



## Ice Group ASA: Second quarter and half year 2020 results

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**In Q2 2020 Ice Group's adjusted EBITDA reached a positive margin for the second quarter in a row. Ice also continued to grow the customer base, reaching 21 consecutive quarters of smartphone subscriber growth. Smartphone service revenues in Q2 was NOK 379 million, a 19% increase from last year, driven by the growth in smartphone subscribers.**

"Ice Group has during 5 years with a smartphone offering captured more than 10% of the market, built a mobile network with more than 90% population coverage and launched a series of disruptive products in the Norwegian market. The support and regulation for build-out of the third network has also improved in the period. Our entrance in the mobile market has shown Norway the importance of healthy competition and we remain confident on our target of reaching 20% market share in the medium term," says Eivind Helgaker, CEO of Ice Group.

"In June we received the final decision to grant Ice Group c. NOK 550 million in deferred payments to the Norwegian state, significantly reducing our funding need. We are in advanced talks on additional funding, and management is positive that this may be accessible in the coming period. We will come back to the market with more news as soon as we have concluded the process," says Eivind Helgaker, CEO of Ice Group.

"On-net share of data and voice continued to increase in Q2, mostly driven by network build-out and positive effects of the Apple agreement increasing data and voice traffic in our own network. There is still an upside when the Apple agreement is expected to be implemented in full during the second half of this year. On-net data for Q2 ended at record high 84% while on-net voice increased to 43% during the quarter, peaking at 54% at the end of June. Total number of smartphone base stations at the end of Q2 was 2,470, an increase of 232 during the quarter. We have a good pipeline of ready-to-build base stations, and we continue to target up to 1,000 new base stations in total in 2020," says Eivind Helgaker, CEO of Ice Group.

"Total smartphone subscribers at the end of Q2 was 598,000, an increase of 15,000 during the quarter. The sale of subscriptions continued to be negatively affected by the Covid-19 outbreak and the resulting restrictions in Norway, especially impacting retail sales. On the other hand, Ice is already very strong in digital sales and we have been able to increase our digital sales further during the Covid-19 outbreak. We will have even higher focus and increased investments in digital sales channels going forward, and we see that our share of number portability in the market has been stable well above 20% during the last months," says Eivind Helgaker, CEO of Ice Group.

"Smartphone churn was negatively impacted early in the quarter by price adjustments on our 1GB subscription from 1 April, and ended at 24% for the quarter as a whole. We have implemented several initiatives to reduce churn, and we see good results from these initiatives so far. Smartphone ARPU for Q2 was NOK 222, a NOK 2 increase from Q2 last year, negatively impacted by loss of the negative margin international roaming due to Covid-19 travel restrictions, and lower regulated prices on voice interconnect. The underlying development in subscription revenues increased c. NOK 10 and show that we also succeed in targeting the medium- and high usage segments more efficiently," says Eivind Helgaker, CEO of Ice Group.

"The new telecom regulation (Market-15) from Norwegian Communications Authority (Nkom) was implemented from 1 June and is very positive for Ice Group as it will lower Ice's national roaming costs in the next agreement period. The decision also imposes stricter regulation regarding site sharing, which will have a positive impact for Ice Group in our current build-out phase. We are currently negotiating with the two other network operators in Norway regarding the roaming agreement from 1 April 2021, and we expect to achieve considerable better terms than in the current agreement. Due to the new linear pricing model, the regulation will allow Ice to optimize site location and gain higher capital returns on the network investments going forward," says Eivind Helgaker, CEO of Ice Group.

"The situation related to the outbreak of Covid-19 underlines the importance of a well-functioning and stable telecom network and market in Norway. Three mobile networks is a clear goal for Norwegian authorities in order to secure a diversified telecom infrastructure and fair competition in the market. Continued network-build, lower national roaming costs and smartphone subscription growth remain key to realise Ice Group's business plan. We have now delivered 21 consecutive quarters with smartphone subscription growth and remain confident that we will continue to win market share and improve margins strongly going forward due to reduced national roaming costs and scale economics," says Eivind Helgaker, CEO of Ice Group.

Ice Group invites to a live presentation of the results at 08:00 (CET) today. CEO Eivind Helgaker and CFO Henning Karlsrud will present. Investors, analysts, lenders and media are invited to follow the webcast on [https://channel.royalcast.com/hegnamedia/#!/hegnamedia/20200818\\_2](https://channel.royalcast.com/hegnamedia/#!/hegnamedia/20200818_2). A recording of the presentation will be available on our web site shortly after the live webcast has ended.

## Disclaimer

This information is subject to the disclosure requirements pursuant to section 5-12 of the Norwegian Securities Trading Act.

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## About Ice Group ASA

Ice Group is a telecommunications company with a nationwide network in Norway. The company operates a pure 4G mobile network, providing smartphone, m2m, IoT and mobile broadband services to B2C and B2B customers.

## Attachments

- [Download announcement as PDF.pdf](#)
- [Presentation of Q2 2020.pdf](#)
- [Interim Report Q2 2020.pdf](#)