


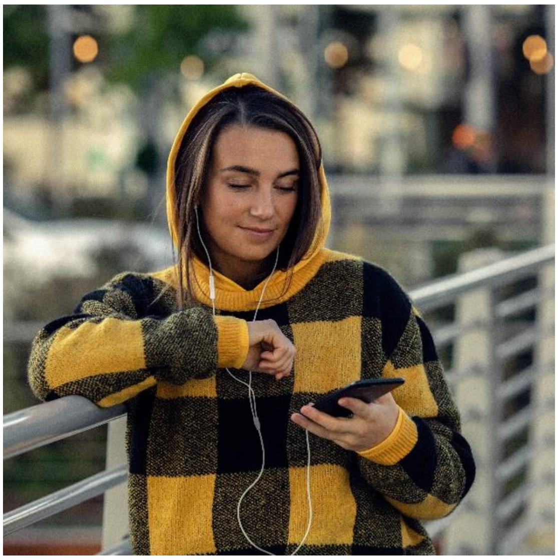

Annual report 2019

Ice Group ASA

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CEO summary

Ice is a unique mobile operator. When we started our smartphone journey, we saw that there was an opportunity to build a customer centric company, with no small print, complicated contracts or discriminating prices. We also decided to build the third mobile network in Norway from scratch, with pure data coverage and no legacy and become a true challenger in a two-player market in need of competition. Now, 5 years later, we are the fastest growing mobile operator in the Nordics with 10% market share in Norway and higher customer approval ratings than competition. We remain confident that we will continue our rapid growth story going forward and have a medium-term target of 20% market share in Norway, one of the most valuable mobile markets in the world. We now have over 90% population coverage with our network and are in a continuous process of building out to the third mobile network in Norway, a modern legacy-free 5G Nokia network that will give us a unique cost position in the Norwegian mobile market and continued opportunities for future growth.

2019 was a year with great achievements for Ice Group! We grew our customer base significantly, increased our network footprint to now produce 80% of the data in our own network, were awarded licenses for the 700 and 2,100 MHz frequencies and experienced increased support from the government through the proposed new regulation of the Norwegian mobile market. We raised NOK 1.5 billion in equity, sold our Swedish business, listed on Oslo Axess and raised a new NOK 0.9 billion bond. We launched several innovative products, among them the 1000GB on-net product “Data Frihet”, the freemium product “Ice Junior” and the handset-as-a-service product “Mobilbytte. We also opened our two first physical retail stores and were awarded prizes for mobile operator of the year and excellent customer service. All in all, a break-through year we can look back at with pride both from a customer and technology perspective.

Ice continued the smartphone growth path in 2019. In total 130,000 new customers were added, making us the fastest growing operator in the Nordics of the year with the highest revenue per employee. We have increased our subscriber base each quarter since the launch of smartphone products in 2015 and we remain confident that we are well positioned to continue to rapidly capture market share. We continue to roll out customer-friendly products as this is the key to growing our consumer base. Our increasing network coverage and on-net share gives us the opportunity to roll out disruptive data products at affordable prices. An expected on-net share approaching 90% will allow us to be even more competitive in the high ARPU segments and continue with our strong subscriber growth.

During 2019 we had a good development in smartphone ARPU (average revenue per user) which ended at NOK 234 for the fourth quarter, the highest level ever. This positive development in ARPU comes despite the success of our disruptive freemium product Ice Junior. This proofs that we are taking market share in the higher paying segments and as such delivering on our medium-term targets.

Increased on-net share reduces leakage to our national roaming partner and remains essential to reaching our commercial and financial targets. This is a key reason for investing in our 5G-ready Nokia smartphone network. We added 341 new smartphone sites during 2019, bringing the average data on-net share to a record high 80% in the fourth quarter. As a result, our NRA cost as share of service revenues is declining, and by that improving our margins.

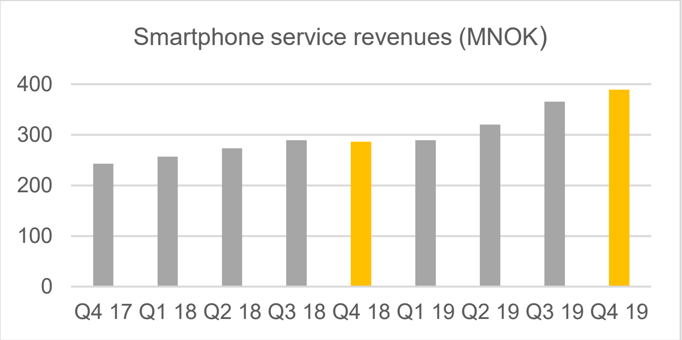
In December 2019 we announced that the iPhone agreement with Apple was in effect. The agreement involves handset sales and marketing and operator settings on iOS devices, making the customer offering to iPhone users significantly stronger. We already see a positive effect of this agreement on increased share of on-net data and VoLTE, increased sale of iPhones through own channels, and with further potential ahead when more iPhone versions are VoLTE enabled.

In March 2020 the outbreak of the Covid-19 virus reached Norway. Ice’s main goal is to operate and continue to build the third mobile network in Norway, a crucial part of the national telecom infrastructure. Ice is focusing on maintaining operations, its employees, customers and business development in this challenging situation. The subscription-based business model of telecoms gets limited direct impact of the Covid-19 outbreak. Due to quarantine measures in Norway we have seen a decline in retail sales. Ice has implemented several initiatives to secure that there is no negative impact on the stability and quality of the network and customer offering. The dramatic changes in user behavior over the last period have not impacted network stability and is a proof of the quality of our operations. The situation related to the outbreak of Covid-19 underlines the importance of a well-functioning and stable telecom network and market in Norway. We believe that our objective of developing a fully-fledged third network will be a national advantage ensuring also that the country will have a good, stable, diversified and modern telecom infrastructure with healthy and competitive prices for its population.

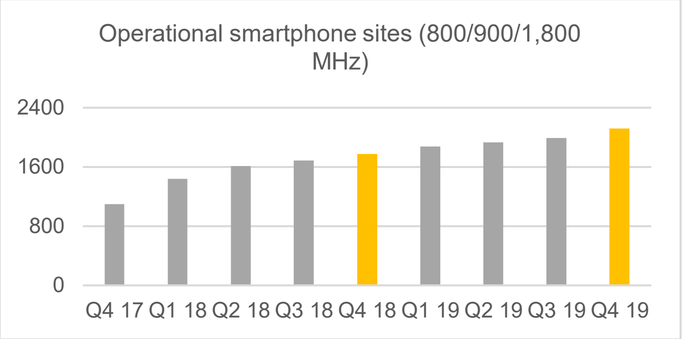
Continued network-build out and smartphone subscription growth remain key to realising Ice Group’s business plan. Our goal of building a cost effective and modern mobile network in Norway will give us the opportunity to continue to innovate on new customer friendly mobile products and create more competition in the Norwegian mobile market. We have now delivered 19 consecutive quarters with smartphone subscription growth and remain confident that we will continue to win market share and improve margins strongly going forward.

Key figures – historical development

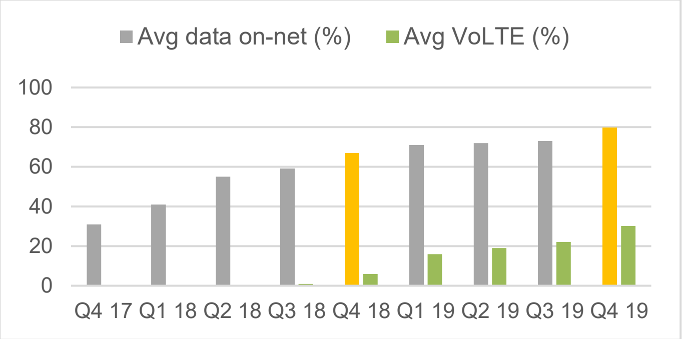
Smartphone service revenue ended at NOK 389 million in the fourth quarter, up from NOK 286 million in the same period last year, representing an increase of 36%. For the full year, smartphone service revenues were NOK 1,363 million, representing a growth of 23% (NOK 1,106 million) versus last year, reflecting continued growth in the amount of smartphone subscribers. Smartphone ARPU for the last quarter 2019 was NOK 234 (224), the highest quarter ever despite the short-term dilutive effect of the popular free Ice Junior subscription.



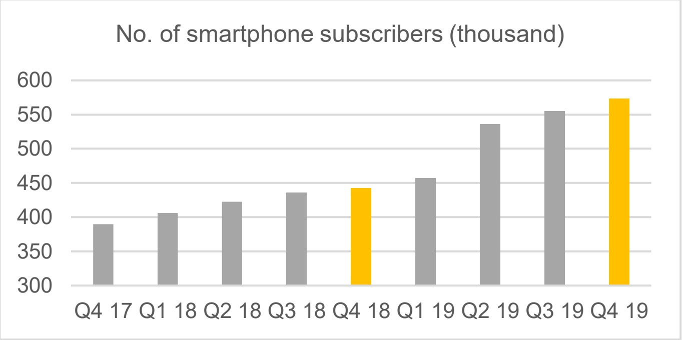
341 new smartphone sites were added during the 2019, bringing the total to 2,116 operational sites per 31 December 2019. Ice Group's smartphone sites are operating in the 800, 900 or 1,800 MHz frequency bands, and from the fourth quarter also on the 700 MHz band as the first network operator in Norway. Initially we will use the 700 band for 4G, but the plan is to start offering regular 5G services during 2020.



Average data on-net share grew to 80% in the last quarter 2019, up from 67% in the same quarter last year and up from 73% in the third quarter. In late 2018, Ice started producing voice traffic (VoLTE) in its own network. The average VoLTE share was 30% in the fourth quarter this year. Subsequently the NRA costs in the fourth quarter was lowered to 29% of smartphone service revenues from 35% last year. The share of on-net data and VoLTE is expected to increase in the coming quarters as we build more base stations and positive effects from automatic operator settings in the Apple-agreement.



During 2019, the Group added 130,000 smartphone subscribers to reach a market share in Norway of 10%. This is an important milestone for the group on the way to reach our target of 20% market share. Ice now has 19 consecutive quarters of subscriber growth. The smartphone customer base grew by 18 thousand in the fourth quarter. Per 31 December 2019, the Group had 573 thousand smartphone subscriptions, representing a growth of 29% from the same time last year. Smartphone churn for the fourth quarter was 26% (31%).



Board of Directors' report

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

The Operations

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

Ice is Norway's third largest network operator and provider of wireless data, voice and messaging services, challenging the duopoly of Telenor and Telia. Ice is also Norway's third largest provider of wireless broadband services. The organic customer growth in Norway has been supported by disruptive and customer-centric initiatives, and a strategy of operating openly and honestly with easy-to-understand subscription packages without any hidden fees.

In addition to the Company successfully listing its share on Oslo Axess on 20 May 2019, the below events mark the year of 2019.

On 17 January 2019, Ice Group ASA announced that it contemplated to carry out a private placement of new shares with the objective of raising gross proceeds of NOK 1.2 - NOK 1.5 billion. Use of proceeds from the Private Placement is further network build-out and customer growth as well as working capital and general corporate purposes. On 31 January 2019, Ice Group ASA announced that the private placement was oversubscribed, raising gross proceeds of NOK 1.5 billion at a subscription price of NOK 20 per share.

On 25 February 2019, Ice Group announced that it had entered into an agreement to sell its Swedish business Netett Sverige AB to broadcasting network services company Teracom Group AB for a purchase price of SEK 180 million. The transaction was closed on 14 March 2019.

On 18 March 2019, the Company's wholly-owned subsidiary, ICE Communication Norge AS entered into an agreement with the Norwegian virtual network operator Komplett Mobil AS ("Komplett"), to acquire Komplett's customer base. The transaction was completed on 25 April 2019, comprised 66,500 active subscribers for a purchase price of NOK 93 million, which were were migrated during Q2 2019.

In May and June 2019, the 2 x 10 MHz in the 700 MHz frequency band was awarded to Ice Group for NOK 131 million per 2 x 5 MHz frequency block, in total NOK 262 million. The 2 x 15 MHz in the 2,100 MHz band was awarded at the minimum price of NOK 25 million per 2 x 5 MHz frequency block, in total NOK 75 million. Ice Group was also awarded the sole national license of 2 x 5 MHz in the 450 MHz band in Norway for NOK 5 million. The new licenses expire in 31 December 2039, 31 December 2032 and 31 December 2039 respectively.

The acquisition of the 700 MHz frequencies adds to the numerous initiatives and actions that Ice Group has initiated to reduce the Group's cash requirements since it presented its plans in December 2018. Following the NOK 1.5 billion private placement in January, these include the divestment of Ice Group's Swedish operation, higher than predicted data on-net share, postponement of the least value accretive base stations, plus savings on transaction costs and deferred loan repayments as a result of the IPO process being terminated in December 2018. Ice Group is currently assessing various options to cover its remaining financing requirements.

In the last quarter of 2019, operations companies in Norway - Ice Norge AS, historically holding the 450 Mobile Broadband business and all employees and ICE Communication Norge AS formed when the first Smartphone frequency licenses were awarded and where the Smartphone business resides, were merged (formally registered on 28 October 2019) with ICE Communication Norge AS as the surviving company.

Turnover, expenses and profit

Service revenue for the year amounted to NOK 1,687 million (1,539), a y-o-y growth of 10%. It should be noted that the majority of the 2019 turnover (the last ten months) has no revenue from Sweden.

Costs for the National Roaming ("NRA") for the year was NOK -440 million compared with NOK -434 million. The operating expenses for the year was NOK -574 million compared with -520 million. The operating result for 2019 ended at NOK -655 million compared with NOK -701 million.

EBITDA

EBITDA adjusted for the year amounted to NOK -165 million (-180). Non-recurring and non-operational expenses identified during the year of 2019 amounted to net NOK 21 million (56), presenting a 2%-points margin improvement from -11% to -9% of revenues. Non-recurring items are mainly related to extraordinary costs from network technology upgrade, smartphone migration and financing costs. Other revenue in 2019 holds a trademark sale of NOK 46 million outside the Group's current footprint which is included in the non-recurring items.

Please also see note 6 and the Alternative Performance Measures section on page 54.

Significant events after the end of the period

- On 6 January 2020, Ice Group ASA announced that on 3 January 2020 the Company reached 574k smartphone subscriptions in Norway, implying a 10% market share based on latest available figures for total market size (H1 2019, Nkom, 24 October 2019).
- On 24 February 2020, the Board of Directors of Ice Group ASA (the "Company") approved a new long-term incentive (LTI) program aimed to align the interests of the participating employees with those of the Company's shareholders. The program is discretionary, and participants are invited on an annual basis. The total number of options granted in this year's program is 2,800,000 where each option will give the holder the right to acquire one Ice Group ASA share. The options are granted with 800,000 options to CEO, 250,000 options to each other member of the executive management team and up to 250,000 options in total to other key employees. The program includes a cap on profit equal to 5x annual salary per employee. The strike price of the options is NOK 25. The options will have a vesting period of four years, with 25% of the options vesting each year and first vesting one year after the grant date. Two exercise periods per year will be set by the Company. The options will expire 7 years after the grant date.
- In March 2020 the outbreak of the Covid-19 virus reached Norway. Ice Group is focusing on maintaining operations, its employees, customers and business development in this challenging situation. The subscription-based business model of telecoms experiences limited direct impact of the Covid-19 outbreak, and Ice Group has implemented several initiatives to secure that there is no negative impact on the stability and quality of the network and customer offering. Ice Group's main goal is to operate and continue to build the third mobile network in Norway, a crucial part of the national telecom infrastructure.

Guidance and outlook

The continued smartphone network build-out in Norway is a key element in Ice Group's business plan. In 2020, the plan is to introduce ~1,000 new base stations in total. This will increase our population coverage and share of on-net data and voice, and in turn reduce our NRA expenses.

The impact of the National Roaming Agreement (NRA) is expected to be approximately NOK ~400 million in 2020, an absolute reduction from 2019 despite an expected increase in both number of subscribers and average data usage per subscriber.

The Group expects to have a capital expenditure of NOK ~750 million in 2020.

Operating profit and cash flows

Cash flow from operating activities was NOK -287 million (-182) for the year. The period's cash flow from investing activities was NOK -461 million (31). Investing activities for 2019 holds the NOK 166 million net proceeds from the divestment of the Swedish operations and the 2018 numbers for the same period holds USD 70 million cash consideration for the divestment of Nextel Brazil.

Cash flow from financing activities was NOK 1,655 million (-456). Financing activities in 2019 holds the net proceeds from the NOK 1.5 billion new share issue made in the first quarter of 2019, the repayment of the loan from Net1 International Holdings AS and the new NOK 900 million bond issued in October 2019, net of NOK 280.5 million re-purchased own bonds, as well as the payments related to lease liabilities.

The items making the difference between operating result and operating cash flows from continuing operations of NOK -368 million (-519) consists of depreciation and amortisation, interest payments and changes in net working capital. See also note 29 Non-cash items.

Investments (CAPEX)

The Group's acquisition of non-current assets 2019 amounted to NOK 632 million (460), including the purchase of the customers of Komplett Mobil (101) and the payments (39) related to the 450, 700 and 2,100 MHz licenses. The investments are mainly related to the smartphone network build-out project in Norway, both on existing and new sites as well as on backbone systems and radio access network expansion. The 2018 figures hold the NOK 40 million payment for the renewed 450 MHz licence in Sweden.

The Group capitalises costs to obtain and to fulfil customer contracts as other non-current assets in accordance with IFRS 15. These investments are presented within the working capital in the consolidated statement of cash flows, NOK 265 million (187) for 2019.

Financing

The Group is financed through owners' capital and loans. The total assets of the Group were NOK 6,216 million (4,799) at the end of the period, of which total non-current assets were NOK 4,835 million (4,282). Total equity ended at -889 million (-1,258). The Group's cash position at the end of the period was NOK 1,183 million (275). Note that the 2018 numbers include the discontinued International Business operations (see note 1 and 4).

In January 2019, Ice Group ASA succeeded in raising NOK 1.5 billion in equity by private placement, and in October 2019 a Senior Unsecured bond of NOK 900 million was secured for the Scandinavian business.

The Group has external debts on three levels, a legacy from the Pre-Reorganization Group structure; one SEK 340 million perpetual loan with the Company, one USD 82.5 million subordinated loan with the former Pre-Reorganisation parent company AINMT Holdings AB, and NOK 3.1 billion of bonds with Ice Group Scandinavia Holdings AS, ISIN NO 001 0789035, ISIN NO 001 0807092 and ISIN NO 001 0864002 . Please refer to note 24 Borrowings for details.

Research and development

A key priority for Ice Group is to continue to invest in network infrastructure and technology. Key focuses during the year have been related to improving the customer offerings and service experience through implementing VoLTE and to further strengthen the networks performance through optimization and improving its security and reliability.

Corporate governance

Ice Group has made a strong commitment to ensure trust and to enhance shareholder value through efficient decision-making and improved communication between the management, the Board of Directors and the shareholders and will seek to ensure that the Group complies with the requirements of section 3-3b of the Norwegian Accounting Act and the Norwegian Code of Practice for Corporate Governance ("NUES"). Ice Group's framework for corporate governance is intended to decrease business risk, maximise value and utilise the Group's recourses in an efficient, sustainable manner, to the benefit of shareholders, employees and society at large.

The overall objective of Ice Group's corporate governance policies is to meet Shareholders' demands for returns on their invested capital as well as the long-term health and overall success of the business.

Corporate governance within Ice Group is mainly based on the Companies Act, the Norwegian Code of Practice, other applicable laws and regulations, the Company's Articles of Association and Ice Group's internal governance documents. The governance of Ice Group is also designed to support the Group's business model, where decisions are made at local level as far as possible, in the most effective manner possible.

The Annual General Meeting ("AGM"), the Board of Directors and the Chief Executive Officer ("CEO") are the main governing bodies of Ice Group:

- The AGM is the Company's highest decision-making authority and serves as the forum through which Ice Group's shareholders exercise their influence over the business.
- The Board of Directors, who is elected by the shareholders, is ultimately responsible for the strategy and the organization of Ice Group and the management of its operations.
- The CEO, appointed by the Board of Directors, is responsible for handling the day-to-day management of Ice Group in accordance with instructions from the Board. The CEO is supported by the Group Executive Management team.

The external auditor of Ice Group is appointed at the Annual General Meeting.

Corporate responsibility

Ice Group defines corporate social responsibility ("CSR") as achieving commercial profitability in a way that is consistent with fundamental ethical values and with respect for individuals, the environment and society.

The Group shall respect human and labour rights, establish good HSE (health, safety and the environment) standards, facilitate good dialogue with stakeholders and generally operate in accordance with applicable regulatory frameworks and good business practice.

At the core of the Group's CSR policy is the Group's four customer-centric corporate values: trust, fair, bold and share. The values define who we are, how we act and what employees of the Group stands for. The Company has identified seven main CSR topics. The Group's general approach to these topics is described below.

Professional and ethical standards

It is the Group's policy to maintain the highest level of professional and ethical standards in the conduct of its business affairs. The Group places the highest importance upon its reputation for honesty, integrity and high ethical standards. These standards can only be attained and maintained through the actions and conduct of all personnel in the Group. It is the obligation of the Group's employees to conduct themselves in a manner to ensure the maintenance of these standards. Such actions and conduct will be important factors in evaluating an employee's judgment and competence, and an important element in the evaluation of an employee for promotion. Correspondingly, insensitivity to or disregard for the principles of the Group's professional and ethical standards will be grounds for appropriate disciplinary actions.

A customer-centric culture

Companies within Ice Group shall strive to promote an open corporate culture that fosters interaction and is based on the Company's corporate values; strive to understand what really matters to our customers in each market and use that insight to drive everything that we do. We believe in establishing differentiation through creating an emotional connection with our customers to drive cost-effective growth. We put ourselves in our customer's shoes when we make decisions. We operate in an open and transparent manner when dealing with our customers. We avoid hidden fees and "small print" in our commercial relationships with customers. We communicate honestly and openly, without hidden agendas. That way we earn our customers' trust and business.

In promoting the Group's principles for good business operations, we shall always respect local values and norms, and achieve success by bridging the divide between different cultures. Group companies shall always comply with local regulatory requirements in the countries in which we operate

Respect for human and labour rights

Companies within Ice Group are committed to respecting fundamental human and labour rights, both in our own operations and in our relations with business partners. Our employees shall be treated with respect and given orderly working conditions. The Group companies shall work continuously with issues such as non-discrimination, the right to privacy, the right to collective bargaining, employment contracts and protection against harassment. Forced labour, child labour and all forms of discrimination are strictly forbidden.

Equal opportunities

It is the Group's position to actively promote equal treatment and 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 Group's needs and an employee's performance and potential.

In Ice Group, the average number of employees was 223 versus 193 for the equivalent period the previous year, of which 152 and 147 respectively were men. At year-end, including external resources, such as dedicated people with contract suppliers and subcontractors, the Group employed 361 (307) people.

The Company is a holdings company and has 2 employees, the CEO and the CFO of the Group, of which both are men. The Board consists of four persons, of which two are men.

Health, safety and work environment

A healthy work environment contributes to a better health, greater engagement and increased job satisfaction. The goal is to create a 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 Group's daily operations.

It is Ice Group's 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 2019 was 1.3% compared to 2.7% during 2018. Ice in Norway has two years in a row been voted as top 10 most attractive workplaces in Norway according to the well-recognised Great Place to Work survey.

Anti-corruption

Ice Group has zero tolerance for corruption and conducts its business according to applicable laws, while observing the highest ethical standards and without compromise to its commitment to integrity. Ice`s compliance manuals set out strict guidelines on how to handle for example receiving and giving gifts and the company furthermore conducts dilemma training for its employees. Ice has also implemented strict guidelines on counterparty screening to fight corruption in its businesses relations, and monitors conduct to avoid any exposure to unacceptable practices.

Ice has established reporting lines for compliance matters, including a whistleblowing system that serves as an interface designed to receive and handle employee reports.

We work to ensure that policies are available throughout our organisation through training sessions, lectures and tests. Going forward, we will continue to develop and strengthen our policies and training.

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. Ice Group does not pollute the environment to any significant extent.

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

The Group intends to implement a sustainability policy during 2020.

Risks and factors of uncertainty

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

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

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

Amongst *financing risks*, the Group has a substantial amount of debt and debt service obligations. As a result of this leverage, the Group may be required to dedicate a large portion of its cash flow from operations to service debt and fund repayments on the Group's debt, thereby reducing the availability of its cash flow to fund working capital,

capital expenditures and other general corporate purposes and restrict its ability to distribute dividends. Further, the Group's substantial debt may limit the Group's flexibility in planning for, or reacting to, changes in the Group's business or the industry in which it operates, limit the Group's ability to raise equity capital in the future, limit the ability to refinance current debt or raise additional debt and/or restrict the Group from making strategic acquisitions, investments or exploiting business opportunities or the ability to successfully implement its business strategy. Participation in frequency licenses 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.

Please refer to notes 2 and 32 for a detailed walk-through of the risks identified.

Related party transactions

At the end of 2019 the Company had a subordinated loan to its subsidiary, AINMT Holdings AB, see note 24 Borrowings. There were no other transactions with related parties during the period except for the final settlement of the loan from Net1 International Holdings AS.

Liquidity and going concern

Ice Group and the Board of Directors work actively with, and has an ongoing process, to secure future financing and continue to capitalise on the growth success in Norway. The current strategy includes investments dependent on new financing in 2020. The process includes a number of options and partners.

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

Based on the above, the Board confirms that the confirms that the prerequisites for the going concern assumption exist and that the financial statements have been prepared based on a going concern basis in accordance with section 3-3a of the Norwegian Accounting Act and IAS1, p. 25-26.

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.

Proposed distribution of earnings of the Parent Company

Net losses in the Parent Company for 2019 of NOK 24 million are brought forward.

Oslo, 22 April 2020

Hans-Holger Albrecht
Chairman of the Board

Eivind Helgaker
CEO

Mari Thjømøe

Guillaume d'Hauteville

Ingvild Myhre

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

NOK millions	*Note*	**2019**	**2018**[1]
Service revenue		1,687	1,539
Other operating revenue		173	121
Total operating revenue	*6, 7, 8*	**1,859**	**1,660**
National roaming expenses		-440	-434
Operating expenses	*19*	-574	-520
Sales and administrative expenses	*9, 20*	-793	-721
Employee benefit expenses	*10*	-238	-220
Depreciation, amortisation and impairment losses	*14, 15, 25*	-468	-465
Total operating expenses		**-2,514**	**-2,361**
Operating result		**-655**	**-701**
Financial income	*12*	9	129
Financial expenses	*13, 25*	-497	-481
Financial items – net		**-488**	**-352**
Share of net profit from joint ventures	*16*	0	0
Result before tax		**-1,142**	**-1,052**
Income taxes	*11*	10	-8
Net result from continuing operations		**-1,133**	**-1,060**
Net result from discontinued operations	*5*	-	-171
Net result for the year		**-1,133**	**-1,231**
Items that may be subsequently reclassified to profit or loss:			
Translation differences on foreign operations		23	13
Other comprehensive income		**23**	**13**
Total comprehensive income for the year		**-1,110**	**-1,218**
Net result for the year attributable to:			
Equity holders of the Parent Company		-1,133	-1,147
Non-controlling interests		-	-84
Net result for the year		**-1,133**	**-1,231**
Total comprehensive income for the year attributable to:			
Equity holders of the Parent Company		-1,110	-1,177
Non-controlling interests		-	-41
Total comprehensive income for the year		**-1,110**	**-1,218**
Earnings per share (NOK), basic and diluted			
from continuing operations		-5.62	-8.37
from discontinued operations		-	-0.69

1) Numbers for 2018 have been restated due to implementation of IFRS 16. See note 1 for more information.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

NOK millions	*Note*	**31 Dec 2019**	**31 Dec 2018**[1]
ASSETS			
Non-current assets			
Intangible assets			
Licenses and similar rights		1,655	1,031
Customer relationships		136	80
Other intangible assets		279	233
Total intangible assets	*14, 25*	**2,070**	**1,344**
Tangible assets			
Property		68	105
Technical equipment		1,800	2,089
Equipment and tools		10	8
Other tangible assets		3	7
Work in progress		503	394
Total tangible assets	*15, 25*	**2,383**	**2,603**
Other non-current assets			
Shares and participations in joint ventures	*16*	0	0
Other financial assets	*18*	20	31
Capitalised cost to obtain/fulfil customer contracts	*8*	362	304
Deferred tax assets	*11*	0	1
Total other non-current assets		**382**	**335**
Total non-current assets		**4,835**	**4,282**
Current assets			
Inventory	*19*	9	20
Trade receivables	*18, 20*	143	127
Other receivables	*18, 21*	18	31
Prepaid expenses and accrued income	*8, 22*	27	63
Total current receivables		**198**	**241**
Cash and cash equivalents	*23, 28*	1,183	275
Total current assets		**1,381**	**516**
TOTAL ASSETS		**6,216**	**4,799**

1) Numbers for 2018 have been restated due to implementation of IFRS 16. See note 1 for more information.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTD.)

NOK millions	*Note*	**31 Dec 2019**	**31 Dec 2018**[1]
EQUITY			
Equity attributable to the owners of the Parent Company			
Share capital	*P8*	182	114
Other contributed capital		11,412	10,004
Reserves		-34	-57
Retained earnings/deficit		-12,449	-11,320
Total equity	*1, 5*	**-889**	**-1,258**
LIABILITIES			
Non-current liabilities			
Borrowings	*18, 24*	4,331	3,672
Non-current lease liabilities	*25*	1,618	1,625
Other non interest-bearing liabilities		303	-
Deferred tax liabilities	*11*	-	10
Total non-current liabilities		**6,252**	**5,307**
Current liabilities			
Trade payables	*18*	164	242
Current lease liabilities	*25*	112	66
Other current liabilities	*18, 26*	21	20
Accrued expenses and deferred income	*8, 27*	555	421
Total current liabilities		**852**	**750**
TOTAL EQUITY AND LIABILITIES		**6,216**	**4,799**

1) Numbers for 2018 have been restated due to implementation of IFRS 16. See note 1 for more information.

Oslo, 22 April 2020

Hans-Holger Albrecht
Chairman of the Board

Eivind Helgaker
CEO

Mari Thjømøe

Guillaume d'Hauteville

Ingvild Myhre

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

		Attributable to shareholders in the Parent Company						
NOK millions	*Note*	Share capital [1]	Other contributed capital	Reserves	Retained earnings	Total	Non-controlling interests	**Total Equity**
Opening balance 1 January 2018		**148**	**4,261**	**-69**	**-3,472**	**869**	**489**	**1,358**
Reclassification due to currency translation at year-end [2]		7	198	-	-205	-	-	-
Change in accounting principles – IFRS 16 [3]	2	-	-	-4	-236	-240	-1	-241
Adjusted opening balance 1 January 2018		**156**	**4,459**	**-73**	**-3,913**	**629**	**488**	**1,117**
Net result for the year		-	-	-	-1,147	-1,147	-84	-1,231
Other comprehensive income for the year								
Translation differences on foreign operations			-	-30	-	-30	43	13
Total comprehensive income for the year			**-**	**-30**	**-1,147**	**-1,177**	**-41**	**-1,218**
Capital contribution from share-based payments			-	-	28	28	-	28
Effect from distribution of International business with non-controlling interest [3]				46	-291	-245	-447	-692
Total effect from reverse acquisition between Ice Group ASA and AINMT Holdings AB [3]		-42	5,545	-	-6,018	-515	-	-515
Other changes [4]		-	-	-	23	23	0	23
Total transactions with owners, recognised directly in equity		**-42**	**5,545**	**46**	**-6,259**	**-710**	**-446**	**-1,157**
Closing balance 31 December 2018		**114**	**10,005**	**-57**	**-11,320**	**-1,258**	**-**	**-1,258**
Net result for the year		-	-	-	-1,133	-1,133	-	-1,133
Other comprehensive income for the year								
Translation differences on foreign operations			-	23	-	23	-	23
Total comprehensive income for the year				**23**	**-1,133**	**-1,110**	**-**	**-1,110**
Capital contribution from share-based payments			-	-	12	12	-	12
New share issue		68	1,408	-	-7	1,468	-	1,468
Total transactions with owners, recognised directly in equity		**68**	**1,408**	**-**	**4**	**1,480**	**-**	**1,480**
Closing balance 31 December 2019		**182**	**11,412**	**-34**	**-12,449**	**-889**	**-**	**-889**

1) Please see note P8 for details on the share capital.

2) Please refer to note 1 and 4 for the Reorganization.

3) Relates to implementation of IFRS 16, please see note 1.

4) Other changes in 2018 consist of transfer of the minority shares in the Danish subsidiary to the Group and exercise of warrants in AINMT Holdings AB.

CONSOLIDATED STATEMENTS OF CASH FLOWS

NOK millions	*Note*	**2019**	**2018**[1]
Operating result		-655	-991
Depreciation & amortisation of non-current assets	*14, 15*	370	395
Depreciation & amortisation of right-of-use assets	*25*	98	96
Amortisation of costs to obtain/fulfil contracts		206	172
Adjustments for non-cash items	*29*	4	270
Interest received, operational		3	2
Interest paid, operational		-0	-6
Cash flows before changes in working capital		**27**	**-62**
Change in inventory		-1	-7
Change in current receivables		-22	45
Change in current liabilities		-26	29
Capitalised costs to obtain/fulfil customer contracts		-265	-187
Cash flows from changes in working capital		**-314**	**-120**
Cash flows from operating activities		**-287**	**-182**
-of which from discontinued operations		*-*	*55*
Net cash flow from sale of subsidiary		166	-
Investments in intangible assets	*14*	-243	-113
Investments in tangible assets	*15*	-389	-419
Net cash flows from other financial assets		5	563
Cash flows from investing activities		**-461**	**31**
-of which from discontinued operations		*-*	*-72*
Financing from shareholders		1,468	-
Borrowings	*24*	599	-
Repayments		-72	-68
Payments related to lease liabilities	*25*	-202	-207
Interest paid, borrowings	*24*	-138	-181
Cash flows from financing activities		**1,655**	**-456**
-of which from discontinued operations		*-*	*-106*
Cash flow for the year		**907**	**-607**
Cash and cash equivalents at the beginning of the period		275	896
Exchange rate difference in cash and cash equivalents		0	-14
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		**1,183**	**275**
Operating result from total operations consists of:			
Operating result from continuing operations		*-655*	*-701*
Operating result from discontinued operations		*-*	*-291*
Operating result from total operations		***-655***	***-991***
Cash flow from discontinued operations			
Net cash flow from operating activities		*-*	*55*
Net cash flow from investing activities		*-*	*-72*
Net cash flow from financing activities		*-*	*-106*

1) Numbers for 2018 have been restated due to implementation of IFRS 16. See note 1 for more information.

NOTES TO THE FINANCIAL STATEMENTS

General information

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

The Company is listed at OTC in Norway with ticker "ICE" (together, "Ice Group"). The major shareholder of the Company is AI Media Holdings (NMT) LLC, Delaware.

On 1 June 2018 the Company called for an extraordinary general meeting ("EGM") in order to resolve several reorganizational steps, the target being to become the majority shareholder of AINMT Holdings AB and its Scandinavian operations. The Company held 38.98% of the AINMT Holdings AB group (the "Pre-Reorganization Group"). From this holdings position, the investment in AINMT Holdings AB has historically been presented as an associated company in the financial statements and accounted for using the equity method. The Company (on a stand-alone basis) has no significant operations and has not engaged in any significant activities other than financing activities relating to its investment in AINMT Holdings AB.

The reorganization of the ownership interests in AINMT Holdings AB is accounted for as a reverse acquisition. The consolidated financial statements therefore present the financial history of AINMT Holdings AB group for all periods presented and Ice Group from the date of the reorganization. There was no step up to fair value for any balance sheet items as a result of the reorganization. See note 4 Reorganisation for additional information.

In connection to the Reorganisation, the shares in the International Business were distributed and transferred. The continuing operations are only those of the Scandinavian Business. See note 5 Discontinued Operations for additional information. The reporting Ice Group now consists of operations in Norway and Denmark.

Note 1 - Basis of preparation

The consolidated financial statements for Ice Group ASA have been prepared in accordance with IFRS 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 3 Critical accounting estimates and judgements for further details.

In Q3 2018 the shareholders of the Company and AINMT Holdings AB concluded a reorganization of their ownership interests in these entities, resulting in the Company effectively becoming the sole shareholder of AINMT Holdings AB. Prior to the reorganization the Company owned 38.98% of AINMT Holdings AB. AI Media Holdings (NMT) LLC ("Access Industries"), is the continuing controlling party of the Company after the reorganization.

The Annual Report 2019 and the consolidated financial statements information of the Ice Group ASA group has been prepared reflecting the Reorganization as a common control transaction. The accounting impact of the Reorganization is further discussed in notes 4 and 5.

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

There may be figures and percentages that do not always add up correctly due to rounding differences. All numbers are presented in NOK millions (MNOK), unless otherwise indicated. Amounts in brackets relate to previous year if not otherwise indicated.

New and changed accounting standards adopted 1 January 2019

No other of the standards and statements that have been published by the IASB, and that are effective for annual periods beginning on or after 1 January 2019 than the below listed have had any material impact on the financial statements of the company.

IFRS 16 Leases

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

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

- Operating expenses have decreased due to the reclassification of operational leases as depreciation and interest expenses.
- EBITDA has improved by the same amount as the decrease in operating expenses.
- Depreciation and amortisation have increased due to depreciation of capitalised lease contracts.
- Financial expenses have increased, due to interest expenses on lease liabilities.
- Total non-current assets as well as total non-current liabilities have increased due to the capitalization of lease contracts.

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

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

The total consolidated implementation effect per 1 January 2018 on total assets was NOK 1,593 million, on total equity NOK -241 million and on liabilities NOK 1,834 million. There is no impact on cash flows, however the cash from operating activities in the cash flow statement will be impacted due to the increase in depreciation from the right-of-use assets, and the lease payments will be presented within financing activities. The main types of lease contracts to which the Group is party to are site leases and the lease of frequencies. The frequency licenses represent a significant portion of the total implementation effect.

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

IFRS 16 effects on the Consolidated statements of comprehensive income

NOK millions	Reported FY 2018	Change IFRS 16	Restated FY 2018
Total revenue	**1,660**	**-**	**1,660**
National roaming expenses	-434	-	-434
Operating expenses	-710	190	-520
Sales and administrative expenses	-739	18	-721
Employee benefit expenses	-220	-	-220
Depreciation and amortisation	-369	-96	-465
Operating result	**-813**	**112**	**-701**
Net financial items	-213	-139	-352
Income taxes	-8	-	-8
Net result, continuing operations	**-1,033**	**-27**	**-1,060**
Net result, discontinued operations	-171	-	-171
Net result for the period	**-1,204**	**-27**	**-1,231**
Other comprehensive income	11	2	13
Total comprehensive income	**-1,193**	**-25**	**-1,218**
Alternative Performance Measures			
EBITDA adjusted	**-388**	**208**	**-180**

IFRS 16 effects on Consolidated statements of financial position

NOK millions	Reported 31 Dec 2018	Change IFRS 16	Restated 31 Dec 2018	Reported 31 Dec 2017	Change IFRS 16	Restated 1 Jan 2018
Intangible assets	932	412	1,344	2,332	424	2,756
Tangible assets	1,461	1,141	2,603	1,469	1,201	2,670
Other non-current assets	335	-	335	485	-	485
Deferred taxes	1	-	1	0	-	0
Current assets	549	-33	516	1,368	-32	1,336
Total assets	**3,279**	**1,520**	**4,799**	**5,655**	**1,593**	**7,248**
Equity attributable to Parent Company shareholders	-992	-266	-1,258	869	-240	629
Equity attributable to non-controlling interest	-	-	-	489	-1	488
Total equity	**-992**	**-266**	**-1,258**	**1,358**	**-241**	**1,117**
Borrowings [1]	3,672	-	3,672	3,229	-	3,229
Other non-current liabilities	10	1,625	1,635	347	1,673	2,020
Current liabilities	589	161	750	721	161	882
Total equity and liabilities	**3,279**	**1,520**	**4,799**	**5,655**	**1,593**	**7,248**

1) *Note that the historical numbers for the pre-Reorganisation group, i.e. up until September 2018, is represented by the AINMT Holdings AB group converted to NOK. In this group, the loan from Rasmussengruppen AS (please refer to note 24 Borrowings in the 2018 Annual Report) was presented within equity instead of as within borrowings. Accrued interests have been captialised, but no additional borrowings or financing agreements have been entered into during or between the periods.*

IFRC 23 Uncertainty over Income tax treatments

IFRIC 23 Uncertainty over Income tax treatments is effective for annual reporting periods beginning on or after 1 January 2019. The interpretation is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12.

Consensus
Whether tax treatments should be considered collectively
An entity is required to use judgement to determine whether each tax treatment should be considered independently or whether some tax treatments should be considered together. The decision should be based on which approach provides better predictions of the resolution of the uncertainty.

Assumptions for taxation authorities' examinations
An entity is to assume that a taxation authority with the right to examine any amounts reported to it will examine those amounts and will have full knowledge of all relevant information when doing so.

Determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates

- An entity has to consider whether it is probable that the relevant authority will accept each tax treatment, or group of tax treatments, that it used or plans to use in its income tax filing.

- If the entity concludes that it is probable that a particular tax treatment is accepted, the entity has to determine taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates consistently with the tax treatment included in its income tax filings.

- If the entity concludes that it is not probable that a particular tax treatment is accepted, the entity has to use the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The decision should be based on which method provides better predictions of the resolution of the uncertainty.

Ice Group has evaluated the effects of IFRIC 23, and determined that there are no material effects on the financial statements.

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

IFRS 3 Amendments - Definition of a Business

The amended definition of a business requires an acquisition to include an input and a substantive process that together significantly contribute to the ability to create outputs. The definition of the term ‘outputs’ is amended to focus on goods and services provided to customers, generating investment income and other income, and it excludes returns in the form of lower costs and other economic benefits. The amendments will likely result in more acquisitions being accounted for as asset acquisitions. The amendment is effective on or after 1 January 2020.

IAS 1 Amendments – Classification of liabilities as current or non-current

The amendment changes the guidance for the classification of liabilities as current or non-current. It could affect the classification of liabilities, particularly for entities that previously considered management’s intentions to determine classification and for some liabilities that can be converted into equity. All entities should reconsider their existing classification in the light of the amendment and determine whether any changes are required. The amendment is effective on or after 1 January 2022.

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 statement of comprehensive income.

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 Norwegian kroner (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 assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income. Exchange rate gains and losses related to trade receivables and liabilities are reported on the applicable line in the statement of income and are included in operating result. Exchange rate differences related to financial assets and financial liabilities are reported as financial items in the statement of income, except exchange rate differences related to non-current debt that is part of the Group's net investment in a subsidiary.

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 for the reporting period. All resulting exchange differences are recognised in other comprehensive income.

Revenue recognition

IFRS 15 Revenue from contracts with customers is effective from 1 January 2018, and subsequently Ice Group has implemented the accounting principle for revenues from contracts with customers from that date. The new standard is applied by Ice Group using the full retrospective method, i.e. all comparative periods are reported according to IFRS 15 as well.

The allocation of revenue is based on the stand-alone selling price for each separate performance obligation in the contract with the customer, and the revenue is recognised when the service/good is delivered. The Group divides the revenue into two categories in the Statement of Comprehensive Income; Service revenue and Other operating revenue.

- Mobile voice services are separate performance obligations and revenue is recognised as the service is being delivered. Revenue from Mobile voice services are reported within Service revenues.

- Mobile broadband services are separate performance obligations and revenue is recognised as the service is being delivered. Revenue from Mobile broadband services are reported within Service revenues.

- Consumer mobile broadband routers are not separate performance obligations if offered together with a subscription with a binding period. Revenue is recognised over the same contract period as when the related mobile broadband service is delivered to the customer, regardless of if the consumer rents the router or buys the router. Revenue from Consumer routers are reported within Service revenues.

- Industry routers are deemed to be separate performance obligations and revenue is recognised either at one point in time, if the customer buys the router, or over the contract period, if the customer rents the router. Ice group's assessment is that the industry router qualifies as an operational lease. Revenue from Industry routers are reported within Other revenue.

- Lease income is recognised on a straight-line basis over the lease period.

* Start-up fees are in all cases, not separate performance obligations and revenue is recognised with the delivered service for which the start-up fee belongs to is recognised. Start-up fees are reported either in Service revenue or Other revenue depending on what type of service they are related to.

* Discounts are, in all material aspects, not recognised in their full effect in the period the discounts are given to the customer. The discount is proportionally allocated to all performance obligations (distinct goods/services delivered) in the contract and recognised when the underlying performance is recognised over the contract period.

Operating and other expenses

Operating expenses comprises cost of goods sold for operating the network; site leases, transmission costs, carrier services, IT-costs and fieldwork and maintenance.

Other expenses are related to retailer commissions and other customer acquisition costs, marketing and public relations, customer services and office costs. All these operating costs are expensed as incurred.

Intangible assets

Licenses and similar rights

Separately acquired trademarks and licenses are shown at historical cost less amortisation. Licenses and trademarks acquired in a business combination are recognised at fair value at the acquisition date. Licenses 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 licenses over their estimated useful lives of 10 to 20 years.

Customer relationships

Separately acquired customer relationships are shown at historical cost less amortisation. Customer relationships acquired in a business combination are recognised at fair value at the acquisition date. Customer relationships have a finite useful life and amortisation is calculated using an accelerated amortisation method over their estimated useful lives, meaning higher amortisation expense in the first few years after the acquisition.

Capitalised development costs

Costs associated with maintaining computer software programmes are recognised 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 within other intangible assets but also within technical equipment (tangible assets). Some of the work is strongly connected do the development of the technical equipment.

Capitalised development costs are shown at historical cost less accumulated amortisation. 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 amortisation 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.

Property and technical equipment

Property and technical equipment 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 statement of comprehensive income 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. Depreciation on tangible assets are made on a linear basis;

- Property and technical equipment	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 in line 'Other expenses' in the statement of comprehensive income.

Leases

Right-of-use assets

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

Lease liabilities

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

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

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

Short-term leases and leases of low-value assets

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

Variable lease payments

There are no contracts with variable lease payments.

Incremental borrowing rate

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

Please see Note 3 for management judgement on renewal options. For additional information on leases and carrying values, see Note 25.

Costs to obtain and fulfil customer contracts

Ice Group capitalises the incremental costs to obtain and to fulfil customer contracts as an other non-current asset if the cost is expected to be recovered, which means that these items are now amortised as investment expenditures ("Costs to obtain and fulfil customer contracts") instead of being a direct operating expense. The useful lives are evaluated on a quarterly basis and reflects the customer lifetime, currently 3 years on average. Costs to obtain and fulfil customer contracts are amortised as Other expenses and Operating expenses, respectively.

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. Tangible and intangible non-financial assets that are subject to amortisation or depreciation 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. A network asset impairment of NOK 33 million was recognised in the fourth quarter of 2018 as a consequence of the post-closing divestment of the Swedish operations.

Financial instruments

Classification

The Group classifies its financial assets and liabilities in the following categories: financial assets at fair value through profit (FVTPL), and financial assets and financial liabilities at amortised cost. The classification of financial assets depends on the business model of Hold to collect or Hold to collect and sell, as well as the financial asset meeting the criteria of SPPI (cash flows consist of solely payments of principle and interest). Management determines the classification of its financial instrument at initial recognition. Currently the Group does not have any financial liabilities at FVTPL. There are no financial assets at FVTPL or the other IFRS 9 category of fair value over other comprehensive income (FVOCI).

Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss are derivatives and financial assets not meeting the criteria of SPPI or designated at fair value by management at initial classification.

Financial assets at amortised cost
Financial assets at amortised cost are non-derivative financial assets with fixed or determinable payments meeting the SPPI criteria and 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 financial assets at amortised cost comprise 'trade receivables' and 'cash and cash equivalents' in the balance sheet and the financial instruments recorded in other receivables.

Financial liabilities
All financial liabilities are at amortised cost and interest is determined using the effective interest method, except for the lease liabilities where Ice Group uses the incremental borrowing rate. These liabilities are the Group's borrowings, trade payables, lease liabilities 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 are initially recognised at fair value, and transaction costs are expensed in the statement of comprehensive income. 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. All financial assets and financial liabilities at amortised cost is measured 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 statement of comprehensive income 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 realize the asset and settle the liability simultaneously.

Impairment of financial assets

From 1 January 2018, the Group assesses on a forward-looking basis the expected credit losses associated with its financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. See note 20 for additional details.

As of 31 December 2019, the Group has no financial assets held at fair value over the profit or loss. As of 31 December 2018, however the Group had one asset held at fair value over the profit or loss. A change in the fair value of the share investment held in Net1 International Holdings AS was recognised at year-end over the profit or loss at an amount of NOK 28,353 thousand. In the 31 December 2018 statement of financial position, the investment balance is at NOK 5,135 thousand and included in the non-current assets line item Other financial assets.

Joint ventures

Joint venture is a joint arrangement whereby the partners that have joint control of the arrangement have rights to the net asset of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decision about the relevant activities require unanimous consent of the parties sharing control. The Group has one joint venture, Smartkom AS.

Joint ventures are included in the consolidated financial statements using the equity method from the date the Group's significant influence or joint control commences until the date it ceases. The Group's share of the joint venture's profit for the financial period is shown as a separate item after the Group's operating result, on the line Share of net profit from joint ventures. The Group's share of the joint venture's changes recorded in other comprehensive income is recorded in the Group's other comprehensive income. If the Group's share of the joint venture's losses exceeds its interest in the company, the carrying amount is written down to zero.

Inventory

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

Trade receivables

Trade receivables are financial instruments and represent the amount 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 a loss allowance for impairment determined using the expected credit loss model for lifetime expected losses.

Cash and cash equivalents

Cash and cash equivalents in the cash flow statement include highly liquid short-term investments that can be easily converted into a known amount, are exposed to insignificant risk and have a maximum maturity of 3 months. Cash and cash equivalents for 2019 and 2018 did not include any highly liquid short-term investments.

Trade payables

Trade payables are financial instruments and represent obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payables 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 statement of comprehensive income 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 recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income. In such cases, the tax is also recognised in other comprehensive income.

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.

Share-based payments

IFRS 2 distinguishes between payments settled with cash and payments settled with equity instruments. The fair value of an equity-settled share-based payment is determined on the allotment date and the difference between this value and the payment the employee makes for the warrants is recognised as a cost over the vesting period with equity as the offsetting entry. Social security costs are recognised through profit or loss. The Group only has equity instrument settled payments.

Cash flow statement

The Group presents the statement of cash flows using the indirect method. Cash inflows and outflows are shown separately for investing and financing activities, while operating activities include both cash and non-cash line items. Operating interests received and paid are reported as a part of operating activities. Interests paid on borrowings are included as a part of financing activities. Value Added Tax and other similar taxes are regarded as collection of tax on behalf of authorities, and are reported net.

The cash flow statement includes businesses disposed of up to the date of disposal.

Share capital

All shares are classified as equity.
Transaction costs in relation to equity transactions are recognised in equity net of tax.

Note 2 – 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 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.

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). Ice Group has external debts denoted in NOK, USD and in SEK (see note 24 Borrowings).

After divesting the Swedish operations in 2019 the foreign exchange risk exposure from balance sheets of foreign subsidiaries is deemed as very low.

(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 at variable interest rates, where the risk lies in the fluctuation of 3-month NIBOR. The Senior Secured and two Senior Unsecured bonds of a total NOK 3.1 billion, are running with an interest rate of NIBOR +4.60%, NIBOR +5.25% and NIBOR +8.00% respectively. All other loans run with fixed interest rates.

See the sensitivity analysis below.

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, Ice Group 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.

Please see the Group's main long-term financial liabilities classified according to the time on the closing date until the contractual maturity date, in note 24 Borrowings and in note 25 Leases.

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 24 Borrowings.
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) less cash and cash equivalents. Total capital is calculated as equity plus net debt.

NOK millions	**2019**	**2018**
Total gross borrowings (note 24)	4,390	3,732
Less cash and cash equivalents (note 23)	-1,183	-275
Net debt	**3,208**	**3,457**
Total equity	-889	-993
Total capital	**2,319**	**2,464**
Net Debt/Total capital ratio	138%	140%

The following table shows the Group's financial liabilities measured at amortised cost in the consolidated statements of financial position as at 31 December 2019.

	31 Dec 2019		**31 Dec 2018**	
NOK millions	Carrying amount	Fair value	Carrying amount	Fair value
Senior Unsecured bond ISIN NO 001 0864002	899	899	-	-
Senior Unsecured bond ISIN NO 001 0789035 [1]	508	507	787	763
Senior Secured bond ISIN NO 001 0807092	1,380	1,418	1,376	1,384
GT loan (USD)	1,069	1,069	903	903
RG loan (SEK)	446	446	425	425
Net1 International loan (NOK)	-	-	110	110
TeliaSonera seller’s credit	56	56	53	53

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

Sensitivity analysis

The factors below show the hypothetical effect on Group’s profit, should some factors change. The calculations are hypothetical and should neither be considered as an indicator of either of these factors being more or less likely to change, nor the size of the magnitude of the change. Real changes and their effects may be larger or smaller than presented below. In addition, it is likely that the real changes will affect other items, and that actions by Ice Group and others, as a result of the changes, may come to affect other items.
The sensitivity analysis should therefore be interpreted with caution.

Debt interest rates
The Group’s debts, except for the bonds, all run with fixed interest rates. The bonds run with NIBOR +5.25%, +4.60% and +8.00% respectively. A decrease/increase of 1% in NIBOR would have had a positive/negative effect on the Group’s interest expense of approximately NOK 28 million, for the year 2019.

Currency risks
With regards to exposure to *translation effects* risks from operations in other currencies, the future risk of the continuing operations is immaterial after the divestment of Netett Sverige AB in February 2019.

With regards to *currency risks within debts*, the bonds and the TeliaSonera seller’s credit are denoted in NOK and give no rise to any currency fluctuation risk. The GT Loan and RG loan, however, are denoted in USD and SEK respectively. Should the USD and/or SEK have strengthened towards NOK with 1 NOK and 0.10 NOK respectively during 2019, these debts per 31 December 2019 would have had increase with approximately NOK 82 million and 15 million respectively, with the corresponding negative effect in the consolidated statement of comprehensive income.

Note 3 – Critical accounting estimates and judgements

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely 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.

Estimates and judgements 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.

Valuation of non-current intangible and tangible assets

If the recoverable amount of an intangible or tangible non-current asset – licenses, customer relationships, technical equipment and other - falls below the book value, an impairment loss is recognised. At each balance sheet date, a number of factors are analysed in order to assess whether there is any indication of impairment. If such indication exists, an impairment test is prepared based on management's estimate of future discounted cash flows.

The estimates used to determine future cash flows and the discount rate used when calculating value in use are subject to uncertainty. The assumptions applied are as follows:

Average rates of *growth* in operating revenue are based on management's expectations of future conditions in the markets in which the business operates. The assumed long-term growth rate beyond the budgets and strategic plans approved by the Board cannot be higher than the long-term rate of growth in the economy where the business operates.

EBITDA margins are based on the volume/margins achieved historically, adjusted for expected future developments in market conditions. Programs to improve efficiency that are approved and committed are taken into account in determining the expected future EBITDA margins.

Investments needs and costs may vary significantly depending on external factors and technical development. It is assumed that the investments that are necessary to achieve the expected growth in revenue will be carried out.

Future cash flows are discounted to present value using a *discount rate* based on a calculation of a weighted average cost of capital ("WACC"). The after-tax WACC is calculated per segment.

Valuation of loss carry-forwards

The Group has recognised parts of the deferred tax assets for the tax losses in Ice Communication Norge AS to the extent it is deemed it is likely that these losses carry forwards can be utilized against future taxable income and taxable temporary differences. 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.

In relation to the divestment of Netett Sverige AB in Q1 2019, the deferred tax assets related to this entity were consequently derecognised.

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

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

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

Going concern

Ice Group and the Board of Directors work actively with, and has an ongoing process, to secure future financing and continue to capitalise on the growth success in Norway. The current strategy includes investments dependent on new financing in 2020. The process includes a number of options and partners.

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

Based on the above, 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 in accordance with section 3-3a of the Norwegian Accounting Act and IAS1, p. 25-26.

Note 4 – Reorganisation

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

1) Distribution of the shares of the International Business from AINMT Holdings AB to its shareholders.

2) The Company is demerged, transferring the ownership of Net1 International Holdings BV shares to the newly established Net1 International Holdings AS.

3) Transfer of AI Media Holdings (NMT) LLC's controlling ownership of AINMT Holdings AB to the Company. This is accomplished by issuing new shares in exchange for AI Media Holdings (NMT) LLC's shares in AINMT Holdings AB (a "flip-up").

The other shareholders of AINMT Holdings AB were at the same time offered to do the similar "flip-up" with their shares. As per year-end 2019, Ice Group ASA holds 100% of the shares in AINMT Holdings AB.

The net negative impact to equity from the accounting for the AINMT Holdings AB ownership interest reorganisation amounted to NOK -515 million and after adding the negative impact form the demerger of NOK -692 million, see note 5, the consolidated equity of Ice Group (pre-IFRS16 implementation) as per Q3 2018 ended at negative NOK -601 million.

Note 5 – Discontinued operations

The International business

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

The Discontinued operations are part of the Reorganisation, which had a negative equity impact of NOK -692 million as at the date of the Reorganisation in 2018.

The table below presents the discontinued operations as included in the consolidated financial information.

NOK millions	**2019**	**2018**
Total Operating revenue	-	28
EBITDA	-	-240
Operating result	-	-291
Result before tax	-	-172
Income taxes	-	0
Net result	-	-171
Total assets	-	-
Total liabilities	-	-

The Pre-Reorganisation group had assets classified as held for sale which related to radio towers in Indonesia. The cash consideration for these towers was received during 2018.

Note 6 – Segment information

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, both by geographic location.

2019

NOK millions	**Service revenue**	**Total revenue**	**EBITDA**	**Investments**
Norway	1,654	1,771	-146	896
Sweden	19	21	5	0
Denmark	14	15	-10	1
Corporate overhead	-	52	-14	-
Total	**1,687**	**1,859**	**-165**	**897**

2018

NOK millions	**Service revenue**	**Total revenue**	**EBITDA**	**Investments**
Norway	1,392	1,500	-194	604
Sweden	131	142	46	41
Denmark	17	18	-0	2
Corporate overhead	-	-	-31	-
Total	**1,539**	**1,660**	**-180**	**647**

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

EBITDA

Ice Group defines EBITDA (Earnings Before Interests, Taxes, Depreciations and Amortisations) 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 and non-recurring items. Any effects from business combinations are not included.

Reconciliation	**2019**	**2018**
Operating result	**-655**	**-701**
Depreciation and amortisation	468	465
Items related to network technical upgrade	10	26
Redundancy and other non-recurring costs	45	22
Sale of trademark	-46	-
Share-based compensation expenses (incl. social security costs)	12	8
EBITDA adjusted	**-165**	**-180**

Note 7 – Revenues by type

	2019	**2018**
Revenue from sale of communication services	1,687	1,539
Revenue from sale of Customer Premises Equipment ("CPE")	60	58
Other operational revenue	112	63
Total revenues	**1,859**	**1,660**

Communication services revenue consist of voice, data and mobile broadband subscription fees, revenues from voice (outgoing traffic) and data traffic, messaging, outbound roaming and other carrier services, wholesale and other mobile service revenues.

CPE revenue is mainly related to sale of routers and accessories (antennas, batteries etc) and in 2018 also introducing Smartphone handsets.

Other operational revenue includes invoice fees, breach-of-contract fees, and admin fees as billing, reminder and collection fees.

Note 8 – Revenue from contracts with customers

8(a) Disaggregation of revenue from contracts with customers

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

2019	**Service revenue**			**Other revenue**				
NOK millions	**Norway**	**Sweden**	**Denmark**	**Norway**	**Sweden**	**Denmark**	**Other**	**Total**
Revenue from external customer	1,654	19	14	117	2	1	52	**1,859**
Timing of revenue recognition:								
At a point in time	357	1	1	116	2	1	52	**530**
Over time	1,297	18	13	1	-	-	-	**1,329**

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

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

8(b) 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 2019**	**31 Dec 2018**	**1 Jan 2018**
Capitalised cost to obtain/fulfil customer contracts	362	304	293
Contract assets included in Prepaid expenses and accrued income	50	45	27
Contract liabilities included in Accrued expenses and deferred income [1]	42	55	45

1) *No liability from 2018 is left in 2019, the difference between revenue in 2019 and liability in 2018 is related to the divestment of Netett Sverige AB in 2019.*

Revenue recognised in relations to contract liabilities

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

NOK millions	**2019**	**2018**
Revenue recognised that was included in the contract liability	44	37

Assets recognised from costs to fulfil a contract

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

NOK millions	**2019**	**2018**
Asset recognised from costs incurred to fulfil a contract at 31 December	362	304
Amortisation recognised as cost of providing services during the period	-206	-172

Note 9 – Sales and administrative expenses

NOK millions	**2019**	**2018**
Fees to auditors (see specification below)	7	16
Marketing costs	276	187
External services	115	126
Sales costs	288	338
Other expenses	107	54
Total	**793**	**721**

Fees and other remuneration to auditors	2019	2018
NOK thousands		
PwC		
Audit assignment	3,639	4,732
Other assurance services	887	7,253
Tax advisory	645	1,078
Other advisory services	2,235	3,030
Total	**7,406**	**16,093**

Audit assignments involve examination of the annual accounts and the Board and the CEO, other tasks incumbent upon the auditor to perform. Further assurance services principally include other attestation services required by laws and regulations, attestations related to information system, audits, attestations and agreed upon procedures required by regulators and other third parties. Other advisory services include advice or other assistance resulting from observations of such review or implementation of such other tasks. All amounts are excluding VAT. The Group has not received any services from any other audit firm than PricewaterhouseCoopers.

Note 10 – Employees

Average number of employees divided by country	2019 Total	2019 Of which men	2018 Total	2018 Of which men
Norway	215	147	156	118
Sweden	3	1	29	22
Denmark	5	4	8	7
Total	**223**	**152**	**193**	**147**

Employee benefit expenses	2019	2018
Salaries and other remuneration	198	182
Pension benefits [1]	8	10
Other social costs	29	32
Other personnel related expenses	34	28
Capitalised expenses for development work [2]	-31	-31
Total	**238**	**220**

1) *Post-employment benefits. The Group has only defined contribution pension plans. All the related costs have been recognised in the statement of comprehensive income, which is the same as the amount paid. The Group has no other post-employment benefits to employees*

2) *See note 1 for further details on capitalisation.*

2019

Remuneration and other benefits Senior executives	Base salary	Bonus	Other benefit	Pension benefit	Total	Options EoP
NOK thousands						
Eivind Helgaker / CEO	3,155	1,875	164	158	**5,352**	545,000
Henning Karlsrud / CFO	2,438	1,938	154	122	**4,652**	50,000
Shiraz Abid [1] / CCO	356	201	5	28	**590**	150,000
Martin Westersø [1] / Chief of Staff	334	-	2	17	**352**	115,000
Jan-Erik Hvidsten [1] / CPO	333	98	1	22	**453**	-
Hans Heggenhaugen [1] / CTO	320	107	1	21	**449**	35,000
Reynir Jóhannesson [1] / Communication Director	285	-	7	14	**306**	-
Cathrine Wiig Ore [1] / General Counsel	320	65	1	16	**402**	-
Total	**7,541**	**4,284**	**335**	**398**	**12,557**	

1) *Part of the executive management team from 1 October 2019.*

2018

Remuneration and other benefits Senior executives	**Base salary**	**Bonus**	**Other benefits**	**Pension benefit**	**Total**	**Options EoP [4]**
NOK thousands						
Eivind Helgaker / CEO	2,550	1,185	500	128	**4,363**	545,000
Henning Karlsrud [1] / CFO	2,205	1,938	187	110	**4,440**	-
Murat Erden [2] / Interim CFO	195	1,992	-	-	**2,187**	-
Jean Daniel Fouchard [3] / CEO	2,021	1,886	178	-	**4,086**	600,000
Jean-Marc Engels [3] / CTIO	1,728	1,152	-	-	**2,879**	97,000
Total	**8,699**	**8,153**	**865**	**238**	**17,955**	

1) *Assumed the position on 12 January 2018.*
2) *Held this position until 12 January 2018.*
3) *Held this position until 19 September 2018.*
4) *Represents the number of options held from the share-based incentive program that was introduced 2014 in the pre-reorganisation parent company, AINMT Holdings AB, (see below) that lapsed on 31 December 2018, later renewed in April 2019 in Ice Group ASA.*

Costs expensed for Share-based incentive programs (see below) related to Senior executives amounted to NOK 12 (8) millions.

Guidelines for remuneration to senior executives and CEO

Remuneration to the Chief Executive Officer ("CEO") and other senior executives consists of base salary, variable remuneration, other benefits and share-based compensation. Other senior executives are those eight people who, together with the CEO, comprise the Group management. Distribution between basic salary and variable compensation shall be proportionate to the executive's responsibility and authority. For senior executives, variable pay is ranged between 15% and 85% of base salary. Variable compensation is based on performance in relation to individual targets.

CEO

The CEO is eligible to receive an annual bonus of up to 75% of the annual base salary if conditions apply. The CEO is entitled to a severance pay of 6 months base salary in case of notice based on Company circumstances. The Group has no difference in retirement benefits for executives compared to other employees.

Declaration on remuneration to senior management

Asal. §6-16a sets forth a requirement for ASA companies to provide information regarding the content of the declaration on remuneration for senior management as prepared by the Board of Directors. The Board of Directors prepared its declaration on remuneration for senior management in 2019 and it may be found on www.icegroup.com.

Share-based incentive program

In 2014 Ice Group introduced a share-based incentive program consisting of warrants and employee stock options in the AINMT Holdings AB. The stock options were allocated free of charge, was strictly equity based and the employees did have the option to receive the settlement in cash. The warrants were issued by AINMT Holdings AB and each subscription or stock option entitled to subscribe for one ordinary class B share and expiration date was 31 December 2018. The total number of warrants and employee stock options issued amounted to 4,550,450, of which 3,245,000 were distributed. The costs were recognised over the duration of the programs and based upon managements' expectations on future exercises of the warrants and stock options. All warrants from the program lapsed on 31 December 2018 except for 130,000 warrants that were exercised.

Following the postponement of the potential initial public offering of Ice Group's shares on Oslo Børs as announced on 6 December 2018, the board of directors has replaced and continued the option programme that expired in December 2018.

On 29 March 2019, a new LTI program was announced, a total of 3,522,000 options, each entitling the holder to the issue of one share in the company with a strike price of NOK 15.13 (equal to SEK 16.23, which was the strike price in the expired programme). The latest exercise date for the 1,825,000 options held by current employees and board members is 31 December 2020, while the latest exercise date for the options held by others is 31 December 2019. The company aims to issue options for around 1.5% of the shares in the company every year.

On 20 December 2019 the Board extended the current share option program for former employees that expire in December 2019 to 31 December 2020. The extension includes a total of 1,847,000 options, each entitling the holder to the issue of one share in the company with a strike price of NOK 15.13.

At year-end 2019, the total number of outstanding options is 3,522,000, all expiring in December 2020.

Board remunerations

NOK thousands	2019 Total fees	Options EoP	Fee[1]	Fee[2]	2018 Total fees	Options EoP[3]
Chair						
Hans-Holger Albrecht	685	180,000	150	-	-	-
Stanley Miller	-	-	-	1,474	1,474	350,000
Other members of the Board						
Ingvild Myhre	456	150,000	100	421	521	150,000
Guillaume d´Hauteville	456	-	33	-	33	-
Mari Thjømøe	456	-	33	-	33	-
Jan Scherman	-	-	-	421	421	-
Hans-Holger Albrecht	-	-	-	421	421	180,000
Phil Hewinson	-	-	-	421	421	150,000
Jörg Mohaupt	-	-	100	-	100	-
Total	**2,054**		**417**	**3,158**	**3,575**	

1) *The fees were paid by Ice Group ASA as from October 2018.*

2) *The fees were paid by AINMT Holdings AB for from January to September in 2018.*

3) *Represents the number of options held from the share-based incentive program that was introduced 2014in the pre-reorganisation parent company, AINMT Holdings AB, (see above) that lapsed on 31 December 2018, later renewed in April 2019 in Ice Group ASA.*

Shareholdings

The shareholders in the Company were distributed as follows:

Ice Group ASA	2019		2018	
Shareholders	Direct shares	Ownership % Direct/Control	Direct shares	Ownership% Direct/Control
More than 5% shareholdings				
Access Industries (and affiliates)	125,744,293	62.3%	80,744,293	63.9%
RASMUSSENGRUPPEN AS (and affiliates)	22,329,681	11.1%	12,729,681	10.1%
Jörg Mohaupt (direct and indirect)	16,561,683	8.2%	8,679,886	6.9%
Board of Directors and management shareholdings				
Mari Thjømøe	24,000	0.0%	-	-
Henning Karlsrud	25,000	0.0%	-	-
Martin Westersø	15,194	0.0%	-	-
Hans Heggenhaugen	6,000	0.0%	-	-
Abid Shiraz Naveed	3,292	0.0%	-	-
Stanley Miller	2,333,619[1]	1.2%	2,333,619	1.9%
Jan Scherman	100,000[1]	0.0%	100,000	0.1%
Jean Daniel Fouchard	100,000[1]	0.0%	1,478,573	1.2%
Johan Michelsen	1,232,451[1]	0.1%	1,208,377	1.0%
Eivind Helgaker	152,476	0.1%	9,846	0.0%
Linus Jönsson	51,944[1]	0.0%	51,944	0.0%
Anders Koch	10,000	0.0%	10,000	0.0%
Other investors (< 5% share ownership)	33,004,428	17.0%	18,998,394	15.0%
Total	**201,694,061**	**100.0%**	**126,344,613**	**100.0%**

1) Has no longer a position within Ice Group ASA.

“Control” includes both direct and indirect control of AINMT Holdings AB in the Pre-Reorganization Group, when the Company was an investment channel in AINMT Holdings AB and in and held 38.9% of its shares.

Shareholdings in AINMT Holdings AB, being the Pre-Reorganisation holdings company:

AINMT Holdings AB	2019		2018	
Shareholders	Shares	Control %	Shares	Control %
Ice Group ASA	**201,694,061**	**100.0%**	**126,344,613**	**99.7%**
Board of Directors and management shareholdings				
Thomas Harding	-	-	17,229	-
Eivind Helgaker	-	-	138,130	0.1%
René Kappelgård	-	-	15,328	0.0%
Other shareholders	-	-	178,761	0.1%
Total	**201,694,061**	**100.0%**	**126,694,061**	**100.0%**

Note 11 – Taxes

	2019	2018
Current taxes	-	-3
Deferred taxes	-10	-5
Total tax	**-10**	**-8**

Reconciliation of effective tax	2019	2018
Result before tax	-1,142	-1,052
Income tax calculated at applicable tax rate of the Parent Company	251	242
Difference in tax rates in foreign operations[1]	-	-2
Tax effects from:		
- Non-taxable income and non-deductible items	13	19
- Adjustments of prior-year taxes	-	-3
- Non-capitalised unused tax losses	-274	-264
Total tax	**-10**	**-8**

[1)] *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 22% (23%) in Norway, 22% (22%) in Sweden and 22% (22%) in Denmark.*

Deferred taxes	2019	2018
Positive changes in deferred taxes	45	8
Negative changes in deferred taxes	-54	-12
Total deferred tax in the statement of income	**-10**	**-5**
Deferred tax assets		
Opening carrying amount	66	80
Changes recognised as income in the statement of income	-	-
Changes recognised as cost in the statement of income	-54	-12
Currency translation differences	16	-1
Closing carrying amount	**28**	**66**
Whereof attributable to capitalised tax losses	0	62
Whereof attributable to temporary differences from 22% / 23%	28	4

Deferred tax liabilities		
Opening carrying amount	-75	-427
Discontinued operations	-	343
Changes recognised as income in the statement of income	45	8
Currency translation differences	2	1
Closing carrying amount	**-28**	**-75**
Whereof attributable to non-current assets	-28	-75
Net deferred taxes presented in the statement of positions	**0**	**-9**

Deferred tax assets are recognised 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 recognise deferred tax assets amounting to NOK 973 (1,737) million related to losses of NOK 4,549 (3,997) million, which can be offset against future taxable profits. The Group's loss carry-forwards does not expire at any given time, except for non-deductible internal interest that have a lifetime of 10 years.

Note 12 – Financial income

	2019	2018
Interest income	3	1
Net gain sale of associated companies [1]	-	128
Other financial income	6	0
Total	**9**	**129**

1) *Relates to the divestment of the 30% stake in Nextel Brazil. The transaction was signed on 31 May 2018, cash consideration received in June 2018 and finally closed on 26 September 2018.*

Note 13 – Financial expenses

	2019	2018
Interest expenses	-344	-249
Currency losses, net	-16	-63
Impairment of financial assets [1]	-	-28
Interest expenses related to leases	-112	-139
Net loss sale of associated companies [2]	-13	-
Other financial expenses	-10	-1
Total	**-497**	**-481**

1) *Assets impaired relates to an investment in 2% of the shares in Net1 International Holdings AS.*

2) *Relates to the divestment of Netett Sverige AB, completed on 14 March 2019.*

Note 14 – Intangible assets

	Licenses and similar rights[1]	Customer relationships	Other intangible assets	**Total**
Accumulated acquisition value	2,782	293	355	3,430
Accumulated amortisation	-350	-181	-142	-673
Opening carrying value 1 January 2018	**2,432**	**112**	**213**	**2,757**
Changes during the year				
Discontinued operations	-1,462	-	-13	-1,474
Investments	46	-	75	120
Currency translation differences	91	-	-1	90
Amortisation	-75	-33	-41	-148
Closing carrying value	**1,031**	**80**	**234**	**1,344**
Accumulated acquisition value	1,404	293	316	2,013
Accumulated amortisation	-373	-213	-83	-669
Closing carrying value 31 December 2018	**1,031**	**80**	**234**	**1,344**
Closing carrying value 31 December 2018, right-of-use assets	*412*	-	-	*412*
Changes during the year				
Discontinued operations	-52	-	-	-52
Investments	759	102	102	963
Currency translation differences	-4	-	-2	-5
Amortisation	-81	-45	-54	-180
Closing carrying value	**1,655**	**136**	**280**	**2,070**
Accumulated acquisition value	2,026	395	397	2,818
Accumulated amortisation	-371	-258	-119	-748
Closing carrying value 31 December 2019	**1,655**	**136**	**280**	**2,070**
Closing carrying value 31 December 2019, right-of-use assets	*819*	-	-	*819*

[1)] *Restated due to implementation of IFRS16. Please refer to note 1 and note 25 for further details.*

Other intangible assets mainly consist of IT software and capitalised development costs.

The below table shows the commercial mobile spectrum licences that the Group holds as of 31 December 2019:

Spectrum (MHz)	*Bandwith (MHz)*	*Valid until*	*Spectrum (MHz)*	*Bandwith (MHz)*	*Valid until*
Norway			**Denmark**		
410 MHz	2 x 1.8 MHz	31 Dec 2039	450 MHz	2 x 4.5 MHz	23 Jan 2022
450 MHz	2 x 5 MHz	31 Dec 2039			
700 MHz	2 x 10 MHz	31 Dec 2039			
800 MHz	2 x 10 MHz	31 Dec 2033			
900 MHz	2 x 5.1 MHz	31 Dec 2033			
1,800 MHz	2 x 20 MHz	31 Dec 2033			
2,100 MHz	2 x 20 MHz	31 Dec 2032			

As over three years remain before the expiry of the frequencies, the process for renewal is not yet known and, as such, the Group has not yet defined a plan for renewal. However, to the Group’s knowledge, no other operators have network or end-customer equipment supporting 450 MHz frequencies, which would make the indirect acquisition and utilization cost substantially higher for other operators.

Note 15 – Property and technical equipment

	Property[1]	Technical equipment[1]	Equipment and tools[1]	Other tangible assets	Work in progress	**Total**
Accumulated acquisition value	133	3,431	27	75	328	3,995
Accumulated depreciation	-16	-1,230	-19	-59	-	-1,324
Opening carrying value 1 January 2018	**118**	**2,202**	**7**	**16**	**328**	**2,671**
Changes during the year						
Discontinued operations	-	-104	-1	-5	-1	-111
Investments	1	296	2	9	70	377
Disposals / write-downs	-	-33	-	-2	-	-34
Reclassifications, net	-	2	-	-	-2	-
Currency translation differences	-1	-17	-0	-0	-0	-18
Depreciation	-12	-257	-1	-11	-	-282
Closing carrying value	**105**	**2,089**	**8**	**7**	**394**	**2,603**
Accumulated acquisition value	133	3,039	11	44	394	3,621
Accumulated depreciation	-28	-950	-3	-37	-	-1,019
Closing carrying value 31 December 2018	**105**	**2,089**	**8**	**7**	**394**	**2,603**
Closing carrying value 31 December 2019, right-of-use assets	*105*	*1,033*	*1*	*2*	*-*	*1,141*
Changes during the year						
Discontinued operations	-29	-496	-1	-1	-1	-528
Investments	1	525	4	1	109	640
Disposals / write-downs	3	-6	-	-0	-	-4
Reclassifications, net	-	0	-	0	-	0
Currency translation differences	-1	-37	-0	-0	-	-38
Depreciation	-9	-275	-2	-3	-	-289
Closing carrying value	**68**	**1,800**	**10**	**3**	**503**	**2,383**
Accumulated acquisition value	86	2,737	13	10	503	3,348
Accumulated depreciation	-17	-937	-3	-7	-	-965
Closing carrying value 31 December 2019	**68**	**1,800**	**10**	**3**	**503**	**2,383**
Closing carrying value 31 December 2019, right-of-use assets	*68*	*790*	*1*	*1*	*-*	*860*

1) *Restated due to implementation of IFRS16. Please refer to note 1 and note 25 for further details.*

Work in progress by 31 December 2019 consists primarily of capitalised costs related to the technology upgrade and migration projects. No interest has been capitalised related to the projects.

Note 16 – Investments in joint ventures

Company name	Holding 31 Dec 2019	31 Dec 2018	Book value of shares 31 Dec 2019	31 Dec 2018	Result from shares 2019	2018
NOK thousands						
Smartkom AS	50%	50%	310	268	42	33
Total book value of shares in joint ventures at 31 December	**50%**	**50%**	**310**	**268**	**42**	**33**

Voting shares equals the capital share.

Result from shares in joint ventures	2019	2018
NOK thousands		
Holdings	50%	50%
Participation in result of joint ventures	42	33
Net result	85	66
Total result of shares in joint ventures	**42**	**33**

Extracts from the income statement of joint ventures	2019	2018
NOK thousands		
Operating result	85	66
Net result	**85**	**66**

Extracts from the balance sheet of joint ventures	2019	2018
NOK thousands		
Current assets	553	509
Total assets	**553**	**509**
Equity	404	394
Total liabilities	259	115
Total equity and liabilities	**663**	**509**

Shares in joint ventures Acquisition value	2019	2018
NOK thousands		
Investments	268	173,660
Discontinued operations	-	-173,425
Share of result for the year	42	33
Total shares in joint ventures at 31 December	**310**	**268**

Note 17 – Investments in subsidiaries

Ice Group ASA holds investments in the following entities as per 31 Dec 2019:	Corporate identity no	Registered office	Capital share	Number of shares
Direct holdings:				
AINMT Holdings AB	556771-3440	Stockholm, Sweden	100%	201,694,061
Indirect holdings:				
Ice Group Scandinavia Holdings AS	913 192 354	Oslo, Norway	100%	30
Ice Communication Norge AS	912 672 808	Oslo, Norway	100%	30,000
Phonepartner Norge Holding AS	921 077 262	Oslo, Norway	100%	30
Phonepartner Norge AS	920 355 366	Oslo, Norway	100%	30
Ice Retail Holding AS	923 268 081	Oslo, Norway	100%	3,000
Ice Retail AS	923 268 669	Oslo, Norway	100%	18,000
Ice Danmark ApS	29 849 943	Copenhagen, Denmark	100%	5,000,000
SmartKom AS	917 953 686	Oslo, Norway	50%	100,000

Ice Group ASA holds investments in the following entities as per 31 Dec 2018:	Corporate identity no	Registered office	Capital share	Number of shares
Direct holdings:				
AINMT Holdings AB	556771-3440	Stockholm, Sweden	99,72%	126,694,061
Indirect holdings:				
Ice Group Scandinavia Holdings AS	913 192 354	Oslo, Norway	100%	30
Ice Norge AS	991 715 290	Oslo, Norway	100%	23,646,768
Ice Communication Norge AS	912 672 808	Oslo, Norway	100%	30,000
Phonepartner Norge Holding AS	921 077 262	Oslo, Norway	100%	30
Phonepartner Norge AS	920 355 366	Oslo, Norway	100%	30
Netett Sverige AB	556773-3091	Stockholm, Sweden	100%	30,171,971
Ice Danmark ApS	29 849 943	Copenhagen, Denmark	100%	138,792,200
Ice Group UK Management LLC	10828774	London, United Kingdom	100%	1
AINMT Scandinavia Holdings AB	556955-8108	Stockholm, Sweden	100%	50,000

Voting shares equals the capital share.

Note 18 – Financial instruments by category

	31 Dec 2019	31 Dec 2018
Financial assets at amortised costs		
Other financial assets	20	26
Trade receivables	143	127
Cash and cash equivalents	1,183	275
Total	**1,346**	**428**
Financial liability at amortised costs		
Borrowings	4,390	3,732
Other non-interest bearing liabilities	321	18
Non-current lease liabilities	1,618	1,625
Trade payables	164	242
Other current liabilities	8	8
Current lease liabilities	204	161
Total	**6,705**	**5,787**

Note 19 – Operating expenses

	2019	2018
Carrier services	279	251
COGS	89	83
Network costs	206	186
Total	**574**	**520**

Note 20 – Trade receivables

	31 Dec 2019	31 Dec 2018
Trade receivables	156	138
Less provision for bad debts	-12	-11
Trade receivables – net	**143**	**127**

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of sales over a period of 36 months before 31 December 2019 or 1 January 2019, respectively, and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

	Gross		Net	
Aging analysis of trade receivables	**31 Dec 2019**	**31 Dec 2018**	**31 Dec 2019**	**31 Dec 2018**
Trade receivables not due	98	78	97	77
Trade receivables past due	58	60	46	50
of which less than 30 days	*27*	*17*	*26*	*17*
of which 30-180 days	*8*	*9*	*6*	*7*
of which more than 180 days	*23*	*34*	*14*	*26*
Total accounts receivable	**156**	**138**	**143**	**127**

Specification of provision for bad debt	**31 Dec 2019**	**31 Dec 2018**
Loss allowance as of 1 January	*-11*	*-27*
Discontinued operations	0	17
Change during the year	-2	-1
Currency effects	0	0
Loss allowance as of 31 December	*-12*	*-11*
Realised losses for the year	-7	-7

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

Note 21 – Other current receivables

	31 Dec 2019	**31 Dec 2018**
VAT receivable	17	15
Other	2	15
Total	**19**	**31**

Note 22 – Prepaid expenses and accrued income

	31 Dec 2019	**31 Dec 2018**
Prepaid expenses	18	50
Accrued income related to contract with customers	9	45
Accrued interest income	0	0
Total	**27**	**96**

Note 23 – Cash and cash equivalents

	31 Dec 2019	**31 Dec 2018**
Cash at bank	1,165	261
Payroll withholdings and other restricted cash	18	14
Total	**1,183**	**275**

Note 24 – Borrowings

	31 Dec 2019	31 Dec 2018
Non-current borrowings (see also note 2)		
Bond loans (NOK) – Gross debt	3,100	2,200
Bond loans – Loan costs	-40	-37
GT loan (USD) – Gross debt	1,069	945
GT loan – Loan costs	-37	-42
RG loan (SEK)	446	425
Net1 International loan (NOK)	-	110
TeliaSonera seller's credit	56	53
Own bonds	-281	-
Long-term payable with Access Industries	18	18
Adjusted for:		
Capitalised loan costs	77	79
Long-term payable with Access Industries	-18	-18
Gross interest-bearing debt	**4,390**	**3,732**
Cash and cash equivalents	-1,183	-275
Net debt	**3,208**	**3,457**

Please see also *Net Interest-Bearing Debt* ("NIBD") under Alternative Performance Measures on page 54.

Senior Unsecured Callable Bond 2017/2022

In Q2 2017, Ice Group, through Ice Group Scandinavia Holdings AS, issued a five-year NOK 800 million senior unsecured bond (ISIN NO 001 0789035) at a blended debt financing cost of NIBOR +5.25%. The bond was successfully admitted to Oslo Stock Exchange on 3 October 2017.

Senior Secured Callable Bond 2017/2021

In Q4 2017, Ice Group, through Ice Group Scandinavia Holdings AS, issued a four-year NOK 1.4 billion senior secured bond (ISIN NO 001 0807092). The bond has a coupon of 3 months NIBOR +4.60%. The bond was successfully admitted to Oslo Stock Exchange on 8 November 2017.

Senior Unsecured Bond 2019/2023

In Q4 2019, Ice Group, through Ice Group Scandinavia Holdings AS, issued a four-year NOK 900 million senior unsecured bond (ISIN NO 001 0864002). The bond has a coupon of 3 months NIBOR +8.00%. The bond was successfully admitted to Oslo Stock Exchange on 1 April 2020.

GT loan (subordinated)

On 30 September 2015, the subsidiary AINMT Holdings AB entered into in a USD 80 million loan agreement with a consortium of financial investors represented by GoldenTree Asset Management LLP as agent (the "Loan GT") million maturing in 2030 with payment-in-kind flexibility for the interest coupons. The loan bears an interest coupon of 9.9% p.a. with a 2 percentage point step-up from year five, and with an additional 0.6 percentage points if the PIK facility is utilised. The loan is subordinated and runs without amortisation requirements.

On 30 June 2019, USD 2.5 million was added to the principal pursuant to the loan agreement.

RG loan

On 30 October 2015, the Company received a secured perpetual callable subordinated convertible loan of SEK 340 million from RASMUSSENGRUPPEN AS ("RG") (related party, see Parent Company note P9) with a conversion price of SEK 79.84/share. The lender has the right, but no obligation, to claim issued shares in the Company against the loan (including accrued interest, payment-in-kind (PIK) Amounts and PIK Interest insofar the Company decides it) to be used as offsetting (conversion right). As the loan is subordinated, it is inferior to the Company's other creditors. The lender has a first priority pledge on the loan.

Of it at any time outstanding amounts shall be paid an interest rate equal to 7.90% p.a. From interest payment date in 2024 the interest rate should be increased to 20% p.a. Interest shall be calculated from the date of payment, and paid arrears each year. The Company can choose whether interest is to be paid in cash or added to the principal.

In connection with the reorganisation, RG waived all the subscription and conversion rights in favour of new subscription rights in parent company of the de-merged International Business, Net1 International Holdings AS, causing a recourse claim on the Company of SEK 113 million. The claim was converted into a NOK 107 million subordinated loan (see below).

Net1 International loan (subordinated)

In connection with the Reorganisation, the Company as borrower entered into the Net1 International Loan. The debt carries an interest of 7% p.a. and will fall due on the earlier of 2028, or upon insolvency or similar proceedings being initiated in respect of the Company, subject to any prepayments being made as a set-off against payments for goods and services that the Company delivers to Net1 International Holdings AS from time to time. The loan was fully settled in December 2019.

TeliaSonera "Seller's credit"

In Q1 2015, the Norwegian business acquired the B2B business from Network Norway. The commitment to pay the seller's credit related to this purchase was overtaken by AINMT Holdings AB. The interest is annually fixed 9.75% and the loan is due as a whole on 1 April 2020. Interest are due at maturity date.

Financial covenants

For the Senior Secured Callable Bond 2017/2021, the Senior Unsecured Callable Bond 2017/2022 and the Senior Unsecured Bond 2019/2023 the Group has to comply to certain covenants:

- Liquidity must at all times exceed NOK 150 million
- Loan to value, where net interest-bearings debts to enterprise value must not exceed 50%

As per 31 December 2019, loan to value (for the Ice Scandinavia group) tested to 25%.

Maturity table

The maturity table below shows the classification of the Group's main long-term interest-bearing liabilities by closing date until the contractual maturity date, all amounts stated in nominal values assuming fixed currency rates.

Maturity table, borrowings			**31 Dec 2019**	**Cash payments due by period**	
2019	Original Loan Amount (contract currency)	Outstanding principal (contract currency)	Outstanding principal (NOK millions)	Within 1 year	Between 2 and 5 years
Senior Unsecured Callable Bond 17/22 [1]	519	519	519	-53	-587
Senior Secured Callable Bond 17/21	1,400	1,400	1,400	-84	-1,406
Senior Unsecured Callable Bond 19/23	900	900	900	-88	-1,142
GT loan - Gross debt (USD) [2]	83	126	1,106	-	-
RG loan (SEK) [2]	340	446	446	-	-
TeliaSonera seller's credit (NOK) [2]	50	60	56	-3	-56
Capitalised loan costs	n/a	n/a	-37	-	-
Total			**4,390**	**-228**	**-3,215**

[1)] *Principal netted with own bond of NOK 280.5 million. Interest income is received each period, however not included in the cash payments overview*
[2)] *Interest can be capitalised.*

Maturity table, borrowings			**31 Dec 2019**	**Cash payments due by period**	
2018	Original Loan Amount (contract currency)	Outstanding principal (contract currency)	Outstanding principal (NOK millions)	Within 1 year	Between 2 and 5 years
Senior Unsecured Callable Bond 17/22	800	800	800	-53	-921
Senior Secured Callable Bond 17/21	1,400	1,400	1,400	-84	-1,490
GT loan - Gross debt (USD) [1]	83	126	1,106	-	-
RG loan (SEK) [1]	340	446	446	-	-
TeliaSonera seller's credit (NOK) [1]	50	60	56	-3	-56
Capitalised loan costs	n/a	n/a	-77	-	-
Total			**3,732**	**-228**	**-2,467**

[1)] *Interest can be capitalised.*

Note 25 – 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 2019	31 Dec 2018
Right-of-use assets		
Licenses	819	412
Property	68	105
Technical equipment	790	1,033
Equipment and tools	1	1
Other tangible assets	1	2
Total	**1,679**	**1,553**
Lease liabilities		
Current	112	66
Non-current	1,618	1,625
Total	**1,730**	**1,691**

Items recognised in the statement of comprehensive income

NOK millions	31 Dec 2019	31 Dec 2018
Depreciation charge of right-of-use asset		
Licenses	-32	-22
Property	-9	-12
Technical equipment	-56	-61
Equipment and tools	0	0
Other tangible assets	-1	0
Total	**-98**	**-96**
Interest expense (included in financial expenses)	-112	-139
Expenses related to low-value leases (included in sales and admin. expenses)	-2	-2
Total cash outflow related to leases in 2019 amounted to NOK 202 millions		

Distribution of short-term and long-term debt

Duration *NOK millions*	Short-term lease	1-3 years	3-5 years	Over 5 years	Total Long-term
Short-term debt	112				
Long-term debt		168	192	1,257	**1,618**

Note 26 – Other current liabilities

	31 Dec 2019	31 Dec 2018
Employee benefit related liabilities	12	12
Other payables	9	9
Total	**21**	**20**

Note 27 – Accrued expenses and deferred income

	31 Dec 2019	31 Dec 2018
Accrued interests	76	54
Accrued personnel related expenses	40	39
Other accrued expenses	305	178
Accrued expenses related to leases	91	94
Deferred income	42	55
Total	**555**	**421**

Note 28 – Pledges and other contractual commitments

Assets pledged as per 31 December 2019 were all related to the issuing of the Senior Secured Callable bond (ISIN NO 001 0807092) in favour of the bondholders (Nordic Trustee ASA, Norway, as bond trustee on behalf of the bondholders):

- All shares in Ice Group Scandinavia Holdings AS and its subsidiaries Ice Communication Norge AS and Ice Danmark ApS
- Ice Group Scandinavia Holdings AS: Pledge over (i) all bank accounts (NOK 704 million), (ii) operating assets (NOK 299 million), (iii) inventory and (iv) factoring registered in the Register of Mortgaged Movable Property
- Ice Communication Norge AS: Pledge over (i) bank accounts (NOK 305 million), (ii) operating assets (NOK 44 million), (iii) inventory (NOK 5 million), (iv) technical equipment (NOK 1,010 million), (iv) factoring registered in the Register of Mortgaged Movable Property
- In addition to the above, pledges were set out over the monetary claims under the following Group internal loans and loan agreements:
  - Ice Group Scandinavia Holdings AS loan agreements to/with Ice Norge Communication AS of (ii) NOK 1,660,000,000

All pledges related to Netett Sverige AB were duly released in connection with the divestment in February 2019.

Other contractual commitments	**2019**	**2018**
Commitments, investments	140	922
Commitments, other	-	41
Total future fees for other contractual commitments	**140**	**952**

Other commitments mainly relate to commitments for ordered and contracted goods and services that cannot be cancelled without economic effects.

Note 29 – Adjustments for non-cash items

	2019	**2018**
Share-based compensation expenses (see note 10)	12	8
Impairment of non-current assets	8	70
Currency related items	-16	193
Total	**4**	**270**

Note 30 – Transactions with related parties

The major shareholder of Ice Group ASA is AI Media Holdings (NMT) LLC, Delaware. 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.

The Company has internal loans with its subsidiary AINMT Holdings AB and an external loan with an Access Industries affiliate, Net1 International Holdings AS (see note 24). Access Industries has participated in equity injections in the Company and in the Pre-Reorganization Group throughout as from when it was initially acquired in 2009. Please refer to notes 4 and 5 with regards to the reorganization.

In connection with the Reorganisation, the Company entered into a transitional services agreement with Net1 International Holdings AS in respect of certain administrative services to be provided by the Group, such as payment of salary, fees, benefits and expenses of named employees and consultants, services related to financial information, use of the Group's IT systems, IT support, insurance and use of the Group's office space. The agreement is entered into on arm's length terms, and any accrued and invoiced costs may be set-off against the outstanding amount under the Net1 International Loan. The agreement ended on 31 December 2019.

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

Not 31 – Subsequent events

There are no other events after 31 December 2019 that have a material effect on the financial statement for 2019, however the below items are relevant for on the future business of Ice Group:

* On 6 January 2020, Ice Group ASA announced that on 3 January 2020 the Company reached 574k smartphone subscriptions in Norway, implying a 10% market share based on latest available figures for total market size (H1 2019, Nkom, 24 October 2019).

* On 24 February 2020, the Board of Directors of Ice Group ASA (the "Company") approved a new long-term incentive (LTI) program aimed to align the interests of the participating employees with those of the Company's shareholders. The program is discretionary, and participants are invited on an annual basis. The total number of options granted in this year’s program is 2,800,000 where each option will give the holder the right to acquire one Ice Group ASA share. The options are granted with 800,000 options to CEO, 250,000 options to each other member of the executive management team and up to 250,000 options in total to other key employees. The program includes a cap on profit equal to 5x annual salary per employee. The strike price of the options is NOK 25. The options will have a vesting period of four years, with 25% of the options vesting each year and first vesting one year after the grant date. Two exercise periods per year will be set by the Company. The options will expire 7 years after the grant date.

* In March 2020 the outbreak of the Covid-19 virus reached Norway. Ice Group is focusing on maintaining operations, its employees, customers and business development in this challenging situation. The subscription-based business model of telecoms experiences limited direct impact of the Covid-19 outbreak, and Ice has implemented several initiatives to secure that there is no negative impact on the stability and quality of the network and customer offering. Ice’s main goal is to operate and continue to build the third mobile network in Norway, a crucial part of the national telecom infrastructure.

Note 32 – Risks and factors of uncertainty

Ice Group's continuing operations operate in the highly competitive and regulated mobile telecommunications industry in Scandinavia 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 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.

Disease outbreaks and pandemic risks

While Ice Group's operations are today foremost based in Norway, it relies on a significant number of operational staff and third-party suppliers to run smoothly, as well as the continuous and stable supply of handsets and other equipment to our customers. As has been evidenced by the recent COVID-19 pandemic outbreak, 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 the Group's business, including on supply of both network equipment and handsets or other consumer premises, equipment, and could also impact the availability and performance of service staff with our suppliers.

Given the rapidly evolving landscape of the COVID-19 pandemic, where information, impacts and even the regulatory environment can change in a matter of hours, it is extremely difficult to estimate the potential impact of the COVID-19 to the Company's financial results. Ice Group has however implemented precautionary measures and protocols based on recommendations from official health authorities, such as Folkehelseinstituttet and the World Health Organization ("WHO"). To the extent possible, business continuity plans have been updated and implemented to mitigate any negative impact on the business from a wide-spread and long-lasting disease of the Coronavirus type.

Although the Group's operations with respect to delivering services to our thus far have for the most part continued without any significant interruptions, we have, among other things, experienced a constraint from the suppliers on the network build-out. It is clear that restrictions resulting from pandemic outbreaks such as COVID-19 on movement of people, transports of equipment and other governmental or regulatory restrictions could limit Ice Group's ability to meet operational and financial targets and commitments to customers. Furthermore, the 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.

Risks Relating to the Industry in which the Group Operates

Economic conditions

The Group operates in Norway and Denmark and is accordingly influenced by the prevailing macroeconomic conditions in each country, as well as global economic, financial and geopolitical conditions.

Factors relating to general economic conditions, such as consumer spending, business investment, government spending, the volatility and strength of both debt and equity markets, and inflation, all affect the profitability and financial condition of the Group's business. In a sustained economic phase of low growth and high public debt, characterised by higher unemployment, lower household income; could result in customers switching to lower-cost alternatives offered by the Group's competitors. The following may significantly impact the Group's earnings and financial position: (i) a deterioration and volatility in the global and local economy, as well as the telecommunications sector; (ii) a deterioration in business and consumer confidence, employment trends; and (iii) a drop-in consumer spending. The exact nature of all the risks and uncertainties the Group faces as a result of the current economic conditions and economic outlook in the markets in which the Group operates cannot be predicted and many of these risks are beyond the Group's control. Any of these factors may affect the Group's ability to grow its subscriber base and the price charged to its customers and could have a material adverse effect on the Group's business, earnings and financial condition.

The regulatory environment could adversely affect the Group's telecommunications licences and business operations

The Group operates in a highly regulated industry. The Group's business is subject to regulation set by Government authorities in each of the markets where the Group operates. Changes in regulation or Government policy could restrict the Group's ability to manage its operations. Regulatory authorities could inter alia amend or revoke licences, which could materially impact the Group's business performance and operational results.

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 Norwegian Communications Authority has designated Telenor as having significant market power, and therefore imposed specific obligations on Telenor. Such impositions could require Telenor to sell and give access to its network, impose non-discriminatory obligations with regard to price or any other terms for access for national roaming, require it to enter into Mobile Virtual Network Operator ("MVNO") agreements and co-location arrangements for base stations, or require accounting separation so that this forms a basis for monitoring compliance with the prohibition of price discrimination against MVNO providers, price and accounting controls. The wholesale prices for mobile data could therefore become regulated to help MVNOs and service providers' competitiveness in the mobile data market, which in turn could cause prices to decease in the markets in which the Group operates and lead to increased competition in the Group's markets. The regulatory environment, including any changes thereto, in the markets where the Group operates may adversely affect the Group's business, financial condition and results of operations.

Continuing rapid technological changes could increase competition or require the Group to make substantial additional capital expenditures

The telecommunications industry is characterized by rapid increases in the diversity and sophistication of the technologies and services offered. As a result, the Group may face increasing competition from the application of technologies which are currently being developed, such as fifth generation broadband services ("5G"), or which may be developed in the future by the Group's existing competitors, new market entrants or telecommunications equipment firms. Future development or application of new or alternative technologies, services or standards could require significant changes to the Group's business model, the development of new products, the provision of additional services or substantial new investment.

The Group cannot guarantee that it will be able to adapt its services in an adequate and timely manner in order to keep up with the rapid development in the market. If the Group fails to develop, or obtain timely access to, new technologies or equipment, or if the Group fails to obtain the necessary licenses or spectrum to provide services using these new technologies, the Group's products may be less completive, leading the Group to lose subscribers and market share and/or the Group may need to make further investments in order to remain competitive, which would increase costs and affect profitability, which could have a material adverse effect on the Group's business, financial condition and results of operations.

The introduction of new business models in the telecommunications sector may lead to structural changes and different competitive dynamics within the industry. Failure to anticipate and respond to industry dynamics and to meet demands in the marketplace has the potential to impact the Group's position in the market, service offerings and customer relationships. This may adversely impact the Group's results of operations. Further, technological changes and the emergence of alternative technologies for the provision of telecommunications services that are technologically superior, cheaper or otherwise more attractive than those that the Group provides may render the Group's existing services less profitable, less viable or obsolete. For example, the Group upgraded its network to fourth generation broadband services ("4G") from CDMA technology in 2015, in order to be able to provide a competitive product in the market to avoid lower sales and increased churn of its customer base.

In addition, the Group cannot precisely predict how emerging and future technological changes will affect the Group's operations. The Group may be required to deploy new technologies rapidly if, for example, subscribers begin demanding features of a new technology, or if any of the Group's competitors decide to employ a new technology. Due to the rapid evolution of technology, the Group cannot guarantee that it will correctly predict and therefore devote appropriate amounts of capital and resources to develop the necessary technologies that satisfy existing subscribers and attract new subscribers. Moreover, new or enhanced technologies, services or offerings the Group introduces may fail to achieve sufficient market acceptance or experience technical difficulties. In addition, the Group may not recover the investments it has made or may make to deploy these technologies, offerings and services and the Group cannot guarantee that it will be able to do so in a timely and cost-efficient manner. Further, the Group may not be able to obtain funding on reasonable terms or at all in order to finance the necessary capital expenditures to keep up with technological developments or to develop new or enhanced technologies, offerings and services

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 which could have a material adverse effect on the Group's business, earnings and financial condition.

Risks Relating to the Operations of the Group

The Group's strategy is dependent on its ability to continue its investments in maintaining, upgrading and expanding its telecommunications networks

Ice Group'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, certain factors outside the control of the Group 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 to build and maintain the network, the ability of equipment suppliers to deliver their products in an effective and satisfactory manner, the Group's ability to negotiate with its suppliers and the Group's ability to obtain financing on a timely basis and on commercially reasonable terms. In the 450 MHz segment, efficient and affordable LTE450 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.

In addition, the Group must also continuously maintain and upgrade its existing networks and IT systems in order to allow ongoing operations to function properly and to expand such subscriber function as the subscriber base grows. In addition, the Group could be required to upgrade the functionality of its networks, increase customer service efforts, update network management and administrative system and upgrade older systems and networks to adapt them to new technologies by regulatory obligations. Many of these tasks are not fully under the Group's control, and may be affected by, among other things, applicable regulations. If the Group fail to successfully maintain, expand or upgrade its networks and IT systems, the Group's offerings and services may become less attractive to new subscribers and the Group may lose existing subscribers to its competitors. In addition, the Group's future and ongoing network and IT systems upgrades may fail to generate a positive return on investment, which may have an adverse effect on the Group's business, financial condition and results of operations. Finally, if the Group's capital expenditure exceeds projections or the Group's operating cash flow is lower than expected, the Group may be required to seek additional financing for future maintenance and upgrades, which in turn could have a material adverse effect on the Group's business, financial condition and results of operations.

As of December 2019, the group had approximately 2,208 base stations in operation in Norway (of which 2,116 smartphone), with a population coverage of approximately 83%, giving an average on-net data share of approximately 80% in Q4 2019. Furthermore, the Group has the ambition to build additional 1,000 macro base stations in 2020, with the ambition of increasing the on-net data share to above 90%. This would also result in increased maintenance and network operating expenses for delivering and sustaining top of the line quality mobile telephone services in addition to maintaining the infrastructure for the mobile broadband services. The Group estimates that the total capital expenditure for an average base station is approximately NOK 740,000, and operating expenditure is estimated to be NOK 95,000 per base station on an annual basis. Furthermore, incidents and cut-offs in the market caused by weather and wind have also led to increased attention from the authorities resulting in regulatory demands and impositions on Mobile Network Operators ("MNO") to secure back-up power in case of a storm or similar incident causing cut-offs in the electrical infrastructure. Such impositions may also lead to increased costs for the Group on top of ordinary network operating expenses. The Group is in particular subject to material financial obligations pursuant to the amendment to the Nokia Agreement (the "Amended Nokia Agreement), which is a material component in the Group's growth strategy. Should the Group fail to meet its obligations under the Amended Nokia Agreement, this could have a material impact on the Group's financial condition, results of operation and ability to further expand its business.

The amount and timing of the Group's future capital requirements may differ materially from the current estimates due to various factors, many of which are beyond the Group's control. If the Group is awarded a new license in the future, the Group would expect to finance the related investment requirements from operating cash flows or through debt and equity financing (or any combination thereof), which could result in a substantial cost to the Group. The type, timing and terms of any future financing will depend on the Group's cash needs and the prevailing conditions in the financial markets. The Group cannot assure that it would be able to accomplish any of these measures on a timely basis or on commercially reasonable terms, if at all. There can be no assurance that the Group will generate sufficient cash flows in the future to meet its capital expenditure needs, sustain its operations or meet its other capital requirements, which may have a material adverse effect on the Group's business, financial condition and results of operations.

The Group is dependent on a national roaming agreement, the National Roaming Agreement, until it has sufficient coverage through its own network

The National Roaming Agreement with Telia allows the Group's customers in Norway to secure access to a network when customers travel outside of the Group's own network coverage and is hence material to the Group's business in Norway. The agreement's initial term ends in April 2020, with an option for the Group to extend for an additional year subject to certain conditions (including a potential re-negotiation of compensatory terms). There is however no guarantee that the agreement will be prolonged on current (or better) terms, or that the agreement will be renewed or replaced after the expiry of its term. Although Telenor is required under current regulation to offer national roaming services and could therefore be considered a potential alternative provider to the Group in this respect, there may be changes to the current regulation resulting in Telenor no longer being obliged to provide such services, or the Group may be unable to secure as favourable terms under an agreement with Telenor. Should the Group not succeed in prolonging and/or renewing or replacing the National Roaming Agreement after it has expired, this may have a material adverse effect on churn and hence the Group's business, financial condition and results of operations.

In 2016, AINMT Holdings AB entered into a frame supply agreement with Nokia whereby Nokia was elected as vendor and turnkey contractor for the rollout of LTE Radio Access Network ("RAN") in Scandinavia. On 30 May 2018, AINMT Holdings AB entered into the Amended Nokia Agreement, which provides the framework to facilitate further network build-out in Norway to be completed in 2020. The Group is in particular subject to material financial obligations pursuant to the amendment to the Nokia Agreement, which is a material component in the Group's growth strategy. Should the Group fail to meet its obligations under the Amended Nokia Agreement, this could have a material impact on the Group's financial condition, results of operation and ability to further expand its business.

The markets in which the Group operates are subject to strong competition which could limit the Group's ability to maintain or increase its market share or to increase its prices to reach profitable levels

The Group's business plan assumes significant growth in its smartphone customer base in Norway. The Group faces competition from other telecommunications operators in the markets in which it operates, as well as fixed line operators in some markets. The Group's main competitors in Norway are Telenor and Telia.

Competition from current market participants, potential new entrants and new products and services, may adversely affect the Group's performance. Both Telenor and Telia offer MVNOs access to infrastructure and network, allowing potential competitors in the market to offer mobile services through entering into service provider agreements with Telenor or Telia. A service provider agreement means that the costs required to enter the mobile market in Norway as a competitor is somewhat lower since such new entrants are not dependent on investing in infrastructure or core network.

Increased competition could lead to increased customer churn, a decrease in customer growth rates and negatively affect the prices the Group charges for its products and services, all of which could have a material adverse effect on the Group's business, earnings and financial condition.

Quadplay offerings (the bundling of television/content services, fixed broadband and fixed and mobile telephony services) could be introduced by competitors. The Group might not be able to provide such quadplay offerings without partnering with third parties, and as a consequence the Group may not be able to effectively compete, which in turn may reduce its addressable market and affect customer intake, churn and pricing of products. Competitors may also introduce offerings such as unlimited data plans, which may negatively impact the Average Revenue Per User ("ARPU") and churn in the market and may have a material adverse effect on the Group's business, financial condition and results of operations.

The Group's services may be subject to disruption, which may adversely affect the Group's business, operations and profitability

The Group's ability to operate successfully is dependent on the Group's ability to deploy sufficient resources 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 Ice Group.

The Group has experienced system failures, and while the Group has taken measures to prevent or limit future failures and their impact, there can be no assurance that the Group will not experience disruptions to its services in the future. Any interruptions in the Group's ability to provide its services could seriously harm the Group's reputation and reduce subscriber confidence, which could materially impair the Group's ability to acquire and retain subscribers. In addition, the Group may incur significant capital expenditures to restore the functionality of the Group's networks and provide its subscribers with reliable service, network capacity and security.

Further, part of the Group's network infrastructure is located on the premises of third parties. If this infrastructure encountered any disruptions, it may take longer to resolve the problem, which would impair the Group's ability to restore services, and accordingly affect its reputation and ability to obtain and retain subscribers. In addition, disputes between these third parties and the Group or legal proceedings involving third parties or the Group's property may cause part of the Group's network infrastructure to be inaccessible, which could have a material adverse effect on the Group's ability to efficiently operate, maintain and upgrade the Group's network.

The Group is dependent on suppliers and vendors as well as third-party providers for the adequate and timely supply and maintenance of equipment and services

The Group depends on a limited number of suppliers and vendors in the market, over whom the Group has no direct operational or financial control, 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 favourable terms, or at all, and 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 frequency 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.

The Group's reliance on third party suppliers, such as Nokia and Telia (as further described in Section 5) exposes it to risks related to delays and/or defects in the delivery and installation of their products and services. Moreover, if any of the third parties that the Group relies on become unable to or refuse to provide equipment to the Group and/or services that the Group depends on in a timely and commercially manner, or at all, the Group may experience service interruptions or service quality problems, which may impact the Group's reputation and potentially have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The Group cannot assure that its suppliers will continue to provide the Group with products and services on commercially attractive terms, or that the Group will be able to obtain required services or equipment in the future from the Group's current or alternative suppliers on commercially attractive terms, if at all. If the Group's key suppliers are unable to provide the Group with adequate supplies of products and services, the Group's ability to attract subscribers could be negatively affected, which in turn could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group's telecommunications licences may not be renewed, or may be suspended or revoked, and the Group may be penalised for alleged violations of applicable law or regulations

In order to operate its telecommunications networks and deliver its products and services to its customers, the Group is required to hold telecommunications licenses issued by government regulators in the markets in which it operates. The terms of the Group's licenses require it to meet certain conditions, such as a minimum level of population coverage, established by the legislation regulating the communications industry in the relevant market, as well as to maintain minimum quality, service and coverage standards. If the Group fails to comply with these or other conditions of its licenses or with the requirements regulating the communications industry generally, or if it does not obtain permits for the operation of equipment or the use of frequencies, any such non-compliant licence may be revoked or suspended or the Group may be subject to fines or other administrative actions. Although the Group may have an opportunity to cure any non-compliance, there is no assurance that it would be granted any grace period or that any grace period afforded to it will be sufficient to allow the Group to cure its non-compliance. When the Group's telecommunications 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 licence renewals in auctions or the government's decision to revoke licences or limit the number of licence-holders.

The existing 2,100 MHz frequency licence held by the Group will expire in 2032. The 800, 900 and 1,800 MHz frequency licences will expire in 2033, and the 450 and 700 MHz frequency licences will expire in 2039.

Failure to renew licences in the future could have a significant impact on the Group's ability to continue to deliver its products and services, and/or require the Group to undertake further investments through building further sites to compensate for loss of frequencies in order to maintain the same level of coverage for subscribers and subsequently impact the Group's business, financial condition and results of operations.

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

The Group is dependent on acquiring frequencies in order to achieve its growth strategy in the long term and in order to maintain its competitive position. The authorities in Norway and Denmark may hold auctions for new licenses in the future which may lead to new licenses being assigned to current or new competitors of the Group, which would increase competition in the markets in which the Group operates, adversely affecting the Group's ability to gain market share to the extent it cannot provide consistent coverage or add capacity to its network to support its subscriber base. To the extent the Group is unsuccessful in frequency actions, this could adversely affect its strategy and have a material adverse effect on its business, financial condition and results of operations.

The licenses may have limited value upon a bankruptcy.

If any of the license owning companies in the Group enters into bankruptcy, the licenses will be part of the bankruptcy estate. Should however the bankruptcy lead to a breach of the license requirements or the license fee not being paid, there is a risk that the licenses may be revoked by the authorities. In normal circumstances the bankruptcy estate will thus be allowed to find a buyer for the license(s) and assign them to the buyer, but in order to assign licenses in Norway 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 licenses in Norway there is a risk that the authorities do not consent to the assignment and for all licenses there is a risk that there is no existing market for the license(s) when the bankruptcy estate offers the license(s) for sale. If licenses for one of more reasons prove impossible to assign, there is a risk that the license(s) will be revoked by the authorities without any compensation to the license holder.

The Group is exposed to risks of cyber-attacks, subscriber database piracy and other forms of data security breaches

The Group may be exposed to database piracy, unauthorized access or other database security breaches which could result in the leakage and unauthorised dissemination of information about the Group's subscribers, including their names, addresses, home phone numbers and personal identity number, which could materially adversely impact the Group's reputation, prompt lawsuits against the Group by subscribers, lead to violations of data protection laws and adverse actions by telecommunications regulators and other authorities, lead to a loss in subscribers and hinder the Group's ability to attract new subscribers. In addition, the Group's network and IT infrastructure may be exposed to cyber-attacks, computer virus attacks or acts of terrorism or vandalism. Any such attack could result in equipment failures or disruptions in the Group's operations. Any inability to operate the Group's network as a result of such events may result in significant expense and/or customer churn. These factors, individually or in the aggregate, could have a material adverse effect on the Group's business, financial condition and results of operations.

Future transactions

The Group might undertake future acquisitions on an opportunistic basis which may increase the Group's risk profile, distract its management or increase the Group's expenses. Moreover, the Group may pursue investment opportunities in countries in which the Group has no previous investment experience or in jurisdictions that are subject to greater social, economic and political risks that the jurisdictions in which the Group currently operates. Also, the Group may not be able to integrate successfully businesses that it may acquire in the future, and the Group might not be able to realise the anticipated cost savings, revenue enhancements or other synergies from such acquisitions.

Risks Relating to the Financing of the business

The Company has a substantial amount of debt and significant debt service obligations

The Group has a relatively high level of outstanding debt with two bond issues in 2017 of NOK 800 million and NOK 1,400 million plus the new bond issued in 2019 of NOK 900 million in Ice Group Scandinavia Holdings AS. In addition, Company, has entered into a SEK 340 million Secured Perpetual Callable Subordinated Loan Agreement with RASMUSSENGRUPPEN AS (the "RG Loan"), and AINMT Holdings AB, has a relatively high level of outstanding debt with the USD 82.5 million loan agreement with a consortium of financial investors represented by Goldentree Asset Management LLP as agent (the "Goldentree Loan").

The Group's level of debt could have important negative consequences for the Group. For example, the Group's substantial debt could (i) require the Group 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; (ii) increase the Group's vulnerability to adverse general economic or industry conditions; (iii) limit the Group's flexibility in planning for, or reacting to, changes in the Group's business or the industry in which it operates; (iv) place the Group at a competitive disadvantage compared to its competitors that have less debt; (v) require the Group to comply on certain covenants and undertakings, and (vi) make it more difficult to attract both existing and new investors to participate in new equity issues.

The terms of the Company's debt contracts contain, and future credit facilities may contain, one or more financial covenants which the Group could fail to meet

The bond agreements documenting the Bond Issues include financial and operational covenants applicable for the operations of the Group. A failure by the Group to meet these covenants will constitute an event of default entitling the bondholders (acting through the bond trustee) to call for immediate repayment of amounts outstanding under the Bond Issues. There is a risk that the Company may not have sufficient funds to repay its debt at the relevant repayment date(s), which could result in the incurrence of additional default interest and could have a material adverse effect on the Group's financial position.

In addition, future credit facilities entered into by the Group may require it to satisfy a maximum total leverage test and potentially additional financial covenants. The ability of the Group to comply with the covenants in the Bond Agreement, the Unsecured Bond Agreement and in future credit facilities may be affected by events beyond its control and it cannot be assured that the Group will continue to meet these tests. The failure of the Group to comply with these obligations could lead to a default under its credit facilities unless the Group can obtain waivers or consents in respect of any breaches of its obligations thereunder. It cannot be assured that such waivers or consents will be granted. A breach of any covenants or the inability to comply with the required financial ratios could result in a default under such credit facilities. In the event of any default under the credit facilities, the lenders will not be required to lend any additional amounts to the Group and could elect to declare all outstanding borrowings, together with accrued interest, fees and other amounts due thereunder, to be immediately due and payable. If the debt under the Group's credit facilities were to be accelerated, the Company cannot assure that its available funds would be sufficient to repay such debt in full.

The Group's ability to obtain additional financing or refinancing of existing debt

The funds raised by the Bond Issue in 2019 will help meet the capital requirements of the Company going forward, and it is expected that liquidity will be satisfactory well into H2 2020. The net proceeds from the Bond Issue will be applied towards financing further growth of the Group, partially refinancing of an existing bond loan and general corporate purposes. Further expansion of the Group will lead to an amended capital requirement profile for the Group, and the Group could have, inter alia, operating expenses and capital expenditures which are difficult to foresee at this point in time, making the existing financing insufficient to meet the capital requirements. For instance, the capital requirements of the Group may increase on a short-term basis should the customer growth of the Group be greater than expected. Further, the actual revenue and customer base of the Group may negatively deviate from the Group's expectations, creating a need for additional financing. The Group may not be able to obtain additional financing on reasonable terms or at all in order to finance the necessary operating expenses and/or capital expenditures.

Irrespective of any unexpected new capital requirements that could arise as a consequence of the Company's further growth, it is likely that the Company will be needing additional financing in the following years after 2020. However, considering, inter alia, the reliance on third parties to receive financing and the Company's relatively high level of debt, there is a risk that the Company will be unable to receive financing or would have to accept financing on less favourable terms.

Although the Group's main shareholders has supported the Group in all equity issues so far, there is no guarantee that they will continue to do so in the future. As a result of the Ice Group's high leverage, Ice Group uses a large share of its cash flow for payment of liabilities, which means that Ice Group's financial flexibility is limited.

The Group's ability to generate cash depends on many factors beyond the Group's control, and the Group may not be able to generate cash or access the capital required to service the Group's obligations

The Company's ability to meet its debt service obligations, refinance its debt and/or comply with its financial and other commitments depends on the Group's future operating and financial performance and ability to generate cash. This will be affected by the Group's ability to successfully implement its business strategy, as well as general economic, financial, competitive, regulatory, technical and other factors beyond the Group's control.

If the Group cannot generate sufficient cash to meet its debt service obligations, comply with its financial and other commitments or fund its other business needs, the Group may, among other things, need to refinance all or a portion of its debt, obtain additional financing, delay planned acquisitions or capital expenditures and/or sell assets. There can be no assurances that the Group will be able to generate sufficient cash through any of the foregoing, on commercially attractive terms, within the required timeframes or at all. If the Group fails to satisfy its obligations with respect to the Group's debt or other commitments or obligations, this could have a material adverse effect on the Group's business, earnings and financial condition.

Further financial risks are described in note 2.

Note 33 – Definitions

ARPU	Average monthly Revenue Per User
Churn	The number of lost subscriptions expressed as a percentage of the average number of subscriptions.
Earnings per share	Earnings per share are based on the weighted average number of shares before and after dilution with potential ordinary shares. Earnings equal net income attributable to owners of the parent.
EBITDA	Ice Group defines EBITDA as Operating result 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 and non-recurring items. Any effects from business combinations are not included in EBITDA.
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.
Equity/assets ratio	Equity divided by total capital.
Investments	Investments is defined as investments in non-current assets, including capitalised costs to obtain/fulfil customer contracts, as stated in the statement of cash-flows, excluding business combinations, for continuing operations.
Gross interest-bearing debt	Total interest-bearing debts including capitalised interests
Operating result	Profit before financial items and tax
Operating margin	Operating result expressed as a percentage of Total operating revenue
Net interest-bearing debt	Gross interest-bearing debts less cash and cash equivalents
NRA	National Roaming Agreement
VoLTE	Voice over LTE
CPE	Customer Premises Equipment

ALTERNATIVE PERFORMANCE MEASURES

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

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

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

EBITDA

EBITDA (Earnings Before Interests, Taxes, Depreciations and Amortisations) is a financial parameter that the Ice Group considers to be relevant to an investor who wants to understand the generation of earnings before investment in fixed assets. Ice defines EBITDA 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 and non-recurring items. Any effects from business combinations are not included. Also see note 33 Definitions.

Reconciliation	2019	2018
Operating result	**-655**	**-701**
Depreciation and amortisation	468	465
EBITDA	**-186**	**-236**
Items related to network technical upgrade	10	26
Redundancy and other non-recurring costs	45	22
Sale of trademark	-46	-
Share-based compensation expenses (incl. social security costs)	12	8
EBITDA adjusted	**-165**	**-180**

NIBD

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

Reconciliation	2019	2018
Total borrowings as specified in note 24	4,331	3,672
Adjusted for:		
Capitalised loan costs	77	79
Long-term payable with Access Industries	-18	-18
Gross Interest-bearing Debt	**4,390**	**3,732**
Cash and cash equivalents	-1,183	-275
Net Interest-bearing Debt	**3,208**	**3,457**

STATEMENT OF COMPREHENSIVE INCOME

NOK millions	*Note*	**2019**	**2018**
Operating revenue		-	-
Other expenses	*P3*	-38	-19
Operating result		**-38**	**-19**
Net financial items	*P2, P9*	**14**	**-5,520**
Result before tax		**-24**	**-5,539**
Income taxes	*P10*	-	-
Net result for the year		**-24**	**-5,539**
Items that may be subsequently reclassified to profit or loss			
Translation differences from associated companies		-	-
Other comprehensive income		**-**	**-**
Total comprehensive income		**-24**	**-5,539**

STATEMENT OF FINANCIAL POSITION

NOK millions	*Note*	**31 Dec 2019**	**31 Dec 2018**
ASSETS			
Investments in Group companies	*P5*	6,311	5,054
Investments in associated companies	*P6*	-	-
Loans to Group companies	*P7*	446	425
Loans to associated companies	*P7*	-	-
Total non-current assets		**6,757**	**5,478**
Current receivables from Group companies		17	-
Other receivables		0	2
Total current receivables		**17**	**2**
Cash and cash equivalents		89	0
Total current assets		**106**	**2**
Total assets		**6,863**	**5,480**
EQUITY			
Share capital		182	114
Other contributed capital		11,412	10,005
Retained earnings incl. other comprehensive income		-5,216	-5,193
Total equity	*P8, P9*	**6,377**	**4,926**
LIABILITIES			
Other borrowings		446	532
Total long-term liabilities	*P9*	**446**	**532**
Trade payables		0	4
Current liabilities to Group companies		37	12
Accrued expenses		3	6
Total current liabilities		**40**	**23**
Total liabilities		**486**	**555**
Total equity and liabilities		**6,863**	**5,480**

Oslo, 22 April 2020

Hans-Holger Albrecht
Chairman of the Board

Eivind Helgaker
CEO

Mari Thjømøe

Guillaume d'Hauteville

Ingvild Myhre

STATEMENT OF CHANGES IN EQUITY

Please also see notes P8 and P9.

NOK millions	Share capital	Other contributed capital	Retained earnings incl OCI	Total
Opening balance 1 January 2019	**114**	**10,005**	**-5,193**	**4,926**
Net result for the period	-	-	-24	-24
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	**-**	**-**	**-24**	**-24**
New share issue	68	1,408	-	1,476
Total transactions with owners, recognised directly in equity	**-**	**-**	**-**	**-**
Closing balance 31 December 2019	**182**	**11,412**	**-5,216**	**6,377**

NOK millions	Share capital	Other contributed capital	Retained earnings incl OCI	Total
Opening balance 1 January 2018	**49**	**2,984**	**-1,292**	**1,741**
Changes in accounting principles:				
- due to IFRS15 in associated company	-	-	102	102
- from equity method to cost when reclassifying associated company	-	-	1,537	1,537
Opening balance 1 January 2018	**49**	**2,984**	**346**	**3,379**
Net result for the period			-5,539	-5,539
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	**-5,539**	**-5,539**
Share capital increase, payment in kind in connection with the Reorganisation	64	7,021	-	7,085
Total transactions with owners, recognised directly in equity	**64**	**7,021**	**1,537**	**7,085**
Closing balance 31 December 2018	**114**	**10,005**	**-5,193**	**4,926**

STATEMENT OF CASH FLOWS

NOK millions	*Note*	**2019**	**2018**
Net result		-24	-5,539
Fair value valuation of conversion right (non-cash)	*P9*	-	-23
Other non-cash adjustments		-13	5,542
Cash flows before changes in working capital		**-37**	**-20**
Change in current assets		-8	-2
Change in current liabilities		18	19
Cash flows from changes in working capital		**10**	**17**
Cash flows from operating activities		**-28**	**-2**
Investments in associated companies	*P6*	-1,250	-
Cash flows from investing activities		**-1,250**	**-**
Shareholders' contribution		1,468	-
Net borrowings		-102	-
Cash flows from financing activities		**1,366**	**-**
Cash flow for the year		**89**	**-2**
Cash and cash equivalents at the beginning of the period		0	2
CASH AND CASH EQUIVALENTS AT END OF PERIOD		**89**	**0**

NOTES TO PARENT COMPANY FINANCIAL STATEMENTS

Note P1 - Accounting principles

The Parent Company annual accounts have been prepared in accordance with IFRS 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 Group's explanation of its accounting policies also applies to the Parent Company, see note 1 of the Group's consolidated financial statements.

Critical accounting estimates and assessments in applying the group's accounting policies is mainly related to the valuation of assets; investments in subsidiaries. See also note 3 in the Group's consolidated financial statements.

There may be figures and percentages that do not always add up correctly due to rounding differences.

Operating expenses

Purchases from other Group companies consist mainly of consultancy fees in strategic Group projects, property lease, IT-operations and maintenance and audit fees.

Classification of balance sheet items

Assets intended for long term ownership or use have been classified as fixed assets. Assets relating to the trading cycle have been classified as current assets. Other receivables are classified as current assets if they are to be repaid within one year after the transaction date. Similar criteria apply to liabilities. First year's instalment on long term liabilities and long-term receivables are, however, not classified as short-term liabilities and current assets.

Shares in subsidiaries and loans to subsidiaries

Shares in subsidiaries are presented according to the cost method in accordance with IAS 27 Separate Financial Statements. Shares in subsidiaries are reviewed for impairment in accordance with IAS 36 Impairment of Assets whenever events or changes in circumstances indicate that the carrying amount may exceed the fair value of the investment. Any impairment losses and reversal of impairment losses are classified as net gains (loss and impairment) on investments in group companies in the statement of comprehensive income.

Loans to subsidiaries

The Company conducts the main part of the external debt financing in the Group and finances its operating subsidiaries with equity contributions and non-current loans. At initial recognition loans to group companies are measured at fair value plus directly attributable transaction costs. Loans are subsequently measured at amortised cost using the effective interest rate method and are subject to impairment under the general expected credit loss model.

Loans denominated in foreign currencies are translated at the functional currency spot rates at the reporting date. Currency differences arising on settlement or translation are recognised in profit or loss as part of Net financial items.

Liabilities

Liabilities are recognised in the balance sheet at amortised cost, except for derivatives which are at fair value.

Foreign currencies

Receivables and liabilities in foreign currencies are valued at the exchange rate on the balance sheet date. Currency effects are recognised through the income statement as a part of net financial items.

Pensions

The Company has two employees, for information about pensions please see note 1 for the Group.

Taxes

The tax charge in the income statement includes both payable taxes for the period and changes in deferred tax. Deferred tax is calculated at relevant tax rates on the basis of the temporary differences which exist between accounting and tax values, and any carry-forward losses for tax purposes at the year-end. Tax enhancing or tax reducing temporary differences, which are reversed or may be reversed in the same period, have been eliminated. The disclosure of deferred tax benefits on net tax reducing differences which have not been eliminated, and carry-forward losses, is based on estimated future earnings. Deferred tax and tax benefits which may be shown in the balance sheet are presented net.

The tax effect of group contributions given to parent or sister companies are recognised in the income statement if the amount represents distribution of prior earnings. The tax effect of group contributions given to subsidiaries is recognised net with the contribution as an additional cost of the shares. The tax effect of group contributions received from parent or sister companies is recognised net with the contribution as an equity increase. The tax effect of group contributions received from subsidiaries are recognised in the income statement. Deferred tax is reflected at nominal value.

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.

Founding

The Company was founded in 2015 as an investment channel for AINMT Holdings AB, a Swedish company and group with registration number 566771-3440, up until the Reorganization holding less than 40% of the Company's shares.

Note P2 – Financial income and expenses

NOK millions	**2019**	**2018**
Interest income	36	35
Group contribution	11	-
Result from de-merger	-	62
Impairment of investments in subsidiaries	-	-5,602
Fair value valuation of conversion right [1]	-	-23
Amortisation of initial value of conversion right	-	-18
Lapse of conversion right	-	64
Interest expenses	-36	-38
Net currency gain	2	-0
Net financial items	**14**	**-5,520**

1) The fair value valuation of the conversion right includes a currency fluctuation component from the loan being denoted in SEK.

Note P3 – Fees and other remuneration to auditors

NOK millions (VAT is not included)	**2019**	**2018**
Audit assignment	1	1
Assurance services	-	7
Tax advisory	0	-
Other advisory services	1	0
Total	**2**	**8**

Note P4 – Transactions with related parties

The major shareholder of Ice Group ASA is AI Media Holdings (NMT) LLC, Delaware. 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.

The Company has internal loans with its subsidiary AINMT Holdings AB and an external loan with an Access Industries affiliate, Net1 International Holdings AS (see note 24). Access Industries has participated in equity injections in the Company and in the Pre-Reorganization Group throughout as from when it was initially acquired in 2009. Please refer to notes 4 and 5 in the Group's consolidated financial statements with regards to the reorganization.

Goods and services are bought and sold by and to all the subsidiaries on normal commercial terms with cost plus margin of 7%. Please also see note P9 for information on shareholdings in the Company.

Note P5 – Investments in subsidiaries

Ice Group ASA holds investments in the following entities as per 31 Dec 2019:	Corporate identity no	Registered office	Capital share	Number of shares
AINMT Holdings AB	556771-3440	Stockholm, Sweden	100%	201,694,061

NOK millions	2019	2018
Opening balance	**5,054**	**-**
Investment	1,257	-
Reclassification from joint venture	-	3,028
Reverse acquisition/flip-up of shareholders in AINMT Holdings AB	-	7,628
Impairment	-	-5,602
Closing balance	**6,311**	**5,053**

Please see the Group's note 17 for the full list of the Company's indirect holdings.

Note P6 – Investments in associated companies

NOK millions	2019	2018
Opening balance	**-**	**1,870**
IFRS 15 adjustment to the opening balance	-	102
Investments for the period	-	-
Adjustment of previous share of result to get to historic cost	-	1,537
De-merger	-	-480
Reclassification to Investment in subsidiary	-	-3,028
Share of result	-	-
Share of other comprehensive income	-	-
Closing balance	**-**	**-**
Shareholding at year-end	-	-
Number of shares	-	-
Assets	-	-
Liabilities	-	-
Equity incl. non-controlling interests	-	-
…where of non-controlling interests	-	-
Book value in Ice Group ASA	-	-

Note P7 – Loans to subsidiaries (associated) companies

On 30 October 2015, the Company extended a perpetual callable subordinated loan of SEK 340 million to AINMT Holdings AB. The Company has the right, but no obligation, to subscribe new shares in AINMT Holdings AB against the loan (including accrued interest, payment-in-kind (PIK) Amounts and PIK Interest insofar the Company decides it) to be used as offsetting (conversion right). As the loan is subordinated, it is inferior to the Company's other creditors.

Of the at any time outstanding amounts, there shall be paid an interest rate equal to 7.90% per year. From interest payment date in 2024 the interest rate should be increased to 20% per year. Interest shall be calculated from the date of payment, and paid arrears each year. AINMT Holdings AB can choose whether interest is to be paid in cash or added to the principal.

Note P8 – Shareholders' equity and shareholder information

NOK millions	No. of shares	Share capital	Other contributed capital	Total
As per 31 December 2017	**49,334,039**	**49**	**2,984**	**3,033**
Net change in share capital in connection with the Reorganisation	77,010,574	64	7,021	7,085
As per 31 December 2018	**126,344,613**	**114**	**10,005**	**10,118**
New share issue	75,349,448	68	1,408	1,476
As per 31 December 2019	**201,694,061**	**182**	**11,412**	**11,594**

The Company is listed on Oslo OTC, its shares are registered at Verdipapirsentralen and carry one vote per share. All shares issued are fully paid.

For shareholdings of the Company, please refer to note 17 in the Group's consolidated financial statements.

Authorisation to Increase the Share Capital and to Issue Shares and Other Financial Instruments

On 22 November 2018, an Extraordinary General Meeting of the Company granted the Board of Directors an authorisation to acquire up to approximately NOK 11.4 million of par value of the Company's own Shares. Such authorisation expires at the annual general meeting of the Company in 2019, and 30 June 2019 at the latest.

In addition, in an Extraordinary General Meeting in the Company held on 1 February 2019, the Board of Directors were granted the following authorizations:

- Authorisation to increase the share capital by up to NOK 56,855,075.85, valid for two years from the general meetings resolution; and
- An authorisation to issue convertible loans with an aggregate loan amount of up to NOK 1,500 million and the share capital may be increased by up to NOK 56,855,075.85. The authorisation is valid for two years from the general meeting's resolution

Note P9 – Borrowings

Please see note 24 in the Group's consolidated financial statements for the full list of the Ice Group's debts. The two loans related directly to the Company is listed below.

RG loan

On 30 October 2015, the Company received a secured perpetual callable subordinated convertible loan of SEK 340 million from RASMUSSENGRUPPEN AS ("RG") (related party, see note P8) with a conversion price of SEK 79.84/share. The lender has the right, but no obligation, to claim issued shares in the Company against the loan (including accrued interest, payment-in-kind (PIK) Amounts and PIK Interest insofar the Company decides it) to be used as offsetting (conversion right). As the loan is subordinated, it is inferior to the Company's other creditors. The lender has a first priority pledge on the loan.

Of it at any time outstanding amounts shall be paid an interest rate equal to 7.90% p.a. From interest payment date in 2024 the interest rate should be increased to 20% p.a. Interest shall be calculated from the date of payment, and paid arrears each year. The Company can choose whether interest is to be paid in cash or added to the principal.

In connection with the reorganisation, RG waived all the subscription and conversion rights in favour of new subscription rights in parent company of the de-merged International Business, Net1 International Holdings AS, causing a recourse claim on the Company of SEK 113 million. The claim was converted into a NOK 107 million subordinated loan (see below).

Historically, the cost of the conversion right (put option) was valued at fair value, assessed at each closing date. The amortisation and change in fair value are shown as a net together with other financial items in the statement of comprehensive income.

Net1 International loan (subordinated)

In connection with the Reorganisation, the Company as borrower entered into the Net1 International Loan. The debt carries an interest of 7% p.a. and will fall due on the earlier of 2028, or upon insolvency or similar proceedings being initiated in respect of the Company, subject to any prepayments being made as a set-off against payments for goods and services that the Company delivers to Net1 International Holdings AS from time to time. The loan was fully settled as per 31 December 2019.

Note P10 – Taxes

	2019	2018
Distribution of Income tax expense for the year		
Current income taxes	-	-
Change in deferred taxes recognised in the Financial Statements	-	-
Income tax expense	**-**	**-**
Reconciliation of tax expense		
Income before tax	-24	-6
Permanent differences	0	6
Taxable income	**-24**	**-0**
Net deferred tax assets		
Unused tax losses	10	6
Net deferred tax assets	10	6
Net deferred tax assets not recognised in the Financial Statements	-10	-6
Net deferred tax assets recognised in the Financial Statements	**-**	**-**
Numerical reconciliation of effective tax rate		
Profit before income tax	-24	-6
Tax rate	22%	23%
Prima facie tax payable	-5	-1
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Impairment of shares in subsidiaries	-	1
Other differences	5	-
Conversion right – tax exempt gain/loss	-	0
Result de-merger	-	-0
Change in deferred tax due to change in tax rate	-	-0
Change in net deferred tax assets not recognised in the Financial Statements	-	0
Income tax expense	**-**	**-**
Effective tax rate	**0%**	**0%**

Deferred tax assets are recognised for tax loss carry forwards to the extent that it is probable that they can be utilized by future taxable profits. The Company did not recognise deferred tax assets amounting to NOK 10 (0.9) million related to losses of NOK 45 (3.8) million, which can be offset against future taxable profits. The Company's loss carry-forwards does not expire at any given time, except for non-deductible internal interest that have a lifetime of 10 years.

Note P11 – Pledges and securities

The Company has no pledges by itself, please refer to note 28 in the Group's consolidated financial statements for pledges of the Group.

RESPONSIBILITY STATEMENT

From the Board of Directors and CEO of Ice Group ASA:

"**We confirm to the best of our knowledge that:**

- the consolidated financial statements for 2019 have been prepared in accordance with IFRS as adopted by the EU as well as additional information requirements in accordance with the Norwegian Accounting Act and that
- the financial statements for the Parent Company for 2019 have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting practice in Norway

and that

- the information presented in the financial statements gives a true and fair view of the Company's and Group's assets liabilities financial position and result for the period viewed in their entirety and that
- the Board of Directors' report gives a true and fair view of the development performance and financial position of the Company and Group and includes a description of the principle risks and uncertainties."

Oslo, 22 April 2020

Hans-Holger Albrecht *Chairman of the Board*	Eivind Helgaker *CEO*	
Mari Thjømøe	Guillaume d'Hauteville	Ingvild Myhre

CORPORATE GOVERNANCE STATEMENT

This statement relates to Ice Group ASA and all its subsidiaries.

General principles, implementation and reporting on corporate governance (NUES point 1)

The Board of the Company is actively involved in good corporate governance and will seek to ensure that the Company complies with the requirements of section 3-3b of the Norwegian Accounting Act and the Norwegian Code of Practice for Corporate Governance. This is done by ensuring that good corporate governance is an integral part of the decision making process in all matters discussed by the Board. The principles for good corporate governance are also assessed and discussed by the Board annually.

The Norwegian Accounting Act is available at www.lovdata.no. The Norwegian Code of Practice for Corporate Governance ("NUES"), last revised 17 October 2018, is available at. If the Company deviates from NUES recommendation, Ice Group will adhere to the "comply or explain" principle for each and every clause in the recommendation.

Ice Group activities (NUES point 2)

Ice Group's business purpose is expressed in the company's articles of association. Ice Group ASA ("the Company"), and its subsidiaries (together, "the Group" or "Ice Group") is a telecom operator under the trademark ice in Norway and Net1 in Sweden (up until February 2019) and Denmark. The business is to provide telecommunications services, including wireless data services, voice, messaging, mobile broadband services, telephony and other related telecom services. The Board of Directors has developed a plan where targets, risk assessment and strategies are evaluated on an annual basis.

The Company has a Code of Conduct including ethical guidelines that describe the Company's principles, values, standards and rules for behaviour and govern the Company's decisions, procedures and systems in such a way that they contribute to the well-being of our main interests and respect the rights of all those affected by our activities.

Equity and dividends (NUES point 3)

It is the Company's goal to give shareholders a competitive return on invested capital over time. This return will be achieved primarily through rising share price and dividends. Given the Group's capital requirements for its ongoing growth and network infrastructure projects, it is unlikely that the Company will pay dividend on a regular basis in the near future, although this situation may change if one or more projects are realised for sale or a partnership is entered into.

The shareholders can give the Board the authority to raise capital or buy the Company's own shares at the annual General Meeting. The General Meeting has given the Board proxies to increase the share capital and to issue convertible bonds and acquire the Company's own shares under specific circumstances. The proxies expire at the annual general meeting of the Company in 2020, and 30 June 2020 at the latest.

Equal treatment of shareholders and transactions (NUES point 4)

The Company has only one class of share and all shares carries one vote at the General Meeting. In situations where normal preferential rights shall be deviated from, the Company's Board is proposed to prepare grounds for such a decision in accordance with the Norwegian Code of Practice for Corporate Governance and shall present these to the General Meeting.

The Company has established an option programme for board members and employees.

Freely negotiable shares (NUES point 5)

All shares in the Company are freely negotiable and the Company's articles of association do not contain any form of restriction on negotiability.

General Meetings (NUES point 6)

Through General Meetings, shareholders are guaranteed participation in the body that is the highest authority in the Company. This is where the Company's Articles of Association are adopted. Notice of General Meeting's shall as a principal rule be distributed to shareholders no later than 7 days prior to the meeting and shall be posted on the Company's website. In general, supporting documents will only be posted on the Company's website.

The registration deadline for General Meetings is normally the day before the meeting. Shareholders who cannot attend the meeting may vote by proxy. The Company will propose a person to vote as a proxy for shareholders and will facilitate proxies at the General Meetings so that shareholders can authorize the proxy in each case. The supporting documents describe procedures that apply for participation, proxy forms, procedures for submitting proposals for discussion and information on where documents are available. Generally, the Chair of the Board opens the meeting and suggests a person to chair the meeting. Normally, members of the Board will attend the meeting. Minutes of General Meetings will be made available on the stock exchange and through the Company website.

The General Meeting elects the members of the Board and the Company's external auditor. The annual General Meeting is held no later than 30 June each year.

Nominating committee (NUES point 7)

The Company elected a Nomination Committee in the Annual General Meeting in 2019 for a two-year term. . The Nomination Committee shall arrange for shareholders to propose candidates to the Board of Directors. The Annual General Meeting elects the chair of the Nomination Committee and determines the remuneration of its members. The Nomination committee is independent of the Board and management in the Company.

The Board: composition and independence (NUES point 8)

The Company has no corporate assembly. According to the Articles of Association, the Board must consist of between 3 and 11 members and currently consists of 4 members. Information about each of the board members is available on the Company' website. Some of the members of the Board holds share options in the Company and are encouraged to own shares.

The work of the Board (NUES point 9)

The Board of Ice Group is responsible for monitoring the its executive managers and the Group's strategic development and for ensuring that the interests of shareholders and other interested parties are safeguarded in a satisfactory manner. The Board of Ice Group should determine an annual plan for its work, with particular emphasis on goals, strategy and implementation and to ensure that the Company has good internal and external control routines and appropriate systems for risk management.

The Company has established a clear distribution of responsibilities and duties between the Company's Board and senior management. The chair of the Board is responsible for ensuring that the Company's Board performs its tasks in an effective and correct manner.

The CEO is responsible for the Company's operations. The Company's Board has laid down instructions for the general manager and these instructions define which decisions require the Board's approval.

The Board of Ice Group shall lead the Company's strategic planning. The Company has determined specific instructions (Board instructions) and detailed rules for the Board's work and relevant procedures. Board meetings may take the form of physical or telephone meetings.

The Board has established a Remuneration Committee and an Audit Committee. Both committees have three independent members chosen amongst the board members. The Audit Committee is a preparatory body to assist the Board in meeting its responsibilities with regard to financial reporting, auditing and internal control while the Remuneration Committee consider reimbursement for the CEO and senior managers. Specific instructions have been prepared for the work of both Committees.

The Company's Board will perform an annual evaluation of its own activities and competence. The Board, together with the Remuneration Committee evaluates the work of the CEO and other senior managers at least once per year.

Senior management representatives within the Group have been appointed as Directors of the Group's subsidiaries.

Risk management and internal control (NUES point 10)

The Board of Ice Group ensures that the Company has good internal control and appropriate systems for risk management in relation to the nature and extent of the Company's activities. The internal control and systems also embrace the Company's basic values and ethical guidelines.

The framework for internal control includes routines to ensure that risks associated with the Company's day-to-day operations are identified, analysed and managed routines to review the Company's commercial risk and operational risk routines for internal control of various processes, including compliance with guidelines, routines, instructions and authorisations.

Instructions for handling insider information and infringement of internal policies and procedures, which apply to all employees, and a specific instructions for primary insiders have been established.. Procedures have also been established for the regular reporting of financial statements. Furthermore, management regularly reports to the Board on the progress of the Company's development and other operational processes. The Board must continuously verify that the Company lives up to its values and follows its ethical guidelines.

Remuneration of the Board of Directors (NUES point 11)

Remuneration to board members is determined by the General Meeting. The remuneration reflects the Board's responsibility, skills and time spent and the complexity of the Company.

Members of the Company's Board and/or companies with which they are associated should not take on specific assignments for the Company in addition to serving on the Board. If a board member does however take on such an assignment, this must be reported to the Board as a whole. Remuneration for such additional obligations shall be approved by the Board. All remuneration to board members is described in detail the Company's annual report.

Remuneration of the Executive Management (NUES point 12)

The Company's Board has determined guidelines for remuneration to the general manager. This remuneration will be reviewed annually. The CEO is entitled to an annual bonus based on an assessment by the Company's Board. This will in turn be based on the achievement of goals, as well as the Company's overall operating and financial results. The Company's Board also determines the framework for remuneration to the other members of the executive management team. The CEO determines remuneration to senior management, in consultation with the Board.

The declaration on remuneration for executive management was approved by the Annual General Meeting in 2019 pursuant to section 6-16 a) of the Public Limited Companies Act. The declaration is forwarded to the general meeting for voting in relation to the Annual General Meeting.

Information and communications (NUES point 13)

It is the Board's goal to provide good, correct and timely information about the Company's activities on an ongoing basis to the Company's shareholders, the Oslo Stock Exchange, analysts and investors. This is done by publishing information and holding presentations.

The company does not make any specific assumptions about future turnover and profits or losses. Stock exchange-related information will be first published through the Oslo Stock Exchange news website www.newsweb.no before the information is also released through the Company's website and news agencies. All information that is communicated to the Company's shareholders shall be published on the Company's website at the same time as it is sent to shareholders.

Takeovers (NUES point 14)

The company's Articles of Association contain no defence mechanisms designed to protect it against any potential take-over offers and nor have any guidelines been drawn up on how the company would respond to any take-over bids.

Auditor (NUES point 15)

The Company's auditor, PricewaterhouseCoopers, was elected at the 2019 annual General Meeting and the group uses the same audit firm for all its subsidiaries in the continuing operations.

The auditor presents to the Audit Committee annually a report outlining the audit activities in the previous fiscal year and highlighting the areas that caused the most attention or discussions with management, as well as a plan for the work related to the Company's audit. The auditor also reports on internal control observations during the conduct of the audit, including identified weaknesses and proposals for improvement. The auditor is not used as a consultant for strategic matters. The chair of the Audit Committee approves any consultancy assignments.

The Board will receive a written declaration from the auditor each year that the auditor still satisfies the requirements for independence. The Board makes regular assessments of whether the auditor is performing the audit function in a satisfactory manner. The auditor's fee is reported at the Annual General Meeting and is also explained in the notes in the annual report.

To the General Meeting of Ice Group ASA

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Ice Group ASA, which comprise:

- The financial statements of the parent company Ice Group ASA (the Company), which comprise the financial position as at 31 December 2019, the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and

- The consolidated financial statements of Ice Group ASA and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2019, the consolidated statement of comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- The financial statements are prepared in accordance with the law and regulations.

- The accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

- The accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Basis for Opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by laws and regulations, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the Key Audit Matter
Recognition of revenue from voice customers The Group's bundle revenue (voice, data and SMS) for the year ended 31 December 2019 amounted to NOK 1 859 million. Bundle revenues continued to grow during 2019 and the group has launched new customer programs during the year as well as establishing retail stores. There is an inherent risk of errors in recognized revenue due to the impact of changing pricing models, the magnitude of transactions and the complexity of the IT applications related to revenue recognition. We focused on this area because of the large amounts of data and transactions, which adds a degree of complexity. See also note 1, 7 and 8 to the financial statements where management explain how they account for revenue from contracts with customers.	We obtained an understanding of the revenue recognition process based on interviews with management and review of the group's process and policy documentation. Understanding the IT environment in which billing and other relevant supporting applications to the financial statements reside, has been a material part of our audit. We tested internal controls and performed analytical procedures to ensure whether different incentive and discount programs were correctly recognized. Our testing of internal controls included an evaluation of design and effectiveness of key controls directed at uncovering abnormalities in credit notes and manual bookings as well as irregular activity in specific customer accounts. We also tested controls related to the monthly reconciliations of invoiced amounts to booked amounts in the general ledger designed to ensure accuracy, completeness, cut-off and occurrence in recognition of revenue. We found that we were able to base our audit on the controls we tested. We performed analytical procedures to identify non-standard revenue streams or abnormalities in manual journal entries. These procedures included reconciling payments throughout the year with booked revenue. We found no material errors through this testing. We also evaluated whether management's application of revenue recognition principles was in accordance with relevant accounting regulations. We tested the application of the accounting principles for a sample of contracts. We assessed the appropriateness of the related disclosures in notes 2 and 19 and found them to appropriately explain accounting for revenue and to be in accordance with IFRS requirements.

Other information

Management is responsible for the other information. The other information comprises information in the annual report, except the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director (Management) are responsible for the preparation in accordance with law and regulations, including fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company’s and the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's or the Group's internal control.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report and in the statements on Corporate Governance and Corporate Social Responsibility concerning the financial statements, the going concern assumption and the proposed allocation of the result is consistent with the financial statements and complies with the law and regulations.

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements *(ISAE) 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Oslo, 22 April 2020
PricewaterhouseCoopers AS

Herman Skibrek
State Authorised Public Accountant