



---

## Fourth quarter result 2020

16 February 2021

CEO Eivind Helgaker and CFO Henning Karlsrud



# Disclaimer

By reading this company presentation (the “Presentation”), or attending any meeting or oral presentation held in relation thereto, you (the “Recipient”) agree to be bound by the following terms, conditions and limitations.

The Presentation has been produced by Ice Group ASA (the “Company”) for information purposes only and does not in itself 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 distribution of this Presentation may be restricted by law in certain jurisdictions, and the Recipient should inform itself about, and observe, any such restriction. Any failure to comply with such restrictions may constitute a violation of the laws of any such jurisdiction.

The Recipient acknowledge that it will be solely responsible for its own assessment of the Company, 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 Company shall not have any liability whatsoever (in negligence or otherwise) arising directly or indirectly from the use of this Presentation or its contents, including but not limited to any liability for errors, inaccuracies, omissions or misleading statements in this Presentation, or violation of distribution restrictions.

An investment in the Company involves significant risk, and several factors could adversely affect the business, legal or financial position of the Company or the value of its securities. For a description of relevant risk factors we refer to the Company’s annual report for 2018 and the prospectus dated 16 May 2019, available on the Company’s website [www.icegroup.com](http://www.icegroup.com). Should one or more of these or other risks and uncertainties materialize, actual results may vary significantly from those described in this Presentation. An investment in the Company is suitable only for investors who understand the risk factors associated with this type of investment and who can afford a loss of all or part of their investment.

This Presentation contains certain forward-looking statements relating to inter alia the business, financial performance and results of the Company and the industry in which it operates. Any 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 and are subject to risks, uncertainties and other factors that may cause actual results and events to be materially different from those expected or implied by the forward-looking statements. The Company cannot provide 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 opinions expressed in this Presentation or the actual occurrence of forecasted developments.

This Presentation speaks as at the date set out on herein. Neither the delivery of this Presentation nor any further discussions of the Company shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since such date. The Company does not assume any obligation to update or revise the Presentation or disclose any changes or revisions to the information contained in the Presentation (including in relation to forward-looking statements).

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.

# Fourth quarter 2020 highlights and main developments

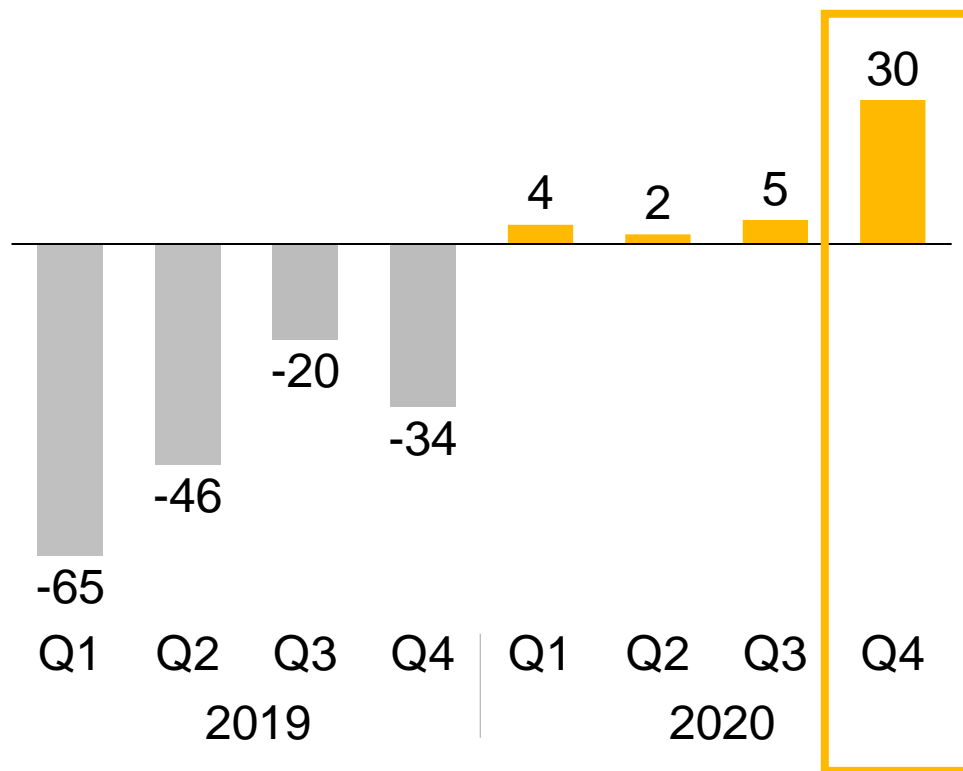
- 639k smartphone subscriptions at end of Q4, **up 20k in Q4**
- **Churn at 23%** (annualized), record low level
- Positive underlying **ARPU** development
- **Smartphone service revenues** grew by 8% to NOK 421 million
- Adjusted **EBITDA of NOK 30 million**, fourth positive quarter in a row
- **191 new smartphone sites** on air in Q4, further expanding population coverage
- **ICE 5G turned on** in Oslo and Tromsø in December

# NOK 41 million in adj. EBITDA in 2020

- a NOK 206 million improvement from 2019 due to operational leverage

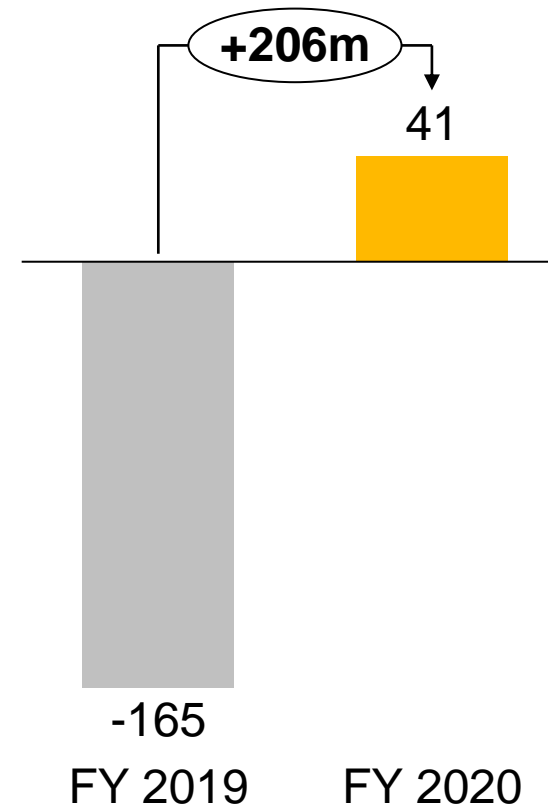
## Adjusted EBITDA

NOK millions per quarter



## Adjusted EBITDA

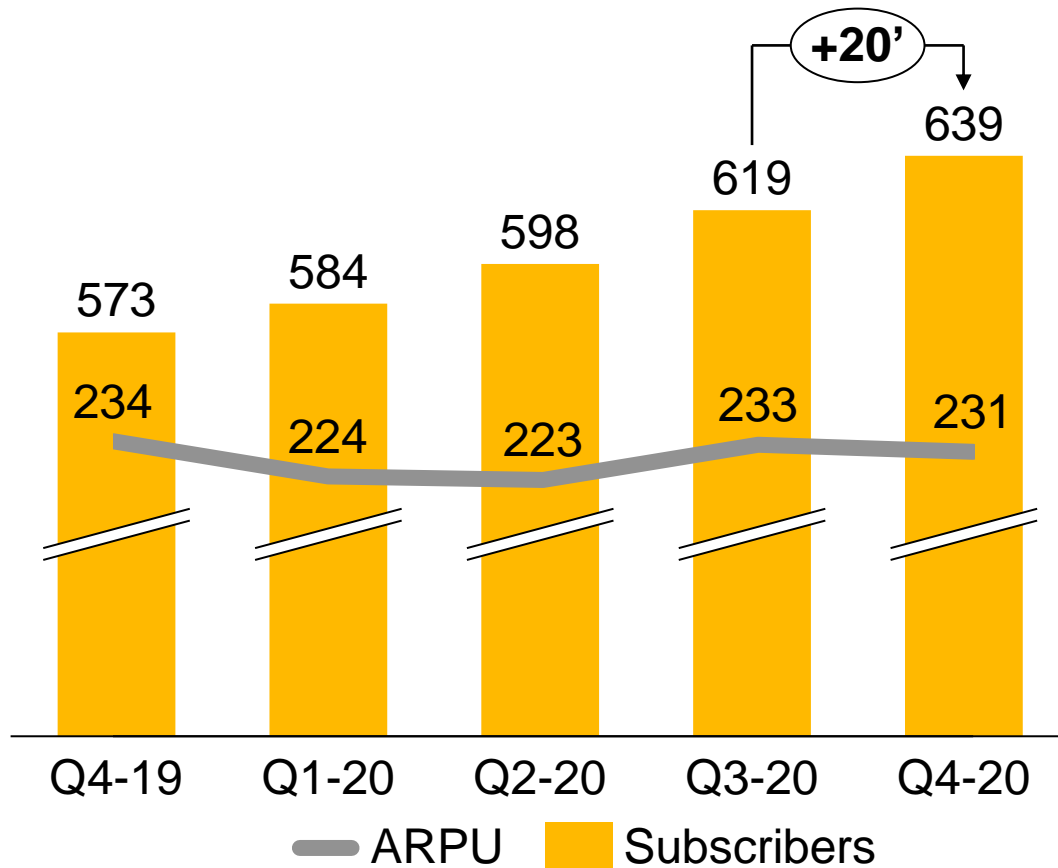
NOK millions per year



# Continued growth in smartphone subscribers

## Smartphone subscribers & ARPU

1,000 subscribers end of period / Average monthly ARPU in NOK



- Win-rate above 20% also in Q4
- Market portability down from last year
- Churn (annualized) at record low 23% in Q4
- Positive underlying ARPU development

# Positive development in customer loyalty – churn at 23%

**99.99%**  
availability

**Improved  
network  
quality**

**Loyalty  
improving  
products  
launched**

## **12 GB mobilabonnement**

Internett på farten er et must for deg! Du bruker mobilen til det meste, både til film, surfing og musikk.

Ordinær pris  
349,-/mnd

Med årsvtale  
299,-/mnd

**Kjøp 12 GB for kun 299,-**



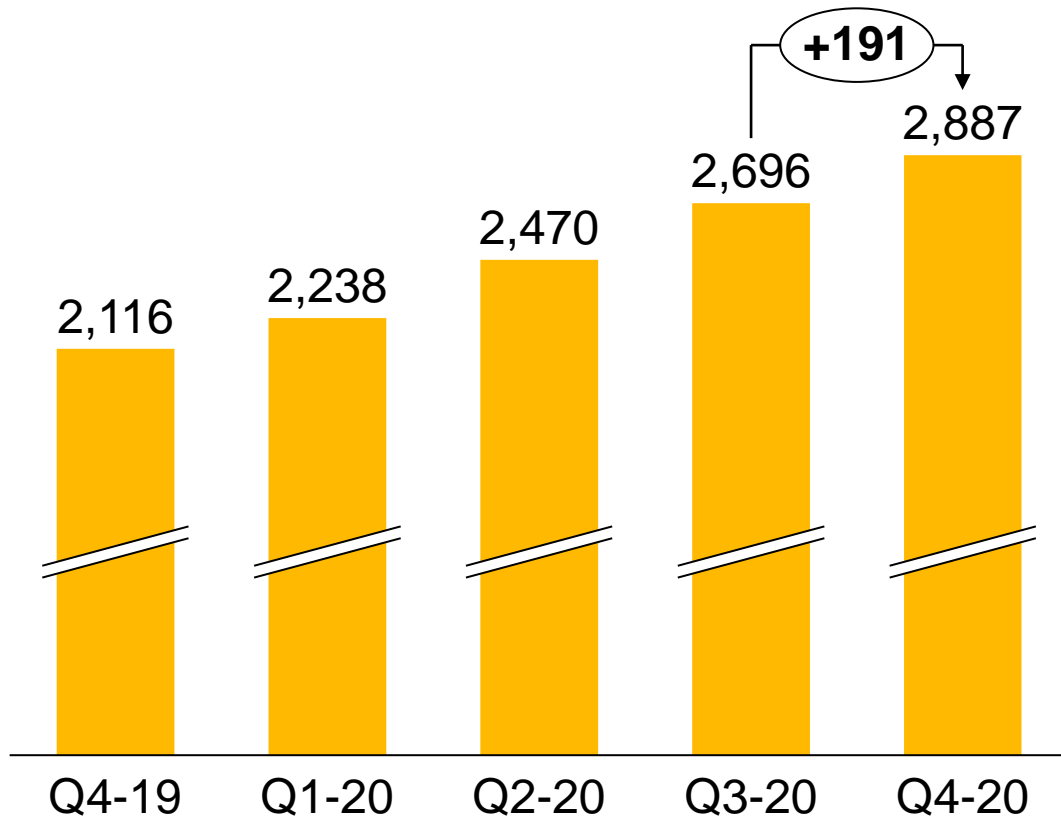
**Increased  
brand  
awareness**

**Controlling  
the customer  
journey**



# We continue to build base stations – giving us higher population coverage and improved network quality

## Operational smartphone sites



- Continued to roll out new base stations at full scale – 771 in 2020
- Large pipeline of ready-to-build base stations at full scale
- Nokia 5G-ready equipment

## Ice 5G turned on

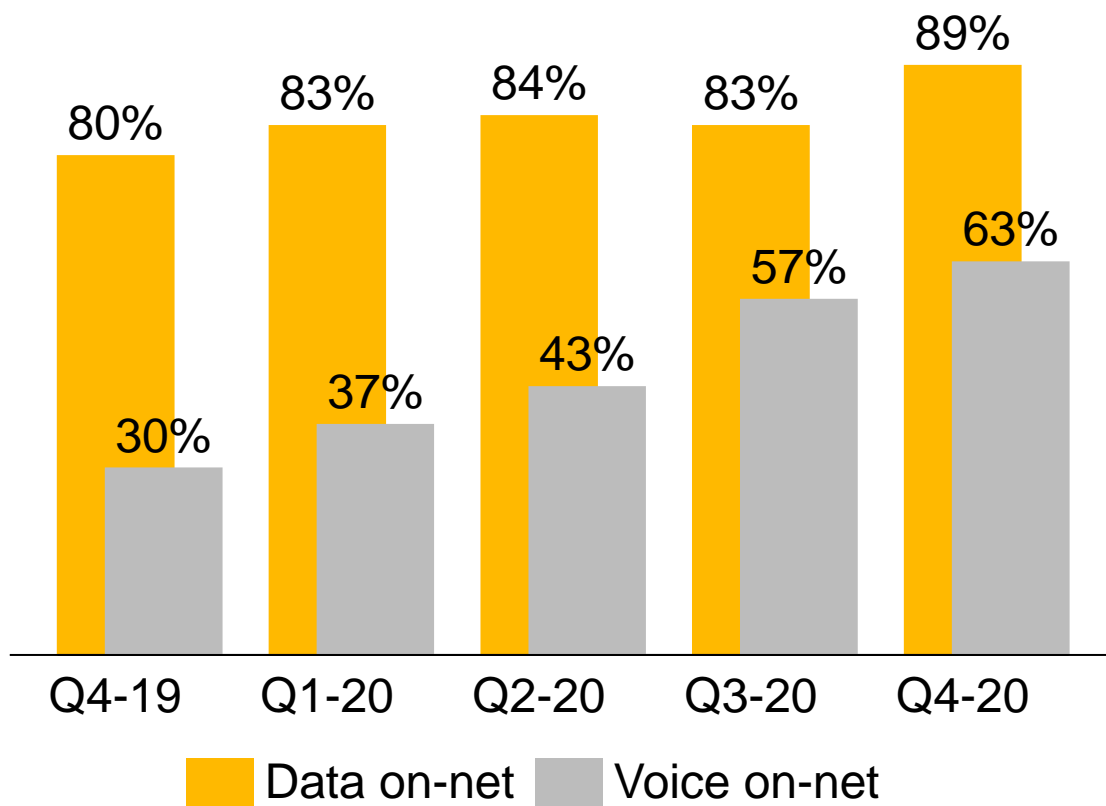
- Ice 5G was turned on for customers in December 2020
- First locations: Oslo and Tromsø
- Milestone was celebrated by conducting live 5G video call between Oslo and Tromsø
- Linda H. Helleland, Minister of Digitalization, attended the event at Ice HQ in Oslo





# Increased coverage gives higher on-net share and lowers the roaming costs

## Average on-net share



- Voice on-net:
  - Improving user experience
  - Positive effect from Apple agreement – 75% for Apple handsets in Q4
- Data on-net:
  - Increased coverage gives higher on-net share
  - Peak days above 91% on-net share

# New national roaming agreement is now in effect

- Commercial agreement with Telia
- In effect from 1 January 2021
- 3-year agreement with 1+1 year extension options
- Price structure in line with the new regulation of “Market-15”
- Will lower NRA costs significantly
- NOK 22 million (-60%) lower NRA cost in January 2021 vs January 2020, with 12% more customers

## Ice Group ASA: New national roaming agreement

18.9.2020 15:16:55 CEST | Ice Group ASA | Inside information

Ice Group ASA (ICE) has signed a new national roaming agreement (NRA) with Telia Norge AS (Telia) with effect from 1 January 2021. The new NRA will replace the current agreement with Telia that expires 31 March 2021. The new NRA lasts until 31 December 2023 with a 1+1 year extension option, whereas the last 1 year option is under certain conditions.

The new NRA has a price structure in line with the new "Market-15" regulation implemented from 1 June 2020. The new agreement will lower ICE's NRA costs significantly and would have resulted in NRA costs of approximately NOK 200 million if applied to FY 2020, compared to the current guidance for 2020 of NOK 450 million. This would correspond to NRA cost of 11-12% of smart phone service revenues for 2020, compared to current level of approximately 30%.

"This agreement is very important for improving our profitability and increasing our EBITDA-margin going forward. With continued network buildout we expect NRA cost to come down to 7-9% of smartphone service revenues, further improving our profitability in the coming years," says Henning Karlsrud, CFO in Ice Group ASA.

During 2021 ICE targets to reach up to 3,500 smartphone base-stations on air, resulting in a population coverage of more than 95% and producing more than 90% of the traffic through its own modern ice+ network.

"Ice will continue to build the third network in Norway, installing base-stations, expanding the coverage of our network and increasing the on-net share going forward. The support from Norwegian authorities and the new "Market-15" regulation is very important in order to realizing the third national mobile network in Norway. We have now delivered 21 consecutive quarters of smartphone subscription growth and we remain confident that we will continue to win market share and improve margins strongly going forward," says Eivind Helgaker, CEO in Ice Group ASA.

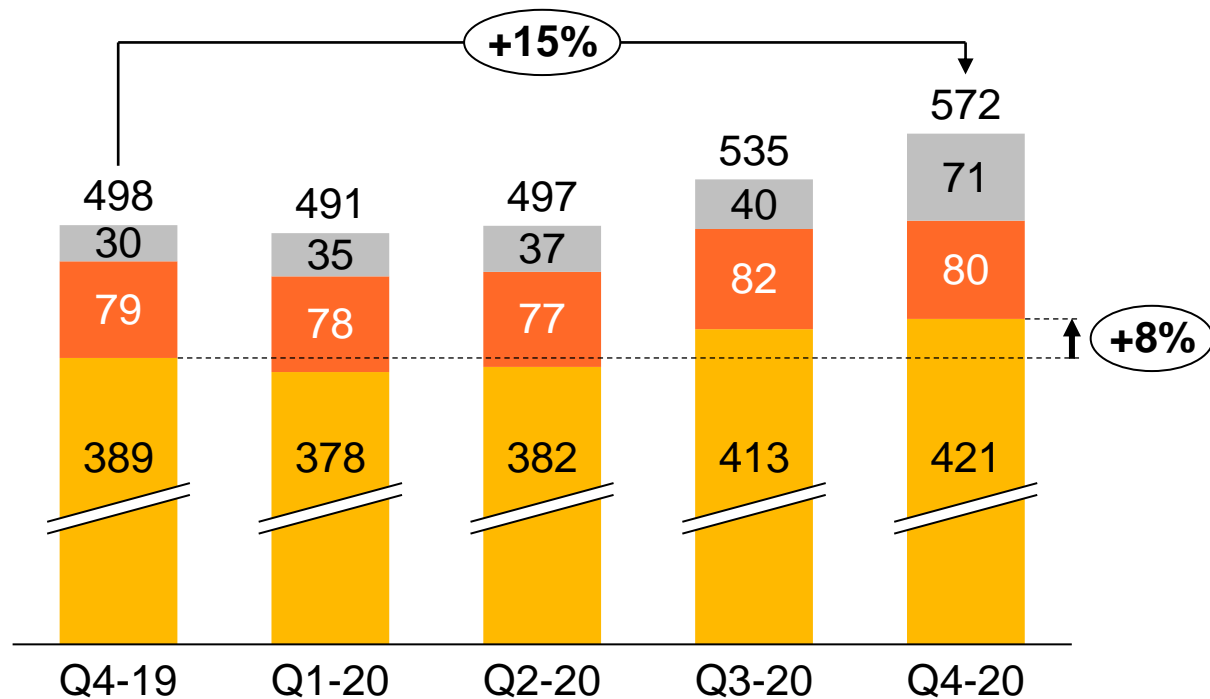
# Finance

---

# Positive adj. EBITDA again in Q4 2020

## Operating revenues

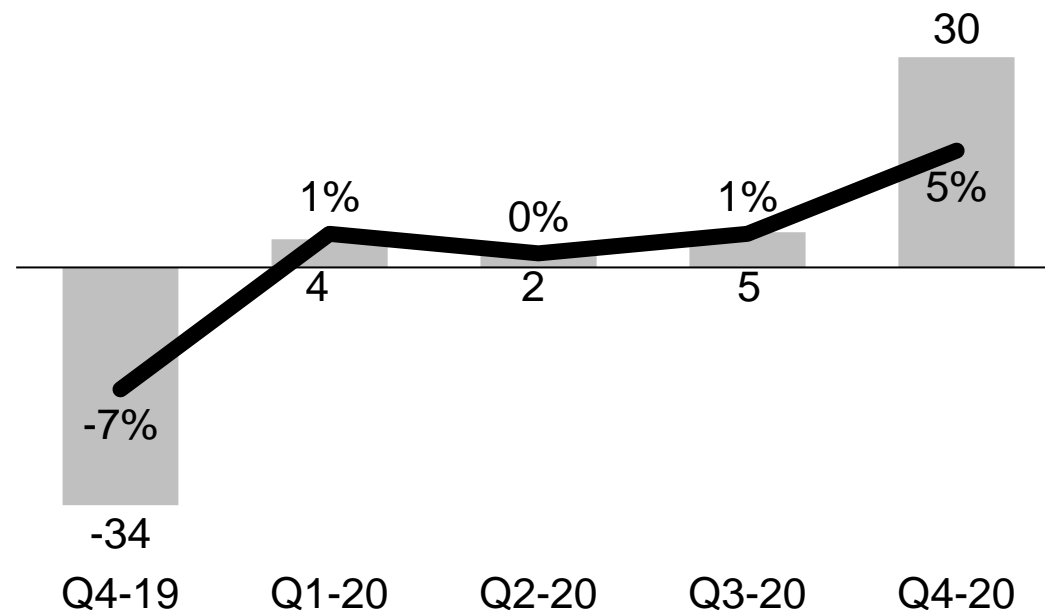
NOK millions



- Other revenues
- MBB service revenues
- Smartphone service revenues

## Adj EBITDA and adj EBITDA margin

NOK millions / %

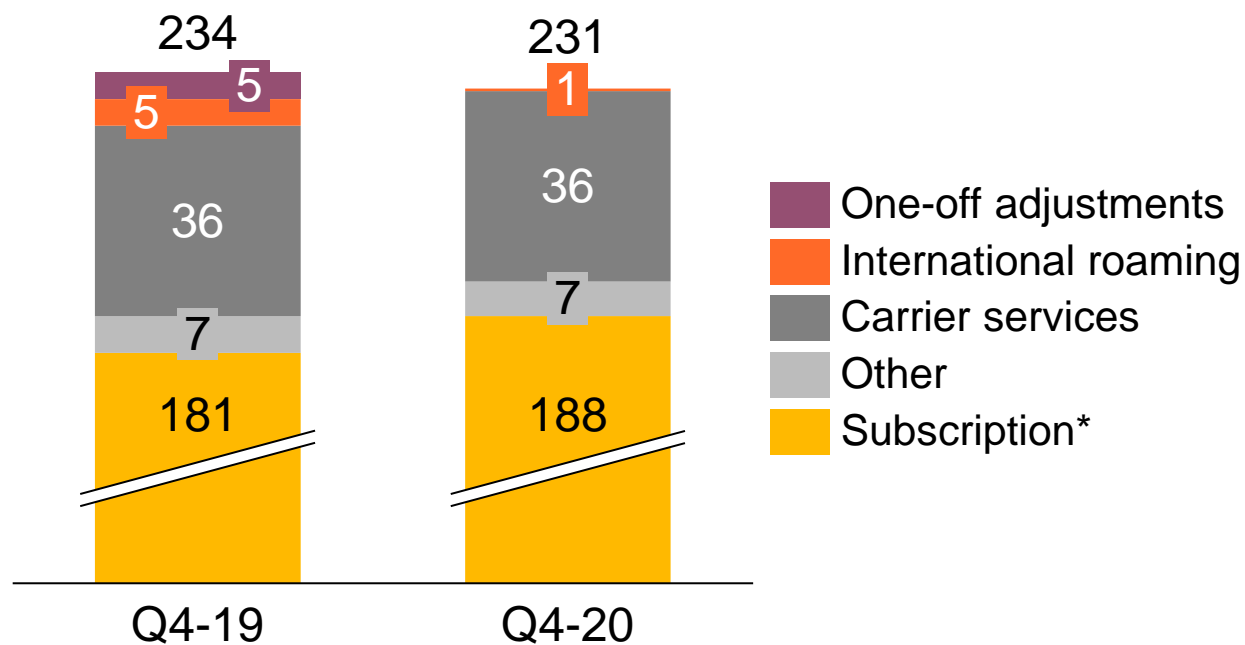


- Adj EBITDA
- Adj EBITDA margin

# Positive underlying ARPU development

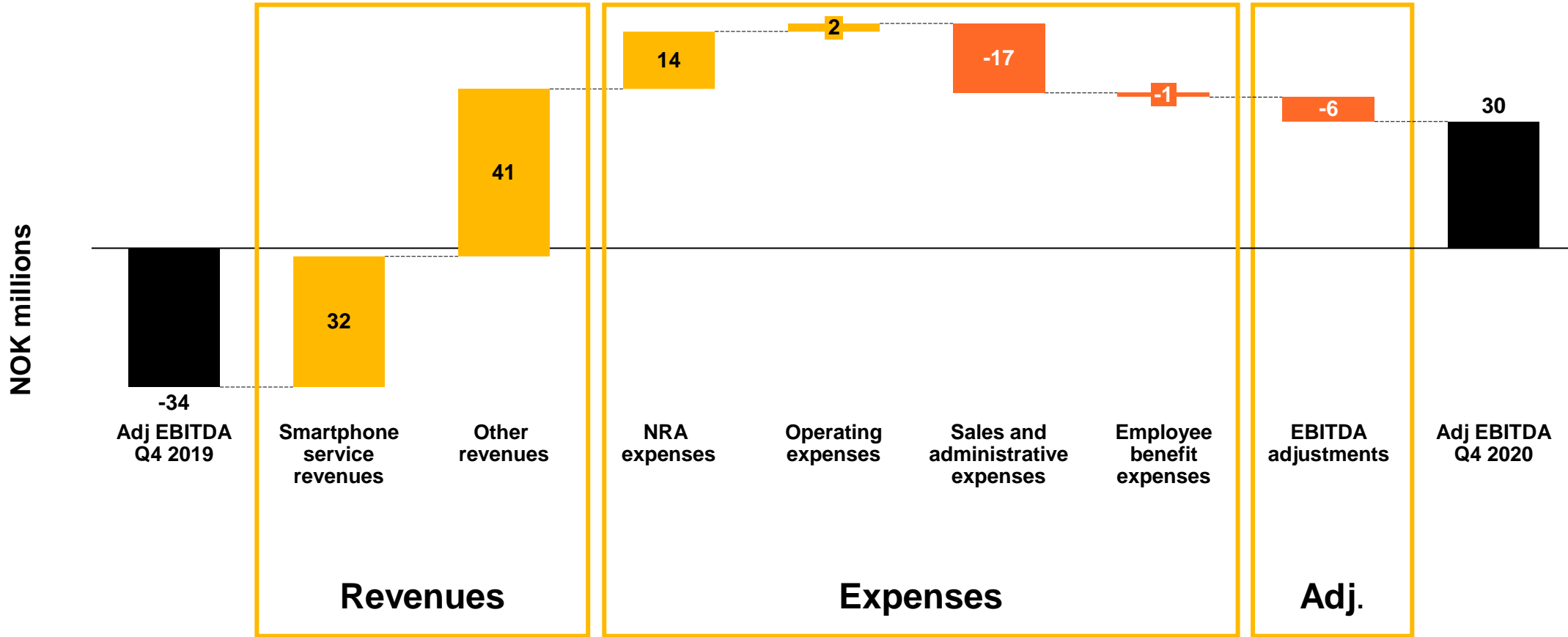
## Smartphone ARPU detailed

Average monthly revenue per subscription (NOK)

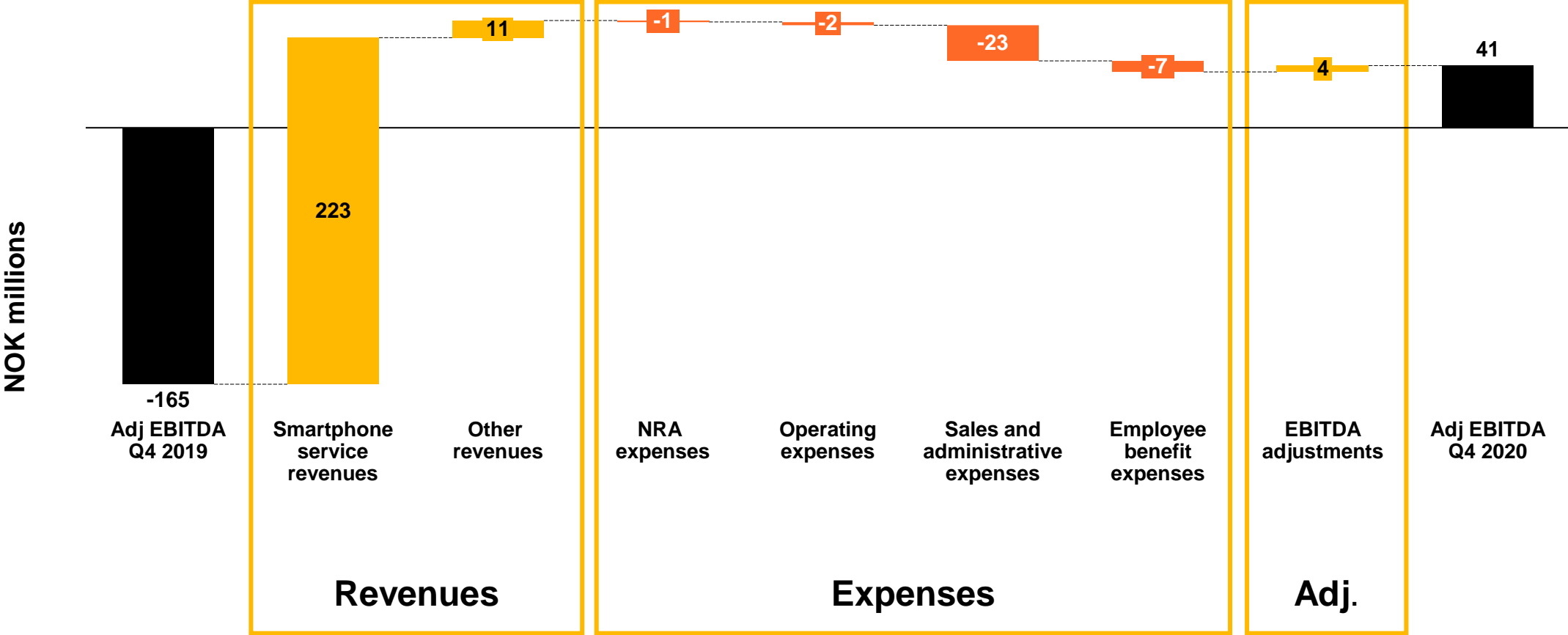


- +7 NOK increase in Subscription revenues
- Slight decrease in total ARPU due to decline in international roaming due to Covid-19 travel restrictions
- Q4 2019 hold a NOK 5 positive one-off adjustment
- Carrier services has regulated prices and zero margin

# Adj. EBITDA development – Q4 2019 vs Q4 2020

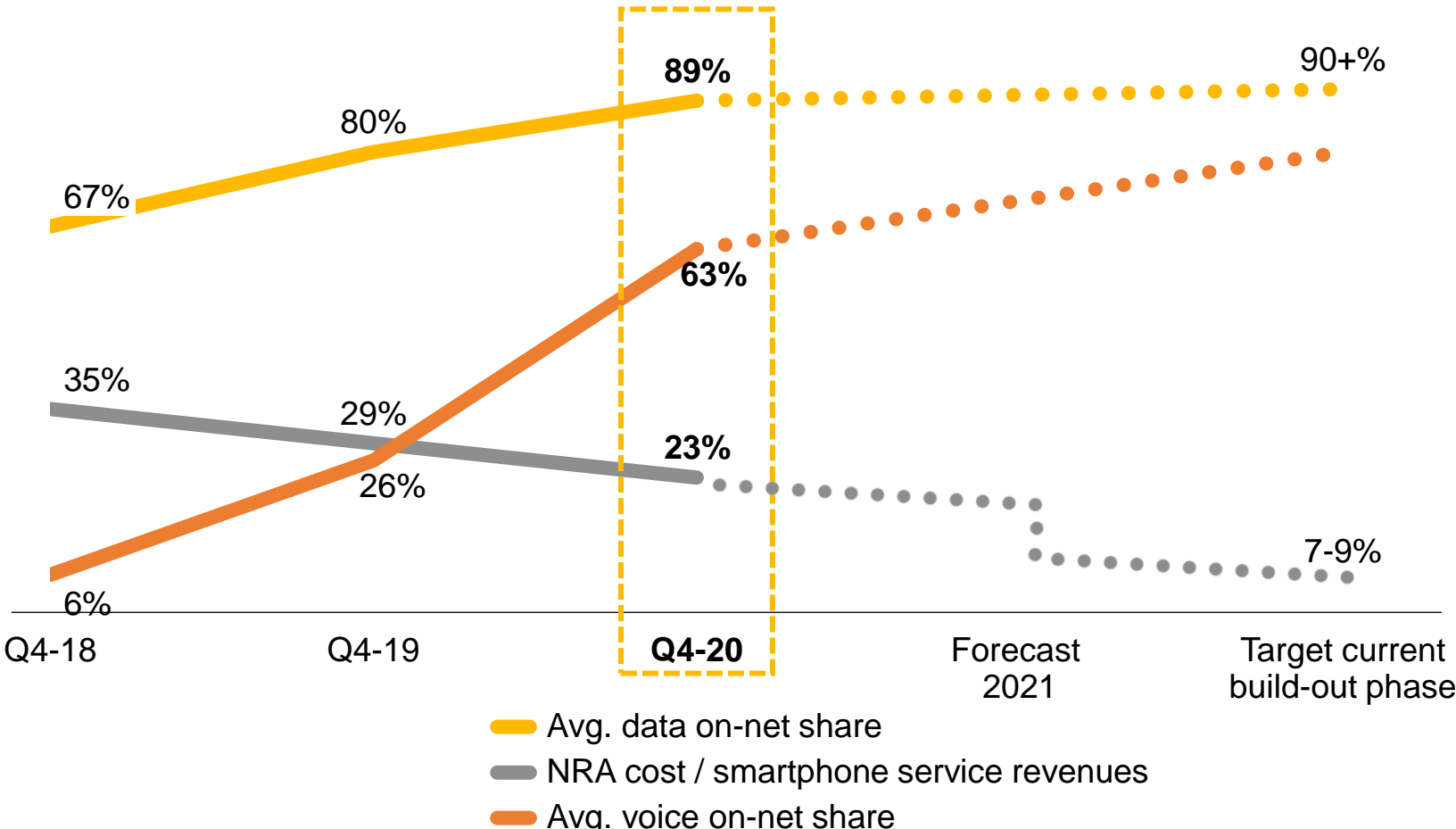


# Adj. EBITDA development – FY 2019 vs FY 2020



# Step-down in NRA cost from 1 January 2021 with new roaming agreement

On-net data share and network rental cost as % of revenues



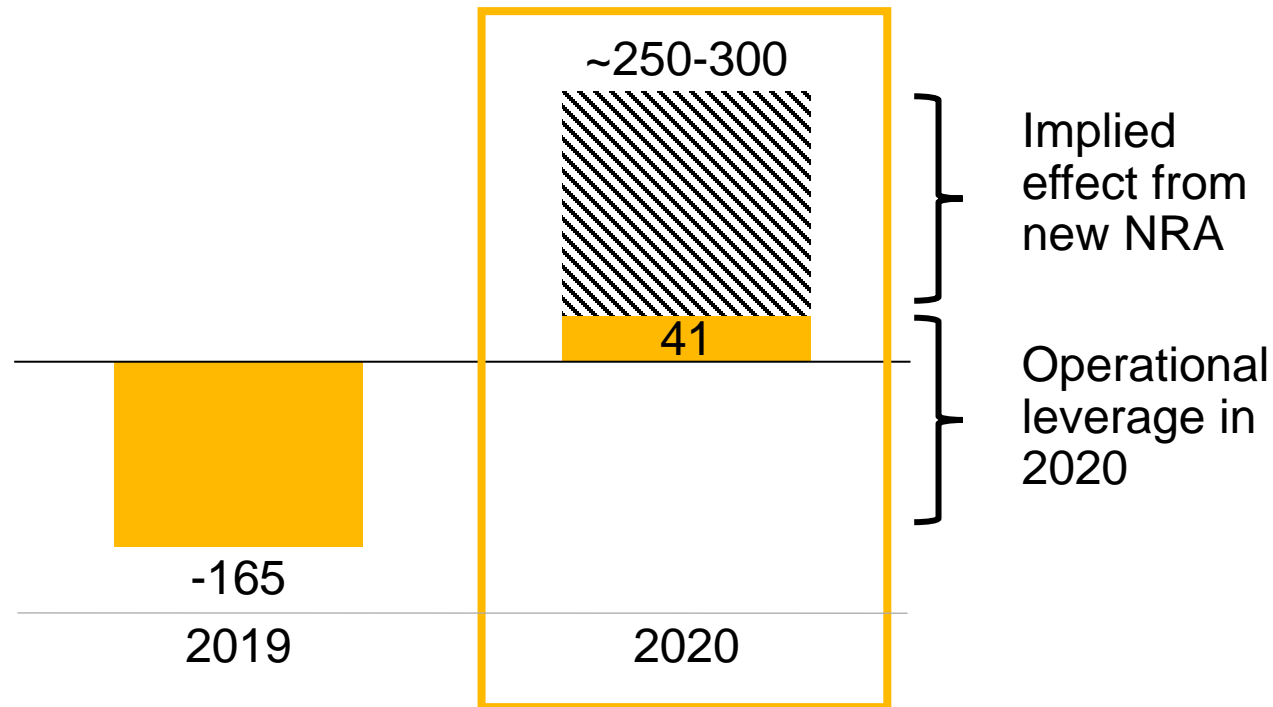
- Network build-out enabling shift from variable to fixed cost base
- Continuously decreasing network rent cost as on-net share increases
- Step-down in NRA cost from 1 January 2021 with new Telia roaming agreement



# Strong improvement in profitability with positive outlook going forward

## Adjusted EBITDA FY

NOK millions

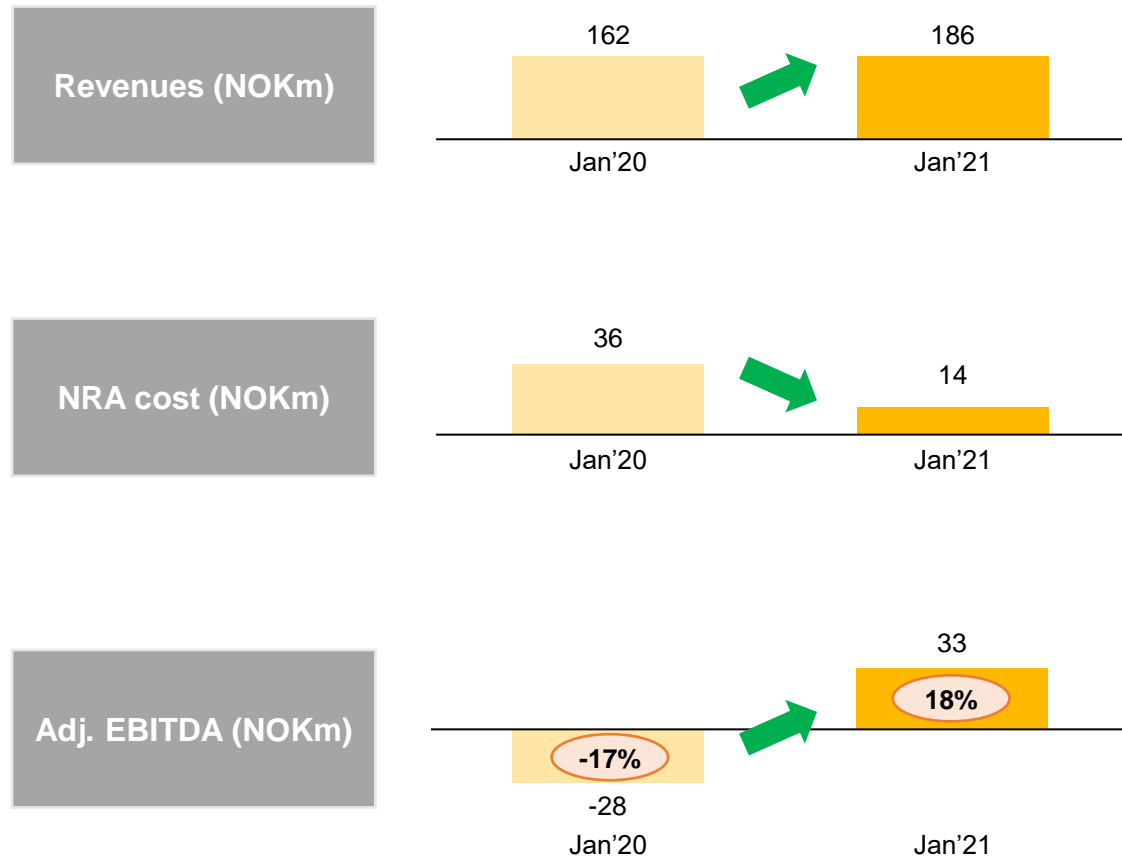


 Implied effect of new NRA agreement

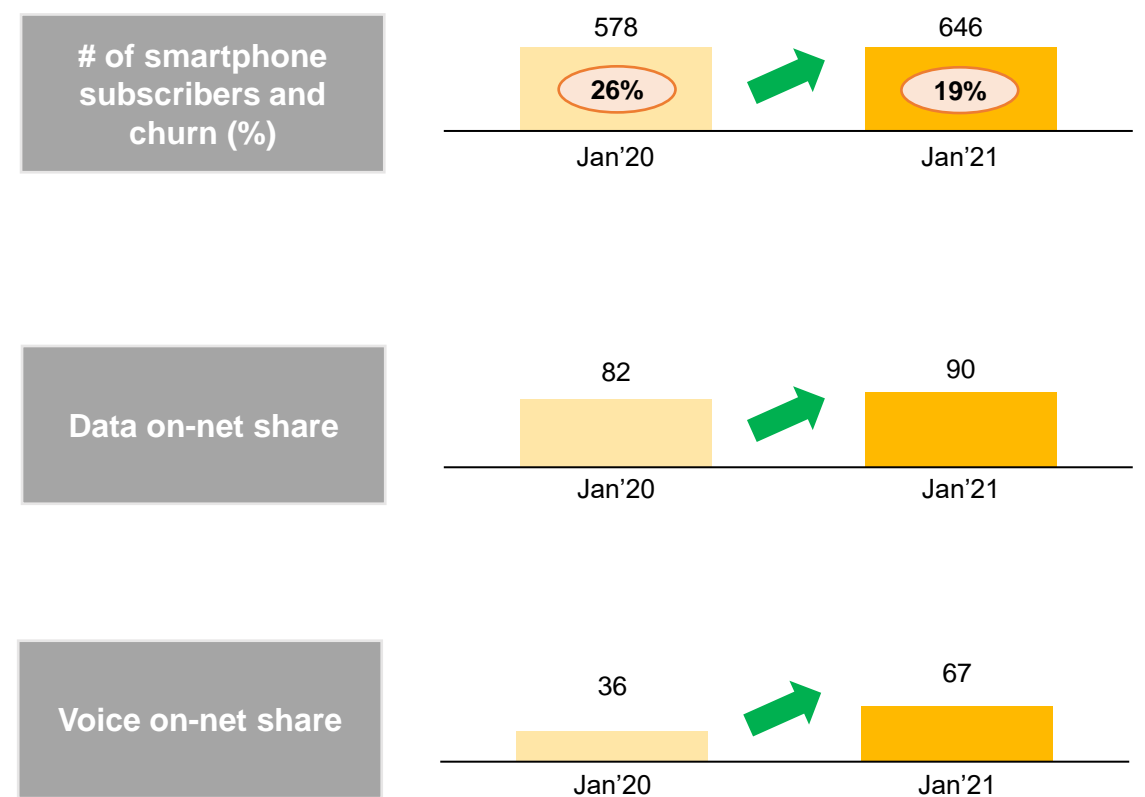
- Positive adj. EBITDA for the fourth consecutive quarter
- NOK 206 million improvement in EBITDA (adj.) in 2020
- Driven by scale effects as we grow the customer base
- Growth will continue going forward, resulting in increased operational leverage
- Additional step-up effect on margin from 1 January 2021 with new NRA agreement

# Key financials and KPIs in January demonstrate strong performance into 2021

## January 2021 vs 2020 – key financials



## January 2021 vs 2020 – KPIs



# Income statement

<i>NOK millions</i>	Fourth Quarter		Full year	
	2020	2019	2020	2019 <sup>1)</sup>
Service revenue	500	468	1,910	1,687
Other operating revenue	71	30	184	173
<b>Total operating revenue</b>	<b>572</b>	<b>498</b>	<b>2,094</b>	<b>1,859</b>
National roaming expenses	-98	-112	-441	-440
Operating expenses	-165	-167	-576	-574
Sales and administrative expenses	-213	-196	-816	-793
Employee benefit expenses	-68	-67	-245	-238
Depreciation, amortisation, impairment losses	-156	-129	-528	-468
<b>Total operating expenses</b>	<b>-699</b>	<b>-670</b>	<b>-2,606</b>	<b>-2,514</b>
<b>Operating result</b>	<b>-127</b>	<b>-172</b>	<b>-512</b>	<b>-655</b>
Financial items – net	-26	-75	-464	-488
<b>Result before tax</b>	<b>-154</b>	<b>-247</b>	<b>-976</b>	<b>-1,142</b>
Income taxes	3	8	2	10
<b>Net result for the period</b>	<b>-151</b>	<b>-240</b>	<b>-974</b>	<b>-1,133</b>
Translation differences on foreign operations	8	-18	-97	23
<b>Other comprehensive income</b>	<b>8</b>	<b>-18</b>	<b>-97</b>	<b>23</b>
<b>Total comprehensive income for the period</b>	<b>-143</b>	<b>-258</b>	<b>-1,071</b>	<b>-1,110</b>
<b>Net result for the period</b>	<b>-151</b>	<b>-240</b>	<b>-974</b>	<b>-1,133</b>
Basic earnings per share	-0,75	-1.19	-4.83	-5.62
<b>Adjusted EBITDA</b>	<b>30</b>	<b>-34</b>	<b>41</b>	<b>-165</b>

The net financial items for the fourth quarter holds a NOK 124 million unrealised positive currency effect from borrowings in USD and SEK. Interest expense for Q4 amounted to NOK 120 million. Financial expenses related to IFRS 16 amounted to NOK 31 million for the period. Please refer to note 6 in the Q4 report for more details.

<sup>1)</sup> Includes the divested Swedish operation up until and including February 2019

# Cash flow

<i>NOK millions</i>	Fourth Quarter		Full year	
	2020	2019	2020	2019
Result before tax	-154	-247	-976	-1,142
Payments related to lease interest	31	28	143	113
Paid interest expense	37	40	202	142
<i>Non-cash items</i>				
Depreciation & amortisation of non-current assets	127	101	409	370
Depreciation & amortisation of right-of-use assets	28	28	119	98
Depreciation & amortisation of contracts with customers	57	53	257	206
Net interest expense	75	54	190	183
Adjustments for other non-cash items	-115	-50	-63	56
<b>Cash flows before changes in working capital</b>	<b>86</b>	<b>6</b>	<b>281</b>	<b>27</b>
<b>Cash flows from changes in working capital</b>	<b>-134</b>	<b>-113</b>	<b>-220</b>	<b>-314</b>
<b>Cash flows from operating activities</b>	<b>-48</b>	<b>-107</b>	<b>61</b>	<b>-287</b>
<b>Cash flows from investing activities</b>	<b>-196</b>	<b>-130</b>	<b>-664</b>	<b>-461</b>
<b>Cash flows from financing activities</b>	<b>-101</b>	<b>516</b>	<b>193</b>	<b>1,656</b>
<b>Cash flow for the period</b>	<b>-345</b>	<b>279</b>	<b>-411</b>	<b>907</b>
Cash and cash equivalents Beginning of Period	1,123	902	1,183	275
Exchange rate difference in cash and cash equivalents	0	1	7	0
<b>Cash and cash equivalents End of Period</b>	<b>779</b>	<b>1,183</b>	<b>779</b>	<b>1,183</b>

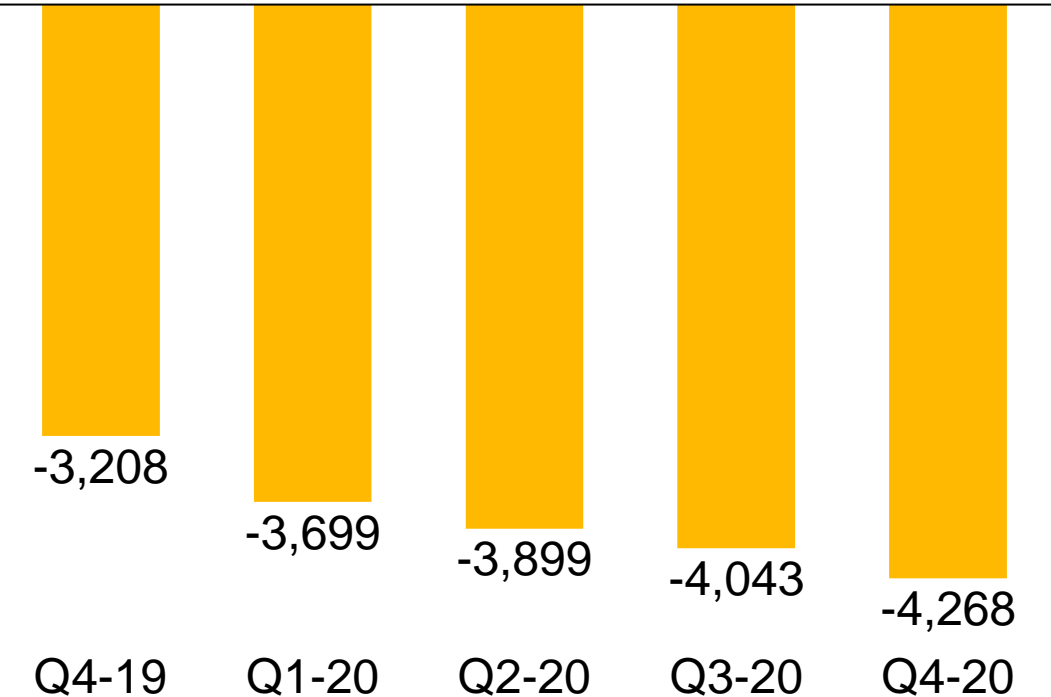
Mainly currency effects on SEK/USD loans

Mainly investments in network build-out and core modernization

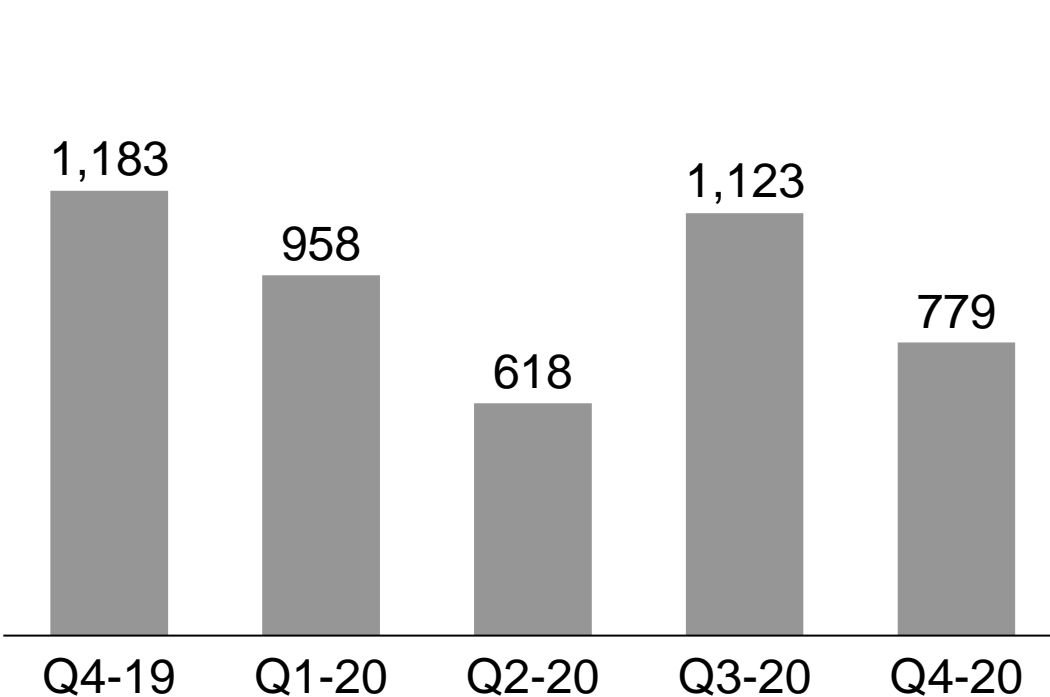
Includes bond interest payments, payment of leasing liability and interest component IFRS 16

# Liquidity level expected to be sufficient to fund the company to cash flow break-even

**Net interest bearing debt** (NOK millions)



**Cash and cash equivalents** (NOK millions)



# Update on refinancing process

- Secured bond refinancing process initiated
  - Bond process launched today
  - Arctic Securities, DNB Markets and Pareto Securities are mandated
  - The Group's credit position is significantly improved since this secured bond was issued in 2017
    - >2x subscribers
    - >3x base stations
    - >50% more spectrum
    - Positive EBITDA, and guided for a 15-20% margin in 2021

- Refinancing of PIK loans
  - Ongoing dispute with GoldenTree (USD 139 million outstanding 31 December)
  - GoldenTree has initiated legal proceedings towards ICE due to alleged breach of loan agreement
  - ICE sees GoldenTree's behaviour as an unjustified attempt to achieve early redemption of its debt
  - ICE considers the legal claim to be without any merit and feels confident that a Norwegian court will agree
  - The dispute with GoldenTree is outside of ring-fenced bond structure and GoldenTree has no recourse against Ice Group Scandinavia Holdings AS

## Guidance & outlook

**Smartphone network build-out:**  
2021: **300-500** new smartphone base stations

NEW

**CAPEX/sales:**  
(CAPEX excl. contracts with customers)  
2021: **20-25%**

NEW

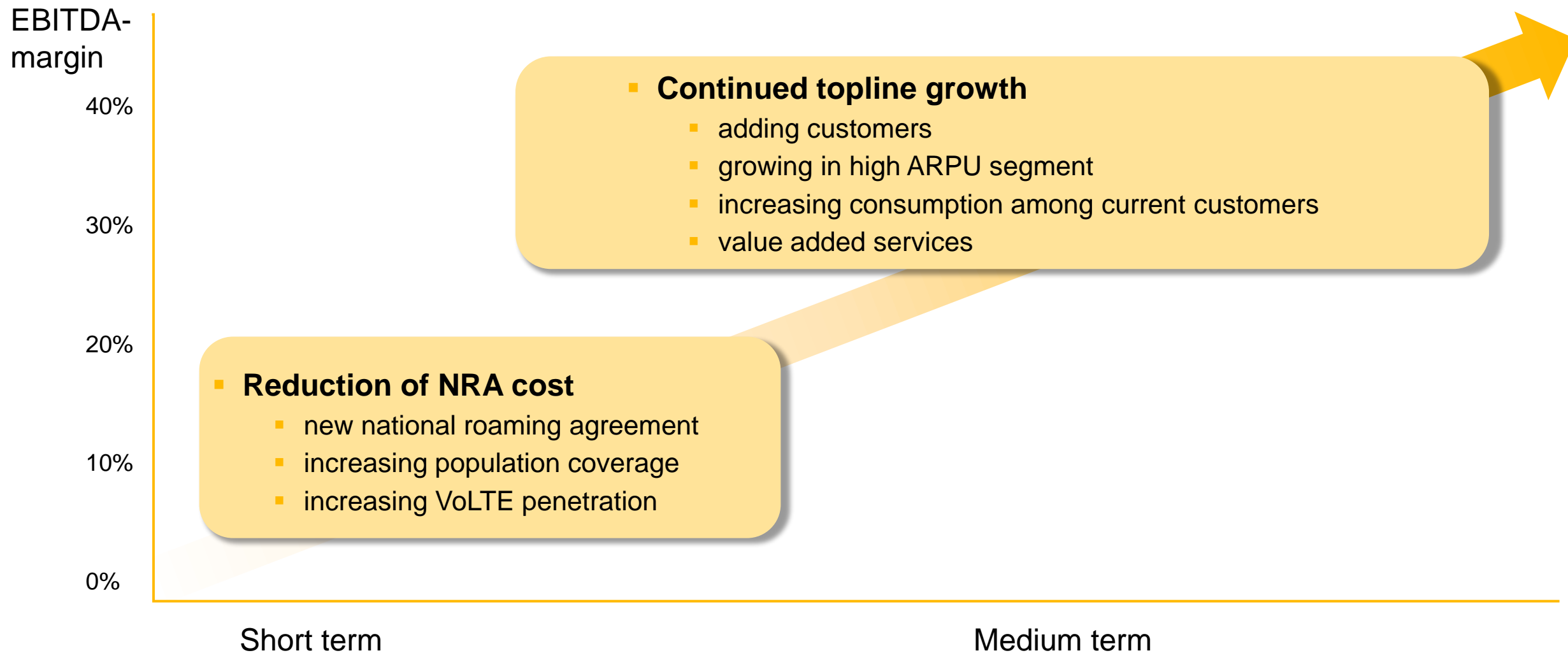
**National Roaming Cost (NRA):**  
2021: NOK ~**200** million

NEW

**EBITDA (adj) margin:**  
2021: **15-20%**

NEW

# Key drivers behind profitability improvements





# Summary

---

# Fourth quarter highlights and main developments

**Continued  
positive  
operational  
development**

**EBITDA (adj)  
of NOK 41  
million for  
2020**

**Successful 5G  
trial**

# Q & A

# Appendix

---

# Our path to medium-term and long-term value creation

- **Subscriber share<sup>1</sup>**
- **ARPU<sup>1,2</sup>**
- **Adj. EBITDA margin<sup>3</sup>**
- **Capex / sales**

## Medium term targets:

**>20%**

**~NOK300**

**mid 30s %**

**~10%**

## Long term targets:

>25%

+2.5% p.a.

mid 40s %

~10%

# Balance sheet\*

<i>NOK millions</i>	31 Dec 2020	31 Dec 2019
<b>ASSETS</b>		
Intangible assets	1,984	2,070
Tangible assets	2,916	2,383
Other non-current assets	408	382
<b>Total non-current assets</b>	<b>5,307</b>	<b>4,835</b>
Inventory	6	9
Trade receivables	178	143
Other receivables	14	18
Prepaid expenses and accrued income	90	27
Cash and cash equivalents	779	1,183
<b>Total current assets</b>	<b>1,068</b>	<b>1,381</b>
<b>TOTAL ASSETS</b>	<b>6,375</b>	<b>6,216</b>

<i>NOK millions</i>	31 Dec 2020	31 Dec 2019
<b>EQUITY AND LIABILITIES</b>		
Equity attributable to the Parent Company shareholders	-1,793	-889
<b>TOTAL EQUITY</b>	<b>-1,793</b>	<b>-889</b>
Borrowings	5,004	4,331
Non-current lease liabilities	1,769	1,618
Other non-current liabilities	306	303
<b>Total non-current liabilities</b>	<b>7,079</b>	<b>6,252</b>
Trade payables	283	164
Current lease liabilities	176	112
Other liabilities	24	21
Accrued expenses and deferred income	606	555
<b>Total current liabilities</b>	<b>1,089</b>	<b>852</b>
<b>TOTAL LIABILITIES</b>	<b>8,168</b>	<b>7,104</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>6,375</b>	<b>6,216</b>

# Key KPIs

NORWAY	2019				2020			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>No. of active subscriptions (in thousands)</b>	<b>541</b>	<b>622</b>	<b>641</b>	<b>659</b>	<b>668</b>	<b>683</b>	<b>701</b>	<b>718</b>
- smart phone	457	536	555	573	584	598	619	639
- consumer	420	498	517	535	545	558	578	598
- business	37	38	38	38	39	40	41	41
- MBB (excl. M2M/IoT)	84	85	86	86	85	84	82	78
Smartphone ARPU	221	220	231	234	224	223	233	231
Number of Smartphone base stations in service EoP	1 873	1 933	1 987	2 116	2 238	2 470	2 696	2 887
Smartphone avg. Data on-net share %	71 %	72 %	73 %	80 %	83 %	84 %	83 %	89 %
Voice on-net share %	16 %	19 %	22 %	30 %	37 %	43 %	57 %	63 %
Smartphone churn, annualized %	24 %	24 %	33 %	26 %	27 %	24 %	26 %	23 %

# Contact

Ice Group ASA  
Nydalsveien 18B  
0484 Oslo  
Norway

[info@icegroup.com](mailto:info@icegroup.com)  
[www.icegroup.com](http://www.icegroup.com)

**ice group**

