

# Q4 2018 Financial report



## NextGenTel Holding ASA – 4<sup>th</sup> quarter 2018

### Key figures

(Figures in NOK million)	Q4 2018	Q4 2017
Revenues	207.2	256.0
Gross profit	98.7	114.1
Gross margin	47.6%	44.6%
EBITDA	37.1	33.2

Figures for 2017 have been restated to reflect the implementation of IFRS 15 and the fact that Kvantel AS has been presented as discontinued operations.

### Extraordinary items in Q4 2018

The financial result for Q4 2018 is positively affected by one-off items. The finale settlement of the sale of Kvantel AS was made during Q4 2018, with a positive effect of NOK 2.0 million included in the revenues for the quarter. In addition, there has been a reversal of provisions related to previous periods in the balance sheet in Q4 18. This has affected the cost of connection and traffic charges positively with NOK 6.9 million and the other opex positively with NOK 11.5 million. Further, the reclassification described under “capital expenditures” has affected the cost negatively with NOK 2.9 million in Q4 18.

### Group financials Q4 2018 (Q4 2017 figures in brackets)

Revenues in Q4 were NOK 207.2 million (256.0). NOK 25.4 million of the revenue in Q4 17 was related to the consumer mobile segment sold to Telia in Q1 18. Gross profit Q4 18 was NOK 98.7 million and gross profit margin was 47.6% (114.1 and 44.6%).

EBITDA was NOK 37.1 million and EBITDA margin was 17.9% (33.2 and 13.0%).

Operating profit was NOK 19.2 million (-9.5).

Earnings per share was NOK 0.77 in Q4 2018 and equity ratio was 56.9 % at 31 December 2018 (18.2% at 31 December 2017).

Cash and cash equivalents were NOK 86.1 million at 31 December 2018, of which NOK 8.0 million is restricted.

### Capital expenditures

Capital expenditures in Q4 2018 were NOK 8.9 million (21.9). The change in fixed assets in Q4 18 is also affected by NOK 5.6 million in reclassification from fixed asset, of which NOK 2.9 million is booked as cost in Q4 18.

For details, see notes 6 and 7 to the financial statements.

### Financial debt

Total interest-bearing debt was NOK 27.3 million at 31 December 2018 (241.8), all related to financial lease at 31 December 2018. Net cash was NOK 58.8 million as of 31 December 2018 (-224.0). Tax claim of NOK 28 million have been paid in full in Q3 18, but the claim is still disputed.

### 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 in Norway was 177,200 at the end of Q4 2018, a decrease from 186,900 at the end of Q3 2018.

The consumer segment had a decrease of 7,700. The largest decrease was within DSL broadband and VoIP with a total reduction of 8,000. The number of consumer fiber customers increased with 600.

The business segment had a decrease of 2,000 customers from the end of Q3 18, mainly within Mobile and VoIP.

The total number of consumer subscribers on high-speed Internet access is 48,000, including fiber and VDSL.

The customer base in the international markets increased by 1,600 customers in Q4, mainly driven by increase in white label customers in the Netherlands. The total number of customers in the international markets was 67,700 at the end of Q4 2018.

**Shareholder information**

The total number of registered shares outstanding at 31 December 2018 was 23,283,180 out of which 199,201 shares were owned by NextGenTel Holding ASA.

The total number of shareholders was 589 and 7.2% 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 Q4 2018 were 486,000 of which 184,000 have a dilutive effect with a weighted average strike price of NOK 1.2.

Oslo, 14 February 2019

Board of Directors  
NextGenTel Holding ASA

Anette Juel Knudtzon  
(sign.)

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

Willy Dahl  
(sign.)

Kari Mette Toverud  
(sign.)

Vidar Skogedal  
Employee repr.  
(sign.)

Geir Jensen  
Employee repr.  
(sign.)

Eirik Lunde  
CEO  
(sign.)

## Condensed consolidated interim income statement (unaudited)

(Figures in NOK 1000 except earnings per share)

	Note	Q4 2018	Restated Q4 2017	Jan-Dec 2018	Restated Jan-Dec 2017
Operational revenue	5,11,12	205,476	256,048	875,649	1,047,614
Gain from sale of operations	5	1,772	-	221,233	-
<b>Total revenues</b>		<b>207,248</b>	<b>256,048</b>	<b>1,096,882</b>	<b>1,047,614</b>
Cost of connection and traffic charges	5	-108,573	-141,954	-484,993	-577,545
Salaries and personnel costs		-40,476	-43,376	-159,069	-188,435
Other costs	11	-21,060	-37,513	-130,286	-141,493
Depreciation and amortization	6, 7	-17,957	-42,690	-95,689	-155,680
<b>Operating profit</b>		<b>19,182</b>	<b>-9,485</b>	<b>226,846</b>	<b>-15,539</b>
Finance	8	-1,088	-3,521	-5,260	-12,489
<b>Net profit before income tax</b>		<b>18,094</b>	<b>-13,006</b>	<b>221,586</b>	<b>-28,028</b>
Income tax		-220	-27,285	-19,802	-23,353
<b>Net profit from continued operations</b>		<b>17,875</b>	<b>-40,291</b>	<b>201,784</b>	<b>-51,380</b>
Net profit from discontinued operations	10	-	-4,974	-13,967	-11,750
<b>Net profit</b>		<b>17,875</b>	<b>-45,265</b>	<b>187,816</b>	<b>-63,130</b>
<b>Attributable to:</b>					
Equity holders of the parent company		17,875	-45,265	187,816	-63,130
<b>Total comprehensive income</b>		<b>Q4 2018</b>	<b>Restated Q4 2017</b>	<b>Jan-Dec 2018</b>	<b>Restated Jan-Dec 2017</b>
Net profit		17,875	-45,265	187,816	-63,130
Translation differences		1,890	1,847	107	3,244
<b>Other income and expenses (after tax)</b>		<b>1,890</b>	<b>1,847</b>	<b>107</b>	<b>3,244</b>
<b>Total comprehensive income</b>		<b>19,764</b>	<b>-43,418</b>	<b>187,924</b>	<b>-59,886</b>
<b>Total comprehensive in attributable to:</b>					
Equity holders of the parent company		19,764	-43,418	187,924	-59,886
<b>Earnings per share</b>					
Earnings per share		0.77	-1.97	8.14	-2.74
Diluted earnings per share		0.77	-1.95	8.10	-2.72

## Condensed consolidated interim balance sheet (unaudited)

(Figures in NOK 1000)

	Note	31.12.2018	Restated 31.12.2017
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6	69,700	151,652
Intangible assets	7	84,957	141,266
Goodwill	7	67,099	132,672
Deferred tax assets		14,417	22,035
Other non-current assets	11	34,743	46,074
<b>Total non-current assets</b>		<b>270,917</b>	<b>493,699</b>
<b>Current assets</b>			
Trade and other receivables		121,727	201,569
Cash and cash equivalents		86,087	17,821
<b>Total current assets</b>		<b>207,814</b>	<b>219,391</b>
<b>Total assets</b>		<b>478,731</b>	<b>713,090</b>
<b>EQUITY</b>			
Share capital reduced for treasury shares		2,308	2,301
Premium paid-in capital		122,292	121,325
Other reserves		-295	-403
Retained earnings		147,881	6,233
<b>Total equity</b>		<b>272,187</b>	<b>129,455</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Long-term interest-bearing debt	9	9,708	25,416
Deferred tax liabilities		3,220	19,911
Other long term liabilities		2,150	-
<b>Total non-current liabilities</b>		<b>15,078</b>	<b>45,327</b>
<b>Current liabilities</b>			
Trade and other payables		110,887	225,229
Current income tax liabilities		20,028	31,792
Short-term interest-bearing debt	9	17,542	216,401
Deferred income/revenue		43,009	64,885
<b>Total current liabilities</b>		<b>191,466</b>	<b>538,307</b>
<b>Total liabilities</b>		<b>206,544</b>	<b>583,634</b>
<b>Total equity and liabilities</b>		<b>478,731</b>	<b>713,090</b>

Oslo, 14 February 2019  
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Eirik Lunde  
CEO  
(sign.)

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

(Figures in NOK 1000)

	Share capital	Treasury shares	Premium paid-in capital	Other reserves	Retained earnings	Total equity
<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>
Changes in accounting principles (note 3 and 11)					40,817	40,817
<b>Equity as at 1 January 2017</b>	<b>2,328</b>	<b>-30</b>	<b>121,325</b>	<b>-3,641</b>	<b>79,520</b>	<b>199,501</b>
<b>Comprehensive income for the period</b>						
Profit for the period					-63,130	-63,130
<b>Other income and expenses</b>						
Translation differences				3,238		3,238
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,238</b>	<b>-63,130</b>	<b>-59,892</b>
<b>Contributions by and distributions to owners of the Company</b>						
Dividends to owners					-11,504	-11,504
Share-based payment transactions					755	755
Share options exercised		3			592	595
<b>Total contributions by and distributions to owners of the Company</b>	<b>-</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>-10,157</b>	<b>-10,154</b>
<b>Equity as at 31 December 2017</b>	<b>2,328</b>	<b>-27</b>	<b>121,325</b>	<b>-403</b>	<b>6,233</b>	<b>129,455</b>
<b>Comprehensive income for the period</b>						
Profit for the period					187,816	187,816
<b>Other income and expenses</b>						
Translation differences				107		107
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>107</b>	<b>187,816</b>	<b>187,924</b>
<b>Contributions by and distributions to owners of the Company</b>						
Dividends to owners					-46,168	-46,168
Share options exercised		8	968			975
<b>Total contributions by and distributions to owners of the Company</b>	<b>-</b>	<b>8</b>	<b>968</b>	<b>-</b>	<b>-46,168</b>	<b>-45,193</b>
<b>Equity as at 31 December 2018</b>	<b>2,328</b>	<b>-20</b>	<b>122,292</b>	<b>-295</b>	<b>147,881</b>	<b>272,187</b>

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

(Figures in NOK 1000)

	Q4 2018	Q4 2017	Jan-Dec 2018	Jan-Dec 2017
<b>Cash flows from operations</b>				
Profit/loss for the period before tax from total operations 1)	18,094	-20,674	203,446	-43,488
Taxes paid	-5,561	-12,525	-37,745	-18,696
Net profit/loss from sale of fixed assets	-1,772	-275	-221,233	-275
Depreciation and amortization	17,957	49,845	115,601	182,747
Net change in working capital and other	-14,313	-15,219	-13,200	9,260
<b>Net cash flows from operations</b>	<b>14,406</b>	<b>1,152</b>	<b>46,869</b>	<b>129,548</b>
<b>Cash flows from investment activities</b>				
Investments in fixed assets	-5,634	-12,487	-24,120	-53,444
Investments in intangible assets	-3,262	-8,769	-19,502	-36,106
Proceeds from sale of operations	8,603	-	320,893	-
<b>Net cash flows used in investment activities</b>	<b>-293</b>	<b>-21,256</b>	<b>277,271</b>	<b>-89,550</b>
<b>Cash flows from financing activities</b>				
New financial debt	-	11,145	-	-
Repayment of debt	-	-2,744	-175,000	-70,000
Change in bank overdraft facility	-	7,459	-13,931	17,374
Payment of financial lease obligations	-8,237	-3,692	-22,762	-27,032
Payment of dividend	-	-	-46,168	-11,504
Equity changes	-	763	975	1,363
<b>Net cash flows used in financing activities</b>	<b>-8,237</b>	<b>12,931</b>	<b>-256,886</b>	<b>-89,799</b>
<b>Change in cash and cash equivalents</b>	<b>5,876</b>	<b>-7,173</b>	<b>67,253</b>	<b>-49,801</b>
Cash and cash equivalents and credit facilities utilised as at beginning of period	78,770	24,447	17,821	66,593
Effect of exchange rate fluctuations on cash and cash equivalents	1,443	547	1,015	1,029
<b>Cash and cash equivalents as at end of period</b>	<b>86,087</b>	<b>17,821</b>	<b>86,087</b>	<b>17,821</b>
<b>1) Profit before tax from total operations consists of:</b>	18,094	-20,674	203,446	-43,488
Profit before tax from continuing operations:	18,094	-13,787	221,586	-28,028
Profit before tax from discontinuing operations:	-	-6,887	-18,139	-15,460
<b>Cash flow from discontinuing operations</b>				
Net cash flow from operating activities	-	-2,042	6,133	-17,672
Net cash flow from investing activities	-	-4,297	1,663	-21,203
Net cash flow from financing activities	-	-549	9,525	-2,338



## 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 condensed consolidated interim financial statements of NextGenTel Holding ASA and its subsidiaries (together "the Group") are for the year ended 31 December 2018.

The consolidated financial statements of the Group as at and for the year ended 31 December 2017 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 2017. The interim financial statements are unaudited. These condensed consolidated interim financial statements were approved by the Board of Directors on 14 February 2019.

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

These condensed consolidated interim financial statements 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 2017, except for the implementation of IFRS 15. The Company has adopted IFRS 15 Revenue from contracts with customers for reporting periods beginning on and after 1 January 2018. IFRS 15 has replaced IAS 18 Revenue, IAS 11 Construction contracts, and related interpretations. The standard has been implemented in accordance with the fully retrospective transitional approach, which means that the effect of implementing the new standard is recorded as a change in shareholders equity as of 1 January 2017, and the comparable periods for 2017 in the income statement have been restated accordingly. See Note 11 for further information.

For information about the standards effective from 1 January 2018, see Note 2 Basis of preparation in the Group's Annual Report 2017.

IFRS 16 Leasing will replace the existing IAS 17 Leases and will be effective as of 1 January 2019. For lessees, the new standard removes the distinction between operating and finance leases under IAS 17 and requires a lessee to recognize a right-of-use asset and a lease liability at the lease commencement for all leases, except for short-term leases and leases of low value assets. The group are about to determine to what extent the commitments related to leased lines, fiber and office premises will affect the group's future profit and loss, balance sheet and classification of cash flows.

Other amendments to existing standards are expected to have negligible effect on the Groups financial statements.

#### **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 2017.



## Note 5: Segment information

The operating segments are redefined in 2018, and based on the new structure with separate entities for the consumer and business segment in Norway. Norway Consumer consists of NextGenTel and Norway Business consists of Proximo. Foreign subsidiaries are presented as one segment. Other consists mainly of group functions and eliminations. Kvantel is classified as discontinued operations and not included in segment information below, see note 10 for further information on discontinued operations.

### Operational segments (Figures in NOK 1000)

<u>Profit and loss by segment</u>	Q4 2018				
	Norway consumer	Norway Business	Outside of Norway	Other	Group
Operational revenue	147 564	67 194	8 427	-17 708	205 477
Gain from sale of operations*	-223	1 995	0	0	1 772
<b>Total revenues</b>	<b>147 341</b>	<b>69 188</b>	<b>8 427</b>	<b>-17 708</b>	<b>207 248</b>
Costs of sales	-78 553	-39 400	-3 715	13 095	-108 573
Gross profit/loss	68 788	29 788	4 712	-4 612	98 675
Gross margin	47 %	43 %	56 %		48 %
Operating expenses	-41 800	-24 778	-1 807	6 848	-61 536
<b>EBITDA</b>	<b>26 987</b>	<b>5 011</b>	<b>2 905</b>	<b>2 013</b>	<b>36 916</b>

<u>Profit and loss by segment</u>	Q4 2017				
	Norway consumer	Norway Business	Outside of Norway	Other	Group
<b>Total revenues</b>	<b>189 011</b>	<b>67 423</b>	<b>11 291</b>	<b>-11 676</b>	<b>256 048</b>
Costs of sales	-112 208	-38 431	-3 476	12 162	-141 954
Gross profit/loss	76 802	28 991	7 815	486	114 094
Gross margin	41 %	43 %	69 %		45 %
Operating expenses	-53 370	-22 095	-2 033	-3 391	-80 889
<b>EBITDA</b>	<b>23 432</b>	<b>6 896</b>	<b>5 782</b>	<b>-2 905</b>	<b>33 205</b>

<u>Profit and loss by segment</u>	Jan-Dec 2018				
	Norway consumer	Norway Business	Outside of Norway	Other	Group
Operational revenue	628 419	255 279	37 560	-45 609	875 649
Gain from sale of operations*	86 570	134 663	-	-	221 233
<b>Total revenues</b>	<b>714 989</b>	<b>389 941</b>	<b>37 560</b>	<b>-45 609</b>	<b>1 096 882</b>
Costs of sales	-365 880	-140 924	-16 014	37 826	-484 993
Gross profit/loss	349 109	249 017	21 546	-7 783	611 889
Gross margin	56 %	98 %	57 %		56 %
Operating expenses	-191 755	-96 268	-10 449	9 118	-289 354
<b>EBITDA</b>	<b>157 354</b>	<b>152 749</b>	<b>11 096</b>	<b>1 335</b>	<b>322 534</b>

<u>Profit and loss by segment</u>	Jan-Dec 2017				
	Norway consumer	Norway Business	Outside of Norway	Other	Group
<b>Total revenues</b>	<b>779 462</b>	<b>275 946</b>	<b>46 873</b>	<b>-54 666</b>	<b>1 047 614</b>
Costs of sales	-460 111	-153 350	-14 180	50 096	-577 545
Gross profit/loss	319 350	122 596	32 693	-4 570	470 069
Gross margin	41 %	44 %	70 %		45 %
Operating expenses	-228 657	-85 766	-9 446	-6 059	-329 928
<b>EBITDA</b>	<b>90 693</b>	<b>36 830</b>	<b>23 247</b>	<b>-10 629</b>	<b>140 141</b>

## Note 6: Property, plant and equipment

(Figures in NOK 1000)

	Q4 2018	Q4 2017	Jan-Dec 2018	Jan-Dec 2017
<b>Equipment</b>				
Book value beg. of period	81,198	213,499	151,652	217,478
Reclassification	-4,331	-	-4,331	-
Additions	5,634	7,756	24,120	80,994
Disposal	-	-	-30,355	-
Depreciation continuing operations	-12,834	-26,565	-63,773	-103,782
Depreciation discontinuing operations	-	-	-7,608	-
Translation differences	33	-	-5	-
<b>Property, plant and equipment</b>	<b>69,700</b>	<b>194,690</b>	<b>69,700</b>	<b>194,690</b>

## Note 7: Intangible assets and goodwill

(Figures in NOK 1000)

	Q4 2018	Q4 2017	Jan-Dec 2018	Jan-Dec 2017
<b>Intangible assets</b>				
Book value beg. of period	88,073	153,691	141,266	185,847
Reclassification	-1,255	-	-1,255	-
Additions	3,262	8,768	19,502	36,106
Disposal	-	-	-35,582	-
Amortization continuing operations	-5,123	-21,193	-31,916	-80,687
Amortization discontinuing operations	-	-	-7,058	-
Impairment loss	-	-	-	-
<b>Book value end of period</b>	<b>84,957</b>	<b>141,266</b>	<b>84,957</b>	<b>141,266</b>
<b>Goodwill</b>				
Book value beg. of period	132,672	132,672	132,672	132,672
Disposal	-65,573	-	-65,573	-
<b>Book value end of period</b>	<b>67,099</b>	<b>132,672</b>	<b>67,099</b>	<b>132,672</b>
<b>Intangible assets and goodwill</b>	<b>152,056</b>	<b>273,938</b>	<b>152,056</b>	<b>273,938</b>

Amortization of intangible assets includes amortization of excess values related to the acquisition of NextGenTel and Kvantel.

## Note 8: Finance

(Figures in NOK 1000)

	Q4 2018	Q4 2017	Jan-Dec 2018	Jan-Dec 2017
Interest income	426	267	1,621	1,199
Interest expense	-210	-2,180	-7,670	-11,105
Foreign currency gain/(loss)	-1,011	-1,812	395	-2,509
Other financial income/(expenses)	-293	-418	393	-717
<b>Net finance</b>	<b>-1,088</b>	<b>-4,144</b>	<b>-5,260</b>	<b>-13,132</b>

## Note 9: Interest-bearing debt

(Figures in NOK 1000)

	31.12.2018	31.12.2017
Term loan bank	-	-
Long term financial lease	9,708	25,416
<b>Total long-term debt</b>	<b>9,708</b>	<b>25,416</b>
Term loan bank	-	175,000
Short term financial lease	17,542	41,401
<b>Total short-term debt</b>	<b>17,542</b>	<b>216,401</b>
<b>Total interest-bearing debt</b>	<b>27,250</b>	<b>241,817</b>
Cash	86,087	17,821
<b>Net interest-bearing debt</b>	<b>-58,837</b>	<b>223,996</b>

## Note 10: Discontinued operations

On 27 April 2018 NextGenTel Holding AS entered into an agreement to sell Kvantel AS to Broadnet AS for NOK 250 million. According to the agreement, both datacom and telephony services will be transferred to Broadnet AS, the platform producing the voice services for NextGenTel AS is not a part of the transaction. Gain from sale of Kvantel AS at NOK 135 million is included in gain from sale of operations in the income statement. Closing of the transaction was 29 June 2018. In accordance with IFRS 5, the results of Kvantel AS classified as discontinued operations for the third quarter of 2018 and 2017, the third quarter ended 30 September 2018 and 2017, and the year ended 31 December 2017 are as follows:

(Figures in NOK 1000)	Q4 2018	Q4 2017	Jan-Dec 2018	Jan-Dec 2017
<b>Total revenues</b>	-	<b>60,149</b>	<b>112,754</b>	<b>221,534</b>
Cost of connection and traffic charges	-	-42,548	-78,444	-145,559
Salaries and personnel costs	-	-11,136	-19,857	-36,784
Other costs	-	-5,232	-11,669	-26,941
Depreciation and amortization	-	-4,622	-14,666	-27,067
Impairment	-	-	-6,117	-
<b>Operating profit</b>	-	<b>-3,389</b>	<b>-18,000</b>	<b>-14,817</b>
Finance	-	-623	-140	-643
<b>Profit before income tax</b>	-	<b>-4,012</b>	<b>-18,139</b>	<b>-15,460</b>
Income tax	-	963	4,172	3,711
<b>Net profit from discontinued operations</b>	-	<b>-3,049</b>	<b>-13,967</b>	<b>-11,750</b>

## Note 11: Impact of IFRS 15 Revenues from contracts with customers

The new accounting standard, IFRS 15 Revenues from contracts with customers, has been implemented in accordance with the fully retrospective transitional approach with effect from 1 January 2017. The effect of implementing IFRS 15 is recorded as a change in shareholders equity as of 1 January 2017, and the comparable periods for 2017 in the balance sheet and income statement have been updated accordingly. The group have completed the assessment of implementation, and the only contracts that have a material effects on the previous reported figures are the incremental costs for obtaining a customer contract. Often, when acquiring a new customer (or group of customers), the company has paid a provision to a third-party in order to obtain the contract with the customer, expecting to be fully reimbursed during sales to the new customer. Until and including 2017, these expenses have been recognized as costs in the income statement when incurred. After implementation of IFRS 15, these costs will have to be capitalized as other non-current assets and amortized over the period in which the contract is expected to provide the company with revenue. The company has assessed the expected useful life of such contracts and at an average we have applied a three-year amortization schedule for the amortized costs. Amortisation of the capitalised cost of obtaining a customer is recognised as other costs in the profit and loss statement. The tables below shows the impact arising from implementation of IFRS 15 on the accounts in the balance sheet and income statement.

(Figures in NOK 1000)	As reported	Impact IFRS 15	Restated	Impact IFRS 5*	Total*
<b>Impact on assets and equity 1 January 2017</b>					
Other non-current assets (incl. contract costs)	372	53,707	54,079	-	<b>54,079</b>
Deferred tax liabilities	21,360	12,890	34,250	-	<b>34,250</b>
Equity	137,990	35,176	173,167	-	<b>173,167</b>
<b>Impact on assets and equity 31 December 2017</b>					
Other non-current assets (incl. contract costs)	392	45,683	46,074	-	<b>46,074</b>
Deferred tax liabilities	9,404	10,507	19,911	-	<b>19,911</b>
Equity	94,280	35,176	129,455	-	<b>129,455</b>
<b>Impact on profit and loss Q4 2017</b>					
Other costs	-28,906	-1,123	-30,029	5,232	<b>-24,797</b>
<b>Impact on profit and loss Jan-Dec 2017</b>					
Other costs	-160,410	-8,024	168,434	26,941	<b>-141,493</b>

\* Adjusted for IFRS 5 effects of sale of Kvantel AS as discontinued operations as presented in note 10 to reconcile the changes in the balance sheet and the income statement for the fourth quarter of 2017 and the year ended 31 December 2017 against previous reported figures.

## Note 12: Key performance indicators per main product

	Revenues (thousand NOK)		Number of RGUs (thousand)		ARPU (NOK)	
	Q4 2018	Q3 2018	Q4 2018	Q3 2018	Q4 2018	Q3 2018
<b>Consumer</b>						
DSL broadband	75,600	79,100	67.8	73.5	363	358
Fiber broadband	26,800	26,200	28.2	27.5	320	320
TV	18,700	18,700	17.1	17.5	360	353
VoIP	12,500	13,300	28.8	32.2	138	134
<b>Business</b>						
Internet	13,500	14,500	7.4	7.6	603	637
Datanet	24,600	23,500	6.7	6.7	1,222	1,166
Mobile	14,900	15,700	13.1	14.6	364	344

## Alternative performance measures (APMs)

(Figures in NOK 1000)

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.

The Group uses the following APMs:

**EBITDA:** Operating profit + depreciation, amortization and impairments

**Net interest-bearing debt:** Total interest-bearing debt - cash and cash equivalents

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

**RGUs:** Revenue generating units

**ARPU:** Average revenue per user

EBITDA	Q4 2018	Restated Q4 2017	2018	Restated Jan-Dec 2017
Operating profit	19,182	-9,485	226,846	-15,539
Depreciation and amortization	17,957	42,690	95,689	155,680
<b>EBITDA</b>	<b>37,139</b>	<b>33,205</b>	<b>322,534</b>	<b>140,141</b>

Net interest-bearing debt	31.12.2018	31.12.2017
Long-term interest bearing debt	9,708	25,416
Short-term interest bearing debt	17,542	216,401
Cash and cash equivalents	-86,087	-17,821
<b>Net interest-bearing debt</b>	<b>-58,837</b>	<b>223,997</b>

Equity ratio	31.12.2018	31.12.2017
Total equity	272,187	129,455
Total equity and liabilities	478,731	713,090
<b>Equity ratio</b>	<b>57%</b>	<b>18%</b>

## Company Facts

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