

Summary



Ice Group Scandinavia Holdings AS
FRN Senior Unsecured Bonds 2019/2023
ISIN: NO 0010864002

30 March 2020

Lead Managers:



MARKETS

DNB Markets

As Joint Lead Manager



Pareto Securities AS

As Joint Lead Manager

1 Introduction

The name of the securities is Ice Group Scandinavia Holdings AS FRN senior unsecured NOK 900,000,000 bonds 2019/2023 (the "Bond"). The ISIN code of the securities is NO 001 0864002.

The Issuer is a Norwegian private limited liability company, incorporated under and regulated by the Norwegian Companies Act. The registered address is Nydalsveien 18B, 0484 Oslo, Norway. Phone number is 08200. LEI number 5967007LIEEXZXJ76807.

The Company's website www.icegroup.com is joint with the Ice Group ASA, the Group Parent Company.

Disclaimer: The information on the website does not form part of the prospectus unless that information is incorporated by reference into the prospectus.

The manager of the securities is DNB Bank ASA, which has acted as advisor to the Issuer in relation to the pricing of the securities. The manager's legal entity identifier (LEI) is 549300GKFG0RYRRQ1414. The contact details of DNB Bank ASA are as follows: DNB Bank ASA, Dronning Eufemias gt 30, N-0191 Oslo, Norway.

The Norwegian FSA is the competent authority which has approved the prospectus. The Norwegian FSA is registered in the Register of Business Enterprises, Norway with registration number 840 747 972. The contact details of the Norwegian FSA are as follows: Finanstilsynet, P.O. Box 1187 Sentrum, N-0107 Oslo, Norway.

The prospectus was approved on 30 March 2020.

Please note the following warnings:

- the summary should be read as an introduction to the prospectus;
- any decision to invest in the securities should be based on a consideration of the prospectus as a whole by the investor;
- the investor could lose all or part of the invested capital
- where a claim relating to the information contained in a prospectus is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating the prospectus before the legal proceedings are initiated;
- civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent, when read together with the other parts of the prospectus, or where it does not provide, when read together with the other parts of the prospectus, key information in order to aid investors when considering whether to invest in such securities;
- you are about to purchase a product that is not simple and may be difficult to understand.

2 Key information on the issuer

2.1 Who is the issuer of the securities?

The issuer is Ice Group Scandinavia Holdings AS, a private limited liability company, incorporated under and regulated by the Norwegian Companies Act., business reg. no. 913 192 354 and with LEI number 5967007LIEEXZXJ76807.

The Group is a telecommunications operator with operations in Norway and Denmark and had approximately 663 thousand subscribers in the Smartphone and Mobile Broadband markets as of Q4 2019. The Company's main operations are in Norway, where it is the third largest mobile network operator (based on the number of subscribers as of Q2 2019, according to NKOM). Norway is the only country where the Company operates in the smartphone market, while mobile broadband is also offered in both Norway and Denmark. The smartphone subscriber base totalled approximately 573 thousand subscribers (86% of the total subscriber base) as of Q4 2019. In addition, the Group had approximately 86 thousand and 4 thousand mobile broadband subscribers in Norway and Denmark, respectively. The Group operates under the trademark ice (formerly ice.net) in Norway and Net1 in Denmark.

The Group also previously had mobile broadband operations in Sweden under the brand Net1. These operations were divested to Teracom Group AB during Q1 2019.

The Issuer's sole shareholder is the Parent Company, AINMT Holdings AB, which sole shareholder is the Group Parent Company, Ice Group ASA. Ice Group ASA, formerly listed on N-OTC, is as of 20 May 2019 listed on Oslo Axess (OSE ticker "ICE"). As of the date of this Registration Document, Ice Group ASA has 608 shareholders of which Access Industries, through AI Media Holdings (NMT) LLC, holds 62.34%.

The board of directors consists of Henning Karlsrud, Eivind Helgaker, Martin Westersø and Anders Koch.

The statutory auditor for the Issuer is PricewaterhouseCoopers AS.

2.2 What is the key financial information regarding the issuer?

<i>NOK millions</i>	Full year	
	2018	2017
Service revenue	1,539	1,266
Total operating revenue	1,659	1,346
Total operating expenses	-2,408	-2,094
Operating profit / loss	-749	-748
Net financial items	-154	-260
Profit / loss before taxes	-903	-1,008
Net profit /loss	-908	-1,015
Total assets	3,215	3,614
Total equity	417	814
Total liabilities	2,798	2,799
Net interest bearing debt	2,000	1,541
Net cash flow from operating activities	-362	-372
Net cash flow from investing activities	-460	-584
Net cash flow from financing activities	371	1,313
Cash and cash equivalents at end of period	270	722

NOK millions	First Quarter		Second Quarter	
	2019	2018 ¹⁾	2019	2018 ¹⁾
Service revenue	375	361	394	383
Total operating revenue	396	390	406	408
Total operating expenses	-578	-572	-577	-541
Operating profit / loss	-182	-182	-170	-133
Net financial items	-91	-83	-65	-84
Profit / loss before taxes	-273	-265	-235	-218
Net profit /loss	-272	-268	-234	-218
Total assets	4,576	4,824	4,860	5,184
Total equity	580	309	347	593
Total liabilities	3,996	4,515	4,514	4,590
Net interest bearing debt	1,491	1,941	1,800	1,585
Net cash flow from operating activities	-204	-228	31	10
Net cash flow from investing activities	39	-140	-311	-122
Net cash flow from financing activities	667	-31	-28	469
Cash and cash equivalents at end of period	772	323	464	679

¹⁾ The comparative numbers for 2018 have been restated due to the implementation of IFRS16.

NOK millions	Third Quarter		Fourth Quarter	
	2019	2018 ¹⁾	2019	2018 ¹⁾
Service revenue	449	405	468	390
Total operating revenue	464	441	490	420
Total operating expenses	-612	-573	-650	-609
Operating profit / loss	-148	-132	-160	-189
Net financial items	-67	-68	-90	-57
Profit / loss before taxes	-215	-201	-250	-247
Net profit /loss	-215	-201	-243	-248
Total assets	4,643	4,958	5,987	4,735
Total equity	133	401	391	151
Total liabilities	4,510	4,558	5,597	4,584
Net interest bearing debt	2,044	1,708	1,869	1,994
Net cash flow from operating activities	-140	-14	-153	-131
Net cash flow from investing activities	-63	-76	-116	-122
Net cash flow from financing activities	-40	-34	1,063	-33
Cash and cash equivalents at end of period	220	555	1,014	270

¹⁾ The comparative numbers for 2018 have been restated due to the implementation of IFRS16.

The interim financial information for Q1, Q2, Q3 and Q4 for 2019 and the related 2018 comparative numbers has not been subject to review or audit.

There are no qualifications in the audit reports relating to the historical financial information for the Issuer

2.3 What are the key risks that are specific to the issuer?

Risk factors specific to the industry and market conditions:

- Regulatory environment – the Group operates in a highly regulated industry, changes may have material consequences for the Group's telecommunications licenses and business operations.
- Failure to develop, or obtain timely access to, new technologies or equipment, or to obtain the necessary licenses or spectrum to provide services using these new technologies, could have a material adverse effect on the Group's business, financial condition and results of operations.

Risk factors to the Issuer's and Group's operations:

- Failure to maintain and develop robust telecommunication networks could hinder the Group's financial and operational performance in the future.
- The Group is dependent on material contracts, including a national roaming agreement (the "National Roaming Agreement"), until it has sufficient coverage through its own network. The failure or breakdown of key components of the Group's networks, including hardware and software, may have a material negative effect on the Group's financial and operational performance.

- Any interruptions in the Group's ability to provide services could seriously harm the Group's reputation and reduce subscriber confidence.
- The Group depends on a limited number of suppliers and vendors to provide equipment and services - the Group may experience future problems related to increased prices or procurement of necessary equipment and services.
- Licence renewal risk – the telecommunication licences of the Group has an expiry date and will need to be renewed in order for the Group to be able to continue to provide its products and services. However, there is a risk that Group will not be able to renew its licences due to factors outside of its control.
- Cyber-attacks, computer virus attacks, other database security breaches or acts of terrorism or vandalism could result in equipment failures or disruptions in the Group's operations, impact the Group's reputation and lead to a loss of subscribers.
- The Group is dependent on its own and third-party suppliers' workforce to run the business and meet its obligations. As has been evidenced by the recent COVID-19 pandemic outbreak, disease outbreaks can put significant restrictions the prerequisites for continuing operations of assets, including movement of people and their ability to get to their place of work. Furthermore, the general reduction in macroeconomic activity – both domestic and international – following the recent COVID-19 disease outbreak could directly impact the growth and/or demand for the services the Group provides, which could result in lower service revenues, and thereby have a material adverse effect on Ice Group's business, financial condition and results of operations..

The Issuer's and Group's financial risks:

- The Company is exposed to risks relating to obtaining additional financing and refinancing of existing debt. The funds raised by the Bond Issue will help meet the capital requirements of the Company going forward, and it is expected that liquidity will be satisfactory well into H2 2020. The actual revenue and customer base of the Group may negatively deviate from the Group's expectations, creating a need for additional financing. There is a risk that the Company will be unable to receive financing or would have to accept financing on less favourable terms. Although the Group's main shareholders have supported the Group in all equity issues so far, there is no guarantee that they will continue to do so in the future.
- Existing financing agreements include, and future financing agreements may include, financial and operational covenants, and failure by the Group to meet these may entitle lenders to call for immediate repayment of amounts outstanding.
- The Group is exposed to interest rate risk in interest bearing current and non-current liabilities (including the Bond Issue). As the Bonds carry variable interest rates, the relatively high level of debt of the Group results in exposure to interest rate risk.

3 Key information on the securities

3.1 What are the main features of the securities?

The Loan is an unsecured open bond issue with floating interest rate. Settlement Date is 10 October 2019 and Maturity Date is 10 October 2023. The ISIN code of the Loan is NO 001 0864002 and the borrowing amount is NOK 900,000,000. The Denomination of each Bond is NOK 500,000. The Coupon Rate is NIBOR 3 months plus a Margin of 8.00 % p.a. with interest payment dates each 10 January, 10 April, 10 July and 10 October.

Both the Issuer and the Bondholders have the right to early terminate the bonds upon certain conditions.

The Bonds will constitute senior debt obligations of the Issuer. The Bonds will rank pari passu between themselves and will rank at least pari passu with all other obligations of the Issuer (save for such claims which are preferred by bankruptcy, insolvency, liquidation or other similar laws of general application).

Certain purchase or selling restrictions may apply to Bondholders under applicable local laws and regulations from time to time.

Bond Trustee is Nordic Trustee AS, a company existing under the laws of Norway with registration number 963 342 624 and LEI-code 549300XAKTM2BMKIPT85.

The Issuer may redeem all but not only some of the Outstanding Bonds (the "Call Option") on certain conditions,

3.2 Where will the securities be traded?

Admission to trading on the regulated market of Oslo Børs will take place as soon as possible after the Prospectus has been approved by the Norwegian FSA. The Bonds are not and will not be listed on any other marketplace.

3.3 Is there a guarantee attached to the securities?

No, the bonds are unsecured.

3.4 What are the key risks that are specific to the securities?

- There is no existing market for the Bonds, and although the intention is to apply for a listing of the Bonds on the Oslo Stock Exchange, there can be no assurance given regarding the future development of a trading market for the Bonds. It may be difficult or even impossible to trade and sell the Bonds in the secondary market due to a limited market for the Bonds as well as the market for the Bonds may also have limited liquidity. As the Bonds are not rated this may also have a negative effect on the market for the Bonds as they may be considered an unsecure investment.
- The Bonds are unsecured. Rights to receive payment on the Bonds in a default situation will therefore be subject to all secured lenders first receiving due payment. Under a Bankruptcy, the Bondholders will not receive any payment unless there are remaining funds after the secured creditors have received payment in full.

4 Key information on the admission to trading on a regulated market

4.1 Under which conditions and timetable can I invest in this security?

The Loan was initially offered to professional, non-professional and eligible investors prior to the Issue Date 10 October 2019. The Loan is freely negotiable, however certain purchase or selling restrictions may apply to Bondholders under applicable local laws and regulations from time to time. There is no market-making agreement entered into in connection with the Bond Issue.

Admission to trading on a regulated market will take place as soon as possible after the Prospectus has been approved by the Norwegian FSA. The estimate of total expenses related to the admission to trading are as follow:

Prospectus fee (NFSA) Registration Document NOK 63,000
 Prospectus fee (NFSA) Securities Note NOK 17,000
 Listing fee 2019 (Oslo Børs): NOK 41,350
 Registration fee (Oslo Børs): NOK 16,700

4.2 Who is the offeror and/or the person asking for admission to trading?

DNB Markets, a part of DNB Bank ASA, and Pareto Securities AS has been mandated by the Issuer as joint Manager for the issuance of the Loan. The Managers has acted as advisor to the Issuer in relation to the pricing of the Loan and has assisted the Issuer in preparing the Prospectus.

DNB Bank ASA is a public limited liability company incorporated and domiciled in Norway and existing under the laws of Norway with registration number 984 851 006 in the Register of Business Enterprises, Norway.

Pareto Securities AS is limited liability company incorporated and domiciled in Norway and existing under the laws of Norway with registration number 956 632 374 in the Register of Business Enterprises, Norway.

4.3 Why is this prospectus being produced?

The Prospectus is being produced for the purpose of listing the Bond on the regulated market of Oslo Børs. The listing will take place as soon as possible after the Prospectus has been approved by the Norwegian FSA.

The Issuer will use the net proceeds from the issuance of the Bonds:

- (a) to finance further growth of the Group;
- (b) towards partial refinancing of the Existing Unsecured Bond *; and
- (c) for general corporate purposes.

Estimated total expenses related to the Issue:

External party	Cost
The Norwegian FSA	NOK 80,000
The stock exchange	NOK 58,050
The Bond Trustee, p.a.	NOK 157,000
Legal fee	NOK 585,000
The Lead Managers	NOK 20,000,000
Total	NOK 20,880,050

Estimated net amount of the proceeds: NOK 879,119,950 *

* Bondholders of the NOK 800 million Senior Unsecured Bond (ISIN NO 001 0789035) (the "Existing Unsecured Bond") issued in April 2017 were offered to redeem their current bond holdings and reinvest in the new bond. As a result of the offer, Ice Group Scandinavia Holdings AS redeemed NOK 280.5 million of the total NOK 800 million par outstanding during Q4 2019 from bondholders in the NOK 800 million bond issue that then reinvested in the NOK 900 million bond.

There are no material conflicts of interest pertaining to the offer or the admission to trading.