Ice Group ASA

THIRD QUARTER INTERIM REPORT
January - September 2019

14 November 2019

Third quarter highlights

- Total service revenues of NOK 449 million (NOK 405 million in Q3 2018), representing a growth of 11%
- Smartphone service revenues grew by 26% to NOK 365 million (290)
- EBITDA adjusted of NOK -20 million (-21)
- 555k smartphone subscriptions at the end of the third quarter, up from 436k at the same time last year
- Smartphone customers base increased with 19k new subscriptions in the third quarter
- Launch of “MobilBytte”, a handset-as-a-service programme

Significant events subsequent to the quarter

- In October 2019, Ice Group Scandinavia Holdings AS successfully completed a senior unsecured bond issue of NOK 900 million with maturity in October 2023. Proceeds will be used to finance further growth, partially refinance the existing unsecured bond and for general corporate purposes. In connection with the new bond issue, the Company has repurchased approx. NOK 280 million of the outstanding senior unsecured bond with ticker IGSH01 and ISIN NO0010789035 at par.
- Two first dedicated Ice retail stores opened, one in Sandvika, west of Oslo and one at Strømmen, north of Oslo

Key figures

	Third Quarter		Jan – Sep		Full year
NOK million	**2019**	2018[1)]	**2019**	2018[1)]	2018
Total service revenues	449	405	1,219	1,149	1,539
Smartphone service revenues	365	290	974	822	1,109
EBITDA adjusted [2)]	-20	-21	-131	-144	-180
EBITDA adjusted – margin	-4%	-5%	-10%	-12%	-11%
Net result – continuing operations	-320	-216	-893	-722	-1,060
Investments [3)]	134	111	676	491	647
Cash flow for the period	-263	-196	628	-302	-607
Average data on-net share	73%	59%	72%	52%	56%
Average VoLTE on-net share	22%	1%	19%	0%	2%
No. of smartphone subscriptions, thousand	555	436	555	436	443
No. of mobile broadband subscriptions, thousand (Norway)	86	83	86	83	84
Smartphone ARPU (Average Revenue Per User – in NOK)	231	234	224	230	228
Smartphone churn (annualised)	33%	29%	27%	27%	28%

[1)] *Numbers from the divested Swedish operation are included in the 2018 column for Total service revenues, EBITDA adjusted, Results before taxes, Investments and Cash flow for the period, while only for the two first months of 2019.*

[2)] *Ice Group defines EBITDA adjusted as operating profit after adjustment of operating expenses for depreciation, amortisation, impairment, network upgrades, share based compensation expense, non-recurring and other non-operational items. Any effects from business combinations are not included. For details, see the section on Alternative Performance Measures and definitions.*

[3)] *Investments is defined as investments in non-current assets, including capitalised costs to obtain/fulfil customer contracts, as stated in the statement of cash-flows, excluding business combinations, for continuing operations.*

All numbers in this report have been adjusted with respect to the implementation of IFRS 16, please see note 2 for details. All numbers in the above table and discussed in the report also refers to the continuing operations from the de-merger in 2018, please see notes 3 and 4 for information.

CEO summary

Ice Group continues its smartphone growth path, increasing both smartphone revenues, subscriptions, on-net data and VoLTE on-net traffic in the quarter, while also strengthening the group's financial flexibility.

Smartphone subscriptions increased 27 percent and smartphone revenues increased by 26 percent in this year's third quarter versus the same period last year. The smartphone customer base grew by 119k subscriptions in the past twelve months, per 30 September 2019, demonstrating our competitiveness in the Norwegian telecom market.

In the third quarter alone, the smartphone customer base grew by 19k subscriptions. This net growth was achieved despite the expected increase in churn from the Komplett Mobil customer base that we highlighted in our second quarter results presentation. As expected, some Komplett Mobil customers chose to terminate their agreement following their free month's subscription after being migrated across to Ice Group. Churn therefore ended at 33% in the third quarter, whereof Komplett Mobil customers caused 5%-points, compared with a churn of 29% in the third quarter last year. The above-mentioned free month's subscription also had a dilutive effect on smartphone ARPU in the third quarter, which ended at NOK 231, down from NOK 234 in the same quarter last year, but up from NOK 220 since the second quarter.

Customer-friendly products are the key to the hearts and minds of Norwegian consumers, and we have earlier introduced the disruptive data rollover, data freedom and ice junior products. In the third quarter we introduced another new product, "MobilBytte", which is our first handset-as-a-service product. While similar products are established in the market, we offer lower monthly cost and better insurance coverage included in the cost.

Increased on-net share remains essential to reaching our commercial and financial targets, which is why we are investing in our 5G-ready Nokia smartphone network. We added 54 new smartphone sites during the third quarter, with a population coverage of 90%. Consequently, the average data on-net share grew to a record high 73% in the third quarter, up from 59% in the same quarter last year. Average VoLTE on-net share was 22% in the third quarter this year, up from 1% last year. As a result, our NRA cost was 33% of smartphone service revenues in the quarter, down from 36% in the corresponding period last year.

Total service revenues were up 11% in the third quarter versus the same period last year. Note that this year's third quarter's total service revenue figure does not include any contribution from the divested Swedish operation, which is included in last year's numbers.

The EBITDA adjusted in the third quarter this year was NOK -20 million representing an EBITDA adjusted margin of -4%, which is the same level as last year (NOK -21 million / -5%). However, last year's third quarter EBITDA adjusted result included a positive NOK 16 million contribution from the now discontinued Swedish operation

Based on the operational and financial progress we had demonstrated in the past nine months, including strengthening Ice Group's customer base, frequency portfolio and smartphone network, we decided to raise additional funds in the quarter. We successfully launched a new NOK 900 million senior unsecured bond issue with maturity in October 2023. The settlement date for the bond was 10 October 2019. The proceeds provide us with added financial flexibility as we continue to build out the third nationwide smartphone network and challenge the incumbent operators in Norway.

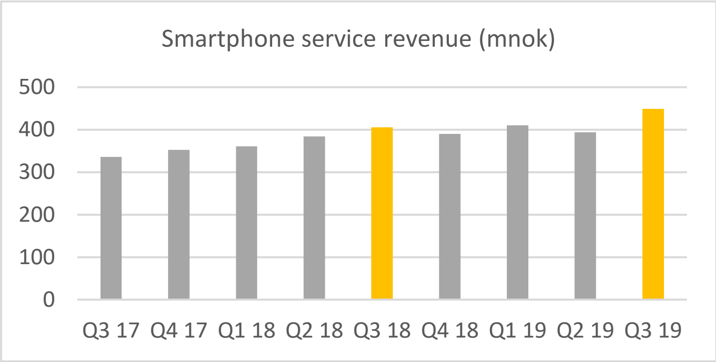
Subsequent to the period, we opened our two first dedicated Ice retail stores, which are located at two of Norway's busiest shopping centres. The purpose is to establish additional sales channels and target higher ARPU segments.

Continued network-build out and smartphone subscription growth remain key to realising Ice Group's business plan. We have now delivered 18 consecutive quarter with smartphone subscription growth and remain confident that we will continue to win market share going forward.

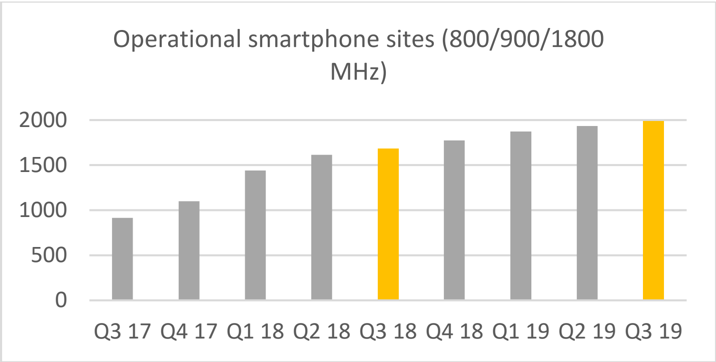
Eivind Helgaker
CEO of Ice Group ASA

Key figures – historical development

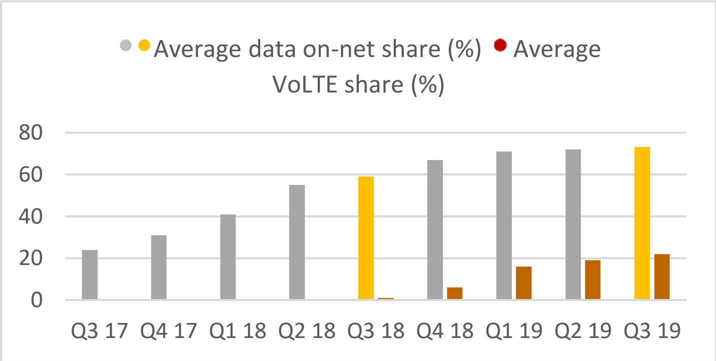
Smartphone service revenue ended at NOK 365 million in the third quarter, up from NOK 290 million in the same period last year, representing an increase of 26%. For the first nine months of the year, smartphone service revenues were NOK 974 million, representing a growth of 18% (NOK 822 million) versus the same period last year, reflecting continued growth in the amount of smartphone subscribers. Smartphone ARPU for the third quarter was NOK 231 (234), partially diluted by the one month free subscription that former Komplett Mobil customers benefited from after being migrated to Ice.



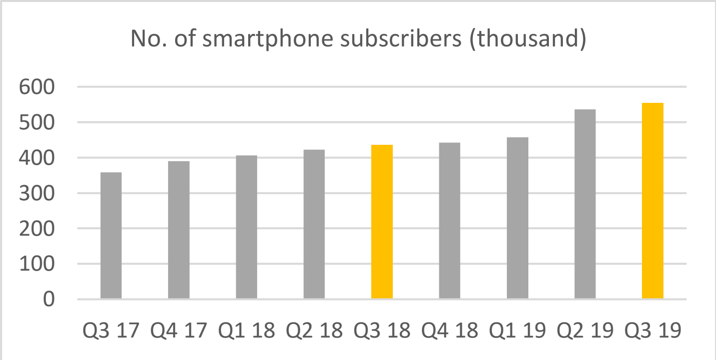
54 new smartphone sites were added during the third quarter, bringing the total to 1,987 operational sites per 30 September 2019, which is 304 more sites than the same time last year. Ice Group's smartphone sites are currently operating in the 800, 900 or 1800 MHz frequency bands. Going forward, smartphone sites will also utilise the 700 and 2,100 MHz bands, which were acquired in the frequency auction in June. With the acquisition of the 700 and 2,100 MHz licenses, Ice Group expects that it will be able to reach its target of 95% population coverage with fewer base stations than the previously indicated 2,000 additional base stations during 2019 and 2020.



Average data on-net share grew to 73% in the third quarter, up from 59% in the same quarter last year and up from 72% in the previous quarter. The figure is expected to increase in the coming quarters. In the third quarter last year, Ice started producing voice traffic (VoLTE) in its own network. The average VoLTE share was 22% in the third quarter this year. Subsequently the NRA costs in the third quarter was lowered to 33% of smartphone service revenues from 36% last year.



The smartphone customer base grew by 19 thousand in the third quarter. Per 30 September 2019, the company had 555 thousand smartphone subscriptions, representing a growth of 27% from the same time last year and 3% during the third quarter. Churn for the quarter was 33% (29%), 5%-points negatively impacted by the Komplett Mobil acquisition in June as some customers from Komplett chose not to continue with Ice after one free month's subscription.



Financial review

The comments below are related to Ice Group's development in 2019 compared to 2018, where the comparison period discusses only the continuing operations from the reorganisation and de-merger conducted in the first quarter 2018 (see notes 3 and 4), the "Scandinavian business." The comments made are based on accounting principles including IFRS 16 being implemented with full retrospective approach.

Turnover, expenses and profit

The service revenue for the first nine months of 2019 amounted to NOK 1,219 million (1,149) of which the third quarter reported NOK 449 million (405), a y-o-y growth of 6% for the first nine months and for the quarter 11%. It should be noted however that the majority of the 2019 turnover (the last seven months of 2019) has no revenue from Sweden.

The cost for the National Roaming ("NRA") for the first nine months was NOK 329 million compared with NOK 333 million, NOK 122 million compared with NOK 103 million for the quarter. The operating expenses the first nine months in 2019 was NOK 407 million compared with 374 million last year, NOK 150 million in third quarter compared with NOK 152 million last year explained by higher than normal fieldwork expenses in the third quarter 2018. The operating result for the first nine months of 2019 ended at NOK -482 million compared with NOK -494 million and NOK -153 million compared with NOK -144 million for the quarter.

The net financial items for the quarter holds a NOK -67 million non-cash currency effect on borrowings in USD.

Non-recurring and non-operational expenses identified during the first nine months of 2019 amounted to net NOK 12 million (38), presenting an EBITDA adjusted y-o-y improvement from NOK -144 million to NOK -131 million and a 2%-points margin improvement from -12% to -10% of revenues. For the third quarter, non-recurring and non-operational expenses amounted to NOK 11 million (18). Non-recurring items are mainly related to extraordinary costs from network technology upgrade, smartphone migration and financing costs. The first nine months of 2018 as well as the second and third quarter of 2018 had a positive EBITDA contribution from the Swedish operation. Other revenue in the first half of 2019 holds a trademark sale of NOK 46 million outside the Group's current footprint which is included in the non-recurring item.

Investments

The Group's acquisition of non-current assets during the first nine months of 2019 amounted to NOK 501 million (338), including the purchase of the customers of Komplett Mobil and payments related to the new licenses, and NOK 63 million (76) for the quarter. The investments are mainly related to the smartphone network build-out project in Norway, both on existing and new sites as well as on backbone systems and radio access network expansion. The YTD 2018 figures hold the NOK 40 million payment for the renewed 450 MHz licence in Sweden.

The Group capitalises costs to obtain and to fulfil customer contracts as other non-current assets in accordance with IFRS 15. These investments are presented within the working capital in the consolidated statement of cash flows, NOK 175 million (153) for the first nine months 2019, NOK 70 million (35) for the quarter.

Cash flows

Cash flow from *operating activities* was NOK -336 million (-294) for the first nine months 2019, and NOK -159 million (-34) for the quarter.

The period's cash flow from *investing activities* was NOK -331 million (-225) and NOK -64 million (-75) for the quarter. Investing activities for the first nine months 2019 holds the NOK 166 million net proceeds from the divestment of the Swedish operations and the 2018 numbers for the same period holds USD 70 million cash consideration for the divestment of Nextel Brazil.

Cash flow from *financing activities* was NOK 1,295 million (-111), and NOK -40 million (-49) for the quarter. Financing activities in 2019 holds the net proceeds from the NOK 1.5 billion new share issue made in the first quarter of 2019 and repayment of the loan from Net1 International Holdings AS.

Financial position

The total assets of the Group were NOK 5,408 million (5,040) at the end of the period, of which total non-current assets were NOK 4,249 million (4,295). Total equity ended at -634 million (-854). The Group's cash position at the end of the period was NOK 902 million (582). Note that the 2018 numbers include the discontinued International Business operations (see note 3 and 4).

Personnel and organisation

At the end of the period, the number of employees in the amounted to 215 versus 199 (whereof 27 of the 199 FTEs in the divested Swedish operation) for the equivalent period the previous year, a slight increase of 4 employees for the quarter. Including external resources, such as dedicated people with contract suppliers and subcontractors, the Group employed 308 (289) people.

Related party transactions

No transactions with related parties during the period except for the settlement of the loan from Net1 International Holdings AS. Note that repayments of this loan have been paid back into Ice Group, so the cash effect is marginal in 2019. For other items, see further details under the section on critical accounting estimates and judgments in the annual report of 2018.

Risks and uncertainties

Ice Group's continuing operations operate in the highly competitive and regulated mobile telecommunications industry in Norway and Denmark and is exposed to certain risks that could have impact on earnings or its financial position. Ice Group has defined risk as anything that could have a material adverse effect on the achievement of its goals or activities. Risks can be threats, uncertainties or lost opportunities relating to Ice Group's current or future operations. Ice Group divides the risks into related to the industry in which the company operates, risk related to the operations of the group and risks related to financing of the business. The most significant risks and uncertainties that are expected to remain for the next three months are described below.

As significant Industry risks management identifies the risk that the earnings and financial condition could be affected by the general conditions within the telecommunications industry, the regulatory environment being a significant component as well as the continuing rapid technological development, both which could increase competition, and thereby potentially limit the Groups' ability to increase or maintain its market share or product prices, or require the company to make substantial additional capital investments.

As significant operational risks, management sees the risk that it may not be able to successfully carry out its strategy or realise any or all of its anticipated gains in market share, higher ARPU and cost scalability. It also identifies, that it is dependent on a national roaming agreement until it has sufficient coverage through its own network in order to secure access to a network when customers travel outside of Ice Group's own network coverage. The related strategy to build out the network faces the risks of being dependent on suppliers and vendors in order to continue its investments in maintaining, upgrading and expanding its technical network. Furthermore, there is a risk of significant IT or network outages in the future, which could harm the company's reputation, and thereby the ability to grow the revenues. Ice Group's networks are also vulnerable to damage or service interruptions, including interruptions or data breaches coming from targeted cyber-attacks. As another operational risk, management identifies the risk of financial loss, disruption or damage to Ice Group's reputation from some sort of failure of its information technology systems, or loss, alteration or unauthorised disclosure of personal data handled by the Group.

Amongst financing risks, the Group has a substantial amount of debt and debt service obligations. As a result of this leverage, the Group may be required to dedicate a large portion of its cash flow from operations to service debt and fund repayments on the Group's debt, thereby reducing the availability of its cash flow to fund working capital, capital expenditures and other general corporate purposes and restrict its ability to distribute dividends. Further, the Group's substantial debt may limit the Group's flexibility in planning for, or reacting to, changes in the Group's business or the industry in which it operates, limit the Group's ability to raise equity capital in the future, limit the ability to refinance current debt or raise additional debt and/or restrict the Group from making strategic acquisitions, investments or exploiting business opportunities or the ability to successfully implement its business strategy. Participation in frequency licences auctions held by the authorities is necessary for the Group to continue to grow, and the outcome of those auctions may impact the Group's competitive position.

Guidance and outlook

The continued smartphone network build-out in Norway is a key element in Ice Group's business plan. In 2019, the plan is to introduce ~300 new base stations in total. By the end of 2020, the plan is to have increased the total amount by between 1,300 and 1,700 live base stations from 1 January 2019. To secure optimal utilization of the new 700 and 2,100 MHz licences the plan for network build-out is slightly lowered compared to previous guidance.

The impact of the National Roaming Agreement is expected to be approximately NOK ~450 million in 2019.

Ice Group expects continued smartphone subscription growth in coming quarters. The Group expects to have a capital expenditure of NOK ~550 million in 2019, excluding the delayed payment on the 700 / 2100 MHz frequency acquisition, equal to NOK 303 million payable in November 2021.

Ice Group expect continued smartphone subscription growth in coming quarters. Coupled with operational leverage in our business model we expect to reach EBITDA break-even during the second half of 2020.

Events after the closing of the period

- In October 2019, Ice Group Scandinavia Holdings AS successfully completed a new senior unsecured bond issue of NOK 900 million with maturity in October 2023. Proceeds will be used to finance further growth, partially refinance the existing unsecured bond and for general corporate purposes. In connection with the new bond issue, the Company has repurchased approx. NOK 280 million of the outstanding senior unsecured bond with ticker IGSH01 and ISIN NO0010789035 at par.
- Two first dedicated Ice retail stores opened, one in Sandvika south of Oslo and one at Strømmen, north of Oslo

Legal disclaimer

Certain statements in this Ice Group ASA report are forward-looking and the actual outcomes may be materially different. In addition to the factors discussed, other factors could have an impact on actual outcomes. Such factors include developments for customers, competitors, the impact of economic and market conditions, national and international legislation and regulations, fiscal regulations, fluctuations in exchange rates and interest rates and political risks.

CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORTS

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

		Third quarter		Jan – Sep		Full year
NOK million	*Note*	**2019**	**2018[1)]**	**2019[1)]**	**2018[1)]**	**2018[1)]**
Service revenue	*6,7*	449	405	1,219	1,149	1,539
Other operating revenue	*7*	34	38	143	79	121
Total operating revenue	*6,7*	**483**	**443**	**1,362**	**1,228**	**1,660**
National roaming expenses		-122	-103	-329	-333	-434
Operating expenses	*2*	-150	-152	-407	-373	-520
Other expenses	*2*	-180	-162	-597	-530	-721
Employee benefit expenses		-61	-65	-172	-173	-220
Depreciation, amortisation, impairment losses	*2*	-121	-105	-339	-312	-465
Total operating expenses		**-635**	**-586**	**-1,844**	**-1,722**	**-2,361**
Operating result		**-153**	**-144**	**-482**	**-494**	**-701**
Financial items – net	*2*	-168	-72	-412	-226	-352
Result before tax		**-321**	**-215**	**-895**	**-719**	**-1,052**
Income taxes		1	-1	2	-3	-8
Net result from continuing operations		**-320**	**-216**	**-893**	**-722**	**-1,060**
Net result from discontinued operations	*3,4*	-	-465	-	-171	-171
Net result for the period		**-320**	**-681**	**-893**	**-894**	**-1,231**
Items that may be subsequently reclassified to profit loss:						
Translation differences on foreign operations		-5	14	40	93	13
Other comprehensive income	*2*	**-5**	**14**	**40**	**93**	**13**
Total comprehensive income for the period		**-325**	**-667**	**-852**	**-801**	**-1,218**
Net result for the period attributable to:						
Equity holders of the Parent Company		-320	-660	-893	-810	-1,147
Non-controlling interests		-	-21	-	-84	-84
Net result for the period		**-320**	**-681**	**-893**	**-894**	**-1,231**
Total comprehensive income attributable to:						
Equity holders of the Parent Company		-325	-652	-852	-760	-1,177
Non-controlling interests		-	-16	-	-41	-41
Total comprehensive income for the period		**-325**	**-667**	**-852**	**-801**	**-1,218**
Earnings per share (NOK)						
Basic from continuing operations		-1.59	-1.71	-4.43	-5.71	-8.37
Diluted from continuing operations		-1.56	-1.66	-4.53	-5.55	-8.23
Basic from discontinued operations		-	-3.51	-	-0.69	*-0.69*
Diluted from discontinued operations		-	-3.41	-	-0.69	*-0.66*

[1)] *Includes the divested Swedish operation up until and including February 2019*

The 2018 numbers for January-September and the full year have been restated with the adoption of IFRS 16, please see note 2.

The accompanying notes are an integral part of the condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

NOK million	*Note*	30 Sep 2019	30 Sep 2018	31 Dec 2018
ASSETS				
Intangible assets	*2*	1,669	1,354	1,344
Tangible assets	*2*	2,230	2,579	2,603
Other non-current assets		350	362	335
Deferred tax assets		-	1	1
Total non-current assets		**4,249**	**4,295**	**4,282**
Inventory		6	30	20
Trade receivables		138	96	127
Other receivables		50	5	31
Prepaid expenses and accrued income	*2*	63	31	63
Cash and cash equivalents		902	582	275
Total current assets		**1,159**	**745**	**516**
Assets classified as held for sale			-	-
TOTAL ASSETS	*2,4*	**5,408**	**5,040**	**4,799**
EQUITY AND LIABILITIES				
Equity attributable to the Parent Company shareholders	*2*	-634	-854	-1,258
Equity attributable to non-controlling interests		-	-	-
TOTAL EQUITY		**-634**	**-854**	**-1,258**
Borrowings		3,788	3,566	3,672
Non-current lease liabilities	*2*	1,220	1,608	1,625
Provisions for deferred tax		8	8	10
Other non-current liabilities		303	1	-
Total non-current liabilities		**5,319**	**5,183**	**5,307**
Trade payables		262	235	242
Current lease liabilities	*2*	63	65	66
Other liabilities		18	27	20
Other current provisions		-	1	-
Accrued expenses and deferred income	*2*	379	384	421
Total current liabilities		**722**	**712**	**750**
TOTAL LIABILITIES		**6,042**	**5,895**	**6,057**
TOTAL EQUITY AND LIABILITIES	*2,4*	**5,408**	**5,040**	**4,799**

The 2018 numbers per 30 September and 31 December have been restated with the adoption of IFRS 16, please see note 2.

The accompanying notes are an integral part of the condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

		Attributable to shareholders of the Parent Company						
NOK million	*Note*	Share capital	Other contributed capital	Reserves	Retained earnings	Total	Non-controlling interests	**Total Equity**
Opening balance 1 January 2018		**148**	**4,261**	**-69**	**-3,472**	**869**	**489**	**1,358**
Reclassification due to currency translation at year-end 1)		7	198	-	-205	-	-	-
Change in accounting principles – IFRS 16	2	-	-	-4	-236	-240	-1	-241
Adjusted opening balance 1 January 2018		**156**	**4,459**	**-73**	**-3,913**	**629**	**488**	**1,117**
Net result January - September 1)		-	-	-	-810	-810	-84	-894
Other comprehensive income for the year								
Translation differences on foreign operations		-	-	50	-	50	43	93
Total comprehensive income for the year		-	-	**50**	**-810**	**-760**	**-41**	**-801**
Capital contribution from share-based payments					15	15	-	15
Effect from distribution of International business with non-controlling interest 1)				46	-291	-245	-447	-692
Total effect from reverse acquisition between Ice Group ASA and AINMT Holdings AB 1)	*3,4*	-42	5,545	-	-6,018	-515	-	-515
Other changes 1)		0	-	-	22	22	1	22
Total transactions with owners, recognised directly in equity		**-42**	**5,545**	**46**	**-6,273**	**-723**	**-446**	**-1,170**
Closing balance 30 September 2018	2	**114**	**10,005**	**23**	**-10,995**	**-854**	**-**	**-854**
Net result October - December 1)		-	-	-	-338	-338	-	-338
Other comprehensive income for the year								
Translation differences on foreign operations		-	-	-80	-	-80	-	-80
Total comprehensive income for the year		-	-	**-80**	**-338**	**-418**	**-**	**-418**
Capital contribution from share-based payments		-	-	-	13	13	-	13
Closing balance 31 December 2018		**114**	**10,005**	**-57**	**-11,320**	**-1,258**	**-**	**-1,258**
Net result for the period					-893	-893	-	-893
Other comprehensive income for the year								
Translation differences on foreign operations				40	-	40	-	40
Total comprehensive income for the year		-	-	**40**	**-893**	**-852**	**-**	**-852**
Capital contribution from share-based payments					9	9	-	9
New share issue		68	1,408	-	-7	1,468	-	1,468
Total transactions with owners, recognised directly in equity		**68**	**1,408**		**2**	**1,477**	**-**	**1,477**
Closing balance 30 September 2019		**182**	**11,412**	**-16**	**-12,211**	**-634**	**-**	**-634**

1) Related to the adoption of IFRS 16, please see note 2

Please refer to note 3 and 4 for explanation of the reorganisation of the group in 2018.

The accompanying notes are an integral part of the condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

NOK million	Note	Third Quarter 2019	Third Quarter 2018	Jan – Sep 2019	Jan – Sep 2018	Full year 2018
Operating result from total operations		-153	-196	-482	-784	-991
Depreciation & amortisation of non-current assets		99	87	269	267	395
Depreciation & amortisation of non-current assets (IFRS16)		22	24	70	72	96
Amortisation of costs to obtain/fulfil contracts		52	46	153	127	172
Adjustments for non-cash items		10	54	10	280	270
Interest received, operational		0	0	1	1	2
Interest paid, operational		-8	-16	-108	-134	-146
Cash flows before changes in working capital		**24**	**-1**	**-87**	**-171**	**-202**
Change in inventory		-0	-7	2	-15	-7
Change in current receivables		-68	77	-60	110	45
Change in current liabilities		-44	-69	-16	-9	-38
Change in costs to obtain/fulfil customer contracts		-70	-35	-175	-153	-187
Cash flows from changes in working capital		**-182**	**-33**	**-249**	**-68**	**-187**
Cash flows from operating activities		**-159**	**-33**	**-336**	**-239**	**-389**
-of which from discontinued operations	*3,4*	*-*	*1*	*-*	*55*	*55*
Net cash flow from divestment of subsidiary		-	-	166	-	-
Investments in intangible assets		-18	-17	-186	-88	-113
Investments in tangible assets		-45	-59	-315	-321	-419
Net cash flows from other financial assets		-0	-0	4	563	563
Cash flows from investing activities		**-64**	**-76**	**-331**	**153**	**31**
-of which from discontinued operations	*3,4*	*-*	*1*		*-72*	*-72*
Financing from shareholders		-	-	1,468	-	-
Repayments		-	-36	-72	-68	-68
Interest paid, borrowings		-40	-51	-101	-148	-181
Cash flows from financing activities		**-40**	**-87**	**1,295**	**-216**	**-250**
-of which from discontinued operations	*3,4*	*-*	*-54*	*-*	*-106*	*-106*
Cash flow for the period		**-263**	**-196**	**628**	**-302**	**-607**
Cash and cash equivalents BoP		1,164	775	275	896	896
Exchange rate difference in cash and cash equivalents		1	3	-1	-12	-14
Cash and cash equivalents EoP		**902**	**582**	**902**	**582**	**275**
Operating result from total operations consists of:						
Operating result from continuing operations		*-153*	*-144*	*-482*	*-494*	*-701*
Operating result from discontinued operations	*3,4*	*-*	*-52*	*-*	*-291*	*-291*
Operating result from total operations		***-153***	***-196***	***-482***	***-784***	***-991***
Cash flow from discontinued operations	*3,4*					
Net cash flow from operating activities		*-*	*1*	*-*	*55*	*55*
Net cash flow from investing activities		*-*	*1*	*-*	*-72*	*-72*
Net cash flow from financing activities		*-*	*-54*	*-*	*-106*	*-106*

The 2018 numbers for January-September and full year have been restated with the adoption of IFRS 16, please see note 2.

The accompanying notes are an integral part of the condensed consolidated interim financial statements.

NOTES TO THE FINANCIAL REPORT

General information

Ice Group ASA (“the Company”) is a limited liability company incorporated in Norway and is with its subsidiaries (together, “the Group” or “Ice Group”) a Scandinavian telecom operator under the trademark ice in Norway and Net1 in Denmark. The business is to provide telecommunications services, including wireless data services, voice, messaging, mobile broadband services, telephony and other related telecom services.

The Company is listed at Oslo Axess in Norway with ticker “ICE”. The major shareholder is AI Media Holdings (NMT) LLC, Delaware.

In the third quarter 2018 the Group undertook several reorganisational steps, the target being to become the majority shareholder of AINMT Holdings AB and its Scandinavian operations. AINMT Holdings AB was the sole shareholder of Ice Scandinavia Holdings AS and Net1 International Holdings BV. Through these companies AINMT Holdings AB held both telecommunication operations in Norway, Sweden and Denmark (the “Scandinavian Business”), as well as telecommunication operations in Indonesia and in the Philippines (the “International Business”).

Prior to the reorganisation, the Company held 38.98% of the AINMT Holdings AB group (the “Pre-Reorganisation Group”). From this holdings position, the investment in AINMT Holdings AB has historically been presented as an associated company in the financial statements and accounted for using the equity method. The Company (on a stand-alone basis) had no significant operations and was not engaged in any significant activities other than financing activities relating to its investment in AINMT Holdings AB.

In connection to the reorganisation, the shares in the International Business were distributed and transferred. The continuing operations are only those of the Scandinavian Business. See note 4 Discontinued Operations for additional information. After the reorganisation the Ice Group consists of operations in Norway, Sweden and Denmark only, and as from 1 March 2018 the Swedish operations are deconsolidated.

Note 1 – Accounting principles

Basis of preparation

This interim report has been prepared in accordance with IAS 34, *Interim Financial Reporting*. The report does not contain all the information and disclosures required in an annual financial report and should be read in conjunction with the Group’s annual report for 2018, which can be found at www.icegroup.com.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to make certain judgments in applying the Group's accounting policies.

The Company prepared its first consolidated interim report as per 30 September 2018, and its first consolidated annual report as per 31 December 2018. In Q3 2018 the shareholders of the Company and AINMT Holdings AB concluded a reorganisation of their ownership interests in these entities, resulting in the Company effectively becoming the sole shareholder of AINMT Holdings AB. Prior to the reorganisation the Company owned 38.98% of AINMT Holdings AB. AI Media Holdings (NMT) LLC (“Access Industries”), is the continuing controlling party of the Company after the reorganisation.

The reorganisation of the ownership interests in AINMT Holdings AB in Q3 2018 is accounted for as a reverse acquisition in order to present meaningful financial information for the periods presented. The 2018 consolidated financial statements represented the operational activities of the AINMT Holdings AB group for all periods presented and the operational activities of Ice Group from the date of the reorganisation. In line with common control principles, the consolidated balance sheets reflect the book values of AINMT Holdings AB and the Company. There was no step up to fair value for any balance sheet line items as a result of the establishment of the Ice Group consolidated reporting. The accounting impact of the reorganisation is further discussed in notes 3 and 4.

These condensed consolidated interim financial statements have not been subject to limited review. There may be figures and percentages in this report that do not always add up correctly due to rounding differences.

Summary of new accounting policies

The interim consolidated financial accounts have been produced in accordance with the accounting policies followed in the Group’s annual financial accounts for the year ended 31 December 2018, with exception for the implementation of the new standard for leases, IFRS 16, which has been implemented as from 1 January 2019. The Group has chosen to adopt the standard with full retrospective approach, meaning that comparative numbers for 2018 have been restated. Please see note 2 for the implementation effects.

The accounting principle for leases has been changed to the below.

Leases

Right-of-use assets

Ice Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. The cost of a right-of-use asset also includes an estimate of costs to be incurred by the Group in dismantling and removing the underlying leased asset (Asset Retirement Cost). Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of use assets are subject to impairment assessments as described in note 1 to the 2018 Annual Report of Ice Group ASA.

Lease liabilities

At the commencement date of the lease, Ice Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, Ice Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Ice Group remeasures the lease liability upon the occurrence of certain events. Generally, the amount of remeasurement of the lease liability is recognised as an adjustment to the right-of-use asset.

Short-term leases and leases of low-value assets

Ice Group applies the short-term lease recognition exemption to its short-term leases i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. The Group also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Incremental borrowing rate

In calculating the present value of lease payments, Ice Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. To arrive at the incremental borrowing rate the Group applies the respective country's risk-free rate for the term corresponding to the lease term, adjusted for own credit risk and adding the external borrowing rates respectively to the lease terms.

Significant judgement in determining the lease term of contracts with renewal options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Group applies judgement in evaluating whether it is reasonably certain to exercise an option to renew a lease contract, considering all relevant factors that create an economic incentive for the Group to exercise the renewal or not exercise an option to terminate. The threshold for being reasonably certain is lower than virtually certain and higher than more likely than not under IAS 37 Provision, contingent liabilities and contingent assets. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to, or not to, exercise the option to renew

The main part Ice Group's lease contracts, excluding spectrum licences, relates to the sites with the mobile networks and office property. For assessing the useful life of these assets, the Group considers factors such as technology development, business model and potential business combinations. Hence, the lease term does not affect the Group's determination of useful life of own assets or other non-removable leasehold improvements determined for the purposes of depreciation charges.

Note 2 – New and amended accounting standards adopted 1 January 2019

IFRS 16 Leases, changes the accounting treatment of leases by lessees. The standard is effective from the year beginning on 1 January 2019. The new standard removes the classification of leases as operating leases or finance leases as is required by IAS 17 and, instead introduces a single accounting model. When the new standard is implemented, Ice Group's long-term operating leases will be recognised as non-current assets and financial liabilities in the consolidated statement of financial position. Instead of operating lease expenses, Ice Group recognises depreciation and interest expenses in the consolidated income statement of comprehensive income.

The total cost over the lease term will remain unchanged after the implementation of IFRS 16, however during the lease term the impact will be material given the number of site leases and the annual spectrum licences to which the Group is party. The key line items that will be affected by the implementation of IFRS 16 are:

* Operating expenses will decrease due to the reclassification of operational leases as depreciation and interest expenses.
* EBITDA and EBITDA adjusted will improve by the same amount as the decrease in operating expenses.
* Depreciation and amortisation will increase due to depreciation of capitalised lease contracts.
* Financial expenses will increase, due to interest expenses on lease liabilities.
* Total non-current assets as well as total non-current liabilities will increase due to the capitalisation of lease contracts.

Ice Group has applied the following principles and decisions in relation to the implementation of IFRS 16:

* Ice Group has chosen to apply the full retrospective approach to provide a meaningful comparison with the year ended 31 December 2018 when the principle is implemented from 1 January 2019.
* Fixed non-lease components included in the contracts will not be separated and therefore will be included as part of the lease liability and the capitalised rights-of-use asset. Where this is part of a lease contract for base station locations, this primarily relates to expenses related to power consumption.
* Lease contracts for base station locations will be defined to have a lease period lasting until the expiry date of the frequencies held in Scandinavia. Although a majority of these lease contracts have exit options, either through active termination of running contracts or not calling on options to prolong the agreement; Management believes Ice Group has economic incentives to exercise the options to prolong the lease terms. Management believes the most relevant end date of the contracts is when the majority of the frequencies expires.
* With the exception of the aforementioned contracts for base station locations, lease contracts of 12 months or less will not be capitalised. Furthermore, lease contracts with low value (primarily relating to office equipment) will not be capitalised.
* Intangible assets (primarily spectrum licences and the associated annual spectrum fees) will be included as lease agreements and capitalised.
* Contract with less economic life than 12 months or with a total value below NOK 100 thousand are excluded.

IFRS 16 effects on Condensed consolidated statements of financial position

NOK million	**Reported 30 Sep 2018**	**Change IFRS 16**	**Restated 30 Sep 2018**	**Reported 31 Dec 2018**	**Change IFRS 16**	**Restated 31 Dec 2018**	**Reported 31 Dec 2017**	**Change IFRS 16**	**Restated 1 Jan 2018**
Intangible assets	936	419	1,354	932	412	1,344	2,332	424	2,756
Tangible assets	1,443	1,135	2,579	1,461	1,141	2,603	1,469	1,201	2,670
Other non-current assets	362	-	362	335	-	335	485	-	485
Deferred taxes	1	-	1	1	-	1	0	-	0
Current assets	806	-61	745	549	-33	516	1,368	-32	1,336
Assets classified as held for sale	-	-	-	-	-	-	-	-	-
Total assets	**3,547**	**1,493**	**5,040**	**3,279**	**1,520**	**4,799**	**5,655**	**1,593**	**7,248**
Equity attributable to Parent Company shareholders	-601	-253	-854	-992	-266	-1,258	869	-240	629
Equity attributable to non-controlling interest	-	-	-	-	-	-	489	-1	488
Total equity	**-601**	**-253**	**-854**	**-992**	**-266**	**-1,258**	**1,358**	**-241**	**1,117**
Borrowings [1)]	3,566	-	3,566	3,672	-	3,672	3,229	-	3,229
Other non-current liabilities	9	1,608	1,617	10	1,625	1,635	347	1,673	2,020
Current liabilities	574	138	712	589	161	750	721	161	882
Total equity and liabilities	**3,547**	**1,493**	**5,040**	**3,279**	**1,520**	**4,799**	**5,655**	**1,593**	**7,248**

1) Note that the historical numbers for the pre-Reorganisation group, i.e. up until September 2018, is represented by the AINMT Holdings AB group converted to NOK. In this group, the loan from Rasmussengruppen AS (please refer to note 23 Borrowings in the 2018 Annual Report) was presented within equity instead of as within borrowings. Accrued interests have been captialised, but no additional borrowings or financing agreements have been entered into during or between the periods.

IFRS 16 effects on Condensed consolidated statements of comprehensive income

NOK million	Reported Q3 2018	Change IFRS 16	Restated Q3 2018	Reported Jan - Sep 2018	Change IFRS 16	Restated Jan - Sep 2018	Reported FY 2018	Change IFRS 16	Restated FY 2018
Total revenue	**443**	**-**	**443**	**1,228**	**-**	**1,228**	**1,660**	**-**	**1,660**
National roaming expenses	-103	-	-103	-333	-	-333	-434	-	-434
Operating expenses	-199	48	-152	-516	143	-373	-710	190	-520
Other expenses	-167	5	-162	-544	13	-530	-739	18	-721
Employee benefit expenses	-65	-	-65	-173	-	-173	-220	-	-220
Depreciation, amortisation	-81	-24	-105	-240	-72	-312	-369	-96	-465
Operating result	**-172**	**28**	**-144**	**-578**	**84**	**-494**	**-813**	**112**	**-701**
Net financial items	-37	-35	-72	-121	-105	-226	-213	-139	-352
Income taxes	-1	-	-1	-3	-	-3	-8	-	-8
Net result, continuing operations	**-209**	**-7**	**-216**	**-702**	**-21**	**-722**	**-1,033**	**-27**	**-1,060**
Net result, discontinued operations	-465	-	-465	-171	-	-171	-171	-	-171
Net result for the period	**-674**	**-7**	**-681**	**-873**	**-21**	**-894**	**-1,204**	**-27**	**-1,231**
Other comprehensive income	15	-1	14	85	8	93	11	2	13
Total comprehensive income	**-660**	**-8**	**-667**	**-788**	**-12**	**-801**	**-1,193**	**-25**	**-1,218**
Alternative Performance Measures									
EBITDA adjusted	**-73**	**52**	**-21**	**-300**	**156**	**-144**	**-388**	**208**	**-180**

Note 3 – Reorganisation 2018

The Company was established in 2015 and has historically been acting as an investment channel for AINMT Holdings AB, historically the sole shareholder of Ice Scandinavia Holdings AS and Net1 International Holdings BV. Through these companies AINMT Holdings AB held both telecommunication operations in Norway, Sweden and Denmark (the “Scandinavian Business”), as well as telecommunication operations in Indonesia, the Philippines (the “International Business”).

On a general meeting of the Company on 15 June 2018 it was resolved to approve, amongst other resolutions, to agree to the proposed reorganisation within AINMT Holdings AB and de-merger of the Company including new share issue to the other shareholders of AINMT Holdings AB, aiming to move Access Industries’ controlling ownership “up” one step, i.e. making the Company the majority shareholder of AINMT Holdings AB and to keep its Scandinavian Business as continuing operations. In practice, the steps were performed as below:

1) Distribution of the shares of the International Business from AINMT Holdings AB to its shareholders.
2) The Company is demerged, transferring the ownership of Net1 International Holdings BV shares to the newly established Net1 International Holdings AS.
3) Transfer of AI Media Holdings (NMT) LLC’s controlling ownership of AINMT Holdings AB to the Company. This is accomplished by issuing new shares in exchange for AI Media Holdings (NMT) LLC’s shares in AINMT Holdings AB (a “flip-up”).

The other shareholders of AINMT Holdings AB were at the same time offered to do the similar flip-up with their shares.

The continuing operations are only those of the Scandinavian Business. See note 4 Discontinued Operations for additional information. After the reorganisation the Ice Group consists of operations in Norway, Sweden and Denmark only, and as from 1 March 2019 the Swedish operations are deconsolidated.

Note 4 – Discontinued operations

The International business

The International Business is presented as discontinued operations in the statements of comprehensive income and as an additional note disclosure to the statement of cash flows.

The consolidated statements of financial position of the Group as of 30 September 2018 and thereafter includes only the Scandinavian Business as the International Business was deconsolidated during the third quarter 2018. The discontinued operations are part of the reorganisation and had a negative equity impact of NOK 692 million at the date of the reorganisation. The table below presents the discontinued operations as included in the consolidated financial information.

	Third Quarter		Jan – Sep		Full year
NOK million	**2019**	2018	**2019**	2018	**2018**
Total operating revenue	-	7	-	28	28
EBITDA	-	-42	-	-240	-240
Operating result	-	-52	-	-291	-291
Net result	-	-465	-	-171	-171
Total assets EoP	-	-	-	-	-
Total liabilities EoP	-	-	-	-	-

Note 5 – Equity and going concern

The reported consolidated equity as per year-end 2018, before the adoption of IFRS 16, was negative with the amount NOK -992 million, which was a result from the already negative equity from the reorganisation, see note 4 above, and the Q4 2018 negative net result from the continuing operations. The negative equity position was restored to positive in January 2019 from the successful private placement of NOK 1.5 billion, but offset from the implementation effects of IFRS 16 which had a NOK -266 million negative impact on the 2018 year-end equity. By end of Q3 2019, the total consolidated equity amounted to NOK -634 million. As the main contributor to the accumulated negative equity prior to the reorganisation was the International Business, management expects less negative results the coming years.

From a liquidity perspective, the NOK 1.5 billion equity raise completed in January 2019, the divestment of the Swedish business and the new bond issued in October 2019 secured additional funds for network build-out and growth in Norway until quarterly EBITDA break-even in the second half of 2020.

Based on the above, this report is prepared under the assumption of going concern.

Note 6 - Segment information by geographical area

The segment information is reported in accordance with the reporting to Group Executive Management and is consistent with financial information used for assessing performance and allocating resources and is based on geographical location. Growth is measured from service revenues and profitability is measured from EBITDA adjusted performance, both by geographic location.

The segment table below includes financial data for the continuing operations of the Group after the reorganisation i.e. for continuing operations. “Other” in the table are the items not directly attributable to country level operations.

NOK million

Third Quarter	**2019**				**2018**			
	Service revenue	Total revenue	EBITDA adjusted	Investments	Service revenue	Total revenue	EBITDA adjusted	Investments
Norway	446	474	-17	133	369	404	-26	109
Sweden	-	-	-	-	32	34	16	1
Denmark	4	4	-1	0	4	5	1	0
Other	-	5	-2	-	-	-	-11	-
Total	**449**	**483**	**-20**	**134**	**405**	**443**	**-21**	**111**

Jan – Sep	**2019**				**2018**			
	Service revenue	Total revenue	EBITDA adjusted	Investments	Service revenue	Total revenue	EBITDA adjusted	Investments
Norway	1,189	1,277	-124	675	1,035	1,106	-148	445
Sweden	19	21	5	-	100	108	41	44
Denmark	11	12	-2	0	13	14	1	2
Other	-	52	-10	-	-	-	-37	-
Total	**1,219**	**1,362**	**-131**	**676**	**1,149**	**1,228**	**-144**	**491**

Full year	**2018**			
	Service revenue	Total revenue	EBITDA adjusted	Investments
Norway	1,392	1,500	-194	604
Sweden [1)]	131	142	46	41
Denmark	17	18	-0	2
Other	-	-	-31	-
Total	**1,539**	**1,660**	**-180**	**647**

1) *January to September 2019 holds two months from the divested Swedish operation.*

Revenue from intercompany transactions is not included in the segment information. Non-current assets exclude financial assets and deferred tax assets, include investments in contracts assets and exclude business combinations.

Note 7 – Disaggregation of revenue

In the following table, revenue is disaggregated by major revenue streams divided into the reportable segments as disclosed in note 6. For further information on the categories, please refer to note 7 and 8 in the 2018 Annual Report of Ice Group ASA.

Disaggregation of revenue from contracts with customers

The group derives revenue from the transfer of services over time and at a point in time in the following major service lines and geographical regions:

2019 Jan – Sep	**Service revenue**			**Other revenue**				
NOK million	Norway	Sweden	Denmark	Norway	Sweden	Denmark	Other	**Total**
Revenue from external customers	1,189	19	11	88	2	1	52	**1,362**
Timing of revenue recognition:								
At a point in time	252	1	0	88	2	1	52	**396**
Over time	937	18	10	1	-	-	-	**966**

2018 Jan – Sep	**Service revenue**			**Other revenue**			
NOK million	Norway	Sweden	Denmark	Norway	Sweden	Denmark	**Total**
Revenue from external customers	1,035	100	13	71	7	1	**1,228**
Timing of revenue recognition:							
At a point in time	255	5	1	71	7	1	**340**
Over time	780	96	13	-	0	-	**889**

2018 Full year	**Service revenue**			**Other revenue**			
NOK million	Norway	Sweden	Denmark	Norway	Sweden	Denmark	**Total**
Revenue from external customers	1,392	131	17	108	12	1	**1,660**
Timing of revenue recognition:							
At a point in time	337	6	1	108	12	1	**465**
Over time	1,054	125	16	0	0	-	**1,195**

Revenues from external customers comes in all material aspects from service subscriptions, which are over time, and CPE sales which are recognised at the point in time of the sale. Other revenue consists of CPE sales and other operational revenue.

Assets and liabilities related to contracts with customers

The Group has recognised the following assets and liabilities related to contracts with customers:

NOK million	**30 Sep 2019**	**30 Sep 2018**	**31 Dec 2018**
Capitalised cost to obtain/fulfil customer contracts	324	306	304
Contract assets included in Prepaid expenses and accrued income	42	34	45
Contract liabilities included in Accrued expenses and deferred income	46	54	55

Revenue recognised in relations to contract liabilities

The following table shows how much of the revenue recognised in the current reporting period relates to carried-forward contract liabilities and how much relates to performance obligations that were satisfied in a prior year.

NOK million	**30 Sep 2019**	**30 Sep 2018**	**31 Dec 2018**
Revenue recognised that was included in the contract liability	44	37	37

Assets recognised from costs to fulfil a contract

In addition to the contract balances disclosed above, the Group has also recognised an asset in relation to costs to fulfil long-term contracts.

NOK million	**30 Sep 2019**	**30 Sep 2018**	**31 Dec 2018**
Asset recognised from costs incurred to fulfil a contract at the end of period	324	306	304
Amortisation recognised as cost of providing services during the period	-153	-132	-172

ALTERNATIVE PERFORMANCE MEASURES AND DEFINITIONS

Alternative Performance Measures

Ice Group's financial information is prepared in accordance with IFRS. In addition to the ordinary financial performance measures prepared in accordance with IFRS, it is management's intent to provide alternative performance measures ("APM") to enhance the understanding of the Group's underlying performance.

Financial APMs are intended to enhance comparability of the results and cash flows from period to period, and Ice Group believes that these are frequently used by analysts, investors and other parties. These measures are adjusted IFRS measures, defined, calculated and used in a consistent and transparent manner over the years and across the company where relevant. The alternative performance measures take into consideration items regarded as special due to their nature and include among others provision for non-recurring or non-operational items as technical migrations, restructurings, write-downs, strategic processes, refinancing and share-based compensation expenses.

- Financial APMs should not be considered as a substitute for measures of performance in accordance with IFRS.
- APMs may be calculated differently by other companies.

EBITDA

EBITDA (Earnings Before Interests, Taxes, Depreciations and Amortisations) is a financial parameter that the Ice Group considers to be relevant to an investor who wants to understand the generation of earnings before investment in fixed assets. Ice defines EBITDA adjusted as operating profit after adjustment of expenses for depreciation, amortisation and impairment losses, foreign exchange differences recognised in income pertaining to revaluation of items in the balance sheet, non-recurring and non-operational items. Any effects from business combinations are not included. Please refer to note 2 for effects from adoption of IFRS 16.

		Third Quarter		Jan – Sep		Full year
Reconciliation NOK million	*Note*	**2019**	2018	**2019**	2018	**2018**
Operating result	*2*	**-153**	**-144**	**-482**	**-494**	**-701**
Depreciation & amortisation	*2*	121	105	339	312	465
EBITDA	*2*	**-32**	**-39**	**-143**	**-182**	**-236**
Network upgrades & migrations		2	2	7	9	26
Other non-recurring items incl. redundancy costs		5	5	42	6	22
Sale of trademark		-	-	-46	-	-
Share-based compensation expense		5	11	9	22	8
EBITDA adjusted	*2*	**-20**	**-21**	**-131**	**-144**	**-180**

NIBD

Ice Group considers NIBD (Net Interest-Bearing Debt) to be an important measure to be able to understand the Group's indebtedness. NIBD presented below is based on the total group for continuing operations and is defined as Gross Interest-Bearing Debt less Cash and cash equivalents.

Reconciliation NOK million	**30 Sep 2019**	30 Sep 2018	**31 Dec 2018**
Total borrowings	3,788	3,566	3,672
Adjusted for:			
Capitalised loan costs	65	81	79
Long-term payable with Access Industries	-18	-25	-17
Financial lease	-	-0	-2
Gross Interest-bearing Debt	**3,835**	**3,622**	**3,732**
Cash and cash equivalents	-902	-582	-275
Net Interest-bearing Debt	**2,932**	**3,040**	**3,457**

Accrued interests have been captialised, but no additional borrowings or financing agreements have been entered into during or between the periods.

Consolidated key ratios

NOK million	Third Quarter 2019	Third Quarter 2018	Jan – Sep 2019	Jan – Sep 2018	Full year 2018
Profit					
EBITDA adjusted	-20	-21	-131	-144	-180
Operating result	-153	-144	-482	-494	-701
Key ratios – increase					
Service revenue growth in %	11%	21%	6%	26%	22%
Service revenue growth in absolute numbers	44	71	70	239	273
Key ratios - financial position					
Cash liquidity %	161%	105%	161%	105%	69%
Total assets	5,408	5,040	5,408	5,040	4,799
Equity	-634	-854	-634	-854	-1,258
Gross interest-bearing debt	3,835	3,622	3,835	3,622	3,732
Net interest-bearing debt	2,932	3,040	2,932	3,040	3,457

Definitions

ARPU	Average Revenue Per User
EBITDA adjusted	Ice Group defines EBITDA adjusted as operating income after adjustment of expenses for depreciation, amortisation, impairment, network upgrades, share based compensation expense, non-recurring and other non-operational items. Any effects from business combinations are not included.
Cash liquidity in %	Current assets divided by current liabilities
Net result margin in %	Profit after financial items divided by total operating revenue
NRA	National Roaming Agreement
Operating result	Profit before financial items and tax
Operating margin in %	Operating profit divided by total operating revenue
Return on Equity in %	Profit/loss before tax divided by equity
Gross interest-bearing debt	Total interest-bearing debts including capitalised interests
Net interest-bearing debt	Gross interest-bearing debts less cash and cash equivalents
Service revenue growth in %	Growth in comparison with the same period previous year in %
Service revenue growth	Growth in comparison with the same period previous year in absolute numbers
VoLTE	Voice over LTE

CONTACT DETAILS

Address:	Ice Group ASA Nydalsveien 18B 0484 Oslo Norway
E-mail:	info@icegroup.com
Web:	www.icegroup.com

All financial information is posted on www.icegroup.com after publication.