

# Q3 2017 Financial report



## NextGenTel Holding ASA – 3<sup>rd</sup> quarter 2017

### Key figures

(Figures in NOK million)	Q3 2017	Q3 2016
Revenues	317.4	338.9
Gross profit	131.5	158.1
Gross margin	41.4%	46.6%
EBITDA	35.9	56.3

Note: EBITDA adjusted for non-recurring items

### Group financials Q3 2017 (2016 figures in brackets)

Revenues in Q3 were NOK 317.4 million (338.9). Gross profit was NOK 131.5 million – 41.4% (158.1 – 46.6%). EBITDA adjusted for non-recurring items was NOK 35.9 million – 11.3 % (56.3 – 16.6%).

Q3 had an operating loss of NOK 7.8 million (profit 13.2). Lower revenues and reduced gross margin affects gross profit negatively. The new EU regulation and data rollover have affected gross profit for the mobile services negatively in Q3. Opex is reduced by NOK 6.2 million from Q3 2016.

The Q3 2017 financial results include NOK 12.1 million in amortization cost related to business combinations.

The regulatory issue related to the VULA product from Telenor was resolved in favor of NextGenTel on 25 October. The estimated positive effect from a reduction in CoGS for the VULA product is *not* included in the financial statements as of 30 September 2017. The positive effect on the Q3'17 result would be NOK 0.9 million. The positive effect as of YTD 30 September 2017 would be NOK 3.1 million and the accumulated positive effect NOK 6.7 million (includes 2016).

Cash and cash equivalents were NOK 24.4 million at 30 September 2017 (excluding a NOK 50 million overdraft facility).

EPS was NOK 0.32 negative in Q3 2017 and equity ratio was 19.96% at 30 September.

### Capital expenditures

Capital expenditures in Q3 2017 were NOK 18.5 million (29.6). For details, see notes 6 and 7 to the financial statements. Capex/sales ratio was 5.8% in Q3 (8.7%).

### Financial debt

Total interest-bearing debt was NOK 237.3 million (320.7) where NOK 175 million is bank loan and NOK 62.3 is financial lease. Net interest-bearing debt was NOK 212.9 million as of 30 September 2017 (262.9). 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 260,000 at the end of Q3 2017, a decrease from 267,000 at the end of Q2. The consumer segment had a decrease of 5,800 and the business segment a decrease of 1,200.

The company has continued its activities towards the housing cooperatives segment. In Q3, 6 new cooperatives have signed an agreement with NextGenTel representing 282 households (total number of units is 122 and 6,091 households of which 4,372 are installed at the end of September).

The total number of subscribers on high-speed Internet access is 44,000.

The consumer mobile subscriber base counted 38,100 subscribers and the corporate mobile subscriber base counted 16,400 subscribers at the end of September.

The customer base in the international markets declined by 4,800 customers in Q3, mainly driven by reduction of white label customers in the Netherlands. The total number of customers in the international markets was 80,200 at the end of September.

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

### Shareholder information

The total number of registered shares outstanding at the end of Q3 2017 was 23,283,180 out of which 274,201 shares were owned by NextGenTel Holding ASA.

The total number of shareholders was 564 and 26.2% 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 Q3 2017 were 436,000 of which 259,000 have a dilutive effect with a weighted average strike price of NOK 6.00.

### Modernization of the copper network

During the discussions in the copper forum, Telenor has reduced the initial scope of the copper modernization significantly and presented a scope where they would only modernize the copper network in areas where households are scattered around (basically the outskirts of the copper network) and they would only use vectorized VDSL technology (thus less distributed modernization, longer last mile and lower available speed compared with more modern G-Fast technology).

The copper forum has not been able to reach an agreement about modernization of the network because Telenor wanted one set of rules to apply for their modernization and a separate set of rules for other vendors. An effect of an agreement that complies with Telenor demands would be that Telenor could modernize the network where they want and effectively stop modernization any place else reducing the competition with their own fiber roll out strategy. For NextGenTel, the result is that the number of customers that would get a better service has been reduced significantly.

The work in the broadband forum has given the Norwegian authorities unique insights and it is expected that the authorities will introduce a new regulation of the copper market in 2017.

Reference:

<https://www.nkom.no/aktuelt/nyheter/nkom-tar-moderniseringen-av-kobbernett-et-over-i-reguleringsspor>

### Tax issue

Reference is made to previous announcements related to the tax issue regarding the taxation of dividends from Switzerland (stock exchange notice and Q1 2017 report). The company has received a final report from the tax authorities implying a total tax claim of NOK 27.5 million excl interest. The total tax claim reflects a partial deduction of taxes paid in Switzerland. It is still the company's view that no additional tax should be imposed and the company will file a complaint to the tax appeal board ("Skatteklagenemnda") within the 6 weeks deadline.

### Cost reduction

As announced in August, the board has approved a cost reduction plan which implies a reduction of operating expenses by additional NOK 40 million annually. The company is progressing according to plan with full impact from January 2018. In addition, the VULA fiber CoGS is reduced by approximately 12% (7,700 consumer customers).

### Transformation of operations

The deployment of new business support systems during the past months represents opportunities to introduce robotics to increase effectiveness in processes and routines. The first five processes that use robotics are in production already and represent cost savings. Within December, two more processes will be taken over by robotics with additional cost savings. So far the robotics has processed 400 hours of production. The robotics team has qualified more than 60 processes and will continue its work to reduce the operational costs i 2018.

### Key focus on B2B and structural alternatives for B2C

The two new units, NextGenTel AS (B2C) and Fiber Norge (B2B), presented in the Q2 report will be managed as separate operational units under NextGenTel Holding from 1 November. The process has identified even more growth potential within B2B than previously envisaged and the Board of Directors has concluded to invest more resources to accelerate our B2B offering.

- Demonstrated with several new project wins
- Strong demand and pipeline

The B2C business has a strong position within its market, but operates in mature market segments. The Board of Directors has concluded to explore structural alternatives for the B2C operation and has initiated a review that may result in a separate listing of the consumer segment on Oslo Børs in 2018.

Oslo, 26 October 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	30.09.2017	30.09.2016	31.12.2016
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	6	167 158	213 499	194 690
Intangible assets	7	153 691	176 887	185 847
Goodwill	7	132 672	132 672	132 672
Deferred tax assets		23 962	28 435	22 698
		<u>477 483</u>	<u>551 494</u>	<u>535 907</u>
<b>Current assets</b>				
Inventories		-	7 556	-
Trade and other receivables		189 541	175 075	215 459
Cash and cash equivalents		24 447	57 767	66 593
		<u>213 988</u>	<u>240 397</u>	<u>282 052</u>
<b>Total assets</b>		<b><u>691 471</u></b>	<b><u>791 891</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		-2 205	-4 172	-3 641
Retained earnings		16 571	32 038	38 703
<b>Total equity</b>		<b><u>137 990</u></b>	<b><u>151 488</u></b>	<b><u>158 684</u></b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Long-term interest-bearing debt	9	144 045	228 771	219 874
Deferred tax liabilities		12 653	25 338	21 360
		<u>156 698</u>	<u>254 109</u>	<u>241 234</u>
<b>Current liabilities</b>				
Trade and other payables		220 445	211 462	225 072
Current income tax liabilities		16 484	21 906	17 335
Short-term interest-bearing debt	9	93 298	91 894	95 084
Deferred income/revenue		66 556	61 033	80 552
		<u>396 783</u>	<u>386 294</u>	<u>418 042</u>
<b>Total liabilities</b>		<b><u>553 481</u></b>	<b><u>640 403</u></b>	<b><u>659 276</u></b>
<b>Total equity and liabilities</b>		<b><u>691 471</u></b>	<b><u>791 891</u></b>	<b><u>817 960</u></b>

Oslo, 26 October 2017  
Board of Directors  
NextGenTel Holding ASA

Ellen Hanetho  
(sign.)

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(sign.)

## Condensed consolidated interim income statement (unaudited)

(Figures in NOK 1000)

	Note	Q3 2017	Q3 2016	Jan-Sep 2017	Jan-Sep 2016	Jan-Dec 2016
<b>Total revenues</b>		<b>317 384</b>	<b>338 952</b>	<b>952 951</b>	<b>1 028 611</b>	<b>1 358 632</b>
Cost of connection and traffic charges		-185 859	-180 832	-538 602	-542 900	-718 559
Salaries and personnel costs		-57 042	-61 323	-174 465	-185 576	-246 007
Selling and marketing costs		-11 539	-12 075	-29 745	-38 135	-50 622
Other costs		-27 057	-28 462	-84 034	-90 112	-117 669
Depreciation and amortization	6, 7	-43 707	-43 004	-132 902	-126 674	-170 526
<b>Operating profit</b>		<b>-7 820</b>	<b>13 257</b>	<b>-6 797</b>	<b>45 214</b>	<b>55 249</b>
Finance	8	-2 222	-4 344	-8 988	-12 055	-13 372
<b>Profit before income tax</b>		<b>-10 042</b>	<b>8 913</b>	<b>-15 785</b>	<b>33 159</b>	<b>41 877</b>
Income tax		2 597	-1 887	4 560	-7 489	-9 475
<b>Profit</b>		<b>-7 445</b>	<b>7 026</b>	<b>-11 225</b>	<b>25 670</b>	<b>32 402</b>
<b>Attributable to:</b>						
Equity holders of the parent company		-7 445	7 026	-11 225	25 670	32 402
<b>Other comprehensive income</b>		<b>Q3 2017</b>	<b>Q3 2016</b>	<b>Jan-Sep 2017</b>	<b>Jan-Sep 2016</b>	<b>Jan-Dec 2016</b>
Translation differences		-383	-1 527	1 397	-2 615	-2 151
Other income and expenses during the period (after tax)		-383	-1 527	1 397	-2 615	-2 151
<b>Comprehensive profit for the period</b>		<b>-7 828</b>	<b>5 499</b>	<b>-9 828</b>	<b>23 055</b>	<b>30 251</b>
<b>Profit attributable to:</b>						
Equity holders of the parent company		-7 828	5 499	-9 828	23 055	30 251
<b>Earnings per share</b>						
Earnings per share		-0.32	0.31	-0.49	1.12	1.41
Diluted earnings per share		-0.32	0.30	-0.48	1.11	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>	<b>2 328</b>	<b>-30</b>	<b>121 325</b>	<b>-1 490</b>	<b>6 301</b>	<b>128 433</b>
<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>	<b>2 328</b>	<b>-30</b>	<b>121 325</b>	<b>-3 641</b>	<b>38 703</b>	<b>158 684</b>
<b>Comprehensive income for the period</b>						
Profit for the period	-	-	-	-	-11 225	-11 225
<b>Other income and expenses</b>						
Translation differences	-	-	-	1 436	-	1 436
Total other revenues and expenses	-	-	-	1 436	-	1 436
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 436</b>	<b>-11 225</b>	<b>-9 789</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
<b>Total contributions by and distributions to owners of the Company</b>	<b>-</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>-10 908</b>	<b>-10 905</b>
<b>Equity as at 30 September 2017</b>	<b>2 328</b>	<b>-28</b>	<b>121 325</b>	<b>-2 205</b>	<b>16 571</b>	<b>137 990</b>



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

(Figures in NOK 1000)

Cash flows from operations	Q3 2017	Q3 2016	Jan-Sep 2017	Jan-Sep 2016	Jan-Dec 2016
Profit/loss for the year before tax	-10 042	8 913	-15 785	33 159	41 877
Taxes paid	-970	-205	-6 171	-941	-5 703
Depreciation and amortization	43 707	43 004	132 902	126 674	170 526
Net change in current liabilities	14 145	-11 441	-10 342	-5 454	14 617
Net change in receivables	17 773	18 873	26 685	8 089	-21 777
<b>Net cash flows from operations</b>	<b>64 613</b>	<b>59 143</b>	<b>127 289</b>	<b>161 527</b>	<b>200 011</b>
<b>Cash flows from investment activities</b>					
Investments in fixed assets	-12 095	-18 659	-41 363	-38 051	-51 505
Investments in intangible assets	-5 737	-6 008	-27 337	-22 819	-36 065
<b>Net cash flows used in investment activities</b>	<b>-17 832</b>	<b>-24 668</b>	<b>-68 700</b>	<b>-60 871</b>	<b>-87 570</b>
<b>Cash flows from financing activities</b>					
New financial debt	300	1 367	300	1 867	4 369
Repayment of debt	-35 000	-36 366	-70 000	-74 871	-75 048
Payment of financial lease obligations	-6 876	-1 006	-20 596	-14 556	-20 766
Payment of dividend	-	-	-11 505	-	-
Equity changes	-	-	600	-	-
<b>Net cash flows used in financing activities</b>	<b>-41 576</b>	<b>-36 006</b>	<b>-101 201</b>	<b>-87 561</b>	<b>-91 444</b>
<b>Change in cash and cash equivalents</b>	<b>5 205</b>	<b>-1 531</b>	<b>-42 612</b>	<b>13 095</b>	<b>20 997</b>
Cash and cash equivalents and credit facilities utilised as at beginning of period	19 423	60 965	66 593	47 401	47 401
Effect of exchange rate fluctuations on cash and cash equivalents	-182	-1 667	465	-2 729	-1 806
<b>Cash and cash equivalents as at end of period</b>	<b>24 447</b>	<b>57 767</b>	<b>24 447</b>	<b>57 767</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 September 2017 condensed consolidated interim financial statements of NextGenTel Holding ASA and its subsidiaries (together “the Group”) are for the nine months ended 30 September 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 26 October 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)

#### Q3 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	314 684	5 210	2 698	3 345	663	326 600
Intra-group revenues	-8 552	0	0	0	-663	-9 215
Net revenues	306 132	5 210	2 698	3 345	0	317 385
Total costs of sales	-187 580	-1 523	-1 752	-1 435	0	-192 290
Intra-group cost of sales	4 786	0	1 645	0	0	6 431
Net cost of sales	-182 794	-1 523	-107	-1 435	0	-185 859
Gross profit/loss	123 338	3 687	2 591	1 910	0	131 525
Gross margin	40 %	71 %	96 %	57 %	0 %	41 %
Total operating expenses	-126 312	-1 607	-420	-1 156	-13 062	-142 557
Intra-group operating expenses	2 348	593	0	272	0	3 213
Net operating expenses	-123 964	-1 014	-420	-884	-13 062	-139 345
<b>Operating profit/loss</b>	<b>-626</b>	<b>2 673</b>	<b>2 171</b>	<b>1 026</b>	<b>-13 062</b>	<b>-7 819</b>

#### Q3 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	331 722	6 409	3 395	4 454	798	346 778
Intra-group revenues	-7 027	0	0	0	-798	-7 825
Net revenues	324 695	6 409	3 395	4 454	0	338 953
Total costs of sales	-180 437	-2 876	-2 294	-2 056	0	-187 661
Intra-group cost of sales	5 013	0	1 816	0	0	6 829
Net cost of sales	-175 424	-2 876	-477	-2 056	0	-180 833
Gross profit/loss	149 271	3 533	2 918	2 398	0	158 120
Gross margin	46 %	55 %	86 %	54 %	0 %	47 %
Total operating expenses	-129 204	-1 671	-548	-1 605	-13 078	-146 105
Intra-group operating expenses	0	944	0	297	0	1 242
Net operating expenses	-129 204	-726	-548	-1 307	-13 078	-144 863
<b>Operating profit/loss</b>	<b>20 068</b>	<b>2 807</b>	<b>2 369</b>	<b>1 091</b>	<b>-13 078</b>	<b>13 257</b>

#### Jan-Sep 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	942 324	16 033	8 865	10 684	3 208	981 114
Intra-group revenues	-24 954	0	0	0	-3 208	-28 162
Net revenues	917 370	16 033	8 865	10 684	0	952 951
Total costs of sales	-541 004	-5 091	-5 725	-4 768	0	-556 588
Intra-group cost of sales	13 106	0	4 880	0	0	17 986
Net cost of sales	-527 898	-5 091	-846	-4 768	0	-538 602
Gross profit/loss	389 472	10 942	8 019	5 916	0	414 349
Gross margin	42 %	68 %	90 %	55 %	0 %	43 %
Total operating expenses	-379 026	-5 403	-1 182	-3 688	-42 343	-431 642
Intra-group operating expenses	7 637	1 938	0	921	0	10 497
Net operating expenses	-371 389	-3 465	-1 182	-2 767	-42 343	-421 146
<b>Operating profit/loss</b>	<b>18 083</b>	<b>7 477</b>	<b>6 837</b>	<b>3 149</b>	<b>-42 343</b>	<b>-6 797</b>

# Jan-Sep 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	1 004 424	20 145	11 367	13 249	2 969	1 052 154
Intra-group revenues	-20 573	0	0	0	-2 969	-23 542
Net revenues	983 851	20 145	11 367	13 249	0	1 028 611
Total costs of sales	-539 824	-9 011	-7 165	-6 423	0	-562 423
Intra-group cost of sales	14 230	0	5 293	0	0	19 523
Net cost of sales	-525 594	-9 011	-1 872	-6 423	0	-542 900
Gross profit/loss	458 257	11 133	9 495	6 826	0	485 711
Gross margin	47 %	55 %	84 %	52 %	0 %	47 %
Total operating expenses	-391 707	-6 099	-1 622	-4 494	-40 035	-443 956
Intra-group operating expenses	0	2 448	0	1 011	0	3 459
Net operating expenses	-391 707	-3 650	-1 622	-3 483	-40 035	-440 497
<b>Operating profit/loss</b>	<b>66 551</b>	<b>7 483</b>	<b>7 872</b>	<b>3 344</b>	<b>-40 035</b>	<b>45 214</b>

# 30.09.2017

<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	654 800	26 206	17 743	4 042	-11 320	691 471
Liabilities	364 726	3 080	7	7 747	177 922	553 481
Equity capital	290 074	23 126	17 736	-3 705	-189 241	137 990

# 30.09.2016

<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	734 641	19 897	15 367	7 048	14 938	791 891
Liabilities	354 419	2 200	162	14 121	269 501	640 402
Equity capital	380 222	17 697	15 205	-7 073	-254 563	151 488

<sup>1)</sup> Other items include the parent company NextGenTel Holding ASA and Group adjustments (Q3 2017 includes amortization of NOK 12.1 million related to the acquisition of NextGenTel AS, Kvantel AS and Kvantel Voice AS. YTD 2017: NOK 36.3 million).

# Revenue by product

	Q3 2017	Q3 2016	Jan-Sep 2017	Jan-Sep 2016
VoIP/fixed	54 218	51 855	144 087	163 358
Mobile	44 488	50 585	139 215	135 772
Broadband incl TV	210 242	227 412	641 392	697 673
Wholesale	2 706	3 394	8 867	11 370
Other	5 730	5 707	19 390	20 438
<b>Total</b>	<b>317 384</b>	<b>338 952</b>	<b>952 951</b>	<b>1 028 611</b>

# Revenue by customer segment

	Q3 2017	Q3 2016	Jan-Sep 2017	Jan-Sep 2016
Consumer	194 651	220 971	603 552	679 348
Corporate	122 733	117 981	349 399	349 263
<b>Total</b>	<b>317 384</b>	<b>338 952</b>	<b>952 951</b>	<b>1 028 611</b>

## Note 6: Property, plant and equipment

(Figures in NOK 1000)

	Q3 2017	Q3 2016	Jan-Sep 2017	Jan-Sep 2016	Jan-Dec 2016
<b>Equipment</b>					
Book value beg. of period	178 572	214 327	194 690	217 478	217 478
Additions	12 783	23 623	45 876	73 238	80 994
Depreciation	-24 197	-24 452	-73 408	-77 217	-103 782
<b>Property, plant and equipment</b>	<b>167 158</b>	<b>213 499</b>	<b>167 158</b>	<b>213 499</b>	<b>194 690</b>

## Note 7: Intangible assets and goodwill

(Figures in NOK 1000)

	Q3 2017	Q3 2016	Jan-Sep 2017	Jan-Sep 2016	Jan-Dec 2016
<b>Intangible assets</b>					
Book value beg. of period	167 463	189 430	185 847	206 299	206 299
Additions	5 738	6 009	27 338	20 044	46 293
Amortization	-19 510	-18 552	-59 494	-49 457	-66 745
Impairment loss	-	-	-	-	-
<b>Book value end of period</b>	<b>153 691</b>	<b>176 887</b>	<b>153 691</b>	<b>176 887</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>132 672</b>	<b>132 672</b>	<b>132 672</b>	<b>132 672</b>
<b>Intangible assets and goodwill</b>	<b>286 363</b>	<b>309 559</b>	<b>286 363</b>	<b>309 559</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 (Q3 17: NOK 12.1 million, YTD 17: NOK 36.3 million).

## Note 8: Finance

(Figures in NOK 1000)

	Q3 2017	Q3 2016	Jan-Sep 2017	Jan-Sep 2016	Jan-Dec 2016
Interest income	306	275	932	781	1 039
Interest expense	-2 758	-3 734	-8 924	-11 235	-13 306
Foreign currency gain/(loss)	16	-830	-696	-783	157
Other financial income/(expenses)	214	-55	-299	-818	-1 262
<b>Net finance</b>	<b>-2 222</b>	<b>-4 344</b>	<b>-8 988</b>	<b>-12 055</b>	<b>-13 372</b>

## Note 9: Interest-bearing debt

(Figures in NOK 1000)

	30.09.2017	30.09.2016	31.12.2016
Term loan bank	105 000	175 000	175 000
Long term financial lease	39 045	53 771	44 874
<b>Total long-term debt</b>	<b>144 045</b>	<b>228 771</b>	<b>219 874</b>
Current part of term loan bank	70 000	70 000	70 000
Short term financial lease	23 298	21 894	25 084
<b>Total short-term debt</b>	<b>93 298</b>	<b>91 894</b>	<b>95 084</b>
<b>Total interest-bearing debt</b>	<b>237 343</b>	<b>320 665</b>	<b>314 958</b>
Cash	24 447	57 767	66 593
<b>Net interest-bearing debt</b>	<b>212 897</b>	<b>262 898</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>Q3 2017</b>	<b>Q3 2016</b>	<b>Jan-Sep 2017</b>	<b>Jan-Sep 2016</b>	<b>Jan-Dec 2016</b>
Operating profit	-7 820	13 257	-6 797	45 214	55 249
Depreciation and amortization	43 707	43 004	132 902	126 674	170 526
Impairments	-	-	-	-	-
<b>EBITDA</b>	<b>35 887</b>	<b>56 260</b>	<b>126 105</b>	<b>171 888</b>	<b>225 775</b>

### Net interest-bearing debt (NIBD)

<i>(Figures in NOK 1000)</i>	<b>30.09.2017</b>	<b>30.09.2016</b>	<b>31.12.2016</b>
Long-term interest bearing debt	144 045	228 771	219 874
Short-term interest bearing debt	93 298	91 894	95 084
Cash and cash equivalents	-24 447	-57 767	-66 593
<b>Net interest-bearing debt (NIBD)</b>	<b>212 897</b>	<b>262 898</b>	<b>248 365</b>

### Equity ratio

	<b>30.09.2017</b>	<b>30.09.2016</b>	<b>31.12.2016</b>
Total equity	137 990	151 488	158 684
Total equity and liabilities	691 471	791 891	817 960
<b>Equity ratio</b>	<b>19,96 %</b>	<b>19,13 %</b>	<b>19,40 %</b>

## Company Facts

**NextGenTel Holding ASA**  
**Harbitzalleen 2A**  
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**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

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 Web: <http://www.nextgentelholding.com>

## Financial Calendar

4<sup>th</sup> quarter 2017: 14 February at 9:00  
 1<sup>st</sup> quarter 2018: 25 April at 09:00  
 2<sup>nd</sup> quarter 2018: 15 August at 09:00  
 3<sup>rd</sup> quarter 2018: 24 October at 09:00  
 Annual general meeting: 18 April at 15:00

## Equity Research Coverage

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