

Further information about the announced sale of Kvantel AS

Reference is made to the announcement 27 April 2018 regarding the sale of 100% of the shares in Kvantel AS to Broadnet AS.

The transaction

100% of the shares in Kvantel will be sold to Broadnet AS based on an enterprise value of NOK 250 million. Adjustments in the purchase price will be made at closing based on Net Debt and deviation from normalized Net Working Capital and closing is expected to take place ulimo May 2018. The platform and related employees producing voice services for NextGenTel will be transferred from Kvantel to NextGenTel before closing of the transaction. The transaction is subject to approval by the Norwegian competition authorities.

Kvantel business

Kvantel AS is a provider of advanced Datacom and telephony products and services. The company's CEO is Ole Jacob Moldestad and the Board of Directors consists of Eirik Lunde, Gaute W. Krekling, Iver Navestad (employee repr.) and Eskil Ugelstad (employee repr.). The company has 60 FTEs, whereas 13 FTEs will be transferred to NGT before the transaction.

Key financials for Kvantel:

Profit & Loss:

<i>MNOK</i>	2017	2016	Q1 2018	Q1 2017
REVENUE	210.6	172.0	56.4	47.2
EBITDA	13.4	19.0	1.7	4.4
PROFIT BEFORE TAX	-4.1	4.0	-3.2	0.4
CAPEX	20.7	16.4	2.7	5.7

The figures reflect the sold business and includes Kvantel Voice (merged into Kvantel AS in 2017), but excludes the voice services to NextGenTel which is not a part of the transaction. Except for full year 2017, the figures show Kvantel Voice and Kvantel AS combined (not consolidated).

Balance sheet Kvantel AS:

<i>MNOK</i>	31 DEC 2017	31 MARCH 2018
FIXED ASSETS	63.8	60.5
CURRENT ASSETS	70.1	59.2
TOTAL ASSETS	133.9	119.7
EQUITY	35.2	34.2
LONG TERM LIABILITIES	6.4	5.6
SHORT TERM LIABILITIES	92.3	79.9
TOTAL EQ AND LIABILITIES	133.9	119.7

Pro forma figures have not been made for the balance sheet, implying that the balance sheets includes the voice services not being part of the sale to Broadnet. The voice services includes fixed assets of approx. 16 mNOK and 13 FTEs. Full year 2017 and 31 March 2018 are the first dates showing Kvantel balance sheet after the merger with Kvantel Voice. In addition to the Kvantel AS balance sheet, NextGenTel group had at 31 December 2017 NOK 89.3 million in intangible assets in the consolidated balance sheet related to Kvantel AS. The corresponding figure at 31 March 2018 was NOK 86.7 million.

Kvantel was the company in NextGenTel group primarily focusing on the corporate wholesale market, providing Datacom and telephony services. NextGenTel group will after the sale continue its focus and ambition towards the corporate end-users through the subsidiary Proximo Norge AS, which delivers datacom services such as Internet, Datanet and Ethernet in addition to VoIP and mobile subscriptions. The consumer market is unaffected and will still be served by NextGenTel AS.

Agreements with management and Board of Directors

Management in NextGenTel does not have any incentives related to the agreed sale of Kvantel. NextGenTel has, however, engaged the chairman of NextGenTel Holding ASA as advisor in the transaction.