AINMT

AINMT Scandinavia Holdings AS

Annual Report 2014

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ANNUAL REPORT

The operations

AINMT Scandinavia Holdings AS ("the Company") and its subsidiaries (together, "the Group") operates under the trademark ice.net in Norway and Net1 in Sweden and Denmark. The business concept is to provide telecommunications operator services, including mobile broadband services, telephony and other related telecom services.

The service utilizes a unique combination of advanced 3G technology, CDMA2000, and radio transmission on the low-frequency band 450 MHz. These combinations are commonly called CDMA450. For our customers, this means access to mobile broadband with almost full geographical coverage. The 450MHz frequency licenses in Sweden, Norway and Denmark expire in 2020, 2019 and 2022, respectively.

In Norway additional spectrums in the 800MHz, 900MHz and 1800MHz bands were acquired in December 2013 and the Norwegian business is currently ramping up to become a fully-fledged mobile network operator.

The company is wholly owned by AINMT Holdings AB, which is owned to 96,14% by AI Media Holdings (NMT) LLC, Delaware.

Significant events during the year

2014 was an important transitional year for AINMT, particularly for the company's Norwegian operation. Although the group delivers a strong EBITDA improvement, our primary focus throughout the year has been to build a platform for tomorrow's AINMT group – a fully-fledged, data-focused operator of 4G mobile broadband and, in Norway, smartphone services.

- In Q1 2014, AINMT Group, through AINMT Scandinavia Holdings AS, successfully issued a SEK 1,5 billion High Yield Bond (ISIN NO 001 0705601) at 9,75% interest rate with semi-annual interest payments. Settlement date was 19 March 2014; maturity date is 19 March 2019. First interest payment was made on 19 September 2014. Part of the bond's proceeds was used to repay certain external loans.

- In connection with the bond issue, AINMT Holdings AB transferred its Scandinavian subsidiaries to AINMT Scandinavia Holdings AS.

- On 1 October 2014, Ice Communication Norge AS and Tele2-owned Mobile Norway AS announced an agreement on lease of 5 MHz in the 900 MHz band, from 1 October 2014 to 1 April 2015.

- On 1 October 2014, Ice Communications Norge AS also announced a deal to acquire parts of Tele2's mobile network infrastructure if the Norwegian Competition Authority approved TeliaSonera AB's acquisition of Tele2 in Norway.

- On 11 November 2014 AINMT signed an agreement with Alcatel-Lucent to deploy a 4G LTE and IP networking solutions throughout Scandinavia. The network will be rolled out during 2015.

- AINMT's Swedish operation delivered first positive full year EBITDA.

Financial resume and key ratios

NOK thousands	2014	2013
Service Revenue	541 136	472 461
EBITDA	100 846	69 240
CAPEX *	-758 242	-104 797
Total assets	2 537 670	953 442
Operating margin %	Neg.	Neg.
Equity/assets ratio %	37%	36%

** In 2014 the CAPEX includes the acquired licenses in Norway obtained via the contribution of Ice Communications Norge AS.*

EBITDA

Non-recurring items identified during 2014 amounts to NOK 27 808 (25 175) thousands. Non-recurring items are mainly related to inventory revaluations and restructuring measurements. Non-recurring items 2013 also holds costs related to international expansions outside Scandinavia.

Significant events after the end of the period

On 5 February 2015, the Norwegian Competition Authority approved TeliaSonera's acquisition of Tele2's Norwegian operation. As a result of the approval, AINMT's Norwegian operation (ice.net) and TeliaSonera announced an agreement that is effective from 1st March 2015 and covers the following:

- ice.net will acquire Network Norway's business-to-business customer base and the Network Norway brand
- ice.net will acquire Officer AS, Norway's fastest growing retailer of mobile communication solutions, with dealerships throughout Norway
- ice.net retains an option to acquire the 2100 MHz spectrum, subject to government approval
- ice.net enters into a six-year national roaming agreement (NRA) with TeliaSonera.
- A co-location agreement giving ice.net access to TeliaSonera's sites at beneficial rates and conditions

As a result of the Competition Authority approval, Ice Communication Norge AS's deal to purchase parts of Tele2's mobile network infrastructure was made effective from 5th February 2015.

Future developments

The group continues to invest in network capacity and to simplify and extend the service offers on all markets while keeping a tight cost structure. New technical solutions are continuously evaluated, as the upgrade to LTE during 2015. AINMT's Norwegian operation in the space of 15 months has positioned itself to develop from a pure-play provider of mobile broadband services to becoming Norway's third largest mobile network operator.

While 2014 was a transitional and foundation-creating year, 2015 will be a year of further developing the infrastructure, tools and businesses that we have secured throughout the past 15 months. From March 1st 2015, we will almost double our revenue base in Norway, where we also start operating as a smartphone player. This foundation has put us in a highly interesting challenger position in the Norwegian market, and is something we will be able to harvest the results from over the coming years, both in terms of revenue and profits.

The company is planning to file for listing the bond on the Oslo Stock Exchange (Oslo Børs) in 2015.

Operations and cash flows

The group's operating profit amounted to NOK -63 314 (-21 240) thousands. The main change from previous year are the increased license costs in Norway and the main difference between operating profit and operating cash flows of NOK 43 321 (25 004) thousands are the large financial expenses and non-cash items, mainly caused by unrealized currency fluctuations.

Investments

The Group's acquisition of intangible assets amounted to NOK 716 867 (3 435) thousands, including the acquisition of Ice Communication Norge AS that was awarded the spectrum licences in Norway in December 2013. The acquisition of tangible assets amounted to NOK 41 714 (106 390) thousands.

Investments in intangible assets consist of frequency spectrum licences and capitalised costs for research and development activities, relating to new technologies and secure full utilization of existing technologies and network. Investments in tangible assets are primarily related to network capacity expansions, both on existing and new sites as well as on backbone systems.

Financing

The Group is financed through owners' capital and loans. In Q1 2014, the Group successfully issued a SEK 1,5 billion High Yield Bond (ISIN NO 001 0705601) at 9,75% interest rate with semi-annual interest payments. Settlement date was 19 March 2014; maturity date is 19 March 2019. Part of the bond's proceeds was used to repay certain external loans.

As per the end of 2014, the Group's total assets amounted to NOK 2 537 670 (953 442) thousands of which equity amounted to NOK 947 416 (343 357) thousands which gives an equity/assets ratio of 37% (36%).

Research and development

During 2014 the main focus has been to select vendor(s) for the new 4G network and CPE suppliers.

Personnel and organization

The average number of employees was 91 versus 78 for the equivalent period the previous year, of which 73 and 62 respectively were men. Including external resources, such as dedicated people with contract suppliers and subcontractors, the Group employed 126 (90) people. The board of directors has two members (all men).

Incentive plans encourage employees to remain loyal to the business. In turn, retaining high quality employees saves us money and is good for the long-term development of the company. That is why we in Q4 2014 introduced a long-term incentive programme for selected employees in our organisation. The programme consists of warrants/employee stock options to purchase shares in the parent company, AINMT Holdings AB, with a vesting period of four years.

Work environment

A healthy work environment contributes to a better health, greater engagement and increased job satisfaction. The goal is to create a pleasant work environment that contributes to the motivated and committed employees, which ultimately is important for the company's continued success. Creating a positive and pleasant environment requires continuous effort, and is a natural part of the daily operations.

It is AINMT' position that equal treatment of all employees is applied and that different treatment or discrimination based on person's gender, race, colour, national origin, age, religion, sexual orientation or any other characteristic protected by applicable law is unacceptable. Furthermore the group is committed to equal opportunity for all qualified employees and job applicants. All employment decisions (such as hiring, discipline, terminations, promotions and job assignments) are to be based on the company's needs and an employee's performance and potential. The group has no records of accidents or injuries during the year, and the group has not deemed it necessary to take special measures in this area. The sick leave during 2014 have been 1,2% compared with 3,8% during 2013.

External environment

The group's business is affected by the external environment. Our base stations are to a large extent co-located with other operators'. Whereby the group establishes its own base stations, the aim is to protect the environment to the greatest possible extent.

Regarding our products, we work continuously within the industry to improve the environmental profile; in terms of production and packaging as well as transport, distribution and disposal.

Risks and factors of uncertainty

AINMT Scandinavia's operations are exposed to certain risks that could have a varying impact on earnings or its financial position. These can be divided into industry, operational and financial risks; including regulatory and competitive risks.

A material part of the Group's revenues and profits is derived from operations outside Norway. Currency fluctuations may influence the reported figures in Norwegian Kroner to an increasing extent. Please refer to notes 1 and 29 for a detailed walk-through of the risks identified.

Related party transactions

No related party transactions to report for the year. Please see further details in note 27.

Going concern

The Group has a satisfactory financial position and in accordance with section 3-3a of the Norwegian Accounting Act, the Board confirms that the prerequisites for the going concern assumption exist and that the financial statements have been prepared based on a going concern basis.

Legal disclaimer

Certain statements in this 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.

Oslo, 30 April 2015

Jean Daniel Fouchard **Johan Michelsen**

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

NOK thousands	Note	2014	2013
Service revenue		**541 136**	**472 461**
Other operating revenue		69 366	66 602
Total operating revenue	4	**610 502**	**539 063**
Operating expenses	16	-271 476	-218 716
Other expenses	5	-161 037	-194 500
Employee benefit expenses	6	-104 950	-81 782
Depreciation and amortization	11, 12	-136 352	-65 305
Total operating expenses	27	**-673 816**	**-560 303**
Operating profit	10	**-63 314**	**-21 240**
Financial income	7	11 158	494
Financial expenses	8	-120 104	-34 940
Financial items - net	10	**-108 946**	**-34 446**
Result before tax		-172 261	-55 686
Income taxes	9, 13	-660	-2 589
Net result for the year		**-172 920**	**-58 275**
Items that may be subsequently reclassified to profit or loss			
Currency translation differences		2 388	5 583
Items that will not be reclassified to profit or loss		-	-
Other comprehensive income		**2 388**	**5 583**
Total comprehensive income for the year		**-170 533**	**-52 692**
Profit attributable to:			
Equity holders of the parent company		-171 471	-57 415
Non-controlling interests		-1 450	-859
Total comprehensive income attributable to:			
Equity holders of the parent company		-171 335	-51 908
Non-controlling interests		802	-784
Earnings per share (NOK), basic and diluted		n/a	n/a

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

NOK thousands	Note	31 Dec 2014	31 Dec 2013
ASSETS			
Non-current assets			
Intangible non-current assets	11		
Licenses and similar rights		759 160	90 467
Capitalised expenditure for development work		1 873	4 103
Total non-current intangible assets		**761 033**	**94 570**
Tangible non-current assets	12		
Plant and machinery		624 059	672 265
Equipment and tools		1 286	538
Other tangible fixed assets		10 668	17 839
Constructions in progress		33 669	20 086
Total non-current tangible assets		**669 682**	**710 729**
Financial non-current assets			
Non-current receivables	15	7 536	7 602
Total non-current financial assets		**7 536**	**7 602**
Deferred tax assets	13	1 930	861
Total non-current assets		**1 440 180**	**813 762**
Current assets			
Goods for resale	16	32 158	42 939
Trade receivables	15, 17	18 919	21 107
Other receivables		113	116
Prepaid expenses and accrued revenue	18	18 758	40 403
Total current receivables		**37 790**	**61 627**
Cash and cash equivalents	19	1 027 542	35 115
Total current assets		**1 097 490**	**139 680**
TOTAL ASSETS		**2 537 670**	**953 442**

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTD.)

NOK thousands	Note	31 Dec 2014	31 Dec 2013
EQUITY			
Equity attributable to the owners of the parent company			
Share capital	20	3 000	-
Other contributed capital		1 451 433	679 839
Reserves		5 719	5 583
Retained earnings including total comprehensive income for the year		-513 836	-342 363
Total		**946 316**	**343 059**
Equity attributable to non-controlling interests		1 100	298
Total equity		**947 416**	**343 357**
LIABILITIES			
Non-current liabilities			
Borrowings	15, 21, 23	1 390 524	300 024
Total non-current liabilities		**1 390 524**	**300 024**
Current liabilities			
Accounts payables	15	28 280	130 304
Other liabilities	21, 22	22 702	108 427
Accrued expenses and deferred revenue	24	148 748	71 330
Total current liabilities		**199 730**	**310 061**
TOTAL EQUITY AND LIABILITIES		**2 537 670**	**953 442**

Olso, 30 April 2015

Jean Daniel Fouchard **Johan Michelsen**

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Please also see note 20.	**Attributable to shareholders in the Parent Company**					Non-controlling interests	**Total Equity**
NOK thousands	Share capital	Other contributed capital	Reserves	Retained earnings	Total		
Opening balance 1 January 2013	**-**	**604 919**	**-**	**-284 948**	**319 971**	**1 082**	***321 053**
Net result for the year				-57 415	57 415	-859	-58 275
Other comprehensive income for the year							
Currency translation differences			5 583		5 583	75	5 658
Total comprehensive income for the year			**5 583**	**-57 415**	**-51 832**	**-784**	**-52 616**
Shareholder's contribution		74 920			74 920		74 920
Total transactions with owners, recognised directly in equity	**-**	**74 920**	**-**	**-**	**74 920**	**-**	**74 920**
Closing balance 31 December 2013	**-**	**679 839**	**5 583**	**-342 363**	**343 059**	**298**	***343 357**
Net result for the year				-171 471	-171 471	-1 450	-172 920
Other comprehensive income for the year							
Currency translation differences			136		136	2 252	2 388
Total comprehensive income for the year			**136**	**-171 471**	**-171 335**	**802**	**-170 533**
New share issue	30				30		30
Re-structuring under common control*	2 970	771 594			774 564		**774 564
Total transactions with owners, recognised directly in equity	**3 000**	**771 594**	**-**	**-**	**774 594**	**-**	**774 594**
Closing balance 31 December 2014	**3 000**	**1 451 433**	**5 719**	**-513 836**	**946 316**	**1 100**	**947 416**

** The balance consists of the merged equities of Ice Norge AS, Netett Sverige AB and Ice Danmark ApS, where the assets and liabilities are presented based on the carrying amounts as the highest level of common control (i.e. their group values in AINMT Holdings AB).*

*** Refers to the contribution of 100% of the shares of Ice Communication Norge AS plus internal loans to the other three companies contributed to AINMT Scandinavia Holdings AS.*

Please note that the historical information is presented for the convenience of the reader only. From a legal perspective, the group has no historic financials. Please refer to sections "Basis of preparation" and "Critical accounting estimates and judgements" for further details.

CONSOLIDATED STATEMENTS OF CASH FLOWS

NOK thousands	Note	2014	2013
Operating profit		-63 314	-21 240
Depreciation and amortizations of non-current assets		136 352	65 305
Adjustments for other non-cash items	26	34 038	-1 443
Interest received		2 632	510
Interest paid		-75 354	-24 357
Income taxes paid		-	-
Cash flows before changes in working capital		**34 354**	**18 775**
Change in inventory		11 054	3 719
Change in current receivables		23 614	-16 760
Change in current liabilities		-25 701	19 272
Cash flows from changes in working capital		**8 967**	**6 229**
Cash flows from operating activities		**43 321**	**25 004**
Investments in non-current intangible assets	11	-716 867	-3 435
Investments in non-current tangible assets	12	-41 714	-106 390
Other financial assets		339	5 028
Cash flows from investing activities		**-758 242**	**-104 797**
Financing from shareholders		*696 124	74 920
Borrowings		1 350 251	52 188
Repayments		-346 620	-47 244
Cash flows from financing activities		**1 699 755**	**79 864**
Cash flow for the year		**984 834**	**70**
Cash and cash equivalents at the beginning of the period		35 115	33 549
Exchange rate difference in cash and cash equivalents		7 593	1 496
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		**1 027 542**	**35 115**

** Represents the net financing for purchasing the frequencies in December 2013.*

NOTES TO THE FINANCIAL STATEMENTS

General information

AINMT Scandinavia Holdings AS ("the Company") and its subsidiaries (together, "the Group") operates under the trademark ice.net in Norway and Net1 in Sweden and Denmark. The business concept is to provide telecommunications operator services, including mobile broadband services, telephony and other related telecom services.

The company is a private liability company wholly owned by AINMT Holdings AB, which is owned to 96,14% by AI Media Holdings (NMT) LLC, Delaware. The head office address is Østensjøveien 32, 0067 Oslo, Norway.

All amounts in this annual report are expressed in in NOK thousands (KNOK) unless otherwise indicated. Amounts in brackets relate to previous year if not otherwise indicated.

Basis of preparation

AINMT Scandinavia Holding AS was founded in February 2014 and then in March acquired the subsidiaries Ice Danmark ApS (29 84 99 43), Ice Norge AS (991 715 290), Ice Communication Norge AS (912 672 808) and Netett Sverige AB (556773-3091) from its parent, AINMT Holdings AB.

AINMT Scandinavia Holdings AS was founded by, and is 100% owned by, AINMT Holdings AB. The acquisitions are, from an accounting perspective, regarded as transactions under common control.

Given that IFRS does not deal with this type of transactions, the group has chosen an accounting principle that prepares consolidated financial statements based on carryover values. This method implies that assets and liabilities are presented based on the carrying amounts of the acquired entities for the highest level of common control (i.e. AINMT Holdings AB) for which financial statements are prepared. This also means that the group decided to include comparative figures and the current financial year results as if the companies have always been part of the same group.

The consolidated financial statements for AINMT Scandinavia Holdings AS group have been prepared in accordance with IFRSs as adopted by the EU, and have been prepared on a going concern basis. The most significant accounting principles applied in these consolidated financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

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, see note 2 below for further details.

The shareholders have the power to amend the consolidated financial statements after issue.

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group

In preparing the consolidated financial statements at December 31, 2014, a number of standards and interpretations are not yet effective and which are applicable to the Group. A preliminary assessment of the effects from the standards that are considered relevant for the Group:

IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. It replaces the

guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through OCI and fair value through P&L. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under IAS 39. The standard is effective for accounting periods beginning on or after 1 January 2018. Early adoption is permitted. The group is yet to assess IFRS 9's full impact.

IFRS 15, 'Revenue from contracts with customers' deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 'Revenue' and IAS 11 'Construction contracts' and related interpretations. The standard is effective for annual periods beginning on or after 1 January 2017 and earlier application is permitted. The group is assessing the impact of IFRS 15.

No other IFRS or IFRIC interpretations not yet in force are expected to have a material impact on the Group.

Consolidation

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The excess of the consideration of the transferred amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the income statement.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. When necessary amounts reported by subsidiaries have been adjusted to conform to the group's accounting policies.

Foreign currency translation

Functional and presentation currency
Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in the currency NOK, which is the group's presentation currency.

Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Group companies
The results and financial position of all the group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency. Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet. Income and expenses for each income statement are translated at average exchange rates on the dates of the transactions. All resulting exchange differences are recognised in other comprehensive income. Cumulative translation differences in the translation reserve have been reset to zero in the opening balance 2013.

Intangible assets

Licences and similar rights
Separately acquired trademarks and licences are shown at historical cost less amortisation. Licences and trademarks acquired in a business combination are recognised at fair value at the acquisition date. Licences have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of trademarks and licences over their estimated useful lives of 10 to 20 years.

Capitalized development costs
Costs associated with maintaining computer software programmes are recognized as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use it;
- there is an ability to use the webpage or software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Costs that are directly attributable as part of the software product, including the software development employee costs, are capitalised

Intangible assets are shown at historical cost less accumulated amortisations. Amortisation is commenced when the assets is ready for use. Useful lifetime is assessed based on the period of the future economic benefits. The useful lifetimes are estimated to 3-5 years and amortisations are recognised linear over the period. Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Tangible assets

Tangible assets are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Each part of a tangible asset with an acquisition value that is significant in relation to the total acquisition value is depreciated separately. Constructions in progress are not depreciated until they are ready for use. Depreciations on other assets are made on a linear basis;

- Plant and machinery 5-25 years
- Equipment and tools 5 years
- Other tangible assets 3-5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.
Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Other (losses)/gains – net' in the income statement.

Impairment of non-financial non-current assets

Intangible assets that have an indefinite useful life or intangible assets not ready to use are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units).

The group uses discounted cash-flow calculations for the impairment tests and no write-downs have been recognised following these tests.

Financial assets

Financial instruments are included in many balance sheet items as described below.

Classification

The group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, and other financial liabilities. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss are financial assets held for trading. The group defines contingent considerations from business combinations within this category. Fair value from contingent considerations has been deemed to zero value for all periods presented in the financial report.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting. These are classified as non-current assets. The group's loans and receivables comprise 'trade and other receivables' and 'cash and cash equivalents' in the balance sheet and the financial instruments recorded in other receivables.

Other financial liabilities
The Group's borrowings, trade payables and the part of current liabilities related to financial instruments are classified as other financial liabilities.

Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss is initially recognised at fair value, and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the group has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognised when the contractual obligations have been completed or otherwise terminated.

Financial liabilities at fair value through profit or loss are subsequent to the acquisition carried at fair value. Loans and receivables and other financial liabilities are subsequent to the acquisition measured at amortized cost using the effective interest method.

Gains or losses arising from changes in the fair value of the 'financial liabilities at fair value through profit or loss' category are presented in the income statement within 'Other (losses)/gains – net' in the period in which they arise and is included in net financial items as it relates to financing.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Impairment of financial assets

Assets carried at amortised cost (loans and receivables)
The group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

A write-down is calculated as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated income statement. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the reversal of the previously recognised impairment loss is recognised in the consolidated statement of comprehensive income.

Inventory

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method. The cost of finished goods and work in progress comprises design costs, raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Costs of inventories include the transfer from equity of any gains/losses on qualifying cash flow hedges for purchases of raw materials.

Trade receivables

Trade receivables are financial instruments and represents amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents includes cash on the group's bank accounts.

Trade payables

Trade payables are financial instruments and represents obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Current and deferred income tax

The tax expense for the period comprises current and deferred tax. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company and its subsidiaries operate and generate taxable income.

Tax is recognized in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Employee benefits

Pension obligations
A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. The group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

For defined contribution plans, the group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Termination benefits
Termination benefits are payable when employment is terminated by the group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The group recognises termination benefits when the group can no longer withdraw the offer of those benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

Revenue recognition

Service revenue consists primarily of subscription fees, connection and installation fees, wholesale revenue, spectrum lease revenue and service charges plus related rental revenue of consumer equipment. Other operational revenue consists mainly of sale of customer equipment and administrative fees such as invoice, reminder and collection fees.

Revenue is measured at the fair value of the consideration received or receivable, and represents the value of services and goods supplied, stated net of discounts, returns and value added taxes. Revenue is recognized in the period the service is provided, based on actual traffic or over the lease term, whichever is applicable. Subscription fees are recognized as revenue over the subscription period. Connection fees are recognised separately when the work is completed, provided that the fees do not include any amount for subsequent servicing but only cover the connection costs. Fees relating to subsequent services rendered are deferred.

Revenue from the sale of customer equipment (modems) is recognized when delivery has occurred and the significant risks and rewards have been transferred to the customer, i.e. normally upon delivery and approval by the customer. Rental income from operating leases (modems) is recognized straight-line basis over the respective lease contract term.

Operating expenses

Costs for retailer commissions and other customer acquisition costs, advertising and other marketing costs are expensed as incurred.

Leases

The group is a lessee
The Group holds leases concerning coffee machines, copiers, PDSNs and office premises. Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

Leases of property, plant and equipment, where the Group has substantially all the risks and rewards of ownership, are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments. The lease of certain network equipment (PDSN) has been classified as financial leases.

Each lease payment is allocated between the liability and finance charges. The corresponding rental obligations, net of finance charges, are included in other long term payables. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Equipment acquired under finance leases is depreciated over the lease term. In cases it with reasonable certainty can be established that the ownership will be transferred to the lessee at the end of the lease term, the asset is depreciated applying the same economic period as for other assets of similar nature.

Cash flow statement

The cash flow statement has been prepared using the indirect method. This means that operating income is adjusted for transactions that do not result in cash payments during the period and for any income or expense associated with investing or financing cash flows.

Share capital

All share classes are classified as equity.

Note 1 – Financial risks

The Group's activities expose it to a variety of financial risks: market risk (currency risk, fair value interest rate risk and cash), credit risk and liquidity risk. The Group's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial results. Group does not use derivative instruments to hedge risk exposures.

Risk management is handled by Group management under policies approved by the Board. Group treasury identifies, evaluates and hedges financial risks in close cooperation with the Group's operating units. The board establishes written policies for overall risk management, as well as specific areas such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity.

The following describes the Group's estimated risk exposure and related risk management.

Market risk

(a) *Foreign exchange risk*
Exchange rate fluctuations affect the Group’s financial results through translation of the profit and loss accounts and balance sheets of foreign subsidiaries to Norwegian krone (translation exposure).

(b) *Interest rate risk relating to cash flows and fair values*
As the Group has no significant interest-bearing assets, the Group's revenues and cash flows from operating activities are substantially independent of changes in market interest rates. The Group's interest rate risk arises from long-term borrowings as a whole is at fixed interest rates. Borrowings issued at fixed rates expose the Group to interest rate risk in respect of fair value. In both 2014 and 2013, the Group's borrowings were set at a fixed interest rate and in Swedish krona (SEK).

Credit risk

Credit risk is managed on group level, with the exception of credit risk relating to outstanding accounts receivable. Each group company is responsible for monitoring and analysing the credit for each new customer before the standard terms of payment and delivery offered. Due to the end customer structure, AINMT deems this risk as fairly low.

Liquidity risk

Liquidity risk is the risk that the Group may not have sufficient liquid financial resources to meet its obligations when they fall due, or would have to incur excessive costs to do so. The Group assesses, monitors and manages its liquidity needs on an ongoing basis. With respect to the bond raised in the first quarter of 2014, AINMT deems this risk as fairly low.

The table below analyses the Group's financial liabilities classified according to the time on the closing date until the contractual maturity date. The amounts shown in the table are the contractual undiscounted cash flows.

NOK thousands	Less than 1 year	Between 1 and 2 years	Between 2 and 5 year	More than 5 years
Borrowings, including interest payments	139 069	139 069	1778 138	-
Trade payables	28 280	-	-	-
Other current liabilities	171 450	-	-	-
Total	**338 799**	**139 069**	**1 778 138**	**-**

Capital management

The Group's target with respect to capital is to safeguard the Group's ability to continue its operations so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. With regards to the capital structure, please also see the financial covenants to the bondholders in note 21.

To maintain or adjust the capital structure, the Group may adjust the dividend paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Similar to other companies in the industry, the Group assesses capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total gross borrowings (including current borrowings and non-current borrowings in the consolidated balance sheet) less cash and cash equivalents. Total capital is calculated as equity in the consolidated balance sheet plus net debt.

NOK thousands	2014	2013
Total gross borrowings (note 21)	1 433 655	405 407
Less cash and cash equivalents (note 18)	-1 027 542	-35 115
Net debt	**406 113**	**370 292**
Total equity	947 416	343 357
Total capital	**1 353 529**	**713 349**
Debt/total capital ratio	30%	52%

Fair value calculation

Financial instruments carried at fair value are analyzed based on the classification in the fair value hierarchy. The different levels are defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- Other observable for the asset or liability other than quoted prices included in Level 1, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3)

The following table shows the Group's financial liabilities measured at amortized cost in the balance sheet as at 31 December 2014 and which should be disclosed if the fair value.

NOK thousands	Book value	Level 1	Level 2	Level 3	Total
High-Yield bond ISIN NO 001 0705601	1 426 350	1 390 186	-	-	**1 390 186**

Financial instruments, level 1

Fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices from an exchange, broker, industry group, pricing service or regulatory agency are readily and regularly available and those prices represent actual and regularly occurring market transactions on an arm's length away. The quoted market price used for financial assets is the current bid price. These instruments are included in level 1.

The High-Yield bond of SEK 1,5 billion is amortization-free and runs with 9,75% interest. Maturity date is 19 March 2019.

Financial instruments, level 2

Fair value of financial instruments not traded in an active market (such as OTC derivatives) is determined using valuation techniques. Herewith market data, where it is available, is used as far as possible and company-specific information is used as little as possible. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. The group has no financial instruments classified as level 2.

Financial instruments, level 3

In cases where one or more significant inputs not based on observable market data, the instrument is classified as level 3. Group has financial liabilities at fair value through profit or loss in the form of a conditional cash kid who is valued at zero NOK; this is allocated to level 3.

Sensitivity analysis

The company has a debt of SEK 1,5 billion (the High Yield bond). The impact of currency fluctuations towards NOK has immediate effect in the profit and loss statement as well as the equity.

As per 31 December 2014, the SEK 1 500 million debt expressed in NOK amounted to 1 426 million. Should the NOK be strengthened with 10% to SEK this would imply that the liability is decreased to NOK 1 296 million and give the corresponding positive NOK 130 million effect to the equity. A 10% weaker NOK to SEK would instead increase the liability to NOK 1 569 million and consequently have the equal negative NOK -143 million impact on the profit and loss statement and equity.

With regards to the translation of foreign operations functional currencies to the presentation currency, the effect on equity as per 31 December 2014 from a 10% stronger NOK to SEK and DKK would give a lower equity with NOK 7 million while a 10% weaker NOK to SEK and DKK would imply a stronger equity with NOK 8 million.

Note 2 – Critical accounting estimates and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Transactions under common control

AINMT Scandinavia Holding AS was founded in March 2014 and then acquired the subsidiaries Ice Norge AS (991 715 290), Ice Communication Norge AS (912 672 808, Netett Sverige AB (556773-3091), Ice Danmark ApS (29 84 99 43) from its parent company AINMT Holdings AB. These acquisitions are, from an accounting perspective, to be considered as transactions under common control.

Since IFRS does not cater for this kind of transaction, the Group has chosen to prepare the consolidated statements based on historically presented values. This means that the assets and liabilities of the companies are presented based on the group values at the highest level of common control (i.e. AINMT Holdings AB) for which financial reports are prepared.

This also means that, for the purpose of presenting historical statements in this report, the historical financials in this report consists of the merged financial statements of the subsidiaries Netett Sverige AB, Ice Norge AS and Ice Danmark ApS formerly owned by AINMT Holdings AB. The total equity of these entities as at 31 December 2013, based on the group values at the highest level of common control (AINMT Holdings AB), constitutes the opening balance for the group for 2014. Having these companies presented as already being a part of this group, the total restructuring that took place in March 2014 is reflected only by the addition of Ice Communication Norge AS.

Valuation of loss carry-forwards

The Group tests annually whether any impairment exists for deferred tax assets for tax loss carry-forwards. In addition, the Group assesses whether it is appropriate to activate the new deferred tax assets for the year's tax losses. Deferred tax assets are only recognized for tax losses for which it is probable that they can be utilized against future taxable income and taxable temporary differences. The Group has recognised deferred tax assets for the tax losses in Ice Norge AS, Ice Communication Norge AS, Netett Sverige AB and Ice Danmark ApS as it is deemed that it is likely that these loss carry forwards can be utilized against future profits.

Note 3 – Segments

The segment information is reported in accordance with the reporting to Group Executive Management (chief operating decision-makers) and is consistent with financial information used by this body for assessing performance and allocating resources and is based on geographical location. Growth is measured from service revenues and profitability is measured from EBITDA performance (please see note 30 for definitions), both by geographic location.

Segment information 2014	Service revenue	Total revenue	EBITDA	Investments	Non-current assets
Norway	354 291	384 513	94 845	727 700	1 051 771
Sweden	168 830	206 228	8 719	9 140	345 984
Denmark	18 015	19 761	-2 819	11 323	32 960
Total	**541 136**	**610 502**	**100 846**	**758 581**	**1 430 715**

Segment information 2013 NOK thousands	Service revenue	Total revenue	EBITDA	Investments	Non-current assets
Norway	303 522	343 554	101 022	60 683	396 131
Sweden	153 041	178 286	-28 517	45 579	383 127
Denmark	15 898	17 222	-3 265	2 792	26 041
Total	**472 461**	**539 063**	**69 240**	**110 039**	**805 299**

Revenue from intercompany charges are not included in the segments information.
Investments and non-current assets exclude financial assets and deferred tax assets.

Note 4 – Revenues by type

	2014	**2013**
Mobile broadband communications	541 136	472 461
Total services	**541 136**	**472 461**
Sale of customer premises equipment	28 978	38 303
Total products	**28 978**	**38 303**
Other operational revenue	40 388	28 299
Total revenues	**610 502**	**539 063**

Note 5 - Fees and other remuneration to auditors

	2014	**2013**
PwC		
Audit services	-1 096	-732
Other advisory services	-53	-62
Tax advisory	-803	-168
Total	**-1 952**	**-961**

Audit assignments involve examination of the annual accounts and the board and the CEO, other tasks incumbent upon the auditor to perform and advice or other assistance resulting from observations of such review or implementation of such other tasks. Everything else is secondary.
All amounts are excluding VAT.

Note 6 – Employee benefits

Average number of employees divided by country	**2014** Total	**2014** Of which men	**2013** Total	**2013** Of which men
Norway	35	29	30	24
Sweden	45	37	41	33
Denmark	11	7	7	5
Group total	**91**	**73**	**78**	**62**

Salaries and social security expenses	2014 Salaries (of which bonuses)	2014 Social security expenses (of which pensions)**	2013 Salaries (of which bonuses)	2013 Social security expenses (of which pensions)**
The Board of Directors, CEO and other senior executive	-26 970 (-11 666)	-8 821 (-1 039)	-21 452 (-6 935)	-5 710 (-1 026)
Other employees	-49 632	-17 339 (-3 750)	-40 340	-12 973 (-3 278)
Group total **	**-76 602 (-11 666)**	**-26 160 (-4 789)**	**-61 792 (-6 935)**	**-18 683 (-4 304)**

* The group also has other personnel-related expenses of NOK -2 188 (-1 307) thousands.

** **Employee post-employment benefits**
The Group has only defined contribution pension plans. All the related costs have been recognised in the income statement. The Group has no other post-employment benefits to employees.

Number of people in executive positions (of which women)	31 Dec 2014	31 Dec 2013
The Board of Directors	2 (0)	- (-)
Other senior executives	8 (1)	8 (1)
Total	**10 (1)**	**8 (1)**

Note 7 – Financial income

	2014	2013
Interest income	1 952	494
Currency gains	9 206	-
Total	**11 158**	**494**

Note 8 – Financial expenses

	2014	2013
Interest expenses	-111 986	-24 069
Currency losses	-	-10 398
Other financial expenses	-8 118	-473
Total	**-120 104**	**-34 940**

Note 9 – Income taxes

	2014	2013
Current taxes	-	-
Deferred taxes (see note 13)	-660	-2 589
Total tax	**-660**	**-2 589**

Reconciliation of effective tax	2014	2013
Result before tax	-172 261	-55 686
Income tax calculated at applicable tax rate of the parent company	46 510	15 592
Difference in tax rates in foreign operations *	-4 618	-5 168
Tax effects from:		
- Non-taxable income and non-deductible items	5 843	6 187
- Non-capitalised unused tax losses	-48 395	-19 200
Total tax	**-660**	**-2 589**

* The Group is conducting business in Scandinavia, which means that the Group complies with applicable tax laws in Norway, Sweden and Denmark. Applicable corporate tax rates are 27% (28%) in Norway, 22% (22%) in Sweden and 25% (25%) in Denmark.

Note 10 – Currency translation differences

	2014	2013
The following currency translation gains and losses have been recognised in the income statement:		
Operational items	-	99
Financial items, net	9 206	-10 398
Total currency translation differences in the statement of income	**9 206**	**-10 299**

Note 11 – Non-current intangible assets

	Patents, licenses and similar rights	Capitalised expenditure for development work	Total
Accumulated acquisition value	125 074	5 544	**130 618**
Accumulated amortizations	-29 490	-2 774	**-32 263**
Opening carrying value 1 January 2013	**95 584**	**2 774**	**98 355**
Acquisitions for the year	-	3 648	3 648
Disposals during the year	-213	-985	-1 198
Reclassifications, net	-	-	-
Currency translation differences	7 791	191	7 982
Amortizations	-12 908	-1 522	-14 430
Closing carrying value	**90 467**	**4 103**	**94 570**
Accumulated acquisition value	135 971	8 669	144 640
Accumulated amortizations	-45 504	-4 566	-50 070
Closing carrying value 31 December 2013	**90 467**	**4 103**	**94 570**
Acquisitions for the year*	716 867	-	716 867
Disposals during the year	-	-965	-965
Reclassifications, net	-	-	-
Currency translation differences	1 487	-28	1 459
Amortizations	-49 661	-2 202	-51 863
Closing carrying value	**759 160**	**1 873**	**761 033**
Accumulated acquisition value	855 814	7 741	863 555
Accumulated amortizations	-96 655	-5 868	-102 523
Closing carrying value 31 December 2014	**759 160**	**1 873**	**761 033**

* In December 2013, the group acquired spectrum licenses via its subsidiary Ice Communication Norge AS (former TelcoData AS). As this subsidiary was not incorporated into the present group until March 2014, it is recognized as a whole in the financial year of 2014.

Note 12 – Non-current tangible assets

	Plant and machinery	Equipment and tools	Other tangible fixed assets	Construction in progress	**Total**
Accumulated acquisition value	653 948	839	15 964	22 084	677 776
Accumulated amortizations	-65 631	-443	-3 665	-	-66 699
Opening carrying value 1 January 2013	**588 317**	**396**	**12 299**	**22 084**	**623 096**
Acquisitions for the year	74 723	345	11 168	20 155	106 390
Disposals during the year	-	-	-	-	-
Reclassifications, net	22 916	-	-	-22 916	-
Currency translation differences	29 848	9	1 497	763	32 117
Depreciations	-43 539	-212	-7 124	-	-50 875
Closing carrying value	**672 265**	**538**	**17 839**	**20 086**	**710 729**
Accumulated acquisition value	784 145	1 216	29 352	20 086	834 799
Accumulated amortizations	-111 880	-677	-11 513	-	-124 071
Closing carrying value 31 December 2013	**672 265**	**538**	**17 839**	**20 086**	**710 729**
Acquisitions for the year	19 135	1 102	4 181	17 296	41 714
Disposals during the year	-	-	-	-	-
Reclassifications, net	3 708	-	-	-3 708	-
Currency translation differences	1 816	-2	-81	-6	1 727
Depreciations	-72 865	-352	-11 271	-	-84 489
Closing carrrying value	**624 059**	**1 286**	**10 668**	**33 669**	**669 682**
Accumulated acquisition value	810 735	2 320	34 091	20 086	880 814
Accumulated amortizations	-186 676	-1 033	-23 423	-	-211 132
Closing carrying value 31 December 2014	**624 059**	**1 286**	**10 668**	**33 669**	**669 682**

Construction in progress by December 31, 2014 consists primarily of capitalized costs related to the technology upgrade.

Plant and machinery includes leased assets held by the Group under finance leases with the following amounts (please also see note 23):	**31 Dec 2014**	**31 Dec 2013**
Acquisition value – capitalized financial leases	15 730	14 990
Accumulated depreciations	-3 786	-750
Closing carrying value	**11 944**	**14 240**

Note 13 – Deferred taxes

	31 Dec 2014	31 Dec 2013
Deferred tax income	7 132	7 081
Deferred tax costs	-7 792	-9 670
Total deferred tax in the statement of income	**-660**	**-2 589**

Deferred tax assets	**2014**	**2013**
Opening carrying amount	105 206	107 594
Recognised in the statement of income	-7 792	-9 670
Currency translation differences	138	7 282
Closing carrying amount	**97 552**	**105 206**
Whereof attributable to capitalized tax losses	95 355	97 153
Whereof attributable to temporary differences from local GAAPs	2 197	8 053

Deferred tax liabilities	**2014**	**2013**
Opening carrying amount	-105 634	-103 711
Recognised in the statement of income	7 132	7 081
Currency translation differences	2 880	-9 002
Closing carrying amount	**-95 622**	**-105 634**
Whereof attributable to non-current assets	95 622	-104 345
Whereof attributable to temporary differences in borrowings	-	-1 289

Deferred tax assets are recognized for tax loss carry forwards to the extent that it is probable that they can be utilized by future taxable profits. The Group did not recognize deferred tax assets amounting to NOK 159 240 (118 450) thousands in respect of losses amounting to NOK 675 438 (501 676) thousands, which can be offset against future taxable profits. The group's loss carry-forwards do not expire at any given time.

Note 14 – Principal subsidiaries

AINMT Scandinavia Holdings AS holds the following investments in subsidiaries:

	Corporate identity nr	Registered office	Capital share	Number of shares
Ice Norge AS	991 715 290	Oslo, Norway	100%	23 646 768
Ice Communication Norge AS	912 672 808	Oslo, Norway	100%	3 000
Netett Sverige AB	556773-3091	Stockholm, Sweden	100%	30 171 971
Ice Danmark ApS	29 849 943	Copenhagen, Denmark	90,32%	92 388 700

Voting shares equals the capital share.

Ice Norway AS has an obligation to pay previous creditors a maximum of approximately €25 million if a set Operating income before Interest, Tax and Depreciation/Amortisation (EBITDA) is reached, or if the Company is listed or sold. The obligation is valid for 10 years following the acquisition of the assets in 2009 and matures during 2019. The Board of Directors holds the view that no additional settlement will be required, and this conditional cash consideration is valued at zero NOK.

Note 15 – Financial instruments per category

	31 Dec 2014	31 Dec 2013
Loan receivables and trade receivables		
Non-current receivables (depositions)	7 536	7 602
Trade receivables (note 16)	18 919	21 107
Other receivables (note 17)	18 758	40 403
Cash and cash equivalents (note 18)	1 027 542	35 115
Total	**1 072 755**	**104 227**
Other financial liabilities		
Non-current liabilities	1 390 524	300 024
Trade payables	28 280	130 304
Other current liabilities (note 21)	-	105 383
Total	**1 418 804**	**535 711**

Both assets and liabilities are measured at amortised cost.

Note 16 – Inventory and Costs of Goods Sold

The inventory comprises of finished goods and amounted to NOK 32 158 (42 939) thousands. The cost of inventories recognised as an expense, cost of goods sold, and included in the income statement amounted to NOK -46 460 (-39 844) thousands. Cost of goods sold is included in the income statement on the line "Operating expenses".

Note 17 – Trade receivables

	31 Dec 2014	31 Dec 2013
Trade receivables	31 093	32 659
Less provision for bad debts*	-12 174	-11 552
Trade receivables – net*	**18 919**	**21 107**

* Refers to accounts receivables that has an expiration date of 60 days or more, or by individual assessment has been considered as uncertain.

Allocations to and reversals of provisions for bad debts are included in other external expenses. There is no collateral or other security on the outstanding trade receivables at period end(s).

Note 18 – Prepaid expenses and accrued revenue

	31 Dec 2014	31 Dec 2013
Prepaid expenses	14 166	35 439
Accrued income	4 592	4 964
Total	**18 758**	**40 403**

Note 19 – Cash and cash equivalents

	31 Dec 2014	31 Dec 2013
Cash at bank	816 525	33 943
Cash at bank, restricted for Bond interest payments	209 101	-
Cash at bank, restricted for payroll withholdings	1 916	1 172
Total	**1 027 542**	**35 115**

Note 20 – Shares and other contributed capital

	No of shares	Share capital	Other contributed capital	Total
As per 1 January 2013 *	**-**	**-**	**604 919**	**604 919**
Shareholders' contribution *			74 920	74 920
As per 31 December 2013 *	**-**	**-**	**679 839**	**679 839**
Incorporation of the company	3 000	30	-	30
Share value increase and restructuring under common control	-	2 970	771 594	774 564
As per 31 December 2014	**3 000**	**3 000**	**1 451 433**	**1 454 433**

* *Relates to the historic Scandinavian operations, previously owned by AINMT Holdings AB.*

The share capital consists of 3 000 ordinary shares. The shares have one vote per share. All shares issued are fully paid.

Note 21 – Borrowings

	31 Dec 2014	31 Dec 2013
Non-current borrowings		
Ericsson Credit	-	288 414
Cisco (financial lease)	7 305	11 610
High Yield Bond – Gross debt	1 426 350	-
High Yield Bond – Loan costs	-43 131	-
Total	**1 390 524**	**300 024**
Current borrowings		
AINMT Holdings AB (parent company)	-	105 383
Total	**-**	**105 383**

Borrowings from Ericsson

The group had a credit facility with Ericsson had a maturity date 2019 and an interest rate of approximately 7.5% which was payable quarterly in arrears. For assets pledged as collateral for this loan, please see note 28. The entire loan was prematurely repaid on 21 Mars 2014 and all related pledges were released.

High Yield Bond

In Q1 2014, the AINMT Group, through AINMT Scandinavia Holdings AS, successfully issued a SEK 1,5 billion High Yield Bond (ISIN NO 001 0705601) at 9.75% interest rate with semi-annual interest payments. Settlement date was 19 March 2014 and maturity date is 19 March 2019. The first interest payment was made on September 19th 2015. For assets pledged as collateral for this loan, please see note 28. The full loan agreement is available on www.ainmt.com.

In addition to information covenants, the group has to comply with the following financial covenants:

- Book equity of minimum SEK 350 million
- The ratio of total assets book value to the bonds carrying amount, both adjusted for the amount blocked on the company's debt service account, should not fall short of 150%
- Minimum liquidity of SEK 100 million

As per 31 December 2014 the above covenants tested to SEK 996 million, 191% and SEK 1 081 million respectively.

Note 22 – Other current liabilities

	31 Dec 2014	31 Dec 2013
AINMT Holdings AB (parent company)	-	105 383
Employee benefit related liabilities	16 138	3 277
Other payables	6 564	4 088
Total	**22 702**	**112 748**

Note 23 – Leasing agreements

Financial leases

The Group's finance leases relate to technical facilities. The present value of future minimum lease fees for non-cancellable finance leases amounted at the end of the period:	31 Dec 2014	31 Dec 2013
Total future minimum leases	-8 124	-13 478
Less interest charge (future financial costs)	819	1 869
Total	**-7 305**	**-11 609**

The Group's financial leases expire in 2015.

Operational leases

The Group's main expense for operating leases is attributable to site- and transmission leases. The contracts are written and with varying duration times, the basic principle however being that contracts are prolonged unless specifically cancelled. The Groups costs in the form of operating leases for site- and transmission leases during the financial year amounted to NOK 138 460 (132 444) thousands and are expected to vary with the expansion of network coverage and capacity. All site leases have a maximum cancellation period of one year.

The Group have operating leases related coffee machines, copying machines, printers and office premises. The table below relates to these leases.

The present value of future minimum lease fees for non-cancellable finance leases amounted at the end of the period:	31 Dec 2014	31 Dec 2013
Within one year	-7 075	-7 832
Late than one year but within five years	-20 650	-21 587
Late than five years	-	-1 818
Total	**-27 725**	**-31 237**

Note 24 – Accrued expenses and deferred revenue

	31 Dec 2014	31 Dec 2013
Accrued interests	39 086	-
Accrued salaries	5 753	7 518
Accrued vacations	6 790	5 041
Accrued social security expenses	2 676	2 992
Other accrued expenses	56 825	15 934
Deferred revenue	37 618	39 845
Total	**148 748**	**71 330**

Note 25 – Pledges

Assets pledged as per 31 December 2013 were all related to the facility with Ericsson and accordingly pledged in favour of Ericsson Credit AB. The former parent company, AINMT Holdings AB, had pledged its holdings in the subsidiaries Ice Norge AS and Netett Sverige AB. In addition to this, the subsidiaries themselves had pledged equipment delivered by Ericsson, as per 31 Dec 2013 amounting to NOK 326 344 million and NOK 286 430 million respectively. In conjunction with issuing the High Yield bond and the internal re-structuring to the current group, all debts to Ericsson were repaid and all the related pledges were released. In the same transaction the following pledges was set out in favour of the bondholders (Nordic Trustee ASA, Norway, as bond trustee on behalf of the bondholders):

- All shares in AINMT Scandinavia Holdings AS and its subsidiaries Ice Communication Norge AS, Netett Sverige AB and Ice Danmark ApS
- Bank accounts with AINMT Scandinavia Holdings AB:
    - Debt Service bank account at DNB (amount as per 31 Dec 2014: NOK 209 million)
    - Opex bank accounts at DNB (amount as per 31 Dec 2014: NOK 499 million)

- Subsidiary pledges set out:
    - Insurances in Ice Norge AS, Netett Sverige AB and Ice Danmark ApS
    - Ice Norge AS and Ice Communication Norge AS: Pledge over (i) operating assets, (ii) inventory, (iii) Machinery and plant, (iv) factoring registered in the Register of Mortgaged Movable Property
    - Netett Sverige AB: First priority charge over all assets, rights and property from time to time owed by Netett Sverige AB capable of being the subject to a floating charge (limited to SEK 500 million)
    - Ice Danmark ApS:
        - First and second priority floating charge over (i) receivables, (ii) stocks of primary products, semi-products and manufactured products, (iii) operating machinery, tools and equipment, (iv) fuel and other ancillary materials and (v) goodwill, domain names and rights (limited to DKK 300 million);
        - First and second priority pledge over the 450 MHz spectrum licenses;
        - Negative pledge.

- In addition to the above, pledges were set out over the monetary claims under the following group internal loans and loan agreements:
    - AINMT Scandinavia Holdings AS loans to Netett Sverige AB of (i) SEK 23 803 307,58, (ii) SEK 130 397 515,86 and (iii) SEK 53 623 210,00 and loan agreements to/with Ice Norge Communication Norge AS of (iv) NOK 1 000 000 000 and (v) NOK 500 000 000 and to/with Ice Danmark ApS of (vi) SEK 50 000 000 and (vii) DKK 100 000 000
    - Ice Norge AS (i) loan to Netett Sverige AB of NOK 99 351 517,48 and (ii) loan agreement to/with Ice Danmark ApS of NOK 50 000 000
    - Ice Communication Norge AS loan agreements to/with Ice Norge AS of (i) NOK 500 000 000 and (ii) NOK 200 000 000
    - Netett Sverige AB's loan agreement with/to Ice Danmark ApS of SEK 50 000 000

Note 26 – Non-cashflow items

	2014	2013
Impairments	-	985
Currency related adjustments (unrealized)	34 038	-2 428
Total	**34 038**	**-1 443**

Note 27 – Transactions with related parties

AINMT Holdings AB, the parent company of the AINMT Scandinavia Holdings AS group is owned to 96.1% by AI Media Holdings (NMT) LLC registered in Delaware, USA. The ultimate parent which is deemed to have a controlling influence over AINMT Group is AI International Investments LLC, registered in Delaware, USA with address 730 5th Avenue, 20th Floor, New York NY10019. Other related parties are all subsidiaries within the Group and senior executives of the Group, i.e. Board and Management, as well as its family members.

Goods and services are bought and sold by and to all the Scandinavian subsidiaries on normal commercial terms with cost plus margin of 7%.

Remuneration to senior executives

	2014	2013
Salaries and other employee benefits	-22 020	-21 452
Termination benefits	-	-
Post-employment benefits	-1 039	-1 026
Other long-term benefits	-	-
Social security costs related to share-based payments	-12 472	-
Total	**-35 531**	**-22 478**

Not 28 – Subsequent events

On 5 February 2015, the Norwegian Competition Authority approved TeliaSonera's acquisition of Tele2's Norwegian operation. As a result of the approval, AINMT's Norwegian operation (ice.net) and TeliaSonera announced an agreement that is effective from 1st March 2015 and covers the following:

- ice.net will acquire Network Norway's business-to-business customer base and the Network Norway brand
- ice.net will acquire Officer AS, Norway's fastest growing retailer of mobile communication solutions, with dealerships throughout Norway
- ice.net retains an option to acquire the 2100 MHz spectrum, subject to government approval
- ice.net enters into a six-year national roaming agreement (NRA) with TeliaSonera.
- A co-location agreement giving ice.net access to TeliaSonera's sites at beneficial rates and conditions

As a result of the Competition Authority approval, Ice Communication Norge AS's deal to purchase parts of Tele2's mobile network infrastructure was made effective from 5th February 2015.

Note 29 – Risks and factors of uncertainty

Industry related risks

Economic conditions

AINMT Scandinavia Holdings AS's ("AINMT Scandinavia") performance is influenced by economic conditions in the markets in which it operates. The following may significantly impact the Group's earnings and financial position: (i) slowdown in the economy and in the telecommunications sector; (ii) a deterioration in business and consumer confidence, employment trends and (iii) drop in consumer spending. Any of these factors may affect the Group's ability to grow its subscriber base and the price charged to its customers.

Regulatory environment

AINMT Scandinavia operates in a highly regulated industry. The Group's businesses are subject to regulations set by Government authorities in each of the markets in which the Group operates. Changes in regulation or Government policy could restrict the Group's ability to manage its operations. Regulatory authorities could amend or revoke licenses, which could materially impact the Group's business performance and operational results. Although the regulatory regime in Scandinavia is viewed as quite stable, the Norwegian incumbent Telenor has a very strong position in terms of market share and has made it difficult for challengers in the market. The wholesale prices for mobile data could therefore become regulated to help MVNOs' and Service Providers' competitiveness in the mobile data market.

Actual or perceived health risks relating to electromagnetic and radio frequency emissions

The electromagnetic signals from mobile devices and base stations have raised concerns over potential health risks. If negative campaigns around the potential effect of radio signals on health were to increase or litigation were to arise, this could lead to negative publicity, potential reduction in customer intake and usage and restrict network roll-out.

Operational risks

Competition from other operators

AINMT Scandinavia's operations face competition from other telecommunication operators in the markets in which they operate, as well as fixed line operators in some markets. The Group's main competitors in Norway are Telenor, Netcom and Tele2. In Sweden the main competitors are TeliaSonera, Tele2, Telenor and 3.

Competition from current market participants, potential new entrants and new products and services, may adversely affect the Group's performance. Increased competition could lead to an increased customer

churn and a decrease in customer growth rates as well as affect in the prices the Group charges for its products and services negatively.

Future investments in maintaining, upgrading and expanding its networks

AINMT Scandinavia's success is dependent on its ability to continue its investments in maintaining, upgrading and expanding its telecommunication networks. The Group has made substantial investments in its networks and is expected to continue with those investments. However, there are some factors that are outside the control of the Group that could restrict or limit the Group's ability to continue with those investments. These include the availability of new and attractive products in the market, the ability of equipment suppliers to deliver their products in an effective and satisfactory matter, and the Group's ability to negotiate with its suppliers. Efficient and affordable equipment is important to be able to deliver competitive services. Failure to maintain and develop robust telecommunication networks could hinder the Group's financial and operational performance in the future.

Licence renewal risk

In order to operate its telecommunications networks and deliver its products and services to its customers, AINMT Scandinavia is required to hold telecommunications licenses issued by the Government in the markets in which it operates. When these licences expire, the Group will need to renew them in order to continue its operations. The Group's ability to renew its licences in the future may be affected by factors outside of its control such as competition from other operators when bidding for license renewals or the Government's decision to revoke licences or limit the number of licence-holders.

Failure to secure licences in the future would have a significant impact on the Group's ability to continue to deliver its products and services and subsequently impact the Group's financial and operational performance. The 450 MHz frequency licences expire in 2019 for Norway, 2020 for Sweden and in 2022 for Denmark and it is unclear what the auction format will be and if AINMT will be successful in renewing these licences. The 800, 900 and 1,800 MHz frequencies purchased in Norway will expire in 2033.

Delay in network roll out, swap and network stability

The Group's ability to operate successfully is dependent on the Group's ability to deploy sufficient resources, complete an efficient transition to new technologies and operate the Group's networks. 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. Although all system parts are redundant, if two or more business-critical nodes fail, the network might have unstable and weak services to the end-user which could lead to customers terminating their services with AINMT.

Relationship with suppliers

AINMT Scandinavia depends on a limited number of suppliers and vendors to provide equipment and services to develop and upgrade its networks and operate its businesses. The Group's suppliers of core network, radio and access equipment may not continue to supply equipment and provide services to the Group on terms that are favourable or may discontinue manufacturing the necessary equipment required to operate the telecommunications networks. The Group may experience problems such as the availability of new devices, higher than anticipated prices of new devices, and potential difficulties with new suppliers. Given that the number of 450 MHz band operators and subscribers globally is limited, the attractiveness for suppliers to supply equipment for this frequency band is limited which could lead to fewer suppliers and higher prices for equipment and devices. Any failure in relation to the supply chain may have a material adverse effect on the Group's financial and operational performance.

AINMT Scandinavia's ability to retain its personnel and attract new talent

AINMT Scandinavia's success is largely dependent on its ability to retain its best performing employees and recruit new top talent. Competition is intense for qualified telecommunications and information technology personnel. To a large extent, the Group's ability to recruit and retain skilled personnel for growth business areas and new technologies will depend on its ability to offer them competitive remuneration packages. The Norwegian operation will need to attract additional employees due to the introduction of smartphone services on the new frequencies. The ability to attract new employees might be hampered as the telecom sector is relatively concentrated which could limit the mobility and availability of human resources. If the Group fails to retain or recruit competent employees, its ability to develop its business going forward will be limited.

New licences auctioned by the authorities

The authorities in Norway, Sweden and Denmark may hold auctions for new licences in the future which may lead to new licences being assigned to current or new competitors of the Group. Such assignment may lead to increased competition in the telecommunications market and may have a negative effect on the prices the Group is able to obtain from its customers. Assignment of new licenses may also decrease the demand for the Group's services. Increased competition through assignment of new licenses may therefore have a material adverse effect on the Group's financial and operational performance.

Failure to comply with coverage requirement for 800 MHz frequency band

The licence in the 800 MHz frequency band awarded to Ice Communication Norge AS (former Telco Data AS) in December 2013 requires Ice Communication Norge AS to ensure that 40% of the population in Norway has access to mobile broadband with a minimum download speed of 2 Mbps within four years of being awarded the licence. Should Ice Communication Norge AS fail to comply with this requirement it could result in the authorities revoking the licence without any compensation to Ice Communication Norge AS. Such revocation is likely to have a material adverse effect on the Group's operation and financial performance.

Assignment of the licences requires governmental approval

If necessary, the Group might divest licences to raise additional funds and assign the licences to the buyer. In order to assign licences in Norway and Sweden the authorities must consent to the assignments. In Denmark there is only a notification requirement to the authorities both prior to the assignment and then again after the assignment has taken place. For the licences in Norway and Sweden there is a risk that the authorities do not consent to the assignment. This implies that the Group may have limited ability to improve its financial condition through sale of assets.

Financial risks

The financial risks are described in note 1.

Note 30 – Definitions

EBITDA	AINMT defines EBITDA as operating profit after adjustment of operating expenses for depreciation, amortization and impairment losses, foreign exchange differences recognized in income pertaining to revaluation of items in the balance sheet and non-recurring items.
CAPEX	CAPEX is defined as investments in intangible assets and property, plant and equipment as reported in the statement of cash flows.
Equity/assets ratio	Equity divided by total capital.