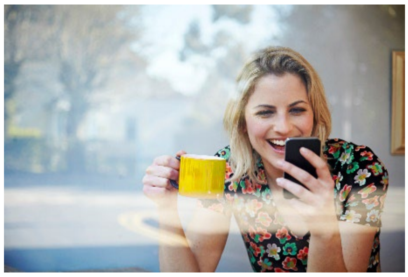
ice group









Q4 and full-year 2021

Interim report

January-December 2021

CEO summary

Ice has continued its growth journey in 2021 and it is rewarding to experience that our key operational parameters are strengthened throughout the year. Revenues and EBITDA results developed positively throughout the year, the network continued to grow, and we delivered several new products to our customers during the year.

For mobile phone customers, we continue to grow the subscriber base and gained market share every single quarter and reached 12% by the end of 2021. Ice continues to see positive results from our customer centric approach, with improved NPS score and reduced churn.

On 15 November 2021 “NiceMobil” was launched. This is to our knowledge the first fully digital only mobile concept in the market. The fully digital concept of NiceMobil allows for very competitive price points as all customer interactions are digital and the concept is app based with eSIM only and credit card payment to make user experience easier for the customers. The initial response from the market is very positive and the Nice concept is expected to allow us to boost the subscriber growth rate and optimize value creation going forward.

In the fourth quarter Ice delivered all-time high smartphone revenues of NOK 466 million and all-time high adjusted EBITDA of NOK 108 million. Total operating revenues for the year 2021 was NOK 2,319 million, and adjusted EBITDA for the year was NOK 380 million (16% margin, in line with guidance). This clearly proves our ability to benefit from the underlying operational leverage in telecom.

In Q4 we added 72 new smartphone base stations on air, delivering on our mission of building the third mobile network in Norway. In 2021 Ice invested NOK 505 million and added in total 318 new base stations, in line with guidance. The modern Ice network has been rated as one of the top networks globally when it comes to network quality.

We see that the increased coverage of our network is improving the on-net share to new records as planned. The average data on-net share for Q4 was 91%, while the average voice on-net share was 74%. This development strengthens quality for our customers further and reduced NRA costs for the company.

In November we successfully switched on our commercial 5G offering in Oslo, and in the short term the Company plans to have 5G in the 4-5 largest cities in Norway. Longer term the plan is to reach 75% population coverage on 5G.

We continue to grow market share in the Norwegian market and added 17,000 new subscribers in Q4. Our digital sales channels are delivering strong results, and in Q4 we also saw record-low churn with only 20% average annualized churn for the quarter. We are also pleased to see that we continue to see a positive development in sales per customer, with an underlying positive growth in smartphone ARPU to 233 NOK in Q4.

In parallel with building its position in the Norwegian telecom market, the Company continues its refinancing process as announced on 16 December 2021. The refinancing process has been challenging due to the complex capital structure. The board and management of Ice have received and evaluated offers and proposals on several different transaction structures from different investor groups. Such transaction may include an equity raise element and/or conversion of debt or a business transaction. The goal has been to maximize all stakeholder value in this process. The company is confident in reaching a solution where creditor values are kept, but believes the offers received indicate that there is risk to the share price of the Company. The timing, structure and size of any financing or capital transaction are not clear, and no agreement has been entered into. Due to the Company’s short-term liquidity needs, the company believes it needs to enter into definitive agreements within a short time and will come back to the market with an update on the outcome of the process. This process is not impacting the operations of the business or its relationship with customers or suppliers.

With an ongoing pandemic and the announcement of a financial restructuring process, the organization is faced with more challenges than just developing our business and winning new customers. I would like to give credit to each and everyone for making very important contributions during a demanding year. Ice has now delivered 27 consecutive quarters of smartphone subscription growth and I remain confident that we will continue to win market share and improve margins strongly going forward.

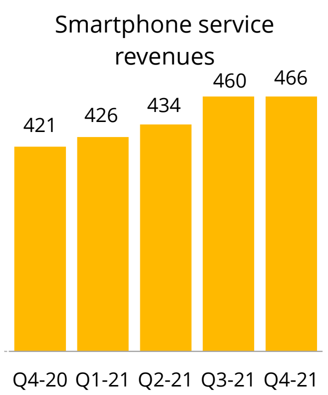
EIVIND HELGAKER
CEO

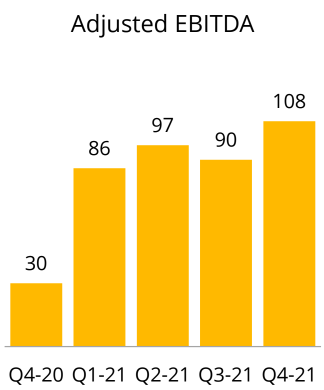
Fourth quarter highlights

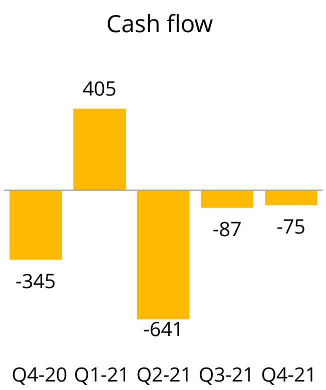
- **694k smartphone subscriptions at the end of the fourth quarter**
- **Total service revenues of NOK 543 million (500), representing a y-o-y growth of 8%**
- **Smartphone service revenues grew by 11% y-o-y to NOK 466 million (421)**
- **Adjusted EBITDA of NOK 108 million (30)**
- **Net result NOK -249 million (-151)**
- **Churn (annualised) reduced to 20%, a 3%-point reduction y-o-y**
- **Launch of NiceMobil**
- **Commercial 5G offering switched on**

Key figures

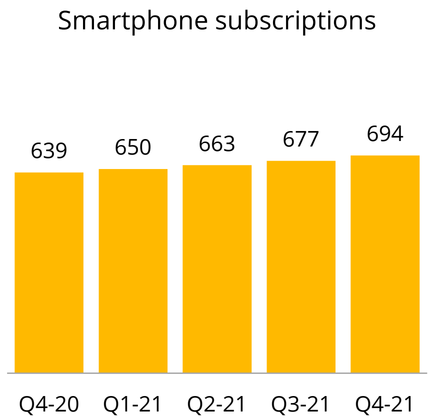
	Fourth Quarter		Full year	
NOK millions	**2021**	**2020**	**2021**	**2020**
Total service revenues	543	500	2,109	1,910
Smartphone service revenues	466	421	1,786	1,593
NRA cost	-44	-98	-195	-441
NRA cost as share of smartphone service revenues	9%	23%	11%	28%
EBITDA adjusted	108	30	380	41
EBITDA adjusted – margin	18%	5%	16%	2%
Net result for the period	-249	-151	-961	-974
CAPEX excluding contracts with customers	135	196	505	666
Cash flow for the period	-75	-345	-397	-411
No. of smartphone subscriptions, thousand	694	639	694	639
No. of mobile broadband subscriptions, thousand (Norway)	67	78	67	78
Smartphone ARPU (Average Revenue Per User – in NOK)	233	231	230	228
Smartphone churn (annualised)	20%	23%	21%	25%
Smartphone base stations in service	3,205	2,887	3,205	2,887
Average data on-net share	91%	89%	90%	84%
Average Voice on-net share	74%	63%	71%	50%

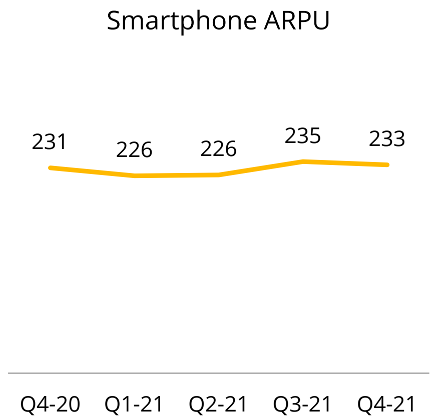


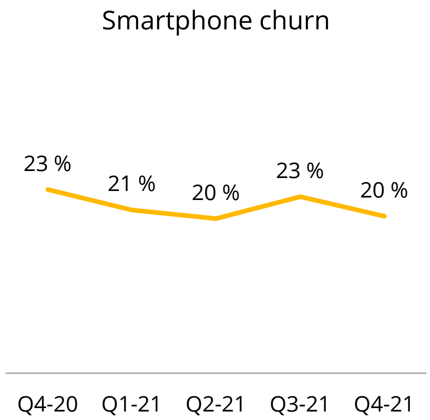




Operational development



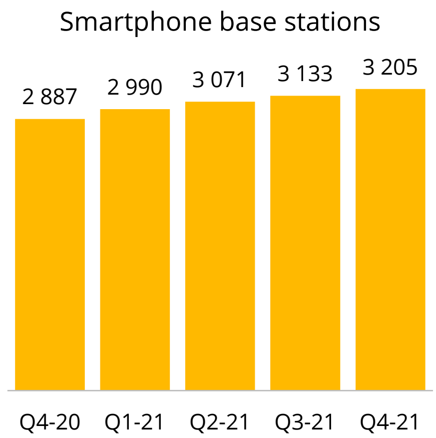


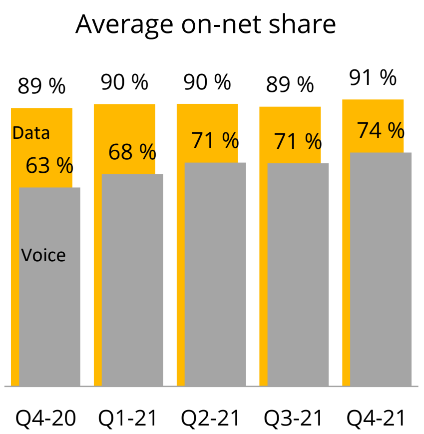


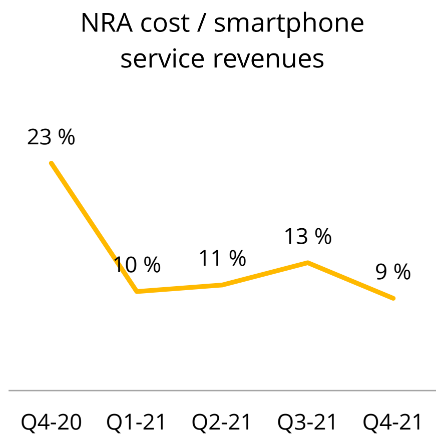
Total smartphone subscribers at the end of the fourth quarter 2021 was 694,000, an increase of 17,000 during the quarter, driven by continued growth in B2C. The market leading win rate in the B2C segment was maintained in the quarter. The number of B2B subscribers at the end of 2021 was 47,000, an increase of 6,000 (+13%) subscribers during the year, showing the increased focus on B2B giving results.

Smartphone ARPU for the fourth quarter of 2021 was NOK 233, up from NOK 231 in the corresponding quarter last year.

Smartphone churn ended at 20% for the fourth quarter of 2021. This is down from 23% in the fourth quarter of 2020. Churn reduction efforts remain high on the Group's agenda.







Total number of smartphone base stations at the end of the fourth quarter 2021 was 3,205, an increase of 72 during the quarter. In 2021 the company added 318 new base stations, in line with the Group's guidance of adding between 300 and 500 base stations in 2021.

Voice on-net was 74% in the fourth quarter, up from the 71% the previous quarter, while **data on-net** increased to 91% from 89% in the previous quarter, showing the positive underlying on-net development.

National roaming costs as share of smartphone service revenues was 9% in the fourth quarter of 2021, a significant reduction from 23% in the same quarter last year, reflecting the lower cost level of the new NRA agreement that came into effect on 1 January 2021.

Financial review

The comments below are related to Ice Group's development in 2021 compared to 2020.

Turnover, expenses and profit

The service revenue for the year amounted to NOK 2,109 million (1,910) of which the fourth quarter reported NOK 543 million (500), a y-o-y growth of 10% for the year and 8% for the quarter.

The cost for the National Roaming ("NRA") for the year amounted to NOK 195 million compared with NOK 441 million, NOK 44 million (98) for the quarter, a y-o-y decrease of 55% due to the new NRA-agreement that came into effect from 1 January 2021.

The operating expenses for the year amounted to NOK 642 million compared with NOK 576 million, NOK 168 million compared with NOK 165 million for the quarter. The operating result for the year improved to NOK -220 million compared with NOK -512 million, NOK -51 million compared with NOK -127 million for the quarter.

The net financial items for the year ended at NOK -743 million compared with NOK -464 million, NOK -199 million compared with NOK -26 million for the quarter, positively affected by net currency gains in the fourth quarter of 2020.

Non-recurring and non-operational expenses identified during the year amounted to net NOK 15 million (25), presenting an EBITDA adjusted y-o-y improvement from NOK 41 million to NOK 380 million for the year and a 14%-points margin improvement from 2% to 16% of revenues. For the quarter, non-recurring and non-operational expenses amounted to NOK 7 million (2), giving an EBITDA adjusted of NOK 108 million (30). Non-recurring items are mainly related to share-based compensation expenses and restructuring costs.

Capitalised expenditure (CAPEX)

The Group's acquisition of non-current assets during the year amounted to NOK 505 million (666), NOK 135 million (196) for the quarter. The investments are mainly related to the smartphone network build-out project in Norway, both on existing and new sites as well as on core modernisation and IT.

The Group capitalises costs related to contracts with customers as other non-current assets in accordance with IFRS 15. These investments are presented within the working capital in the consolidated statement of cash flows and amounted to NOK -234 million (-282) for the year, NOK -71 million (-84) for the quarter.

Cash flows

Cash flow from *operating activities* for the year was NOK 508 million (61), NOK 108 million (-48) for the quarter. The increase is due to higher cash flows from working capital and increase in EBITDA.

The period's cash flow from *investing activities* was NOK -505 million (-664), NOK -85 million (-196) for the quarter.

Cash flow from *financing activities* was NOK -401 million (193) for year, NOK -98 million (-101) for the quarter. Financing activities in 2021 holds the net proceeds from the NOK 1,400 million bond issue in March 2021 and the bond repayment of NOK 1,400 million. The Group paid NOK 187 million (203) in interest on borrowings in the year, NOK 42 million (39) in the quarter. NOK -180 million (-239) relates to lease liability payments for the year, NOK -55 million (-62) in the quarter.

Financial position

The total assets of the Group were NOK 6,436 million (6,375) at the end of the period, of which total non-current assets were NOK 5,776 million (5,307). Total equity ended at -2,649 million (-1,793). The Group's cash position at the end of the period was NOK 380 million (779). The Group's borrowings were NOK 5,264 million (5,004) at the end of the period, of which NOK 520 million (1,400) is current borrowings.

Covid-19 impact

The financial markets have normalised after the initial lows allowing Ice Group to refinance its secured bond at favourable terms in the first quarter of 2021. However, the uncertainty surrounding Covid-19 implies a continuing risk going forward. This risk and potential mitigating measures is reflected in the Group's guidance and outlook.

Personnel and organisation

At the end of the period, the number of employees in the group amounted to 258 (246 FTEs) versus 246 for the equivalent period the previous year, an increase of 12 employees for the year. Including external resources, such as dedicated people with contract suppliers and subcontractors, the Group employed 394 (380) people.

Related party transactions

No transactions with related parties during the period.

Risks and uncertainties

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

The COVID-19 pandemic outbreak shows that disease outbreaks can put significant restrictions on the prerequisites for continuing operations of assets, including movement of people and their ability to get to their place of work. Such restrictions on and the outbreak itself could have an adverse impact on Ice Group's business, including on supply of both network equipment and handsets or other customer premises, equipment, and could also impact the availability and performance of service staff with our suppliers. A general reduction in macroeconomic activity, both domestic and international, following the COVID-19 disease outbreak could directly impact the growth and/or demand for the services Ice Group provides, which could result in lower service revenues, and thereby have a material adverse effect on Ice Group's business, financial condition and results of operations.

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

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

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

Events after the closing of the period

On January 3 2022, Ice Group ASA announced that the plaintiffs reduced their claim referred to in note 8 to 5 alleged breaches, each allegedly entitling the plaintiffs to a 5 percentage point interest increase. On January 25 2022, the plaintiffs claim that 6 breaches were made, each entitling the plaintiffs to a 5 percentage point interest increase. Refer to note 9 for further information.

Legal disclaimer

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

CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORTS

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

		Fourth Quarter		Full year	
NOK millions	*Note*	**2021**	**2020**	**2021**	**2020**
Service revenue	*4, 5*	543	500	2,109	1,910
Other operating revenue	*5*	70	71	210	184
Total operating revenue	*4, 5*	**613**	**572**	**2,319**	**2,094**
National roaming expenses		-44	-98	-195	-441
Operating expenses		-168	-165	-642	-576
Sales and administrative expenses		-225	-213	-845	-816
Employee benefit expenses		-74	-68	-273	-245
Depreciation, amortisation, impairment losses	7	-152	-156	-585	-528
Total operating expenses		**-664**	**-699**	**-2,540**	**-2,606**
Operating result		**-51**	**-127**	**-220**	**-512**
Financial items – net	*6*	-199	-26	-743	-464
Result before tax		**-250**	**-154**	**-963**	**-976**
Income taxes		0	3	2	2
Net result for the period		**-249**	**-151**	**-961**	**-974**
Items that may be subsequently reclassified to profit loss:					
Translation differences on foreign operations		32	8	77	-97
Other comprehensive income		**32**	**8**	**77**	**-97**
Total comprehensive income for the period		**-218**	**-143**	**-884**	**-1,071**
Net result for the period attributable to:					
Equity holders of the Parent Company		-249	-151	-961	-974
Net result for the period		**-249**	**-151**	**-961**	**-974**
Total comprehensive income attributable to:					
Equity holders of the Parent Company		-218	-143	-884	-1,071
Total comprehensive income for the period		**-218**	**-143**	**-884**	**-1,071**
Earnings per share (NOK)					
Basic earnings per share		-1.23	-0,75	-4.76	-4.83
Diluted earnings per share		-1.23	-0.75	-4.76	-4.83

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

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

NOK millions	*Note*	**31 Dec 2021**	**31 Dec 2020**
ASSETS			
Intangible assets	*7*	2,394	1,984
Tangible assets	*7*	2,989	2,916
Other non-current assets		392	408
Total non-current assets		**5,776**	**5,307**
Inventory		8	6
Trade receivables		193	178
Other receivables		1	14
Prepaid expenses and accrued income		78	90
Cash and cash equivalents		380	779
Total current assets		**660**	**1,068**
TOTAL ASSETS		**6,436**	**6,375**
EQUITY AND LIABILITIES			
Equity attributable to the Parent Company shareholders	*2*	-2,649	-1,793
TOTAL EQUITY		**-2,649**	**-1,793**
Non-current borrowings	*3*	4,744	3,604
Non-current lease liabilities	*7*	2,645	2,073
Other non-current liabilities		4	2
Total non-current liabilities		**7,394**	**5,679**
Trade payables		309	283
Current borrowings	*3*	520	1,400
Current lease liabilities	*7*	195	176
Other liabilities		33	24
Accrued expenses and deferred income		633	606
Total current liabilities		**1,691**	**2,489**
TOTAL LIABILITIES		**9,084**	**8,168**
TOTAL EQUITY AND LIABILITIES		**6,436**	**6,375**

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

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to the shareholders of the Parent Company				
NOK millions	Share capital	Other contributed capital	Reserves	Retained earnings	**Total Equity**
Opening balance 1 January 2020	**182**	**11,412**	**-34**	**-12,449**	**-889**
Net result for the period	-	-	-	-974	-974
Other comprehensive income for the period					
Translation differences on foreign operations	-	-	-97	-	-97
Total comprehensive income for the period	-	-	**-97**	**-974**	**-1,071**
Capital contribution from share-based payments	-	-	-	16	16
New share issue		3	-	-	3
Convertible bond issue	-	144	-	4	148
Total transactions with owners, recognised directly in equity	**-**	**147**	**-**	**21**	**168**
Closing balance 31 December 2020	**182**	**11,559**	**-131**	**-13,403**	**-1,793**
Net result for the period	-	-	-	-961	-961
Other comprehensive income for the period					
Translation differences on foreign operations	-	-	77	-	77
Total comprehensive income for the period	-	-	**77**	**-961**	**-884**
Capital contribution from share-based payments	-	-	-	10	10
New share issue	-	2	-	-	2
Convertible bond	-	-	-	16	16
Total transactions with owners, recognised directly in equity	**-**	**2**	**-**	**26**	**28**
Closing balance 31 December 2021	**182**	**11,561**	**-54**	**-14,338**	**-2,649**

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

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Fourth Quarter		Full year	
NOK millions	**2021**	**2020**	**2021**	**2020**
Result before tax	-250	-154	-963	-976
Payments related to lease interest	14	31	118	143
Paid interest expense	42	37	187	202
Depreciation & amortisation of non-current assets	103	114	396	354
Depreciation & amortisation of right-of-use assets	49	42	189	173
Depreciation & amortisation of contracts with customers	61	57	251	257
Net interest expense	112	75	321	190
Adjustments for other non-cash items	11	-115	91	-63
Change in inventory	-1	2	-2	3
Change in current receivables	-6	45	12	51
Change in current liabilities	44	-97	143	9
Change in contracts with customers	-71	-84	-234	-282
Cash flows from operating activities	**108**	**-48**	**508**	**61**
Investments in intangible assets	-83	-72	-133	-125
Investments in tangible assets	-53	-124	-372	-540
Net cash flows from other financial assets	50	0	0	2
Cash flows from investing activities	**-85**	**-196**	**-505**	**-664**
Financing from equity holders	-0	-	2	147
Borrowings	-	-	1,365	545
Repayments	-0	-	-1,400	-57
Payments related to lease liabilities	-55	-62	-180	-239
Interest paid, borrowings	-42	-39	-187	-203
Cash flows from financing activities	**-98**	**-101**	**-401**	**193**
Cash flow for the period	**-75**	**-345**	**-397**	**-411**
Cash and cash equivalents Beginning of Period	455	1,123	779	1,183
Exchange rate difference in cash and cash equivalents	-0	0	-1	7
Cash and cash equivalents End of Period	**380**	**779**	**380**	**779**

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

NOTES TO THE FINANCIAL REPORT

General information

Ice Group ASA ("the Company") is a limited liability company incorporated in Norway and is with its subsidiaries (together, "the Group" or "Ice Group") a Norwegian telecom operator under the trademark ice. The business is to provide telecommunications services, including wireless data services, voice, messaging, mobile broadband services, telephony and other related telecom services. The Company is listed at Euronext Expand in Norway with ticker "ICEGR". The major shareholder is AI Media Holdings (NMT) LLC, Delaware.

Note 1 – Accounting principles

Basis of preparation

This interim report has been prepared in accordance with IAS 34, *Interim Financial Reporting*. The report does not contain all the information and disclosures required in an annual financial report and should be read in conjunction with the Group's annual report for 2020, which can be found at www.icegroup.com.

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

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

Summary of new accounting policies

The interim consolidated financial accounts have been produced in accordance with the accounting policies in the Group's annual financial accounts for the year ended 31 December 2020.

Note 2 – Equity and going concern

As of 31 December 2021, the consolidated equity is negative by NOK 2,649 million. The Group is in need of new capital in order to satisfy its obligations.

Ice Group has since November 2021 been in discussions with several parties regarding new capital which has been challenging due to a complicated capital structure, which the Group is looking to optimize. The Group contemplated a capital raise of NOK 2,500 million, where the proceeds were going to repay the Goldentree PIK notes and fund a new business plan.

The Group has, together with its advisors DNB Bank ASA, Pareto Securities AS and Lazard, received and evaluated offers and proposals on several different structures from different investors. This has left the Group with various options to secure the continued business operation of the Group and with various impact on the capital structure and operations. The Board has chosen to focus on certain limited options. The Group is currently awaiting final clarifications in respect of these matters.

The board and management are, based on the offers received from investors and ongoing discussions with existing financial stakeholders, confident in reaching a solution that will enable Ice Group to fulfil its obligations.

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

Note 3 – Borrowings

NOK millions	31 Dec 2021	31 Dec 2020
Senior unsecured bonds	1,413	1,406
Senior secured callable bonds	1,371	1,392
Convertible bonds	614	543
Goldentree loan (USD)	1,304	1,111
Rasmussengruppen loan (SEK)	543	535
Long-term payable with Access Industries (USD)	18	17
Total borrowings	**5,264**	**5,004**

Currency in millions	Currency	31 Dec 2021	31 Dec 2020
Goldentree loan	USD	151	135
Rasmussengruppen loan	SEK	558	513
Long-term payable with Access Industries	USD	2	2

Please refer to note 22 in the 2020 Annual Report of Ice Group ASA for more information on borrowings.

In Q1 2021, Ice Group, through Ice Group Scandinavia Holdings AS, issued a new senior secured bond (ISIN NO0010939788) of NOK 1,400 million with maturity in March 2025. The new senior secured bond is issued at an interest rate of 3 months NIBOR, plus a margin of 4.0% per annum. The bond was listed at Oslo Stock Exchange on 4 August 2021. In March 2021, NOK 703 million of the net proceeds from the offering was used to redeem a portion of the Group's existing NOK 1,400 million senior secured bond (ISIN NO0010807092). In April 2021, the outstanding amount of NOK 697 million was redeemed.

The senior secured bond of NOK 1,400 million is reclassified from non-current liability to current liability in the annual 2020 comparable figures in the balance sheet due to a classification error in the annual report 2020 and the Q1 report of 2021. This reclassification has no effects on any results or KPIs.

The senior unsecured bond maturing in April 2022 is expected to be refinanced prior to maturity.

Note 4 - Segment information

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

2021 Fourth quarter *NOK millions*	**Smartphone service revenue**	**MBB service revenue**	**Other operating revenue**	**Total revenue**	**EBITDA adjusted**	**CAPEX**
Norway	466	77	70	613	119	207
Other	0	0	0	0	-11	-
Total	**466**	**77**	**70**	**613**	**108**	**207**

2020 Fourth quarter *NOK millions*	**Smartphone service revenue**	**MBB service revenue**	**Other operating revenue**	**Total revenue**	**EBITDA adjusted**	**CAPEX**
Norway	421	80	71	572	45	280
Other	0	0	0	0	-15	0
Total	**421**	**80**	**71**	**572**	**30**	**280**

2021 Full year *NOK millions*	**Smartphone service revenue**	**MBB service revenue**	**Other operating revenue**	**Total revenue**	**EBITDA adjusted**	**CAPEX**
Norway	1,786	323	210	2,319	421	739
Other	0	0	0	0	-41	-
Total	**1,786**	**323**	**210**	**2,319**	**380**	**739**

2020 Full year *NOK millions*	**Smartphone service revenue**	**MBB service revenue**	**Other operating revenue**	**Total revenue**	**EBITDA adjusted**	**CAPEX**
Norway	1,593	312	186	2,091	77	948
Other	0	4	-1	3	-36	-1
Total	**1,593**	**317**	**184**	**2,094**	**41**	**948**

The 'Other' segment consists of reporting figures from the Group's non-operating companies. Furthermore, the reporting figures from Denmark, which was sold in May 2020, are included in the 'other' segment due to it being an immaterial part of Ice Group's financial information, not of continuing significance to Group Executive Management for assessing performance and allocation of resources and not satisfying the criteria of operating segments in accordance with IFRS 8.

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

Note 5 – Disaggregation of revenue

In the following table, revenue is disaggregated by major revenue streams divided into the reportable segments as disclosed in note 4. For further information on the categories, please refer to note 5 and 6 in the 2020 Annual Report of Ice Group ASA.

Disaggregation of revenue from contracts with customers

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

2021 Fourth quarter	**Service revenue**		**Other revenue**		
NOK millions	Norway	Other	Norway	Other	**Total**
Revenue from external customers	543	-	70	-0	**613**
Timing of revenue recognition:					
At a point in time	130	-	70	-0	**199**
Over time	413	-	-	-	**413**

2020 Fourth quarter	**Service revenue**		**Other revenue**		
NOK millions	Norway	Other	Norway	Other	**Total**
Revenue from external customers	500	0	71	-0	**572**
Timing of revenue recognition:					
At a point in time	108	0	71	-0	**180**
Over time	392	0	0	-	**392**

2021 Full year	**Service revenue**		**Other revenue**		
NOK millions	Norway	Other	Norway	Other	**Total**
Revenue from external customers	2,109	-	210	-0	**2,319**
Timing of revenue recognition:					
At a point in time	469	-	210	-0	**680**
Over time	1,640	-	-	-	**1,640**

2020 Full year	**Service revenue**		**Other revenue**		
NOK millions	Norway	Other	Norway	Other	**Total**
Revenue from external customers	1,906	4	186	-1	**2,094**
Timing of revenue recognition:					
At a point in time	409	0	185	-1	**592**
Over time	1,497	4	1	-	**1,502**

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

Assets and liabilities related to contracts with customers

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

NOK millions	31 Dec 2021	31 Dec 2020
Trade receivables	193	178
Contract assets included in Prepaid expenses and accrued income	43	40
Contract liabilities included in Accrued expenses and deferred income	37	41

Revenue recognised in relations to contract liabilities

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

	Fourth Quarter		Full year	
NOK millions	2021	2020	2021	2020
Revenue from contract liabilities	1	0	36	42

Assets recognised from costs to fulfil a contract

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

NOK millions	31 Dec 2021	31 Dec 2020
Costs to fulfil a contract at the beginning of the period	387	362
Costs capitalised during the period	234	282
Amortisation during the period	-251	-257
Costs to fulfil a contract at the end of the period	**370**	**387**

Note 6 – Financial items

	Fourth Quarter		Full year	
NOK millions	2021	2020	2021	2020
Interest income	0	0	1	1
Currency gains, net	-	124	-	97
Financial income	**0**	**125**	**1**	**98**
Interest expense	-133	-120	-494	-416
Interest expenses related to leases	-41	-31	-159	-143
Currency losses, net	-25	-	-91	-
Other financial expenses	0	0	0	-3
Financial expenses	**-199**	**-151**	**-744**	**-562**
Net financial items	**-199**	**-26**	**-743**	**-464**

Paid interest expense for the year was NOK 187 million (202), NOK 42 million (37) for the quarter.

Note 7 – Leases

Please refer to note 14 in the 2020 Annual Report of Ice Group ASA for more information on leases.

The note provides information for leases where the Group is a lessee. The rights-of-use assets stated below have been recognised in the balance sheet as tangible and intangible fixed assets.

Items recognised in the balance sheet

NOK millions	31 Dec 2021	31 Dec 2020
Right-of-use assets		
Licenses	1,959	1,565
Property	59	59
Technical equipment	1,005	977
Equipment and tools	0	0
Other tangible assets	0	1
Total	**3,023**	**2,602**
Lease liabilities		
Current	195	176
Non-current	2,645	2,073
Total	**2,841**	**2,249**

Items recognised in the statement of comprehensive income

	Fourth Quarter		Full year	
NOK millions	2021	2020	2021	2020
Depreciation charge of right-of-use asset				
Licenses	-25	-23	-95	-91
Property	-3	-2	-10	-9
Technical equipment	-21	-17	-83	-73
Equipment and tools	-0	-0	-0	-0
Other tangible assets	-0	-0	-0	-1
Total	**-49**	**-42**	**-189**	**-173**
Interest expense (included in financial expenses)	-41	-31	-159	-143

The spectrum charges which was due to be paid in February 2021 is deferred until 1 February 2025. However, parts of the payment have nevertheless been included in the statement of cash flows in the Q1 report and the YTD numbers of the Q2 report of 2021. NOK 56 million has therefore been reclassified from Payments related to lease liabilities to Payments related to lease interest (NOK 11 million) and Change in current liabilities (NOK 45 million), having a positive effect on Cash flows from financing activities and a negative effect on Cash flows from operating activities in the Q1 report and the YTD numbers in the Q2 report. Furthermore, as the amount was recorded as a payment and therefore also as a reduction in lease liabilities, NOK 56 million has been reclassified from Accrued expenses and deferred income to Non-current lease liabilities in the Q1 and Q2 balance sheets. The reclassifications have no effects on any results or KPIs.

The Group has a spectrum charge of NOK 303 million which is due in 2025. This is due to the postponement of 90% of the auction proceeds from the Group's 700MHz and 2,100 MHz frequencies from 2019. The Group has reclassified the deferred payment from Other non-current liabilities to Non-current lease liabilities in the quarterly reports of 2021 as well as the 2020 comparable figures. The reclassifications have no effects on any results or KPIs.

Ice Group ASA's subsidiary has been awarded 80 MHz in the 3,600 MHz band in the frequency auction organised by the Norwegian Communication Authority ("Nkom"). The frequencies are valid from 1 January 2022 until 31 December 2041. The 80 MHz was awarded for NOK 554 million, a sum that may be paid down over 20 years. The frequencies are recognised in the balance sheet in the fourth quarter, giving a right-of-use asset and lease liabilities.

Note 8 – Legal disputes

GoldenTree Asset Management LP (GoldenTree) has submitted a statement of claim to Oslo District Court to obtain a judgement that the loan agreement with the Group has been breached 14 times since 2017 (7 of these alleged breaches consisting of not informing GoldenTree of the alleged breaches) and that the lenders are entitled to an increase in the interest rate of 5 percentage points for each breach. According to GoldenTree this implies that interest accrued in the last year ending 30 September 2020 alone amounts to USD 112,376,900. GoldenTree alleges that this interest amount is due and payable and requests that the Ice Group ASA subsidiary, AINMT Holdings AB, be ordered to pay this amount to GoldenTree. GoldenTree has been informed of the public bond issues and has never before objected to or raised any concerns in relation thereto.

On 12 April 2021, GoldenTree submitted a pleading to the court in the dispute. In the pleading, GoldenTree admits that it received information about the disputed historic financing transactions when they took place – despite not raising any objections until August 2020 – which AINMT Holdings AB already had invoked as a key defense against the claim. In the same pleading, GoldenTree agreed to refer the dispute to mediation. In the pleading GoldenTree has further expanded its claim to include 6 additional alleged breaches (connected to Ice Group Scandinavia Holdings AS' refinancing of its NOK 1,400 million senior secured bond), based on the same legal arguments as for the original claim. The formal court-led mediation meetings were conducted in June.

In Ice Group's opinion there is no merit to any of GoldenTree's claims that the loan agreement has been breached. Ice Group will vigorously oppose all GoldenTree's allegations in a possible law-suit.

In relation to the contemplated capital raise announced in November the Group had entered into a contingent settlement agreement with GoldenTree pursuant to which, upon payment by AINMT Holdings AB of approximately NOK 1,500 million, the GoldenTree loan would be settled in full and the parties would release each other from any and all claims and counterclaims relating to their dispute and the GoldenTree Loan Agreement, provided that the lenders thereunder received payment by 31 December 2021. The payment amount included the accrued interests and a call premium of 15% of par value in accordance with the GoldenTree Loan Agreement. The contingent settlement agreement has lapsed as the lender did not receive payment by 31 December 2021.

Note 9 – Events after the closing of the period

On 3 January 2022, Ice Group ASA announced that Golden Tree reduced the claim made against AINMT Holdings AB in a recent pleading. GoldenTree has now revised its position to claim 5 alleged breaches (reduced from earlier 20), each allegedly entitling GoldenTree to a 5 percentage point interest increase. Borea AS and Nordstjernan Kredit AB, which hold around 18% of the outstanding debt under the GT Loan Agreement and previously had reserved all their rights under the GT Loan Agreement in respect of the alleged breaches, have now joined GT in the proceedings as plaintiffs. As a result, the claim is now revised to correspond not only GT's 82% portion, but to the full outstanding debt.

On 25 January 2022, Ice Group ASA announced that in a more recent pleading, contrary to their previous pleading, they now claim that 6 breaches were made, each allegedly entitling the plaintiffs to a 5 percentage point interest increase. In the latest pleading, the plaintiffs claim that interest accrued for the 2019-2020 interest period, which the plaintiffs allege is due and payable, amounts to USD 36.4 million with the alleged increased interest (down from the USD 137 million originally claimed in the statement of claim).

ALTERNATIVE PERFORMANCE MEASURES AND DEFINITIONS

Alternative Performance Measures

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

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

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

EBITDA adjusted

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

	Fourth Quarter		Full year	
NOK millions	**2021**	**2020**	**2021**	**2020**
Operating result	**-51**	**-127**	**-220**	**-512**
Depreciation & amortisation	152	156	585	528
EBITDA	**102**	**28**	**365**	**16**
Network upgrades & migrations	1	1	2	6
Other non-recurring items incl. redundancy costs	-0	-2	-0	3
Share-based compensation expense	3	4	10	16
Restructuring costs	4	-	4	-
EBITDA adjusted	**108**	**30**	**380**	**41**

CAPEX

Ice Group considers CAPEX, CAPEX excluding contracts with customers, CAPEX excluding licenses and spectrum and CAPEX excluding licences, spectrum and contracts with customers as important measures to be able to understand the Group's investments in intangible, tangible and other non-current assets.

	Fourth Quarter		Full year	
NOK millions	**2021**	**2020**	**2021**	**2020**
Investments in intangible assets	83	72	133	125
Investments in tangible assets	53	124	372	540
Change contracts with customers	71	84	234	282
CAPEX	**207**	**280**	**739**	**948**
Change in contracts with customers	-71	-84	-234	-282
CAPEX excluding contracts with customers	**135**	**196**	**505**	**666**
CAPEX	**207**	**280**	**709**	**948**
Licences and spectrum	-	-	-	-2
CAPEX excluding licences and spectrum	**207**	**280**	**709**	**946**
Change in contracts with customers	-71	-84	-234	-282
CAPEX excluding licences, spectrum and contracts with customers	**135**	**196**	**505**	**664**

NIBD

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

NOK millions	**31 Dec 2021**	**31 Dec 2020**
Total borrowings	5,264	5,004
Adjusted for:		
Capitalised loan costs	67	60
Long-term payable with Access Industries	-18	-17
Gross Interest-bearing Debt	**5,313**	**5,047**
Cash and cash equivalents	-380	-779
Net Interest-bearing Debt	**4,933**	**4,268**

The Group issued a new senior secured bond in first quarter of 2021 of NOK 1,400 million of which the proceeds were used to redeem the existing NOK 1,400 million (ISIN NO0010807092) senior secured bond. Accrued interests have been capitalised.

CONSOLIDATED KEY RATIOS

	Fourth Quarter		Full year	
NOK millions	2021	2020	2021	2020
Profit				
EBITDA adjusted	108	30	380	41
Operating result	-51	-127	-220	-512
Key ratios – increase				
Service revenue growth in %	8%	7%	10%	13%
Service revenue growth in absolute numbers	43	33	199	223
Key ratios - financial position				
Cash liquidity %	39%	43%	39%	43%
Total assets	6,436	6,375	6,436	6,375
Equity	-2,649	-1,793	-2,649	-1,793
Gross interest-bearing debt	5,313	5,047	5,313	5,047
Net interest-bearing debt	4,933	4,268	4,933	4,268

DEFINITIONS

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

CONTACT DETAILS

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

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

ice group