Mette Toverud  
 Espen Fjogstad  
 Vidar Skogedal (employee repr.)  
 Linn Anette Husøy (employee repr.)

### Group Management

Eirik Lunde, Chief Executive Officer  
 Tom Nøttveit, Chief Financial Officer  
 Sven Ole Skrivervik, Chief Technology Officer  
 Roy Børsheim, Director Consumer  
 Ole Jacob Moldestad, Director Corporate

### Investor Relations

Tom Nøttveit, Chief Financial Officer  
 Telephone: +47 4153 9714  
 Email address: [tom.nottveit@nextgentel.com](mailto:tom.nottveit@nextgentel.com)  
 Web: <http://www.nextgentelholding.com>

### Financial Calendar

4<sup>th</sup> quarter 2016: 15 February at 9:00  
 1<sup>st</sup> quarter 2017: 4 May at 09:00  
 2<sup>nd</sup> quarter 2017: 16 August at 09:00  
 3<sup>rd</sup> quarter 2017: 27 October at 09:00  
 Annual general meeting: 20 April at 15:00  
 Extraordinary general meeting: 30 June at 13:00

### Equity Research Coverage

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