

# Q2 2018 presentation

Oslo / 24 August 2018  
Eirik Lunde, CEO  
Gaute W. Krekling, CFO

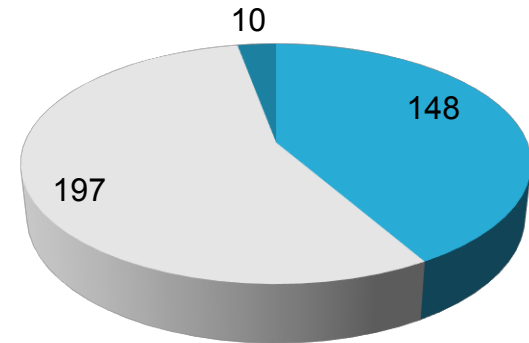
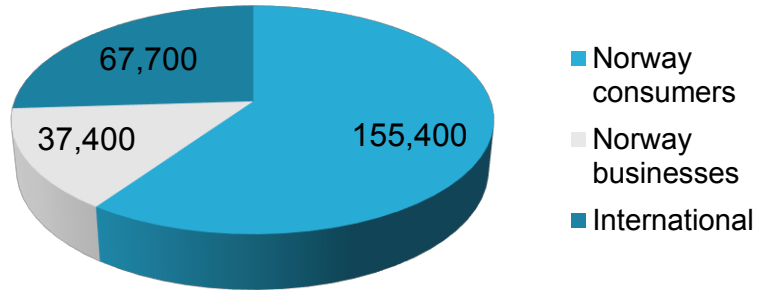
# Highlights Q2 2018

Sale of Kvantel AS	<ul style="list-style-type: none"><li>The transaction was based on an enterprise value of NOK 250 million, resulting in a gain of NOK 132.7 million in Q2</li></ul>
Sale of Consumer Mobile	<ul style="list-style-type: none"><li>The sale of the consumer mobile portfolio was completed in Q2, resulting in a gain of NOK 7 million in Q2 on top of the NOK 75 million booked in Q1</li></ul>
Debt	<ul style="list-style-type: none"><li>The proceeds from the sales in Q2 have been used to repay all outstanding bank debt. Remaining financial debt as of 30 June 2018 is solely related to financial lease obligations</li><li>The tax claim related to dividends from Switzerland have been fully paid in July with NOK 28 million including interest. The claim is still disputed</li></ul>
Strategy	<ul style="list-style-type: none"><li>A strategy process has been initiated to set the new direction for future growth</li></ul>
Dividend	<ul style="list-style-type: none"><li>The BoD has the intention to resolve a distribution of NOK 2 per share. Further use of available cash will be assessed as part of the ongoing strategy process.</li></ul>

# Q2 2018 in brief

CUSTOMERS  
at 30 Jun **260,500** RGUs  
Revenue  
generating  
units

REVENUES  
Q2 '18 **355** NOK  
MILLION



Business revenues includes NOK 132.7m in gain from sale of Kvantel. Consumer revenues includes NOK 7.0m in gain from sale of mobile customers

# Q2 2018 financials in brief

REVENUES **354.8** NOK MILLION

CASH **158.9** NOK MILLION

EBITDA **162.3** NOK MILLION

EQUITY RATIO **46.2%**

EBIT **135.0** NOK MILLION

BANK DEBT **0**

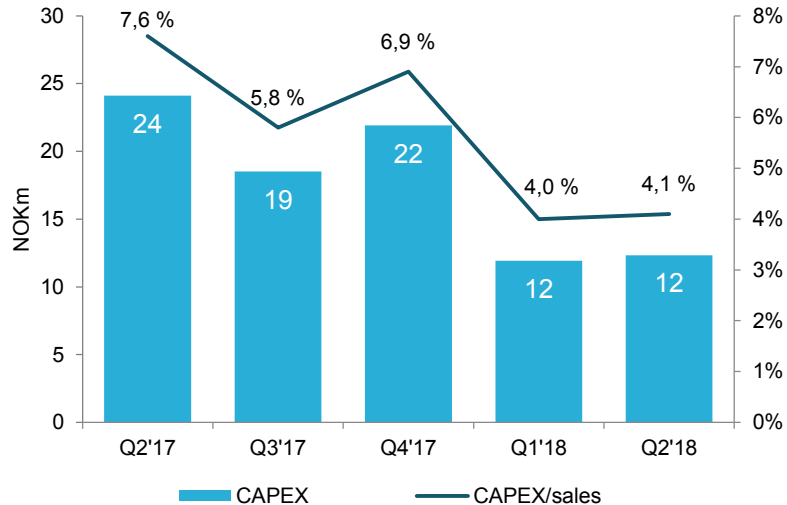
# Financial results

(Figures in NOKm)	Q2 2018	Q1 2018	Q2 2017
Revenues	354.8	321.3	266.6
Gross margin	66.5%	58.7%	45.8%
EBITDA	162.3	105.4	38.0
EBIT	135.0	77.2	0.1
Cash flow from operations	31.0	12.9	22.0
Cash and cash equivalents at end of quarter	158.9	15.0	19.4

- Figures for 2017 have been restated after implementation of IFRS 15
- Profit & loss related to Kvantel AS have been excluded from the figures in the table to the left
- Revenues for Q1 18 includes NOK 79.8 million in gain from sale of customer portfolios
- Revenues for Q2 18 includes NOK 139.7 million in gain from sale of Kvantel AS and completion of the consumer mobile sale
- After 30 June 18, available cash has been used to pay the outstanding tax claim with NOK 28 million

# CAPEX development

Lower capex key to improve cash flow

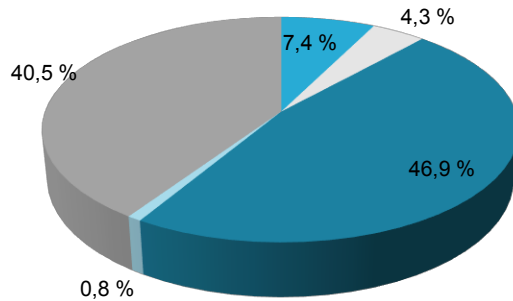


Kvantel included in the figures

- NOK 3.5 million of the capex in Q2 18 was related to Kvantel. Capex/ sales for this quarter has been calculated excluding this capex and the gain from sale of operations.

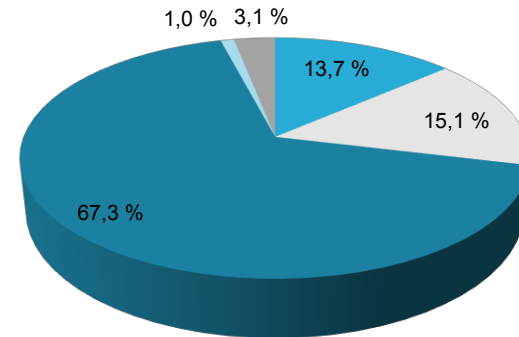
# Product mix – share of revenues

Q2 2018



- VoIP/fixed
- Mobile
- Broadband (incl TV)
- Wholesale
- Other

Q2 2017

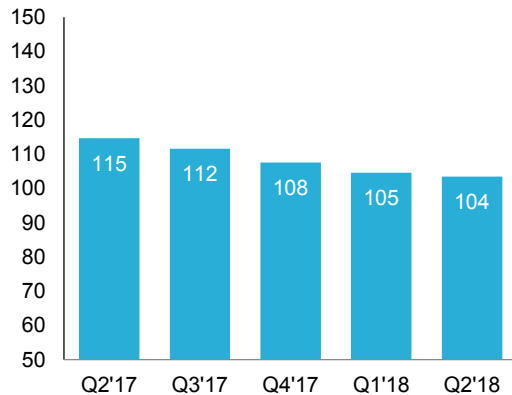


Other revenues in Q2 18 includes gain from sale of operations

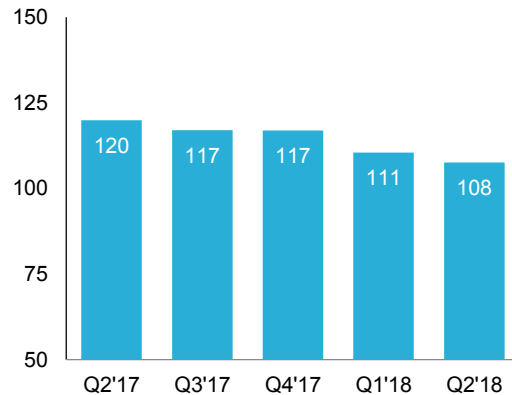
# Consumer broadband

- Continued churn on xDSL was in Q2 18 almost offset by growth on fiber
- High-speed subscriptions increased to 48,400

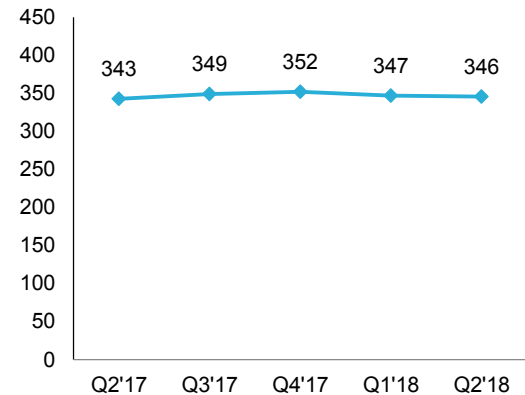
## SUBSCRIPTIONS ('000)



## REVENUES (MNOK)



## ARPU (NOK/MONTH)

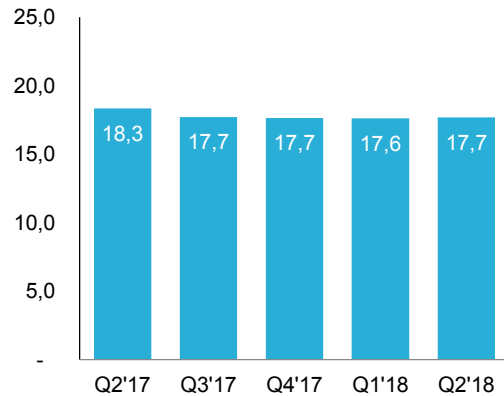




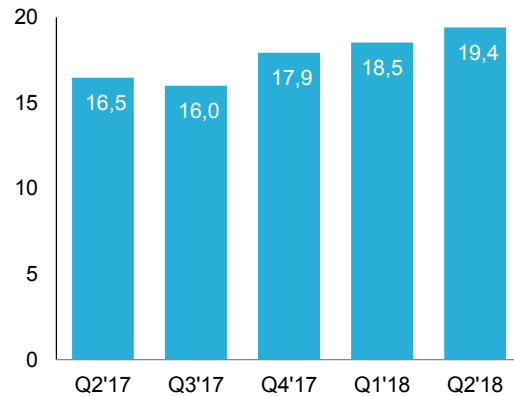
# Consumer TV

- Underlying stable development in number of subscriptions
- Revenue in Q2 positively affected by corrections from previous periods

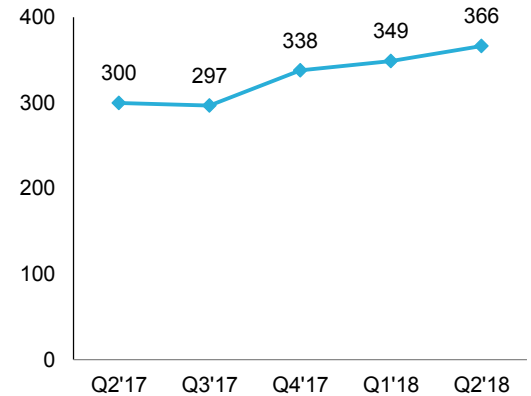
## SUBSCRIPTIONS ('000)



## REVENUES (MNOK)



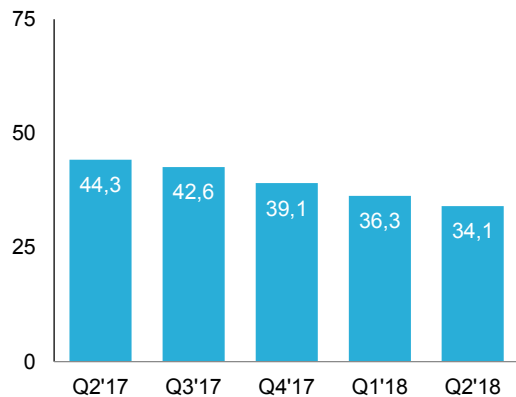
## ARPU (NOK/MONTH)



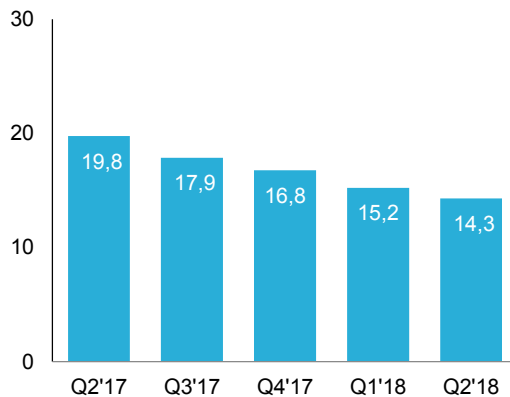
# Consumer VoIP

- Decrease in number of subscriptions in line with trend
- Stable ARPU over the last quarters

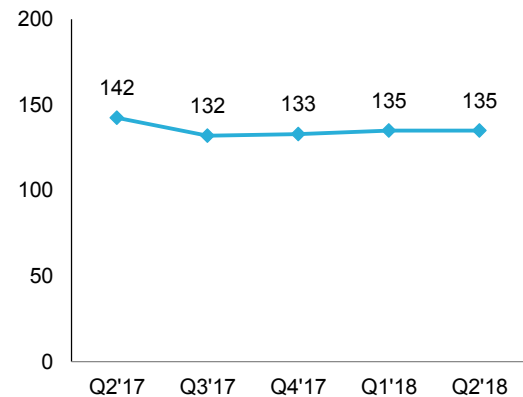
## SUBSCRIPTIONS ('000)



## REVENUES (MNOK)



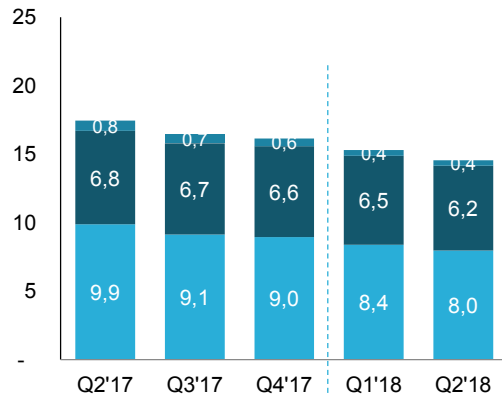
## ARPU (NOK/MONTH)



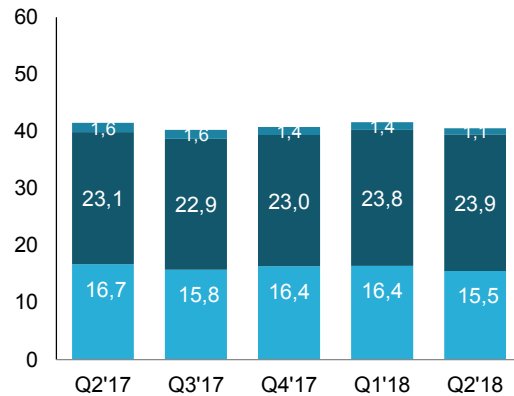
# Business datacom

- Change in reporting of number of subscriptions with effect from Q1 18
- ARPU increase on datanet offset the slight reduction in number of subscriptions

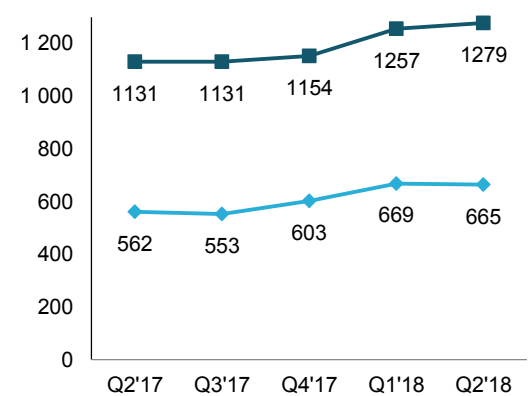
## SUBSCRIPTIONS ('000)



## REVENUES (MNOK)



## ARPU (NOK/MONTH)

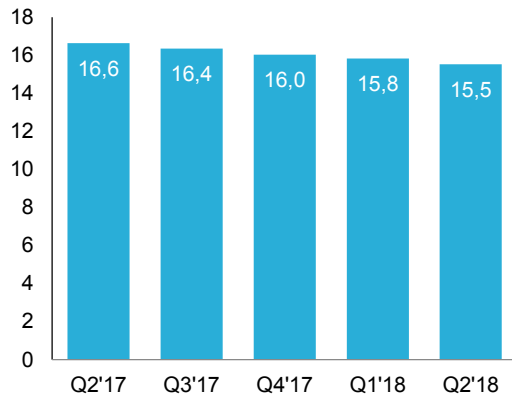


Internet Datanet Ethernet

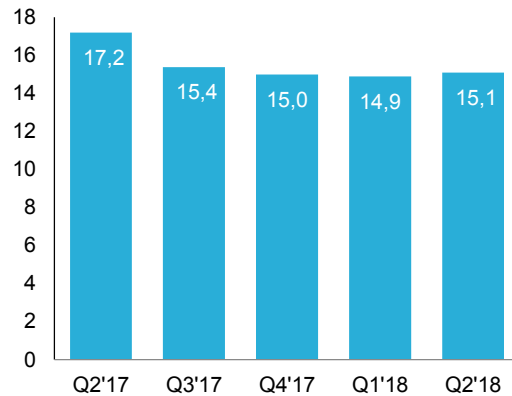
# Business mobile

- ARPU increase compensates for slightly lower number of subscriptions

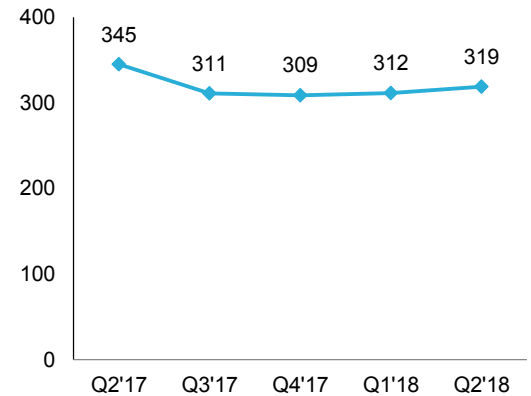
## SUBSCRIPTIONS ('000)



## REVENUES (MNOK)



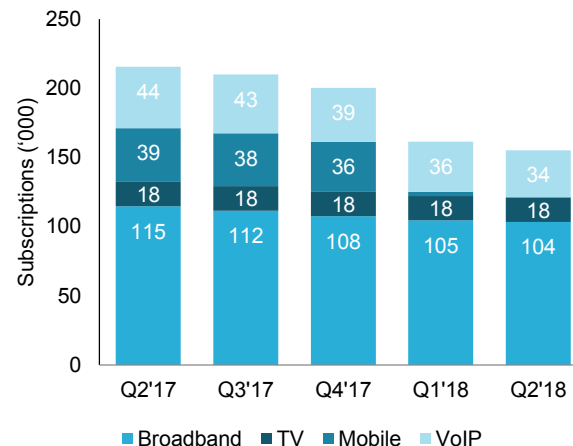
## ARPU (NOK/MONTH)



# Financial results – Norway B2C segment

(Figures in NOKm)	Q2 2018	Q1 2018
Revenues	151.9	177.3
Gross margin	41%	38%
EBITDA	15.1	16.9

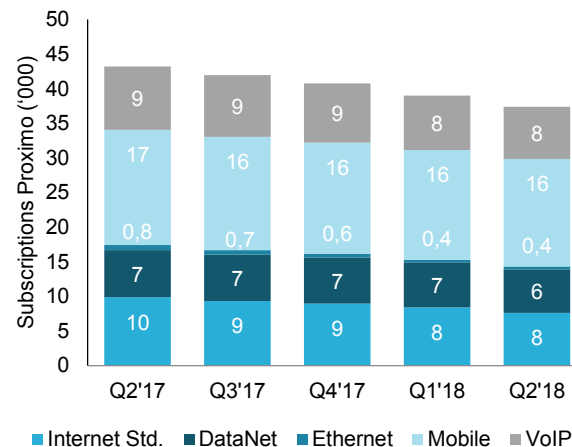
*Figures for 2018 excludes gain from sale of consumer mobile subscribers, but includes the voice business transferred from Kvantel in Q2 18*



# Financial results – B2B segment

(Figures in NOKm)	Q2 2018	Q1 2018
Revenues	64.2	67.2
Gross margin	47%	42%
EBITDA	6.1	3.0

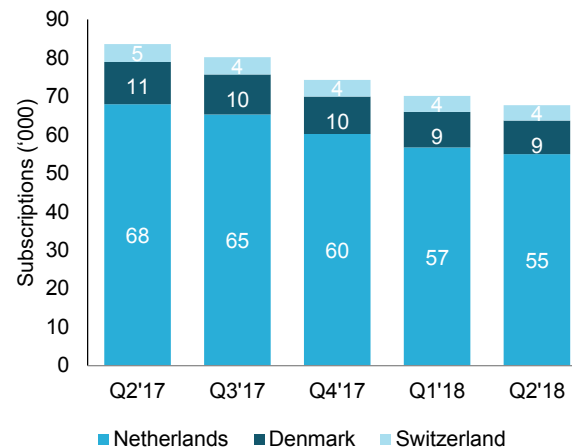
*Figures for 2018 excluded effects from sale of Kvantel*



- Positive effect in Q2 18 from reversal of double invoicing from Q1 18

# Financial results – international

(Figures in NOKm)	Q2 2018	Q1 2018
Revenues	10.3	10.6
Gross margin	59%	58%
EBITDA	3.5	3.2



# Focus going forward

Consumer	Growth in high-speed internet, focusing on FTTH and MDUs
Business	Utilize national coverage for Internet, Data Net and related communication platforms
Efficiency	NextGenTel will increase efficiency to align the cost structure with the decreasing volumes on xDSL and VoIP – improvement program has been initiated with both short term effects and significant cost reductions towards 2020
Strategy	A strategy process has been initiated to set the new direction for future growth



# Financial calendar 2018

Q3 2018

Thursday 25 October 2018 at 09:00



**Thank you!**

# Disclaimer

By reading this document (the "Presentation"), or attending any oral presentation held in relation thereto, the recipient agrees to be bound by the following terms, conditions and limitations.

The Presentation has been prepared by NextGenTel Holding ASA (the "Company") exclusively for information purposes. The Presentation does not constitute, and should not be construed as, an offer to sell or a solicitation of an offer to buy any securities of the Company in any jurisdiction.

The release, publication or distribution of this Presentation or the information contained herein may be restricted by law in certain jurisdictions, and persons into whose possession this Presentation comes are required to inform themselves about and comply with any such restrictions.

The information contained in the Presentation has not been independently verified. While this information has been prepared in good faith, no representation or warranty (express or implied) is made as to the accuracy or completeness of any information contained herein. None of the Company or its subsidiary undertakings, affiliates or advisors, or any such person's directors, officers or employees shall have any liability for any loss howsoever arising from any use of this Presentation or its contents or otherwise arising in connection with the Presentation. The recipient acknowledges that it will be solely responsible for its own assessment of the market and the market position of the Company and that it will conduct its own analysis and be solely responsible for forming its own view of the potential future performance of the Company's business. The content of this Presentation are not to be construed as legal, business, investment or tax advice. Each recipient should consult with its own professional advisors for any such matters and advice.

This Presentation contains certain forward-looking statements relating to the business, financial performance and results of the Company and/or the industry in which it operates. Forward-looking statements concern future circumstances and results and other statements that are not historical facts, sometimes identified by the words "believes", "expects", "predicts", "intends", "projects", "plans", "estimates", "aims", "foresees", "anticipates", "targets", and similar expressions. The forward-looking statements contained in this Presentation, including assumptions, opinions and views of the Company or cited from third party sources, are solely opinions and forecasts which are subject to risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements that are expressed or implied by statements and information in the Presentation, including, among others, risks or uncertainties associated with the Company's business, segments, development, growth management, financing, market acceptance and relations with customers, and, more generally, general economic and business conditions, changes in domestic and foreign laws and regulations, taxes, changes in competition and pricing environments, and fluctuations in currency exchange rates and interest rates. None of the Company or any of its subsidiary undertakings, affiliates or, advisors, or any such person's directors, officers or employees provides any assurance that the assumptions underlying such forward-looking statements are free from errors nor do any of them accept any responsibility for the future accuracy of the opinions expressed in this Presentation or the actual occurrence of the forecasted developments. The Company assumes no obligation, except as required by law, to update any forward-looking statements or to conform these forward-looking statements to our actual results.

The securities of the Company have not been, and will not be, registered under the United States Securities Act of 1933 (the "U.S. Securities Act"), and may not be offered or sold in the United States except pursuant to an exemption from the registration requirements of the U.S. Securities Act.

This Presentation is dated 24 August 2018. Neither the delivery of this Presentation nor any further discussions of the Company with any of the recipients shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since such date.

This Presentation is subject to Norwegian law, and any dispute arising in respect of this Presentation is subject to the exclusive jurisdiction of Norwegian courts.