

# Annual Report 2020



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**ice group**

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## Letter from the CEO

Firstly, I would like to give credit to our team for making very important contributions during a demanding year. When the outbreak of the Covid-19 virus reached Norway in March 2020, our key objective was ensuring the safety for our employees, maintaining operations and securing high regularity and service towards our customers. Our employees adapted admirably to this challenge. The end-result is impressive, as you can read from my summary below. I am proud to call them my colleagues.

2020 represented a break-through for Ice Group, where we began to properly benefit from the scale effects we have prepared for in the past six years. Our key parameters continued to point in the right direction throughout the year. Our revenues, mobile phone network, on-net traffic, customer base and market share grew every single quarter in 2020. Our churn rate also developed positively, indicating an increasing customer loyalty.

At the heart of this lies Ice Group's award-winning customer service coupled with innovative and customer-centric products that remain popular among Norwegian consumers.

### Strengthened financial and competitive position

In June we received the final decision to grant Ice Group c. NOK 550 million in deferred payments to the Norwegian state, significantly reducing our funding need. In late August we issued a new convertible bond of NOK 689 million. With this bond issue, we expect to have a fully financed business plan with sufficient liquidity to reach cash flow break even and reach our operational and financial targets.

The new telecom regulation (Market-15) from Norwegian Communications Authority (Nkom) was implemented from 1 June and is very positive for Ice Group as it will lower national roaming costs and imposes stricter regulation regarding site sharing (which will have a positive impact for Ice Group in our current build-out phase). In September we agreed on a new national roaming agreement (NRA) with Telia. The new NRA has a price structure in line with the "Market-15" regulation and will lower our NRA costs significantly from 1 January 2021.

### Improved financial results

Ice Group's revenues grew throughout 2020, and we delivered a positive EBITDA margin each quarter – the fourth quarter being by far the strongest. Compared to 2019, we delivered an EBITDA improvement of NOK 206 million driven by an increase of revenues of 234 million, and costs increasing only 33 million. Put a bit simplistic, this represents 14% increase in costs with a revenue increase of 100%. This is a result of the scale effects that are starting to kick in.

We also continued to grow our customer base in 2020, reaching 23 consecutive quarters of smartphone subscriber growth. Total smartphone subscriptions at the end of 2020 was 639,000, an increase of 66,000 during the year. While subscriptions sales were negatively affected by the Covid-19 outbreak and the resulting restrictions in Norway, especially impacting retail sales in Q1 and Q2, we managed to offset that through strong digital sales. We will have even higher focus and increased investments in digital sales channels going forward.

Consequently, smartphone service revenues were up 17% from 2019, driven by the growth in smartphone subscribers.

### Market development and network benefits

During the Covid-19 lockdown, Norwegian society has been dependent on a well-functioning and advanced telecom network. Robust telecom networks have played a vital role in enabling consumers, businesses, and authorities to manage the substantial consequences of the outbreak. From Ice Group's side, with 99.97% network uptime in 2020, it is safe to say that we have delivered the desired results, and through that, supporting the governments need for robust and diversified telecom solutions.

The subscription-based business model of telecoms only sees limited impact of the Covid-19 outbreak. However, one effect of the Covid-19 restrictions in Norway, is that customer traffic consumption shifted from international roaming to domestic and NRA traffic. These changes came over-night, something Ice Group's network coped with excellently.

On-net share of data and voice continued to increase in 2020, mostly driven by network build-out and positive effects of the Apple agreement. Average on-net data for 2020 ended at 84% while on-net voice was 50%. Total number of smartphone base stations at the end of 2020 was 2,887, an increase of 771 during the year, delivering on our mission of building the third mobile network in Norway. This is in line with Norwegian authorities' ambitions to work for a more open and competitive telecom market in Norway.

Everything we are currently building is with Nokia 5G-ready equipment. In December we conducted our very own 5G network pilot with Oslo and Tromsø as the first two locations, and with a successful outcome as expected.

We are very pleased to see that the quality of our network and the speed of the build-out is improving despite challenges related to the Covid-19 outbreak. We have a good pipeline of ready-to-build 5G-ready base stations, and we will continue to build in 2021, increasing our population coverage to 95%.

### Churn and ARPU improving

Annualised smartphone churn was 25% in 2020, down from 27% in 2019. Reducing churn even further has been a key focus throughout 2020, and churn in the fourth quarter was 23%. We are working on several further customer retention initiatives which have showed positive results into 2021.

Smartphone ARPU (average sale per customer) improved in 2020. The full-year ARPU was NOK 228, a NOK 4 increase from last year, absorbing the reduction in international roaming due to Covid-19 travel restrictions, and lower regulated prices on voice interconnect. The underlying development in subscription revenues increased c. NOK 8 from last year and show that we also succeed in targeting the medium- and high usage segments more efficiently.

Ice Group has during five years with a smartphone offering captured 10% plus of the market, built a mobile network with more than 90% population coverage and launched a series of disruptive products in the Norwegian market. The support and regulation for build-out of the third network has also improved in the period.

Higher data and voice on-net shares, lower national roaming costs and smartphone subscription growth remain key to realising Ice Group's business plan. and remain confident that we will continue to win market share and improve margins

strongly going forward due to reduced national roaming costs and scale economics. As a result, Ice Group expects to deliver an adjusted EBITDA margin of 15-20% in 2021.

Ice Group has never been in a stronger place, both from an operational and market position viewpoint. We have an established brand, we have a top quality network, we control our cost base with a new national roaming agreement in place and through producing almost 90 percent of data through our own network, we have a fully integrated agreement with Apple. This gives us the tools we need to become an even more competitive player, also within in the B2B segment. Further, the churn-reducing actions we have implemented throughout 2020 has been very successful and will enable us to continue growing our customer base as well as enhancing the value of each customer.

When we launched our mobile phone offering in 2015 we said that we wanted to become a tough challenger in the Norwegian

market. We have delivered on that promise and believe we have the necessary tools to become an even stronger challenger going forward.

**EIVIND HELGAKER**

CEO







## Key figures

<i>NOK million</i>	<b>2020</b>	<b>2019<sup>1)</sup></b>
Total service revenues	1,910	1,687
Smartphone service revenues	1,593	1,363
NRA cost	-441	-440
NRA cost as share of smartphone service revenues	28%	32%
EBITDA adjusted	41	-165
EBITDA adjusted – margin	2%	-9%
Net result for the period	-974	-1,113
CAPEX excluding contracts with customers	666	631
Cash flow for the period	-411	907
No. of smartphone subscriptions, thousand	639	573
No. of mobile broadband subscriptions, thousand (Norway)	78	86
Smartphone ARPU (Average Revenue Per User – in NOK)	228	224
Smartphone churn (annualised)	25%	27%
Smartphone base stations in service	2,887	2,116
Average data on-net share	84%	74%
Average Voice on-net share	50%	22%

1) Numbers from the divested Swedish operation are included for the first two months of 2019, for Total service revenues, EBITDA adjusted, Net result for the period, CAPEX and Cash flow.

# 2,094 mnok

**Total revenues**

+15% yoy

# 41 mnok

**EBITDA adjusted**

+206 mnok

# 639,000

**Smartphone subscribers**

+69,000

# This is Ice Group

**Ice Group is a mobile network operator with a customer-centric business model. Our operations are lean and digital-first so we can deliver an exceptional customer experience at low cost.**

## **Customer centricity**

At Ice Group we believe in customer centricity. We 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.

## **Mobile data**

We also believe in the future of mobile data. By acquiring low band spectrum and building 4G LTE networks, we aim to deliver mobile data at the lowest unit costs in our markets while simultaneously building future-proof networks. These networks are ready to cater for exponentially growing data demand from both consumers and connected devices (IoT).

At Ice Group we also believe in the power of digitization. We use digital touchpoints, automation and data analytics to ensure that our organisations are lean, flexible and efficient with fast time-to-market at low cost of delivery.

## **Operations**

Ice Group operates in Norway through the well-established ice brand. Ice is Norway's third largest mobile network operator and provider of voice and wireless data services, challenging the two incumbent operators. Ice is also Norway's third largest provider of wireless broadband services.

## **5G-ready 4G LTE network**

The cornerstone of our Norwegian business is the utilisation low frequency bands, providing superior geographical and indoor coverage and significant cost advantages (both capex and opex). Ice Group's smartphone proposition, for both consumers and B2B customers, is based on a brand new multi-frequency 4G LTE (5G-ready) network characterised by superior speed, capacity and coverage.

## **Ice Group's operation in brief:**

- ✦ Continuous growth in revenues and customers since 2009
- ✦ #3 network operator controlling 24% of available mobile phone and MBB frequencies
- ✦ Pure 4G smartphone network (5G ready) with +90% population coverage
- ✦ #3 provider of mobile phone voice services with total market share (B2C and B2B) of 11% at year-end 2020, based on number of subscriptions (Nkom figures)
- ✦ #3 provider of wireless broadband, with market share of 25% at year-end 2020, based on number of subscriptions (Nkom figures)
- ✦ No legacy, with state of the art support systems







# Board of Directors' report

## 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. The business is to provide telecommunications services, including wireless data services, voice, messaging, mobile broadband services, telephony and other related telecom services.

Ice is Norway's third largest network operator and provider of wireless data, voice and messaging services, challenging the existing duopoly. 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.

The following marks the events in the year of 2020.

On 6 January 2020, Ice Group announced that the company passed NOK 574 thousand smartphone subscriptions in Norway, implying a 10% market share.

On 17 June 2020, Ice Group ASA announced that it had entered into an agreement to sell its Danish business, Ice Danmark ApS, to Cibicom A/S. The parties have agreed not to communicate the values of the transaction.

On 2 July 2020, Ice Group ASA announced that the Ministry of Local Government and Modernisation, on 1 July 2020, made a final decision regarding the proposed deferments of spectrum payments with a liquidity effect of ca. NOK 550 million.

In August 2020, Ice Group issued a convertible bond of NOK 689 million. With this bond issue, the Group expects to have a fully financed business plan with sufficient liquidity to reach cash flow break even and reach its operational and financial targets. This offering is a major milestone for the Group and allows it to continue its growth in the Norwegian market and keep up the build-out of the third mobile network in Norway.

On 18 September 2020, Ice Group ASA announced that it has signed a new National Roaming Agreement (NRA) with Telia Norge AS with effect from 1 January 2021. The new NRA has a price structure in line with the new "Market 15" regulation implemented from 1 June 2020. The new agreement will lower NRA costs significantly and is very important for improving profitability.

On 13 October 2020, the Ice Group announced that GoldenTree Asset Management LP (GoldenTree) has submitted a statement of claim to Oslo District Court to obtain a judgement that the loan agreement with the Group has been breached 14 times since 2017 (7 of these alleged breaches consisting of not informing GoldenTree of the alleged breaches) and that the lenders are entitled to an increase in the interest rate of 5 percentage points for each breach. In Ice Group's opinion there is no merit to any of GoldenTree's claims that the loan agreement has been breached.

In December 2020, Ice Group launched its very own 5G network with Oslo and Tromsø as the first two locations. This

milestone event was marked with the help of the Norwegian minister of digitalization, Linda H. Helleland, conducting a live Ice 5G call from Ice's headquarter in Oslo.

## Turnover, expenses and profit

The service revenue for the year amounted to NOK 1,910 million (1,687), a y-o-y growth of 13%. It should be noted that the 2020 turnover has no revenue from Sweden while the revenue from the first two months of 2019 was NOK 19 million.

Costs for the National Roaming ("NRA") for the year was NOK -441 million compared with NOK -440 million. Ice Group has observed a change in consumer behaviour and traffic consumption patterns during the pandemic leading to an increase in NRA data and voice traffic. The negative impact on the results due to this change is estimated to NOK 44 million. The operating expenses for the year was NOK -576 million compared with -574 million. Operating expenses includes outbound roaming costs that are reduced by approximately NOK 35 million due to international travel restrictions, giving a positive effect on the Group's costs. The operating result for 2020 improved to NOK -512 million compared with NOK -655 million.

The net financial items for the year ended at NOK -464 million compared to NOK -488 million. NOK 97 million (-16) is related to an unrealised positive currency effect from borrowings in USD and SEK. Interest expense amounted to NOK 393 million (324). The Group paid NOK 203 million (137) in interest on borrowings. Financial expenses related to IFRS 16 amounted to NOK 143 million (113).

## EBITDA

EBITDA adjusted for the year amounted to NOK 41 million (-165). Non-recurring and non-operational expenses identified during the year of 2020 amounted to net NOK 25 million (21), representing an 11%-points margin improvement from -9% to 2% of revenues. Non-recurring items are mainly related to extraordinary costs from network technology upgrade, smartphone migration and financing costs, as well as share-based compensation expenses. 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 4 and the Alternative Performance Measures section.

## Significant events after the end of the period

- \* On 3 February 2021, 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 2,019,000 (1% of outstanding shares) where each option will give the holder the right to acquire one Ice Group ASA share. The options are granted with 550,000 options to CEO, 180,000 options to each of the other non-resigned members of the executive management team and up to 569,000 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.

- \* On 19 February 2021, Ice Group ASA's subsidiary Ice Group Scandinavia Holdings AS successfully completed a new senior secured bond issue of NOK 1,400 million with maturity in March 2025. Net proceeds from the offering will be used to redeem the existing NOK 1,400 million senior secured bond IGSH02 (ISIN NO0010807092). The new senior secured bond was issued at an interest rate of 3 months NIBOR, plus a margin of 4.0% per annum. This compares to an interest rate of 3 months NIBOR, plus a margin of 4.6% per annum for the Company's existing bond. Arctic Securities, DNB Markets, a part of DNB Bank ASA, and Pareto Securities acted as joint bookrunners for the new bond issue. An application has been made for the bonds to be listed on Oslo Børs.

## Guidance and outlook

The continued smartphone network build-out in Norway is a key element in Ice Group's business plan. In 2021, the plan is to introduce between 300 and 500 new base stations. This will increase the population coverage and share of on-net data and voice, and in turn reduce the NRA expenses.

The total cost of national roaming is expected to be approximately NOK ~200 million in 2021.

The Group expects to have a capex to sales ratio, excluding contracts with customers, of approximately 20-25% in 2021.

Further the Group expects to deliver an adjusted EBITDA margin of 15-20% in 2021.

## Operating profit and cash flows

Cash flow from operating activities was NOK 61 million (-287) for the year. The period's cash flow from investing activities was NOK -664 million (-461). Investing activities for 2019 holds the NOK 166 million net proceeds from the divestment of the Swedish operations.

Cash flow from financing activities was NOK 193 million (1,656). NOK 57 million is repayment of the Telia seller's credit in June. The Group issued a convertible bond in the third quarter of NOK 689 million, of which NOK 545 million is increased borrowings and NOK 144 million is the equity component. NOK -239 million (-202) relates to lease liability payments for the year. Financing activities last year 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 repurchased own bonds.

The items making the difference between operating result and operating cash flows of NOK -573 million (-368) consist of depreciation and amortisation, interest payments and changes in net working capital. See also note 26 Adjustments for non-cash items.

## Investments (CAPEX)

The Group's acquisition of non-current assets amounted to NOK 666 million (631). The investments are mainly related to the smartphone network build-out project in Norway, both on existing and new sites as well as on core modernization and IT. The 2019 figures include the purchase of the customers of Komplett Mobil (101) and the payments (39) related to the 450, 700 and 2,100 MHz licenses.

The Group capitalises costs related to contracts with customers as other non-current assets in accordance with IFRS 15. These investments are presented within the working capital in the consolidated statement of cash flows, NOK 282 million (265) for 2020.

## Financing

The Group is financed through owners' capital and loans. The total assets of the Group were NOK 6,375 million (6,216) at the end of the period, of which total non-current assets were NOK 5,307 million (4,835). Total equity ended at -1,793 million (-889). The Group's cash position at the end of the period was NOK 779 million (1,183).

In August 2020, the Group issued a convertible bond of NOK 689 million, of which NOK 545 million is increased borrowings whereas NOK 144 million is the equity component. 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.

Please refer to note 22 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 strengthening the networks performance through optimisation and improving its security and reliability.

## Statement of corporate governance

Ice Group's corporate governance principles are based on the recommendations set out in the Norwegian Code of Practice for Corporate Governance. In accordance with section 3-3b of the Norwegian Accounting Act, a policy document describing Ice Group's corporate governance principles has been prepared and included as a separate section in the annual report. The policy document is an integral part of the Board of Directors' report.

## Sustainability Report

In accordance with section 3-3c of the Norwegian Accounting Act, a report of sustainability has been prepared. The report is included as a separate document in the annual report and includes details on working environment, injuries, accidents, sickness absence, equality and non-discrimination, as well as social responsibility and external environment. This report is an integral part of the Board of Directors' report.



## Risks and factors of uncertainty

Ice Group's continuing operations are in the highly competitive and regulated mobile telecommunications industry in Norway and is exposed to certain risks that could have impact on earnings or its financial position. Ice Group has defined risk as anything that could have a material adverse effect on the achievement of its goals or activities. Risks can be threats, uncertainties or lost opportunities relating to Ice Group's current or future operations. Ice Group divides the risks into related to disease outbreaks, risks related to the industry and market conditions, risks related to the Group's operations, legal and regulatory risks and financial risks.

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

As significant risks related to the industry and market conditions, management identifies failure to develop, or obtain access to, new technologies or equipment, or to obtain the necessary licenses or spectrum to provide services using these new technologies. This could have a material adverse effect on the Group's business, financial condition and results of operations.

Management has identified several operational risks. The failure to maintain and develop robust telecommunication networks could hinder the Group's financial and operational performance in the future. Furthermore, the Group is dependent on certain material contracts, including (i) a national roaming agreement (the "National roaming agreement") with Telia, until it has sufficient coverage through its own network; (ii) a supplier agreement with Nokia for the delivery of equipment and software to the network. The failure or breakdown of key components of the Group's network, including hardware and software, may have a material negative effect on the Group's financial and operational performance. Any interruptions in Group's ability to provide services could seriously harm the Group's reputation and reduce subscriber confidence. Since the Group depends on a limited number of suppliers and vendors to provide equipment and services, the Group may experience future problems related to increased prices or procurement of necessary equipment and services. As the Group's telecommunication frequency licenses have expiry dates (the first being in 2032 and the last in 2039) and will need to be renewed in order for the Group to be able to continue to provide its products and services, there is a risk that the Group will not be able to renew its licences due to factors outside its control. Finally, cyber-attacks, computer virus attacks, other database security breaches or acts of terrorism or vandalism could result in equipment failures or disruptions in the Group's operations, impact its reputation and lead to loss in subscribers.

Amongst legal and regulatory risks, the Group operates in a highly regulated industry; changes may have material consequences for the Group's telecommunications licences and business operations. The current Market 15 regulation regulating Telenor's obligation to provide roaming and access to Telenor's masts is given for a limited period of time, and there can be no guarantee that the regulation will continue in its present form. Furthermore, there is a risk of an unfavourable ruling by the court in the current dispute with GoldenTree relating to the GoldenTree Loan Agreement.

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. The level of debt can affect the overall liquidity, and the level of debt makes it exposed to risks relating to obtaining additional financing and refinancing of existing debt. Financing agreements include financial and operational covenants, and failure by the Group to meet these may entitle the lenders to call for immediate repayment of amounts outstanding. Furthermore, the Group is exposed to interest rate risks in interest bearing current and non-current liabilities. As the bonds carry variable interest rates, the relatively high level of debt results in exposure to interest rate risk.

Please refer to notes 2 and 31 for a detailed walk-through of the risks identified.

## Divestment of Danish operations

On 17 June 2020 Ice Group ASA announced the divestment of its Danish business, Ice Danmark ApS, to Cibicom A/S. This is in line with the Group's strategic focus on the Norwegian market. The parties have agreed not to communicate the value of the transaction.

## Liquidity and going concern

As of 31 December 2020, the consolidated equity is negative by NOK 1,793 million.

With the deferment of spectrum charges from 2021/2022 until 2025, new national roaming agreement effective from January 2021, the issued convertible bond in August 2020, the Group

expects to have a fully financed business plan with sufficient liquidity to reach cash flow break-even and reach its operational and financial targets.

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.

### Legal disclaimer


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

## Proposed distribution of earnings of the Company

<i>At the disposal of the Annual General Meeting:</i>	<i>NOK millions</i>
Net result for the year	-46
<b>Total</b>	<b>-46</b>

<i>The Board proposes that this sum be distributed as follows:</i>	<i>NOK millions</i>
To be carried forward	-46
<b>Total</b>	<b>-46</b>

Oslo, 25 March 2021



Guillaume  
d'Hauteville  
*Chairman of the Board*



Mari Thjømøe



Hans-Holger Albrecht



Eivind Helgaker  
*CEO*



Ingvild Myhre

## Members of the Board (2020-2021)



**Guillaume d'Hauteville**

Born 1963  
Board Chair



**Hans-Holger Albrecht**

Born 1963  
Board Member



**Ingvild Myhre**

Born 1957  
Board Member



**Mari Thjømøe**

Born 1962  
Board Member



## Covid-19 impact

The Covid-19 pandemic continues to impact the global economy, the financial markets and the way we live and work. Ice Group has been affected by the restrictions and measures implemented by the Norwegian government throughout 2020.

The Group has observed a significant decrease in international roaming traffic due to the imposed mobility and travel restrictions. Roaming outside of EU has been almost completely absent since March, resulting in loss of roaming income. The lack of travel abroad has also resulted in a large reduction in international roaming costs.

Ice Group observed an increase in mobile data usage outside Ice's own network until the third quarter, as customers spent their holidays in places without on-net coverage, resulting in a significant increase in national roaming costs. The usage of mobile data outside of Ice's own network normalised in the fourth quarter of 2020.

Ice Group has significant borrowings in USD and SEK which expose the Group to changes in the exchange currency rate. Unrealised currency loss impacted the Group's results and reported debt negatively in the beginning of the year but has since been reversed. At the end of 2020 the Group completely reversed the unrealised losses resulting in a currency gain in the Group's results and a positive effect on reported debt for the year.

The Norwegian government has implemented relief measures, which have not had a material impact on the Group for the period.

The Group had well-functioning work-from-home solutions in place and has managed to maintain a good and stable operation during the Covid-19 outbreak. In addition to disease control measures implemented in the company's location, the Group has taken steps to assist employees obtaining a good home-office in this period.

Due to the current economic situation, the impacts on the financial results and the continuing risk and outlook, the Group has made an assessment whether there are indicators of impairment of the Group's cash-generating unit. Although the credit risk has increased due to the pandemic, there are not identified any indicators of impairment that call for an increase in the Group's allowance for expected credit losses or impairment of the Group's assets. Group management continues to closely monitor the development and the need for potential impairment or increase in credit allowance.

Ice Group expects that restrictions and measures will continue in 2021 and expects to be negatively affected on both international and national roaming. There is, however, still an increased risk of further economic impact due to the uncertainty of effects from mutations of Covid-19 as well as potential of new restrictions and measures.

# **Sustainability report 2020**



## Letter from the CEO

The world changes for the better. A decade or so ago, the term sustainability was a term that many companies had a relatively distanced relationship to. Today, having sustainability fully integrated in companies' business models is a prerequisite to attract employees, customers and investors.

I am pleased that this is the case. As a telecom operator we deliver critical infrastructure and services for the society we operate in and on behalf of. We understand the expectations and obligations this put on us as a company. It is a responsibility we carry with pride and the utmost respect.

The same goes for sustainability. We are proud to take on this responsibility too. It is an undisputed fact that our operations have an impact on our surroundings and this is something I see as an opportunity to drive the development in the right direction. Because by having a conscious approach to how to manage this impact, we can make the world, our local society and workplace a better place, while also making our business more profitable.

In this sustainability report, we present the main social, societal and environmental challenges Ice Group faces, and how we approach them.

This is Ice Group's first ever sustainability report. We hope it gives you an understanding of what is important to us as a company, both from a sustainability and business perspective. We genuinely believe business and sustainability are interwoven, to the benefit of both the company and the world that surrounds us.

In 2020, we identified the material topics that are most important to us and our stakeholders:

- A good working environment and an attractive employer
- Climate-friendly operation and responsible consumption
- Ethics and responsible business culture

In this report we present status on these topics. Throughout 2021, we will further increase our sustainability efforts within our defined topic areas and identify how we should report on progress in future sustainability reports from Ice Group.

Please check out the rest of the report to get to know more about how Ice Group utilises ESG as a topic to generate long-term value creation for society and shareholders.

**Eivind Helgaker**  
CEO of Ice Group ASA





## About this report

This is Ice Group's first sustainability report and covers the period from 1 January to 31 December 2020. In this report, "Ice Group" refers to both Ice Group ASA and its subsidiary companies.

Our ambition for this report is to be transparent and share our approach, performance, progress and targets for our sustainability efforts from 2020 and onwards. Ice Group will publish a sustainability report on an annual basis from hereon; the next report will be published together with the 2021 annual report.

This report is inspired by the GRI Standards and the Euronext Guidelines for Environmental, Social and Governance (ESG) reporting.

The report has been approved by the Board of Directors (the Board). It is not quality assured by an external body. For questions about this report and its content, please contact Ice Group and communication director Reynir Johannesson.

### About Ice Group

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

The company is a mobile network operator with a customer-centric business model. Ice Group's operations are lean and digital-first so that it can deliver an exceptional customer experience at low cost.

Ice Group believes in customer centricity. The company strives to understand what really matters to its customers in each market and utilises that insight to drive everything it does. The company believes in establishing differentiation through creating an emotional connection with our customers to drive cost-effective growth.

The company also believes in the future of mobile data. By acquiring low band spectrum and building 4G LTE networks, Ice Group aims to deliver mobile data at the lowest unit costs while simultaneously building future-proof networks. These networks are 5G-ready to cater for exponentially growing data demand from both consumers and connected devices (IoT).

Ice Group operates in Norway through the well-established Ice brand. Ice is Norway's third largest mobile network operator and provider of voice and wireless data services, challenging the two incumbent operators. Ice is also Norway's third largest provider of wireless broadband services.

In 2020, Ice Group delivered revenues of NOK 2.1 billion, with an adjusted EBITDA-result of NOK 41 million.

The company is headquartered in Oslo, Norway with 246 employees (226 FTEs), of which 70% are men and 30%

women. Including external resources, such as dedicated people with contract suppliers and subcontractors, Ice Group employed 380 people at year-end 2020.

Ice Group ASA is listed on Euronext Expand in Oslo, Norway (ticker: ICEGR).

### Management approach to sustainability

Sustainability is included in Ice Group's strategy and The Board of Directors is responsible for the sustainability strategy and review performance. The CEO is responsible for following up the implementation of the ESG strategy in Ice Group. Ownership and management of all risks is assigned to members of the corporate management, who are responsible for ensuring the operating effectiveness of the internal control systems and for implementing key risk mitigation plans. Implementation is mostly handled by the individual business units and is reported to the CEO/CFO through quarterly business reviews and in corporate management meetings.

Ice corporate governance requirements follows from the Norwegian Accounting Act section 3-3 b (available at [www.lovdata.no](http://www.lovdata.no)), the Continuing Obligations (available at [www.euronext.com](http://www.euronext.com)), and the Norwegian Code of Practice for Corporate Governance, "NUES", (available at [www.nues.no](http://www.nues.no)). Corporate governance is an important element to secure that the interest of shareholders, management and employees as well as other shareholders are aligned. Ice sees corporate governance as an integral part of our operations and believe that good corporate governance is an important factor in securing our value creation. Ice Group ASA provides its report on corporate governance as part of the Report of the Board of Directors.

### Stakeholder assessment

In a workshop during autumn 2020, Ice Group with assistance from Price Waterhouse Coopers (PWC) conducted a stakeholder assessment, determining the most relevant stakeholders for Ice to focus on. The assessment concluded with the following stakeholder groups:

- **Employees:** Primary stakeholders that directly affect or are affected by the company's internal policies and activities
- **Owners:** Primary stakeholders and directly affects the company's priorities and strategic direction
- **Governments / authorities:** Affect Ice Group directly through defining and regulating the regulatory framework that Ice Group must operate within as a telecommunication operator
- **Customers:** Directly affect the company financially and customer expectations contribute towards setting Ice Group's sustainability priorities
- **Suppliers:** Are directly economically affected by Ice Group and indirectly affected by the company's focus on responsible business practices and the expectations placed on them
- **NGOs/ civil society:** Local communities are indirectly affected by the company's activities in job creation, tax payment and environmental impact



Figure 1: Ice Group's stakeholders

## Stakeholder dialogue

It is important for Ice Group to maintain an open and honest dialogue with its main stakeholders. Such dialogue provides valuable feedback and enables Ice Group to continue to improve, to build trust and to enhance its reputation.

The company conducted stakeholder dialogue during autumn 2020, speaking to key people in Ice Group who have regular contact with and a good understanding of various stakeholders' priorities, including shareholders, investors, analysts, employees, corporate and private clients, and the authorities. Furthermore, the company has held meetings and reviewed relevant documents from business partners, shareholders, customers, investors, and authorities. Other sources of information include an assessment of media and industry reports.

Ice Group's stakeholders are particularly interested in how we handle environmental matters, governance, ethics and anti-corruption measures and our corporate culture and employee satisfaction.

Stakeholder group	Expected of Ice Group
Employees	<ul style="list-style-type: none"> <li>Flexible workplace</li> <li>Health and lifestyle</li> <li>Competence development</li> <li>Equality and diversity</li> <li>Competitive and fair remuneration</li> <li>Leadership, respect and attention</li> </ul>
Owners	<ul style="list-style-type: none"> <li>Economic growth</li> <li>Business model in line with consumer patterns</li> <li>Attractive earnings and growth</li> <li>Leadership and market positioning</li> <li>Strong corporate governance</li> <li>High standards in compliance and internal control</li> </ul>
Customers	<ul style="list-style-type: none"> <li>Price and quality</li> <li>Freedom to choose</li> <li>Data security</li> <li>Climate / environment certificates</li> <li>Customer service</li> <li>Product innovation</li> <li>Environmentally friendly offer</li> <li>Strong business ethics</li> </ul>
Suppliers	<ul style="list-style-type: none"> <li>Requirements for suppliers</li> <li>Energy efficient products (Nokia)</li> </ul>
Governments / authorities	<ul style="list-style-type: none"> <li>Data privacy and security</li> <li>Working environment</li> <li>Responsible marketing</li> <li>Anti-money laundering and corruption</li> <li>Contributing to society: Job creation, taxes and supporting Norwegian ESG goals</li> </ul>
NGOs / civil society	<ul style="list-style-type: none"> <li>Greenwashing</li> <li>Electromagnetic radiation</li> <li>Environmental impacts</li> <li>Transparency and cooperation</li> </ul>

Table 1: Stakeholders' expectations

## Materiality analysis and focus areas

Ice Group believes that a systematic approach towards understanding and managing the company's impact on society and external stakeholders is a prerequisite for value creation. The main steps in selecting the focus areas involve identifying and understanding topics that are important to our business strategy and to our stakeholders.

The focus areas and priorities made for this sustainability report are mainly based on the stakeholder dialogue conducted in autumn 2020, relevant document review and a broader

materiality analysis of areas where Ice Group and its stakeholders believe the company can make an important and sustainable impact.

The following methodology has been used to map Ice's significant sustainability topics:

- Interviews with Ice employees in various positions to map which topics in sustainability are important for internal and external stakeholders, including the main owner, other investors, authorities, customers and Ice's own employees.
- Review sustainability reporting and materiality analysis for comparable companies to identify topics

that companies in the telecom industry typically prioritise, and where comparable companies have a significant impact.

The methodology is inspired by the GRI Standards, the most widely used framework for sustainability reporting both in Norway and globally. The identified KPIs are inspired by GRI Standards' indicators and a survey of which KPIs other companies use to measure the impact on similar sustainability themes. These topics are believed to be important for future progress and long-term value creation. The outcome of the analysis is illustrated below:

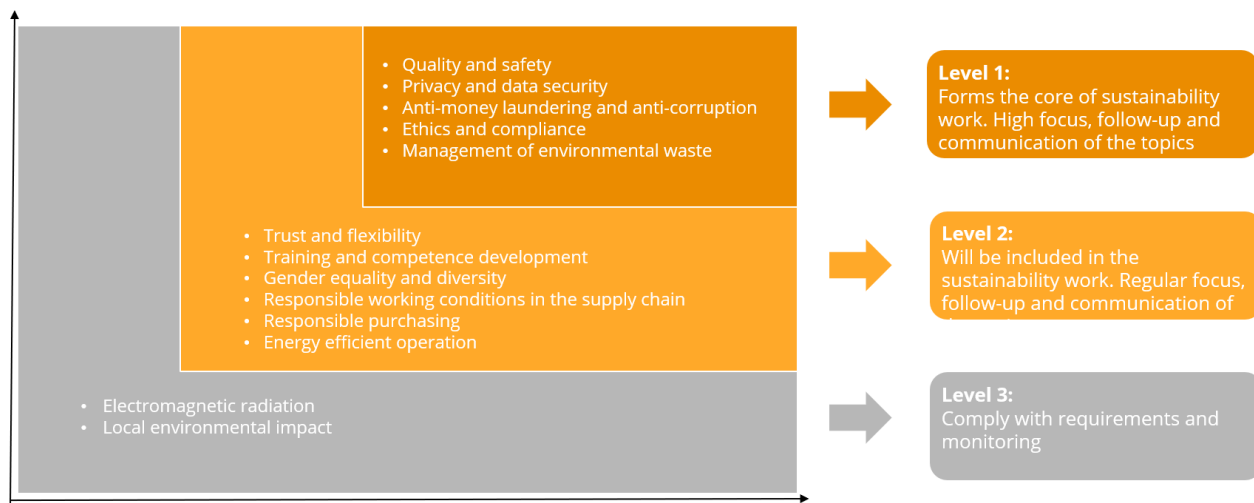


Figure 2: Materiality matrix



## UN Sustainable Development Goals

Ice Group is committed to supporting the UN Sustainable Development Goals (SDGs). An assessment of our activities

reveals five SDGs in particular where our contribution delivers the most impact:



Achieve gender equality:  
ICE is fully committed to  
empower all women and  
girls



Promote sustained,  
inclusive and sustainable  
economic growth, full and  
productive employment  
and decent work for all.



Build resilient  
infrastructure, promote  
inclusive and sustainable  
industrialization and foster  
innovation



Ensure sustainable  
consumption and  
production patterns



Take urgent action to  
combat climate change  
and its impacts



## Reporting on material topics

In the following chapters, the material sustainability topics and Ice Group's approach to each of them are discussed in detail, specifically:

- Providing a good working environment and being an attractive employer

- Ensure climate-friendly operations and responsible consumption
- Promoting an ethical and responsible business culture

**A good working environment and an attractive employer**



**Material sustainability areas:**

- Trust and flexibility
- Training and competence development
- Gender equality and diversity
- Responsible working conditions in the supply chain

Includes the following SDGs:



5 GENDER EQUALITY



8 DECENT WORK AND ECONOMIC GROWTH

**Climate-friendly operation and responsible consumption**



**Material sustainability areas:**

- Management of environmental waste
- Energy efficient operation
- Electromagnetic radiation -
- Local environmental impact

Includes the following SDGs:



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



13 CLIMATE ACTION

**Ethics and responsible business culture**



**Material sustainability areas:**

- Quality and safety
- Privacy and data security
- Anti-money laundering and anti-corruption
- Ethics and compliance
- Responsible purchasing

Includes the following SDG:



9 INDUSTRY INNOVATION AND INFRASTRUCTURE

## A good working environment and an attractive employer

Our employees are our company's most important assets. The company operates in accordance with all applicable laws and regulations concerning workers' rights, and the company's internal guidelines on working environment and workers' rights are rendered in the Employee Handbook, which also contains information on work regulations and health and safety.

Following the Norwegian Working Environment Act, Ice has established a working environment committee (WEC), which regularly meets to discuss safety and environmental matters and to monitor developments in safety, health and welfare in the company. The company has appointed three employee representatives that serves as board members on Ice Communication Norge AS' Board of Directors and appointed a safety representative (Norwegian: "verneombud").

The employment is currently not regulated by a collective bargaining agreement.

### Trust and flexibility

#### How the workday is designed for the individual to thrive and succeed

Ice Group wants to be an employer that makes it easy for its employees to deliver the best possible work performance and operational results. To achieve this, Ice Group strives to create a working environment built on mutual trust between the company and its employees. It believes that trust and flexibility are fundamental to both do a good job and be a great family member at home.

As a result, Ice Group has implemented a "24-hour person"-approach, which means that the workday in the company is designed so that employees can work whenever they want, wherever they want. Such an approach only works if the business culture is based on trust instead of control. Ice Group's business culture is therefore largely centred on human needs such as being seen and recognised.

To facilitate this trust-based culture, Ice Group has developed an activity-based workplace, where the Oslo headquarters are adapted to each individuals' work needs and preferences. It means that each employee can tailor his or her workday to how and where they perform their job best. The company's Oslo headquarters invites employees to utilise customised meeting rooms, project rooms, creative zones, quiet zones, reflection room, library, squares with coffee shop and the possibility to:

- Exercise during working hours
- Juggling work and home life
- Energy session at 2pm every day in the office square
- Daily access to fruit
- Subsidised car parking; During the Covid-19 pandemic, the company offers free parking, and has also expanded the amount of parking spots available
- Bicycle parking and wardrobe with towel arrangement
- Private lockable reflection room in the office

To maintain and strengthen this trust-based business culture, Ice has implemented a number of processes that aim to ensure alignment with the company's values and culture and

continuously strengthen Ice Group's operational performance. Such processes include:

- The company's leaders are trained in trust, relationships, flexibility and being conscious of the "24-hour person"
- The company's employees are trained to lead themselves, whether they are in the office or at home
- Processes to involve employees in strategy work, both to ensure that the company's strategy is right and that all employees have an equally good strategy understanding as the senior management

Ice Group believes that employees get pride and motivation from helping to shape the workplace of the future. By involving employees, they get the chance to implement the plans they have been involved in developing themselves, where they have the lead roles and dare to be ambitious and courageous, both on behalf of customers and colleagues. Ice Group receives regular feedback from employees that this approach inspires and make colleagues want to stay with the company.

The Ice Employee Handbook is available on the intranet, and provides information and guidelines supplementing the employment contract and includes information on i.a. policies and benefits. The Code of Conduct and Compliance Manual are also available on the intranet. The Code Of Conduct summarises the standards of ethical business behaviour required in all matters carried out during the daily business activities of ice and includes summaries of reporting channels for possible violations of the Code of Conduct. The responsibility for administering the Code rests with the DNA Director. The purpose of the Compliance Manual is to provide employees/consultants with detailed information and a series of policies regarding the professional and ethical standards and compliance requirements of companies within the ice group of companies. The Compliance Manual includes the Whistleblowing Policy, the purpose of which is to encourage the raising of concerns about matters occurring within or related to the Compliance Manual.

To monitor progress within this area, Ice Group utilises both internal measurements and external third-party analyses of the company's attractiveness as an employer. In accordance with the Norwegian Working Environment Act, the company monitors sick leave and staff turnover through internal systems.

For both external and internal assessment of Ice Group's attractiveness as an employer, which is closely linked to its ability to foster a positive and trust-based business culture, the company is each year assessed by Great Place to Work®. The latter utilises a methodology where it collects and evaluates employee feedback and recognise those companies that have a trusting and high-performing workplace culture. In the past three years, Ice Group has been on the top-10 list of Norway's best places to work.

In total, Ice Group believes that all these activities lead to reduced sick leave and build employee pride and workplace loyalty. The sickness absence rate increased slightly in 2020. However, the sickness absence rate is less than 2%, which is very low in a Norwegian context. Ice Group provides health insurance for all its employees.



## Ice Group during Covid-19 – how the company adapted through the pandemic

Ice Group experienced that the company's existing culture and mind-set, built on trust and flexibility, made the transition to the Covid-19 situation relatively seamlessly. Through the pandemic, the company has worked systematically to make this new and unpredictable situation as tolerable as possible for employees, by focusing on both *practical facilitations*, ensuring *sufficient and correct information*, and trying to create a sense of *psychological safety*. Measures taken includes:

- More frequent townhall meetings / CEO briefings
- A colour system, with code green, code yellow and code red to make it easy to communicate the degree of actions to be taken with regards to the level of infections at any given time
- Continuously adapting the office to the codes mentioned above
- Offering screens and office chairs on loan to employees on home office, also delivering the equipment to the homes of some employees at their homes
- Free face masks
- Free parking offered to the employees, plus extended the amount of available car parking spaces
- A psychologist offering training to employees in self-management and self-care
- Giving every employee two hours "mandatory" outdoor time each week, to make sure that they prioritise daylight and fresh air
- Organised social, digital activities to engage the employees, such as competitions, after work activities, podcasts and Ice Awards
- Re-organised parts of the office to comply to the new work situation, such as establishing a podcast studio and supplying more big meeting rooms and arenas with sufficient distance and infection control measures, making it safer for colleagues and teams to meet up

KPI	2019	2020
Great place to work KPI	Top 10	Top 10
Total sick leave	1.28%	1.78%
Staff turnover	8.3%	5.5%

## Training and competence development

### Focus on employee training and development

To attract, further develop and retain the best employees – at all levels – Ice Group invests heavily in training and competence development of its staff. In addition to subject or competence-specific development measures, the company also work systematically to improve employees' ability to lead themselves. This is also as part of Ice Group's efforts to maintain a trust-based business culture for the benefit of both individuals and the business as a whole. Such ongoing initiatives include:

- Regular courses for all employees in managing themselves and structuring their workday and workload

- The staff journey in Ice – with focus on opportunities

Ice Group make it clear to its employees that there are many ways to engage in the workplace, and that the development paths are varied. Amongst the development opportunities Ice Group's employees have are the following:

- Interdisciplinary work streams, safety representative, employee representative, fire protection aide, social group, training group, tour group, interaction group, Ice ambassador (representing the Ice culture and DNA to external parties), course holder, manager, buddy, mentor
- Value Proposition Workshops, where employees are regularly invited to participate in creative processes and get external breakfast seminars or relevant lectures and courses business previews
- Leadership training programme
- Interdisciplinary projects in the creative zone on the 4th floor, where employees across departments and fields of expertise are invited to enter processes or other workshops that are centered around the creative wall
- Design Sprints, which are quick workshops designed for rapid innovation processes
- Departmental delivery descriptions
- "Ice Talks" or "Ice Talents", where employees are asked to contribute and be part of, which is a great way to see people
- Microsoft training-courses (primarily digital) within Microsoft 365: Teams, OneDrive, Cloud Storage, One Note-Office apps (Excel, PPT)
- Own training page on the company intranet page
- A ninja network, which consists of resources in each department that assist employees in questions about Microsoft 365 and as a good-use supervisor
- Ice learning portal, where all training and sources of tutorials are gathered
- Inspirational talks and presentations delivered by external speakers
- Development conversation – personal feedback from your manager every six weeks
- Investment in competence and competence mapping
- Personal development race – "me in ice"
- Leadership development programme DiSC – training in basic understanding of yourself in interaction with others
- Pre-boarding in Ice

Ice Group has two main purposes for taking such an extensive and systematic approach to competence development in the workplace. Firstly, the company wants to have employees who are growing and possess the right skills to deliver on the company's business strategy. Secondly, because it is important for people to know that they are moving forward, that they learn something new, that they are evolving, and that they are seen as individual contributors in a fast-growing company.

The company's people development initiatives are continuously evaluated through Office Wibe, Great Place to Work, one-to-one development and goal conversations between leader and employee, and in department meetings.

## Gender equality and diversity

### Ice Group is a diversity of people who create results together

Ice Group has a strong focus on culture and prioritisation of the human dimension in the workplace. In addition to being recognised for what you contribute, the company is also working to ensure that everyone is recognised for being precisely who they are. In Ice Group there is room for everyone!

In addition to following the Norwegian Working Environment Act, Ice Group also operates in accordance with the Gender Equality Act, which aims to protect against discrimination based on gender, as well as the Anti-Discrimination Act, which protects against discrimination on the grounds of ethnicity, religion, disabilities or the like.

We work to promote equal treatment of all. Further, it is the company's position 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. Requirements to the work environment is set out in the Code of Conduct and the Whistleblowing Policy is included in the Compliance Manual.

Furthermore, Ice 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 based on the company's needs and an employee's performance and potential.

As a consequence, Ice Group is a company that consists of more than 15 different nationalities, all of which contribute greatly to the culture and DNA the company strives to foster. Although Norwegian is Ice Group's official working language, the company attempts to facilitate for those who speak other languages. For example, many of the presentations used in meetings are created in English to enable all colleagues understand its contents. Ice Group respect that its employees have different beliefs, and have, among other things, rooms that also serve as prayer rooms.

Management roles within technology have historically been male dominated. To ensure a healthy gender balance, Ice has focused on increasing the number of women in key positions, especially within technology roles. Ice Group currently has female leaders in the current roles: IT director, DNA/HR director, General Counsel, head of PMO, head of IT development, head of 24/7 operations office, head of billings, in addition to 50% female representation on the Ice Group ASA's Board of Directors.

Salaries are also important. As a consequence of Ice Group's desire to deliver on its value "fairly", the company's salary philosophy is based on the principle that it should always pay the right salary for the right role. The company pays for the skills and experiences it requires to be competitive and pay more for roles that contribute exceptionally towards growth in the company, or in connection with key expertise with limited availability in the market. As of end-2020, the average salary level for female employees is 1.08% lower than average salary level for male employees.

In 2020 the company has encouraged all our employees to evaluate Ice's standing regarding culture, inclusion and diversity through Equality Check ([www.EqualityCheck.it](http://www.EqualityCheck.it)), aiming to accelerate equality in the workplace.

In Ice Group's annual employee satisfaction survey performed by Great Place to Work ([www.GreatPlacetowork.no](http://www.GreatPlacetowork.no)), where the company uncovers actionable insights and identify its company culture, Ice Group also asks questions regarding equality and diversity. The feedback and insight received through these surveys, is actively used to both improve or amplify current culture and the way the company prioritises.

In Norway, where Ice Group has its operations, the parental benefit period consists of a maternal quota of 15 weeks, a paternal quota of 15 weeks, a period of three weeks before the due date for the mother and a joint period of 16 weeks – in total 49 weeks.

Number of women in total and per position level	Total	Employee	Manager 1	Manager 2	Top management	Board of Directors
2019	55	37	3	13	2	2
2020	65	43	4	16	1	2

### Salary differences between men / women, per position level

2019	Employee	Manager 1	Manager 2	Top management
Average salary men	675 299	924 900	803 280	1 635 205
Average salary women	676 056	803 500	760 888	1 289 009
2020				
Average salary men	702 604	1 037 016	843 077	1 680 581
Average salary women	695 021	966 750	818 421	1 314 789

Number of women and men	31.12.2019	31.12.2020
Women	60	69
Men	146	162

Number of part time employees	31.12.2019	31.12.2020
Women	0	2
Men	0	0

Number of temporary employees	31.12.2019	31.12.2020
Women	0	1
Men	0	1

Number of weeks average parental leave	2019	2020
Women	8.1 weeks	33.4 weeks
Men	9.8 weeks	9.9 weeks

## Responsible working conditions in the supply chain

### A robust system for monitoring the supply chain

Ice Group seeks an open and transparent relationship with its suppliers and partners. Suppliers are expected to adhere to Ice Group's business ethics and values, including the company's standards for health and safety, human and labour rights, environment, quality management, business integrity, and corporate social responsibility, as well as being competent and trustworthy.

Ice Group's standards and expectations to health and safety also extend to its suppliers. Currently, Ice Group's main supplier is Nokia, who is in charge of building Ice Group's 5G-ready mobile phone network. Nokia and its subcontractors operate within a solid health and safety planning framework that is based on Norwegian legislation.

To ensure that the network build-out is conducted in line with Ice Group's health and safety standards, the company conducts the following activities:

- Weekly status meetings with Nokia where health and safety is an agenda topic every week

- Quarterly health and safety meetings with Nokia and all its subcontractors

Ice Group's vision is zero harm to people, assets and the environment. Health and safety is a responsibility that requires continuous effort and is a natural part of the Ice Group's daily operations. The company has no records of accidents or injuries in recent years and has therefore not deemed it necessary to take special measures in this area.

KPI	2019	2020
Lost time incidents	1	2
Fatalities	0	0

### Goals and targets for 2021:

- Continue to promote gender equality and diversity throughout the organisation
- Achieve top-10 status in 'Great place to work' survey
- Zero lost time incidents and zero fatalities
- Continue to provide training and development for employees
- Carry out a risk assessment for suppliers, focusing on HSE specifically



## Climate-friendly operation and responsible consumption

Ice Group's business activities have both direct and indirect environmental impacts. The company's main impact on the environment is through energy use, building of new masts for base stations, and some waste generation. Ice Group does not manufacture own products, but is a reseller of other manufacturers products, for example mobile phones. Additionally, Ice Group is building its first smartphone network, meaning that the company does not have to replace existing legacy network and equipment. A lean and cost-effective digital operation also contributes to a reduced environmental footprint from Ice Group.

### Management of environmental waste

**Good systems for receiving and disposing of environmental waste from customers (handsets and routers) and from network build out (base station equipment)**

In the work of establishing a circular economy and waste-free society, we must ensure both recycling and reuse of both electronic equipment, as well as the materials from which the equipment is built. Old and unusable equipment can become part of the production of new technology.

Ice Group sells both mobile phones, mobile broadband routers and builds a mobile network consisting of core networks and base stations throughout Norway. At the same time, Ice Group has had a long-term collaboration with Nokia, which is committed to reusing and recycling produced equipment that Ice deploys. Waste, including discarded batteries, are disposed of through Franzefoss and Serva AS, both of which are certified for waste management by the Norwegian Environment Agency (Miljødirektoratet). One of the company's main suppliers, Site Service, is certified according to the Eco-lighthouse standard (Miljøfyrtårn), an environmental management system for public and private companies.

Ice Group can influence waste management through both the online store and its own physical stores, as well as via retail partners and the main supplier Nokia, which is helping to expand the new mobile network. At the same time, Ice Group's own products such as Mobilbytte (handset swap programme) can help give customers a stronger incentive to repair the mobile phone instead of throwing it away, as well as return the old before they buy a new. All handsets that are returned are either sold as is or upgraded to be sold.

Ice Group has both an online store, the possibility to shop through customer services channels and three own physical stores in the central eastern part of Norway and plans for three more in 2021. Good contact with customers provides an opportunity to ensure that the customer buys the right product for him or her, since they have the right to return products in accordance with the Consumer Purchase Act. That way, Ice Group wants to reduce equipment returns due to wrong purchases. If the customer for any other reason returns equipment, it is important that it is either reused, resold or refurbished by Ice Group or an external logistics partner. Phones that are returned by customers are currently for sale at One2cel on teleoutlet.no.

Ice wants to reduce the number of returns, as well as continue to develop the possibilities for recycling, reuse and repair. It has an economic upside while benefiting the environment. Ice is also convinced that working in this way will over time result in more satisfied and environmentally conscious customers.

Ice Group measures how many mobile phones are returned to the company from consumers that exercise their right to return in accordance with the Consumer Purchase Act. All returned telephone handsets that are fully functionals, which is a prerequisite to exercise the right to return, are re-sold.

KPI	2019	2020
% of sold mobile handsets returned under Consumer Purchase Act	3.1%	1.8%
Share of returned mobile handsets that are reused	100%	100%

### Energy efficient operation

**A modern infrastructure technology and a climate-friendly office leads to less energy consumption**

Using energy more efficiently and opting for renewable sources is essential for combating climate change and for lowering the organisation's overall environmental footprint.

Energy consumption occurs primarily in the form of lighting, heating, and cooling of the company's headquarter in Oslo, Norway, and powering Ice Group's masts, base stations and IT infrastructure. The company does not itself own any production facilities but buys products and electronic equipment from third part suppliers. Nokia is in charge of building Ice Group's 5G-ready mobile phone network.

Ice Group is currently in process of establishing climate accounting on direct and indirect emissions (Scope 1, 2 and 3). The company expects to complete this work during 2021.

### Electromagnetic radiation

**Minimise electromagnetic radiation when operating base stations**

Today most people use a lot of wireless technology that emits electromagnetic waves, also called radiation. These technologies are found all around us through wireless communication technology. Research shows that electromagnetic radiation from wireless technology does not pose a health risk, as long as the levels are below the limit values.

It is important for a mobile operator such as Ice Group to stay up to date on the latest research and have a good dialogue with the authorities. The latest research and measurements indicate that the exposure of the population from wireless technology is far below the set limit values. Based on current knowledge, there is no reason to assume that the radiation impacts animal and plant life negatively.

All mobile phones and broadband routers must use electromagnetic waves, when communicating with the base station network. The mobile networks use frequencies in the frequency range 450 MHz - 3.6 GHz. Electromagnetic waves in this frequency range are called non-ionizing radiation, and do not have sufficient energy to ionize (destroy) human tissue.

Our radio planners carefully consider where the antennas should be placed to achieve the best coverage while at the same time the radiation level is as low as possible where people travel. The antennas are normally placed high in masts, ceilings or facades to achieve long range, so that the radiation level does not exceed guidelines and requirements set by the Norwegian authorities: The Directorate for Radiation Protection and Nuclear Safety (DSA) and the National Communications Authority (NKOM). DSA and NKOM work closely with other countries' authorities and adhere to guidelines issued by international cooperation bodies such as the World Health Organization (WHO) and the International Commission on Non-Ionizing Radiation Protection (ICNIRP).

If the roof antennas are placed so that operating personnel in some cases have to pass in front of the antennas, the area is normally marked with a notice prepared by DSA / NKOM about which risk area one should avoid staying in over time.

The base station network automatically reduces the signal strength from the user equipment (mobile phones and broadband routers) and the antennas to as low a level as possible in order to achieve optimal coverage while the antennas do not interfere with each other. To take full advantage of the new 5G network, it is important that 5G base stations are built closer together than before. The smaller the distance between the transmitters, the lower the output power it is necessary to use, and thus the radiation level becomes smaller. This means that the mobile phones can also lower the output power and thus the batteries will last longer.

Ice monitors the discussion that 5G radiation is more negative for the environment than other types of mobile radiation. In such discussions, we choose to be loyal to the Norwegian professional authorities.

From time to time, Ice are in contact with neighbours, living near base stations, who are concerned about radiation levels in nearby areas. In such cases, the company either hires or uses its own resources to carry out radiation measurements. If we are ordered by NKOM to take special measures such as moving or twisting antennas or reducing the output power, we always do this, but such cases are very rare.

## Local environmental impact

### Gentle development of infrastructure with a focus on minimising damage to nature

Taking care of the local environment is becoming increasingly important as society develops with ever more infrastructure. It is therefore important that all parties contribute to reducing the footprint, especially in green areas or other similar outdoor areas. It is also important to avoid creating unnecessary visual pollution in cities where base stations can become numerous and clogged.

It is expected that there is mobile coverage everywhere, both in the city, out in the woods and at sea. It requires large

amounts of fibre in the ground, base stations and not least mobile masts. With around 3,000 base stations, Ice Group has a significant footprint in Norway.

Where Ice Group has the opportunity, the company will co-locate with other operators, or utilise buildings, silos or other existing infrastructure to avoid building new masts.

Where Ice Group builds its own masts, it offers other operators to place their equipment if they request it and there is room in the mast. Ice has a good dialogue with both public and commercial property managers, and the different transport authorities to gain access to existing infrastructure.

KPI	2019	2020
Number of base stations	2,217	2,914
% of Ice Group base stations co-located with other operators	37.3%	44.8%
Number of newbuild Ice Group masts	1	2

### Goals and targets for 2021:

- Install between 300 and 500 new smartphone base stations in Norway, and co-locate with other operators wherever possible
- Climate accounting on scope 1, 2 and 3
- Further reduce electronic waste

## Ethics and responsible business culture

### Ethics and compliance

Ice Group is committed to ensuring that all its activities comply with or exceed the standards of the jurisdictions in which it conducts its business. The company's reputation for honesty, integrity and professionalism is its most valuable asset, which it aims to maintain and protect at all times, and is dependent upon the good judgment, ethical standards and personal integrity of every individual in the company.

It is the obligation of the Ice Group 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 Ice Group's professional and ethical standards will be grounds for appropriate disciplinary actions.

Compliance requires adherence to law, regulations and Ice Group's compliance policy documents. The company works systematically to ensure implementation and has established a governance structure defining roles and responsibilities throughout the group.

The company's ethical guidelines are outlined in the Compliance Manual and Code of Conduct to which all employees have received introductory training. The Compliance Manual and Code of Conduct are subject to annual review and is approved by the Board of Directors at least annually. The company has appointed the general counsel as compliance officer to oversee the implementation of its Compliance Manual and guidelines.

Compliance in Ice is based on a clear governance structure defining roles and responsibilities. Compliance risk and mitigating actions are reviewed on an ongoing basis and are also integrated in the annual risk review.

Ice Group has established an internal, cross-functional governance workstream to ensure that compliance actions and risks are integrated and followed-up in our day-to-day actions.

The company's compliance work is structured round its annual compliance programme with specified compliance actions for each quarter structured to ensure awareness and striving to further increase the overall understanding of compliance and risks for all employees. These efforts include tone-at-the top messages, compliance workshops, department workshops, group training for all employees and consultants, training for specific departments and functions that have compliance responsibilities, reminders onto intragroup channels etc.

The general counsel is the compliance officer and reports to the Audit Committee and the Board of Directors. The general counsel participates in all Board and Audit Committee meetings.

An independent third-party undertook a compliance maturity assessment in 2018. At the end of 2019, the independent auditor then reviewed follow-up of the recommendations from

2019 which were found to all have been completed. Ice Group tracks compliance actions through the year, and report status and any non-compliance items to the management on a regular basis and furthermore report to our board of directors twice yearly. Ice Group will also consider external review in 2021.

Ice Group has established a whistleblowing system as further governed by its whistleblowing policy contained in the Compliance Manual and as also described in the Code of Conduct. Information on the whistleblowing channel and policy is available on the intranet and information on this is also regularly provided in town hall meetings and through reminders on intragroup channels. The whistleblowing system is available for use on a voluntary and anonymous basis.

KPI	2019	2020
Share of employees that has completed annual compliance training	100%	100%
Number of whistle blower cases	0	0

### Anti-money laundering, sanctions and anti-corruption

The company is committed to ensuring that all its activities meet or exceed the standards of the jurisdictions in which we conduct our business. Ice Group has a zero-tolerance to corruption and bribery. Corruption undermines all sorts of business activities and free competition, and it is prohibited by law in Norway, which is considered a low-risk country in terms of corruption. Corruption is destructive for the countries involved and would erode Ice Group's reputation, exposing the company and the individual employee to considerable risk.

The company's Compliance Manual and Code of Conduct contain separate policies on anti-bribery, anti-money laundering and sanctions. As part of Ice Group's risk review, the company considers higher risk areas for the company, and as part of this risk review an extensive process for counterparty due diligence has been implemented.

As a stock listed company, following laws and regulations in terms of anti-money laundering and anti-corruption is not only our moral obligation but part of our license to operate. The Anti-Money Laundering, Anti-corruption and Sanctions Policy forms an integral part of our compliance programme and has been implemented based on the company's risk review. Extensive training to departments and functions who have specific responsibilities under the policies have been implemented to ensure knowledge and awareness. This is also a focus area for the annual training and compliance test and is regularly a theme for town hall meetings and billboard/Teams reminders. The company's Counterparty Due Diligence Policy provides a stepwise guide for conducting counterparty due diligence, and the company also uses an external database provider to conduct counterparty due diligence screening.

The policies and programme are managed by the General Counsel and compliance officer, who is responsible for programme design and annual planning. Progress is regularly reported as part of the compliance reporting to the Audit Committee and the Board of Directors.



KPI	2019	2020
Share of employees who have completed training in anti-corruption and anti-money laundering.	100%	100%
Number of confirmed incidents related to money laundering and corruption.	0	0

## Responsible purchasing

Responsible sourcing consists of looking at what Ice Group purchases beyond the more traditional aspects of cost, quality and delivery time. This is one of the strategic objectives for the company's procurement operations and means it considers transparency, ethics, fair treatment of our suppliers / partners guiding principles when sourcing products and services across all purchasing categories.

Ice Group's Code of Conduct specifies that customers, suppliers, competitors and colleagues must be dealt with fairly. Ice employees must at all times avoid manipulation, concealment, abuse of confidential information, misrepresentation of facts, or any other practice that could be considered unfair dealing. The company is dedicated to treating customers and suppliers honestly and fairly, and sales and purchasing decisions should be based on price, product quality, service quality and the consistency and dependability of customer and supplier relationships involved.

During 2020, Ice Group has have undertaken several initiatives to instil the above-mentioned principles into its way of work. It has developed and issued a formal Procurement Policy that is built around the said principles. The policy defines and illustrates how the principles will be followed and implemented as a part of the company's procurement operations. The procurement process itself has been further strengthened to meet business and stakeholder expectations. An online purchase order system has been put in place to record purchases made by the company.

In addition to the above, a formal partner / supplier management process has been introduced. The company will use the said process to engage in regular dialogue with its strategic partners / suppliers in order to strengthen its relationship and develop a future roadmap.

## Privacy and data security

Customers are increasingly aware of and informed about their right to privacy and expect that their privacy is safeguarded. As a mobile service operator, ensuring the right to privacy and the right to freedom of expression of our customers is fundamental.

Compliance with privacy requires adherence to law and regulations. Ice Group adheres to the EU General Data Protection Directive (GDPR) and has implemented privacy guidelines and policies and continue to work systematically to

ensure implementation throughout the group. The company is also working to comply with the international standard for information security ISO 27001.

Ice Group has established an operating model defining roles and responsibilities under our different policies and guidelines throughout the Group and has further established a cross-functional privacy workstream that includes privacy representatives from all the different departments of the company to ensure that Ice is able to identify and address privacy matters and ensure that policies and guidelines are implemented in the first-line.

By having good internal control, guidelines and policies in place, the company will ensure that it complies with the requirements under the privacy legislation. Data privacy forms an integral part of the company's compliance programme and it ensures awareness by providing extensive training to departments and functions which have responsibilities under the policies. This is also a focus area for Ice Group's compliance test and is regularly a subject for our town hall meetings and compliance reminders that is regularly published to intragroup channels. Ice Group will continue to strive to not only comply with relevant privacy regulations, but to meet the privacy expectations of its customers.

The company's privacy work is structured around its annual compliance wheel with specified privacy actions for each quarter, structured to ensure awareness and always striving to further increase the overall understanding of privacy and risks for all employees. In addition, the company has an annual wheel for internal privacy audits. Furthermore, Ice Group's Code of Conduct specifically addresses data protection for all its stakeholders. The company is committed to respecting the confidentiality of the personal information of all employees, staff contract members and consultants.

In line with applicable regulations, Ice Group will only acquire and retain personal data which is required for the effective operation of ice or required by law or regulation in the places it operates. Access to personal records is limited to personnel who have appropriate authorisation and a clear business need for such information. Personal information will not be provided to anyone outside of Ice Group's operations without proper authorisation.

The data security in the transmission networks is archived by following the international cryptographic standards that are defined in the communication standards. In addition, Ice have chosen also to encrypt all communication on the distribution network in order to secure the data when transmitted on leased lines.

Security on internal systems is obtained by several methods and is documented in internal policy and routines, and risk evaluations are performed for all projects where PMO is involved.

The security is regularly checked from out external experts in addition that all inbound internet traffic is monitored for malicious traffic. Through membership in the National Cyber Security Agency, the company gets early warnings and pre-alerts of cases that may affect our systems and software.

The company's Data Protection Officer maps Ice Group's privacy actions through the year, and reports status and any

non-compliance items to the management on a regular basis and furthermore report to our board of directors twice yearly. Ice Group will also consider an external review in 2021. There have been no major security breaches during 2020. Three personal data breaches were reported to the Norwegian Data Protection Authority, which closed all three cases without a need for further explanation. Ice Group has taken measures to deal with the vulnerabilities and limit the consequences, as well as to reduce the risk of this happening again.

## Quality and safety

Despite the fact that Norway is one of Europe's most digitalised countries, its situation is unique in the EEA. It is the only country that has only two nationwide mobile networks - all other countries in the EEA have at least three. Establishing a third mobile network has been a long-standing policy objective, and the Norwegian government has used regulation and other instruments to stimulate the establishment of at least three competitive networks. This also became a key goal in the white paper on consumer policy in the spring of 2020.

There is no doubt that a third mobile network is important for the country's security, as the consequences of increased digitalisation and only two mobile networks with limited redundancy are becoming increasingly challenging. More and more socially essential services are being connected to the mobile networks and the services' dependence on the mobile networks is increasing. Secure networks that can withstand tougher weather conditions and cyber-attacks are a necessity to protect the economy, society and democratic processes.

*Establishing the third network has been a long-standing policy objective in Norway. The third network is expected to eventually bring down prices for mobile services, increase innovation and make this critical infrastructure less vulnerable to adverse events due to cyber-attacks, technical malfunctioning and bad weather. These positive effects of the third network are likely to be further accentuated in the future with the move to 5G, which is expected to lead to even greater dependency on telecommunication networks. (Source: ESA)*

Society's dependence on digital infrastructure is strong and growing. There is no doubt that the many billions of Norwegian kroner that have been invested in the country's digital foundation have already given an enormous return to the society, even though it is difficult to measure all the gains. It benefits everyone today, but also the next generations can take over a country in even better condition.

As with the foundation of any physical building, its condition will determine what one can or dares to build on top of it. With Ice Group and the third mobile network, Norway's digital foundation is strengthened, which allows for further digitisation. The pandemic in 2020 showed how important digital infrastructure is, and the attacks in 2020 and 2021 on the National Assembly's IT systems also demonstrates how vulnerable our society is.

*The dependency on a single hardware supplier for networks, especially 5G, presents a security risk. The Commission strongly recommends diversity of hardware suppliers for 5G networks on a nationwide basis. Ice, on the one hand, and Telia and Telenor, on the other, have chosen different hardware*

*suppliers for their networks. Therefore, supplier diversity on a nationwide basis is best ensured with the continued presence and expansion of Ice's network. Assuming a targeted attack on a particular piece of a supplier's hardware or software, or a non-intended design error in a hardware component or in the software, the reliance on any single supplier could lead to greater technical risks for Norwegian mobile networks, with potentially very serious consequences if the risk materialises. (Source: ESA)*

Development of new infrastructure that also ensures increased supplier diversity can provide new opportunities for further digitisation of products and services. At the same time, it is important to have a good dialogue internationally as the threats to the digital society do not take into account national borders. In this context, Ice Group believes it is important that Norway has good security agreements. As stated by ESA:

*A security agreement regulates the exchange and protection of classified information between the parties. There is for example a security agreement between the Nordic countries. Although not required by public authorities for 2G, 3G and 4G networks, Ice has on its own initiative chosen to exclusively use Nokia, an equipment vendor based in Finland, with which Norway has a security agreement.*

Ice Group's biggest contribution towards ensuring increased supplier diversity is to continue to build out its 5G-ready mobile phone network. Each quarter, the company reports its key operational network parameters, such as number of base stations and population coverage, to the financial market, plus through regular meetings with regulatory bodies in Norway. As of 31 December 2020, the company had 2,887 smartphone sites in Norway. For 2021, Ice Group has an ambition of establishing between 300 and 500 new base stations. This will increase Ice Group's population coverage further.

KPI	2019	2020
Population coverage (incl. NRA)	+99%	+99%
Population coverage (Ice Group network+)	90%	95%
Uptime / availability	99.93%	99.97%

## Goals and targets for 2021:

- Establish an external whistle blowing channel
- Establish supplier code of conduct
- Uptime / availability KPI





## CORPORATE GOVERNANCE STATEMENT

Corporate governance is an important element to secure that the interest of shareholders, management and employees as well as other shareholders are aligned. We see corporate governance as an integral part of our operations and believe that good corporate governance is an important factor in securing our value creation.

Ice corporate governance requirements follows from the Norwegian Accounting Act section 3-3 b (available at [www.lovdata.no](http://www.lovdata.no)), the Continuing Obligations (available at [www.euronext.com](http://www.euronext.com)), and the Norwegian Code of Practice for Corporate Governance, "NUES", (available at [www.nues.no](http://www.nues.no)).

The report follows the structure set out in NUES.

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

Our board of directors see corporate governance as an integral part of our operations and believe that good corporate governance is an important factor in securing value creation.

Ice corporate governance requirements follows from the Norwegian Accounting Act section 3-3 b (available at [www.lovdata.no](http://www.lovdata.no)), the Continuing Obligations (available at [www.euronext.com](http://www.euronext.com)), and the Norwegian Code of Practice for Corporate Governance, "NUES", (available at [www.nues.no](http://www.nues.no)).

This report forms part of the Report of the Board of Directors. The Company complies with the NUES recommendations with the exception of item 14 Take-overs as the Company due to the unpredictable nature of a takeover situation, has decided not to implement detailed guidelines on take-over situations. See further details in item 14 below. As regards item 11 Remuneration to the Board of Directors, certain board members had share options in the Company under an earlier option programme resolved prior to the listing of the Company. These options expired on 31 December 2020.

### Ice Group activities (NUES point 2)

Ice Group's business purpose is expressed in the Company's articles of association § 3. Ice Group ASA ("the Company"), and its subsidiaries (together, "the Group" or "Ice Group") is a telecom operator under the trademark ice. The business is to provide telecommunications services, including wireless data services, voice, messaging, mobile broadband services, telephony and other related telecom services.

The board of directors lead the Company's strategic planning and the Company's objectives, strategies and risk profile is provided for in the Board of Director's annual wheel.

A report on corporate social responsibility is provided in the Board of Directors' report, in accordance with the Norwegian Accounting Act and the Euronext guidelines on reporting on corporate social responsibility. The Company has adopted a Code of Conduct and a Compliance Manual including ethical guidelines that describe the Company's principles, values, standards and rules for behaviour and that 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.

The General Meeting has given the Board the authorities with specific mandates set out below:

On 29 May 2020, the general meeting granted the Board of Directors the authorisations set out below:

- Authorisation to acquire own shares with a total nominal value of NOK 18,152,465.49 for investment purposes or subsequent sale or deletion of such shares.
- Authorisation for the acquisition of the Company's own shares with a total nominal value of NOK 18,152,465.49 in connection with the Company's incentive programme.
- Authorisation to increase the share capital, in one or more rounds, by up to NOK 9,076,232.74 in connection with the Company's incentive programmes.
- Authorisation to increase the share capital, in one or more rounds, by up to NOK 81,686,094.70 in connection with strengthening of the Company's equity capital, to raise equity capital for future investments within the Company's scope of operations or for general corporate purposes.
- Authorisation to issue convertible loans with an aggregate loan amount of up to NOK 2,000,000,000.00 and the share capital may be increased by up to NOK 90,762,327.45.

All authorisations expire at the annual general meeting of the Company in 2021, and 30 June 2021 at the latest.

It is expected that the general meeting going forward will grant the Board of Directors authorisation(s) to issue new shares and to acquire own shares for purposes that are customary for listed companies, such as for incentive programs, investments and general corporate purposes.

### Equal treatment of shareholders and transactions with close associates (NUES item 4)

The Company has only one class of shares and all shares carries one vote at the General Meeting.

In situations where normal preferential rights shall be deviated from, the Company's Board will prepare grounds for such a decision in accordance with applicable regulation and NUES Transactions with related parties in 2020 are described in the annual accounts note 27.

### Freely negotiable shares (NUES item 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 item 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 be distributed to shareholders no later than 21 days prior to the meeting and shall be posted (with supporting documents) 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 Chairman of the Board opens the meeting and suggests a person to chair the meeting. Members of the Board are encouraged to attend the meeting. Minutes of General Meetings will be made available on the stock exchange and on the Company website.

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

### **Nominating committee (NUES item 7)**

The Company's Nomination Committee is regulated in the articles of association § 8 and the Instructions for the Nomination Committee as adopted by the General Meeting on 22 November 2018. The Nomination Committee currently consist of two members elected by the General Meeting for two-year terms. The Nomination Committee is a preparatory and advisory committee for the general meeting and shall propose candidates for shareholder-elected members and deputy members for election to the board of directors, and candidates for the Nomination Committee. The Annual General Meeting elects the members of the Nomination Committee and determines the remuneration of its members. The Nomination Committee is independent of the Board and management of the Company. The nomination committee provides a separate justification for why it is proposing each candidate. Information on the membership of the committee and deadlines for proposing candidates is available at the Company's website.

### **Board of Directors: composition and independence (NUES item 8)**

The Company has no corporate assembly. According to the Articles of Association, the Board shall consist of between 3 and 11 members. Currently the board consists of 4 members, all elected for two-year terms by the Annual General Meeting. The Chair is elected by the General Meeting. Information about each of the board members is available on the Company's website. Two of the Board members are women, and they are both independent of the Company's management, main shareholders and material business contracts.

The members of the Board are encouraged to own shares in the Company.

### **The work of the Board (NUES item 9)**

The board of directors is responsible for the overall management of the Company, and shall supervise the Company's business and the Company's activities in general.

The Norwegian Public Limited Liability Companies Act regulates the duties and procedures of the board of directors. In addition, the board of directors has adopted supplementary rules of procedures, which provides further regulation on inter alia the duties of the board of directors and the chief executive officer, the division of work between the board of directors and the chief executive officer, the annual plan for the board of directors, notices of board proceedings, administrative procedures, minutes, board committees, transactions between the Company and the shareholders and matters of confidentiality.

The board produces an annual plan for its work, with particular emphasis on objectives, strategy, and implementation.

The board of directors' consideration of material matters in which the chair of the board is, or has been, personally involved, shall be chaired by some other member of the board.

The Board has established a Remuneration Committee and an Audit Committee. The Audit Committee have three members chosen amongst the board members, and the Remuneration Committee has two members. Two of the three members of the Audit Committee is independent. 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 management. Specific instructions have been prepared for the work of both Committees.

The board of directors evaluate its performance and expertise annually, and makes the evaluation available to the Nomination Committee. The Board evaluates the work of the CEO and other senior managers on a regular basis.

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

### **Risk management and internal control (NUES item 10)**

Risk management and internal control are given high priority by the board of directors ensuring that adequate systems for risk management and internal control are in place. The control system consists of interdependent areas which include risk management, control environment, control activities, information and communication and monitoring.

The board of directors shall ensure that the Company has sound internal control and systems for risk management, including compliance to the Company's corporate values, ethical guidelines and guidelines for corporate social responsibility. The Company's Code of Conduct and Compliance Manual describes the Company's ethical commitments and requirements related to business practice and personal conduct. If employees experience situations or matters that may be contrary to rules and regulations or the

Company's Code of Conduct/ Compliance Manual, they are urged to raise their concern with their immediate superior or the Compliance Officer. The Company has established a whistle-blowing function that enable employees to alert the Company's governing bodies about possible breaches of the Code of Conduct/Compliance Manual.

The board of directors conduct an annual organisational risk review in order to identify real and potential risks, and remedy any incidents that have occurred. In relation to this review, the board of directors analyse the most important areas of exposure to risk and its internal control arrangements, and evaluate the Company's performance and expertise.

The Company's management is responsible for establishing and maintaining sufficient internal control over financial reporting. Company specific policies, standards and accounting principles have been developed for the annual and quarterly financial reporting of the group. The Chief Executive Officer and Chief Financial Officer supervise and oversee the external reporting and the internal reporting processes. This includes assessing financial reporting risks and internal controls over financial reporting within the group. The consolidated external financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and International Accounting Standards as adopted by the EU.

The board of directors shall present an in-depth report of the Company's financial statement in the annual report. The Audit Committee assist the board of directors on an ongoing basis in monitoring the Company's system for risk management and internal control. In connection with the quarterly financial statements, the Audit Committee presents to the board of directors' reviews and information regarding the Company's current business performance and risks.

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 and routines for internal control of various processes, including compliance with guidelines, routines, instructions and authorisations.

## **Remuneration of the Board of Directors (NUES item 11)**

Remuneration to board members is proposed by the Nomination Committee and determined by the General Meeting. The remuneration is not linked to the Company's performance and the Board members do not have specific assignments for the Company in addition to their duties as Board members.

Board members are not granted share options. Certain board members did have share options under an earlier option programme resolved prior to the listing of the Company. These options expired on 31 December 2020.

The remuneration reflects the Board's responsibility, expertise and time spent and the complexity of the Company's operations.

The remuneration to board members is described in detail the Company's annual report in note 8.

## **Remuneration of the Executive Management (NUES item 12)**

The Company's Board has determined guidelines for remuneration to the CEO. 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 board of directors prepare separate guidelines for the stipulation of salary and other remuneration to key management personnel in accordance with the Norwegian Public Limited Liability Companies Act. The guidelines include the main principles applied in determining the salary and other remuneration of the executive management, and shall ensure convergence of the financial interests of the executive management and the shareholders. It is stated which aspects of the guidelines that are advisory and which that are binding thereby enabling the general meeting to vote separately on each of these aspects of the guidelines. The guidelines are made available to and shall be dealt with by the ordinary general meeting in accordance with the Norwegian Public Limited Liability Companies Act.

The board of directors aims to ensure that performance-related remuneration of the executive management in the form of share options, annual bonus programs or the like, if used, are linked to value creation for shareholders or the Company's earnings performance over time. Performance-related remuneration should be subject to an absolute limit. Furthermore, the Company aims to ensure that such arrangements are based on quantifiable factors that the employee in question can influence.

The Company has established an option programme for management. The Company also had an option programme for certain current and former members of management that expired 31 December 2020. The option programmes are described in note 8 of the annual report. In addition, the Company has established an Employee Share Programme ("ESP"), that all employees, including senior management may participate in. The ESP is described in note 8 of the annual report.

Salary and other benefits earned in 2020 are disclosed in note 8 of the annual report.

## **Information and communications (NUES item 13)**

The board of directors seeks to ensure that market participants receive correct, clear, relevant and up-to-date information in a timely manner, taking into account the requirement for equal treatment of all participants in the securities market.

The communication with the financial markets is based on the principles of openness and equal treatment of all shareholders. The Company will each year publish a financial calendar, providing an overview of the dates for major events such as its ordinary general meeting and publication of interim reports.



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 Euronext news website [www.newsweb.no](http://www.newsweb.no) before the information is released through the Company's website and news agencies. All information distributed to the Company's shareholders are published on the Company's website at the same time as it is sent to shareholders.

Spokespersons to the financial markets (investors, analysts and financial media) are the Chief Executive Officer, the Chief Financial Officer, Head of Investor Relations, the Communication Director or others authorized by these.

### Take-overs (NUES item 14)

In the event the Company becomes the subject of a takeover bid, the board of directors shall seek to ensure that the Company's shareholders are treated equally and that the Company's activities are not unnecessarily interrupted. The board of directors shall also ensure that the shareholders have sufficient information and time to assess the offer.

There are no defence mechanisms against takeover bids in the Company's Articles of Association, nor have other measures been implemented to specifically hinder acquisitions of shares in the Company. The board of directors has not established written guiding principles for how it will act in the event of a takeover bid, as such situations are normally characterized by concrete and one-off situations which make a guideline challenging to prepare. In the event a takeover were to occur, the board of directors will consider the relevant recommendations in the Corporate Governance Code and whether the concrete situation entails that the recommendations in the Corporate Governance Code can be complied with or not.

### Auditor (NUES item 15)

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.

Guidelines for the use of the auditor for services other than audit has been established. Approval of audit and other significant services provided by the auditor to the Company or its subsidiaries may be granted provided that provision of the services is in compliance with statutory limits and not prohibited under applicable laws and regulations and only after properly assessing threats to the independence of the auditor and safeguards applied in order to mitigate those threats. The CFO is, within the limits set out above, authorised to approve non-audit services if the estimated total cost of the service does not exceed 15% of the preceding year's audit fee.

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, see note 7.

The auditor participates in meetings in the Audit Committee. The auditor meets with the Board at least once per year to review the Company's internal control procedures, potential weaknesses identified and proposals for improvement. The auditor furthermore meets the Board at least once a year without Ice management present.

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

<i>NOK millions</i>	<i>Note</i>	<b>2020</b>	<b>2019<sup>1</sup></b>
Service revenue		1,910	1,687
Other operating revenue		184	173
<b>Total operating revenue</b>	<i>4, 5, 6</i>	<b>2,094</b>	<b>1,859</b>
National roaming expenses		-441	-440
Operating expenses	<i>17</i>	-576	-574
Sales and administrative expenses	<i>7, 18</i>	-816	-793
Employee benefit expenses	<i>8</i>	-245	-238
Depreciation, amortisation and impairment losses	<i>12, 13, 14</i>	-528	-468
<b>Total operating expenses</b>		<b>-2,606</b>	<b>-2,514</b>
<b>Operating result</b>		<b>-512</b>	<b>-655</b>
Financial income	<i>10</i>	146	30
Financial expenses	<i>11, 14</i>	-610	-518
<b>Financial items – net</b>		<b>-464</b>	<b>-488</b>
Share of net profit from joint ventures	<i>15</i>	0	0
<b>Result before tax</b>		<b>-976</b>	<b>-1,142</b>
Income taxes	<i>9</i>	2	10
<b>Net result for the year</b>		<b>-974</b>	<b>-1,133</b>
<i>Items that may be subsequently reclassified to profit or loss:</i>			
Translation differences on foreign operations		-97	23
<b>Other comprehensive income</b>		<b>-97</b>	<b>23</b>
<b>Total comprehensive income for the year</b>		<b>-1,071</b>	<b>-1,110</b>
<i>Net result for the year attributable to:</i>			
Equity holders of the Parent Company		-974	-1,133
<b>Net result for the year</b>		<b>-974</b>	<b>-1,133</b>
<i>Total comprehensive income for the year attributable to:</i>			
Equity holders of the Parent Company		-1,071	-1,110
<b>Total comprehensive income for the year</b>		<b>-1,071</b>	<b>-1,110</b>
Earnings per share (NOK)	<i>28</i>		
Basic earnings per share		-4,83	-5.62
Diluted earnings per share		-4,83	-5.62

<sup>1)</sup> Includes the divested Swedish operation up until and including February 2019

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

<i>NOK millions</i>	Note	31 Dec 2020	31 Dec 2019
<b>ASSETS</b>			
Licenses and similar rights		1,565	1,655
Customer relationships		99	136
Other intangible assets		320	279
<b>Total intangible assets</b>	12, 14	<b>1,984</b>	<b>2,070</b>
Property, plant and equipment		69	81
Technical equipment		2,515	1,800
Work in progress		331	503
<b>Total tangible assets</b>	13, 14	<b>2,916</b>	<b>2,383</b>
Other financial assets	15, 16	20	20
Capitalised cost to obtain/fulfil customer contracts	6	387	362
<b>Total other non-current assets</b>		<b>408</b>	<b>382</b>
<b>Total non-current assets</b>		<b>5,307</b>	<b>4,835</b>
Inventory	17	6	9
Trade receivables	16, 18	178	143
Other receivables	16, 19	14	18
Prepaid expenses and accrued income	6, 20	90	27
Cash and cash equivalents	21, 25	779	1,183
<b>Total current assets</b>		<b>1,068</b>	<b>1,381</b>
<b>TOTAL ASSETS</b>		<b>6,375</b>	<b>6,216</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital		182	182
Other contributed capital		11,559	11,412
Reserves		-131	-34
Retained earnings/deficit		-13,403	-12,449
<b>Total equity</b>	1	<b>-1,793</b>	<b>-889</b>
Borrowings	16, 22	5,004	4,331
Non-current lease liabilities	14	1,769	1,618
Other non interest-bearing liabilities		306	303
<b>Total non-current liabilities</b>		<b>7,079</b>	<b>6,252</b>
Trade payables	16	283	164
Current lease liabilities	14	176	112
Other current liabilities	16, 23	24	21
Accrued expenses and deferred income	6, 24	606	555
<b>Total current liabilities</b>		<b>1,089</b>	<b>852</b>
<b>TOTAL LIABILITIES</b>		<b>8,168</b>	<b>7,104</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>6,375</b>	<b>6,216</b>

  
Guillaume d'Hauteville  
Chairman of the Board

Oslo, 25 March 2021

  
Eivind Helgaker  
CEO

  
Mari Thjømmø

  
Hans-Holger Albrecht

  
Ingvald Myhre



## CONSOLIDATED STATEMENTS OF CASH FLOWS

<i>NOK millions</i>	<i>Note</i>	<b>2020</b>	<b>2019</b>
Result before tax		-976	-1,142
Payments related to lease interest		143	113
Paid interest expense		202	142
Depreciation & amortisation of non-current assets	12, 13	354	321
Depreciation & amortisation of right-of-use assets	14	174	147
Amortisation of costs to obtain/fulfil contracts		257	206
Net interest expense		190	183
Adjustments for other non-cash items	26	-80	36
Change in inventory		3	-1
Change in current receivables		51	-22
Change in current liabilities		9	-26
Change in contracts with customers		-282	-265
Other adjustments		17	21
<b>Cash flows from operating activities</b>		<b>61</b>	<b>-287</b>
Net cash flow from divestment of subsidiary		-	166
Investments in intangible assets	12	-125	-243
Investments in tangible assets	13	-540	-389
Net cash flows from other financial assets		2	5
<b>Cash flows from investing activities</b>		<b>-664</b>	<b>-461</b>
Financing from equity holders		147	1,468
Borrowings	22	545	599
Repayments		-57	-72
Payments related to lease liabilities	14	-239	-202
Interest paid, borrowings	22	-203	-137
<b>Cash flows from financing activities</b>		<b>193</b>	<b>1,656</b>
<b>Cash flow for the year</b>		<b>-411</b>	<b>907</b>
Cash and cash equivalents at the beginning of the year		1,183	275
Exchange rate difference in cash and cash equivalents		7	0
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>		<b>779</b>	<b>1,183</b>

## CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

<i>NOK millions</i>	Attributable to the shareholders of the Parent Company				
	Share capital	Other contributed capital	Reserves	Retained earnings	Total Equity
<b>Opening balance 1 January 2019</b>	<b>114</b>	<b>10,005</b>	<b>-57</b>	<b>-11,320</b>	<b>-1,258</b>
Net result for the year	-	-	-	-1,133	-1,133
<i>Other comprehensive income for the year</i>					
Translation differences on foreign operations	-	-	23	-	23
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>23</b>	<b>-1,133</b>	<b>-1,110</b>
Capital contribution from share-based payments	-	-	-	12	12
New share issue	68	1,408	-	-7	1,468
<b>Total transactions with owners, recognised directly in equity</b>	<b>68</b>	<b>1,408</b>	<b>-</b>	<b>-4</b>	<b>1,480</b>
<b>Closing balance 31 December 2019</b>	<b>182</b>	<b>11,412</b>	<b>-34</b>	<b>-12,449</b>	<b>-889</b>
Net result for the year	-	-	-	-974	-974
<i>Other comprehensive income for the period</i>					
Translation differences on foreign operations	-	-	-97	-	-97
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-97</b>	<b>-974</b>	<b>-1,071</b>
Capital contribution from share-based payments	-	-	-	16	16
New share issue	-	3	-	-	3
Convertible bond issue	-	144	-	4	148
<b>Total transactions with owners, recognised directly in equity</b>	<b>-</b>	<b>147</b>	<b>-</b>	<b>21</b>	<b>168</b>
<b>Closing balance 31 December 2020</b>	<b>182</b>	<b>11,559</b>	<b>-131</b>	<b>-13,403</b>	<b>-1,793</b>

# NOTES TO THE FINANCIAL STATEMENTS

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## General information

Ice Group ASA ("the Company") is a limited liability company incorporated in Norway and is with its subsidiaries (together, "the Group" or "Ice Group") a Norwegian telecom operator under the trademark ice. The business is to provide telecommunications services, including wireless data

services, voice, messaging, mobile broadband services, telephony and other related telecom services.

The Company is listed at Euronext Expand in Norway with ticker "ICEGR". The major shareholder of the Company is AI Media Holdings (NMT) LLC, Delaware.

## 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.

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 revised standards and interpretations

The Group applied for the first time certain standards and amendments, which are effective for annual periods beginning on or after 1 January, 2020. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

### Amendments to IFRS 3 – 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.

These amendments had no impact on the consolidated financial statements of the Group, but may impact future periods should the Group enter into any business combinations.

### Amendments to IFRS 7, IFRS 9 and IAS 39 Interest rate benchmark reform

The amendments provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform.

These amendments have no impact on the consolidated financial statements of the Group.

### Amendments to IAS 1 and IAS 8 Definition of material

The amendments provide a new definition of material that states, "information is material if omitting, misstating or

obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity."

These amendments have no impact on the consolidated financial statements of the Group.

### Conceptual framework for financial reporting issued on 29 March 2018

The revised Conceptual Framework includes some new concepts, updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts.

These amendments had no impact on the consolidated financial statements of the Group.

### Amendments to IFRS 16 – Covid-19 related rent concessions

The amendments provide relief to lessees from applying IFRS 16 guidance on lease modifications accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic.

This amendment had no impact on the consolidated financial statements of the Group.

## Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

### Amendments to IAS 1 – 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 for annual reporting periods beginning on or after 1 January 2023.

### Reference to the Conceptual Framework – Amendments to IFRS 3

In May 2020, the IASB issued Amendments to *IFRS 3 Business Combinations – Reference to the Conceptual Framework*. The amendment are intended to replace a reference to the *Framework for the Preparation and*

*Presentation of Financial Statements*, issued in 1989, with a reference to the *Conceptual Framework for Financial Reporting* issued in March 2018 without significantly changing its requirements. There is also added an exception to the recognition principle in IFRS 3 to avoid the issue of potential "day 2" gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 Levies, if incurred separately. The amendments are effective for annual reporting periods beginning on or after 1 January 2022.

#### **Property, plant and equipment: Proceeds before intended use – Amendments to IAS 16**

The amendment prohibits entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss. The amendment is effective for annual reporting periods beginning on or after 1 January 2022.

The amendments are not expected to have a material impact on the Group.

#### **Onerous contracts – Costs of fulfilling a contract – Amendments to IAS 37**

The amendments to IAS 37 specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022.

#### **IFRS 9 Financial instruments – Fees in the '10 per cent' test for derecognition of financial liabilities**

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendment is effective for annual reporting periods beginning 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.

Intercompany 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

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. Revenues 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. Revenues 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 whether the consumer rents the router or buys the router. Revenues 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 because they do not transfer substantially all the risks and rewards incidental to ownership of the router. 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 to the development of the technical equipment.

Capitalised development costs are shown at historical cost less accumulated amortisation. Amortisation is commenced when the asset 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 is recognised linearly 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 is made on a linear basis;

- Property 3-11 years
- 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 term

The lease contracts primarily consist of site leases, office leases and frequency leases. The lease agreements, except as described below, is set to the non-cancellable period of the lease. The lease terms for the site- and office leases include extension and termination options for lessee and lessor, with a varied extension period. Ice Group assesses if these options give either lessee or lessor a more than insignificant economic penalty by either exercising the option for early termination or not exercising the option for extension. The Group has assessed that there is economic penalty that is more than insignificant in this regard. As a consequence, the Group has

assessed that it will choose to exercise the option to extend site leases, and not exercise the options for early termination, since site leases are vital for the Group's business. It is also assessed that it is reasonably certain that options to extend office leases will be exercised, as there is no indication that the Group would need to increase or decrease the office areas in the unforeseeable future.

The lease term for site- and office leases is set to the date of which a majority of the Group's frequency licenses expire (at 31 December 2033). As long as the Group has the frequency licenses, each of the Group can, and have significant incentive to, continue to run the business and will incur cost when changing site locations.

### 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.

The right-of-use asset is accounted for as a non-current asset in the consolidated balance sheet. The liability is recorded in "Finance lease liabilities", broken down into current and long-term components on separate accounts.

Lease payments are broken down into interest and amortisation of the liability.

The interest is distributed over the lease period so that an amount corresponding to the fixed interest amount payable on the liability reported in each period is charged to each reporting period.

### 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

If there is an implicit interest rate in the contracts that is readily determinable, that rate is applied. Generally, the interest rate implicit in the lease contracts is not readily determinable. Ice Group has assessed an incremental borrowing rate to be applied on all contracts where there is not an implicit interest rate readily determinable, to discount the present value of future lease payments.

The incremental borrowing rate is the rate of interest that a lessee would have to pay to borrow over a similar term, and with similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

In assessing the incremental borrowing rate, the Group uses the weighted average interest rate of issued bonds as the basis for determining the rate. Ice Group further evaluates the credit spread for the lessee companies in the Group. Due to the fact that the bonds are issued in the parent company of the lessee holding the majority of the lease contracts, Ice Group has assessed that there will only be a slight difference between the bonds being issued in the parent company or the lessee company. This means there will be a low credit spread added on the weighted average interest rates of the issued bonds when assessing the incremental borrowing rate for the lessee company.

To reflect the change in the economic environment over time, the Group adds the change in 10-year swap rates from bond issue to reporting period to the assessment of the incremental borrowing rate. This has been chosen since the lease term on almost all of the Group's lease contracts is site leases that run for a time period of at least ten years.

Ice Group will not use the change in market value of the bond loans as an element in the calculation of the incremental borrowing rate as the bonds are not liquid and Management has assessed that it has no direct correlation with the financial development within the Group.

Please see note 3 for management judgement on renewal options. For additional information on leases and carrying values, see note 14.

### Subsequent measurement

At each balance date the lease liability and right-of-use asset are subsequently remeasured in case of a change in: lease term, assessment of a purchase option, or future lease payments.

Ice group remeasures the right-of-use asset using a cost model as described in IFRS 16.30 to 33. The right-of-use asset is depreciated using a straight-line method of depreciation over the lease period.

Right-of-use assets shall be tested for impairment in accordance with IAS 36 *Impairment of assets*. Ice Group defines a revenue generating unit (RGU) as a unique number identifier enabling a customer access to a product offering in the billing system (subscription). Examples of product

offerings are smartphone services and mobile broadband. Further, the Group separates between a subscriber and a customer. A subscriber is the end user of the RGU while the customer is the legal owner (individual or business) who has a contract with Ice Group for the provision of products and services. A customer can have one or more RGUs. It is not possible to estimate which RGU to use to calculate value for an individual asset, as the RGU uses different assets based on geographical location, and the RGUs roam. Because of this, assets are tested for impairment in total.

Ice Group uses a discounted cash flow method to estimate future earnings from RGUs and compare this value to booked value of total assets.

The Group remeasures the carrying amount of lease liabilities in accordance with IFRS 16.39 to 43.

## 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 reflect 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.

## 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 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 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.

All financial assets and financial liabilities at amortised cost are measured using the effective interest method.

#### Impairment of financial assets

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 18 for additional details.

As of 31 December 2020, the Group has no financial assets held at fair value over the profit or loss.

### 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 requires 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 2020 and 2019 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. Account 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 to 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 has only 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 22 Borrowings).

After divesting the Swedish operations in 2019 and the Danish operations in May 2020, 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. The Group maintains a seven year business plan and compares its liquid financial resources against the business plan as well as known commitments and change in planned operational development on a monthly basis. Through this analysis the Group seeks to identify liquidity needs in a timely manner and make the necessary adjustments to address the risk of insufficient liquid resources.

The Group also prepares expected cash flow forecasts for the short and long term and the level of liquid assets necessary to meet these are considered. This is generally carried out in the respective companies in the Group. Furthermore, balance sheet liquidity ratios are monitored against internal and external regulatory requirements on a monthly 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 22 Borrowings and in note 14 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 22 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	2020	2019
Total gross borrowings	5,047	4,390
Less cash and cash equivalents (note 21)	-779	-1,183
<b>Net debt</b>	<b>4,268</b>	<b>3,208</b>
Total equity	-1,793	-889
<b>Total capital</b>	<b>2,475</b>	<b>2,319</b>
Net Debt/Total capital ratio	172%	138%



The following table shows the Group's financial liabilities measured at amortised cost in the consolidated statements of financial position as at 31 December 2020.

	31 Dec 2020		31 Dec 2019	
<i>NOK millions</i>	Carrying amount	Fair value	Carrying amount	Fair value
Senior Unsecured bond ISIN NO 001 0864002	908	930	899	899
Senior Unsecured bond ISIN NO 001 0789035 <sup>1</sup>	521	511	508	507
Senior Secured bond ISIN NO 001 0807092	1,407	1,411	1,380	1,418
Convertible bonds	568	596	-	-
Goldentree loan (USD)	1,184	1,184	1,069	1,069
Rasmussengruppen loan (SEK)	535	535	446	446
TeliaSonera seller's credit	-	-	56	56

<sup>1)</sup> 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 +8.00% points, +5.25% points and +4.60% points, respectively. A

decrease/increase of 1% point in NIBOR would have had a positive/negative effect on the Group's interest expense of approximately NOK 28 million for the year 2020.

### Currency risks

With regards to exposure to *translation effects* risks from operations in other currencies, the future risk of the continuing operations is immaterial.

With regards to *currency risks within debts*, the bonds are denoted in NOK and give no rise to any currency fluctuation risk. The Goldentree loan and Rasmussengruppen loan, however, are denoted in USD and SEK, respectively. Should the USD and/or SEK have strengthened towards NOK with 1 NOK and 10 NOK respectively during 2020, these debts per 31 December 2020 would increase with approximately NOK 139 million and 51 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, property, technical equipment, equipment and tools and other tangible and intangible assets – 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").

#### 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

As of 31 December 2020, the consolidated equity is negative by NOK 1,793 million.

With the deferment of spectrum charges from 2021/2022 until 2025, new national roaming agreement effective from January 2021, the issued convertible bond in August 2020, the Group expects to have a fully financed business plan with sufficient liquidity to reach cash flow break-even and reach its operational and financial targets.

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 – 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.

### 2020

<i>NOK millions</i>	Smartphone service revenue	MBB service revenue	Other operating revenue	Total revenue	EBITDA adjusted	CAPEX
Norway	1,593	312	186	2,091	77	948
Other <sup>1)</sup>	0	4	-1	3	-36	-1
<b>Total</b>	<b>1,593</b>	<b>317</b>	<b>184</b>	<b>2,094</b>	<b>41</b>	<b>948</b>

### 2019

<i>NOK millions</i>	Smartphone service revenue	MBB service revenue	Other operating revenue	Total revenue	EBITDA adjusted	CAPEX
Norway	1,363	290	117	1,771	-146	896
Sweden <sup>2)</sup>	0	19	2	21	5	0
Other <sup>1)</sup>	0	14	53	67	-24	1
<b>Total</b>	<b>1,363</b>	<b>323</b>	<b>172</b>	<b>1,859</b>	<b>-165</b>	<b>897</b>

1) Denmark is reclassified and included in other segment due to it being an immaterial part of Ice Groups financial information, not of continuing significance to Group Executive Management for assessing performance and allocation of resources and not satisfying the criteria of operating segments in accordance with IFRS 8.

2) Full year 2019 holds two months from the divested Swedish operation.

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

### EBITDA adjusted

Ice Group defines EBITDA (Earnings Before Interests, Taxes, Depreciations and Amortisations) adjusted as operating profit after adjustment of expenses for depreciation, amortisation and impairment losses, foreign exchange differences

recognised in income pertaining to revaluation of items in the balance sheet and non-recurring items. Any effects from business combinations are not included. Also see Definitions.

<i>NOK millions</i>	2020	2019
<b>Operating result</b>	<b>-512</b>	<b>-655</b>
Depreciation and amortisation	528	468
<b>EBITDA</b>	<b>16</b>	<b>-186</b>
Items related to network technical upgrade	6	10
Redundancy and other non-recurring costs	3	45
Sale of trademark	-	-46
Share-based compensation expenses (incl. social security costs)	16	12
<b>EBITDA adjusted</b>	<b>41</b>	<b>-165</b>

## Note 5 – Revenues by type

<i>NOK millions</i>	2020	2019
Smartphone service revenue	1,593	1,363
MBB service revenue	317	323
Revenue from sale of Customer Premises Equipment ("CPE")	97	60
Other operational revenue	87	112
<b>Total revenues</b>	<b>2,094</b>	<b>1,859</b>

*Smartphone service revenue* includes sale related to voice subscriptions, messaging, data and content, extra packages, startup-fees, interconnect, and carrier services.

*MBB service revenue* is related to sale of MBB subscriptions, data and content, extra packages, startup-fees, CPE rent, interconnect, carrier services and wholesale (including M2M).

*CPE revenue* is mainly related to sale of routers, accessories (antennas, batteries, etc.) and smartphone handsets.

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

## Note 6 – Revenue from contracts with customers

### 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:

2020 Jan – Des <i>NOK millions</i>	Service revenue		Other revenue		Total
	Norway	Other	Norway	Other	
Revenue from external customers	1,906	4	186	-1	2,094
Timing of revenue recognition:					
At a point in time	409	0	185	-1	592
Over time	1,497	4	1	-	1,502

2019 Full year <i>NOK millions</i>	Service revenue			Other revenue			Total
	Norway	Sweden	Other	Norway	Sweden	Other	
Revenue from external customers	1,654	19	14	117	2	53	1,859
Timing of revenue recognition:							
At a point in time	357	1	1	116	2	53	530
Over time	1,297	18	13	1	-	-	1,329

Revenue from external customers comes in all material aspects from service subscriptions, which are over time, and CPE sales which are recognised at the point in time of the sale.

Other revenue consists of CPE sales and other operational revenue.

### Assets and liabilities related to contracts with customers

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

<i>NOK millions</i>	31 Dec 2020	31 Dec 2019
Trade receivables	178	143
Contract assets included in Prepaid expenses and accrued income	40	50
Contract liabilities included in Accrued expenses and deferred income <sup>1</sup>	41	42

<sup>1)</sup> 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 contracts 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.

<i>NOK millions</i>	2020	2019
Revenue from contract liabilities	42	44

### 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.

<i>NOK millions</i>	2020	2019
Costs to fulfil a contract at the beginning of the period	362	304
Costs capitalised during the period	282	265
Amortisation during the period	-257	-206
<b>Costs to fulfil a contract at the end of the period</b>	<b>387</b>	<b>362</b>



## Note 7 – Sales and administrative expenses

<i>NOK millions</i>	<b>2020</b>	<b>2019</b>
Fees to auditors (see specification below)	5	7
Marketing costs	260	276
External services	93	115
Sales costs	350	288
Other expenses	109	107
<b>Total</b>	<b>816</b>	<b>793</b>

### Fees and other remuneration to auditors

<i>NOK thousands</i>	<b>2020</b>	<b>2019</b>
<b>PwC</b>		
Audit assignment	3,562	3,639
Other assurance services	460	887
Tax advisory <sup>1</sup>	1,056	645
Other advisory services	344	2,235
<b>Total</b>	<b>5,421</b>	<b>7,406</b>

<sup>1)</sup> Tax advisory services regarding technical tax assistance and tax compliance.

Audit assignments involve examination of the annual accounts, 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 8 – Employees

Average number of employees divided by country	2020		2019	
	Total	Of which men	Total	Of which men
Norway	246	166	215	147
Sweden	-	-	3	1
Denmark	-	-	5	4
<b>Total</b>	<b>246</b>	<b>166</b>	<b>223</b>	<b>152</b>

### Employee benefit expenses

NOK millions	2020	2019
Salaries and other remuneration	212	198
Pension benefits <sup>1</sup>	9	8
Other social costs	32	29
Other personnel related expenses	24	34
Capitalised expenses for development work <sup>2</sup>	-33	-31
<b>Total</b>	<b>245</b>	<b>238</b>

<sup>1)</sup> 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.

<sup>2)</sup> See note 1 for further details on capitalisation.

### NOK thousands

#### 2020

#### Remuneration and other benefits Senior executives

	Base salary	Bonus	Other benefit	Pension benefit	Total	Options EoP
Eivind Helgaker / CEO	2,886	1,356	149	433	4,824	800,000
Henning Karlsrud / CFO	2,659	1,401	132	118	4,311	250,000
Shiraz Abid / CCO	1,540	661	7	58	2,266	250,000
Martin Westersø / Chief of Staff	1,425	612	7	58	2,102	250,000
Jan-Erik Hvidsten / CTIO	1,418	442	7	58	1,925	250,000
Hans Heggenhaugen / B2B Director	1,367	375	7	58	1,808	250,000
Reynir Jóhannesson / Communication Director	1,263	331	7	57	1,658	250,000
Cathrine Wiig Ore / General Counsel	1,578	384	7	59	2,027	250,000
<b>Total</b>	<b>14,136</b>	<b>5,563</b>	<b>323</b>	<b>899</b>	<b>20,921</b>	<b>2,550,000</b>

### NOK thousands

#### 2019

#### Remuneration and other benefits Senior executives

	Base salary	Bonus	Other benefit	Pension benefit	Total	Options EoP
Eivind Helgaker / CEO	2,760	1,875	151	433	<b>5,218</b>	545,000
Henning Karlsrud / CFO	2,378	1,938	198	118	<b>4,632</b>	50,000
Shiraz Abid <sup>1</sup> / CCO	356	201	5	28	<b>590</b>	150,000
Martin Westersø <sup>1</sup> / Chief of Staff	334	-	2	17	<b>353</b>	115,000
Jan-Erik Hvidsten <sup>1</sup> / CTIO	333	98	1	22	<b>454</b>	-
Hans Heggenhaugen <sup>1</sup> / CPO	320	107	1	21	<b>449</b>	35,000
Reynir Jóhannesson <sup>1</sup> / Communication Director	285	-	7	14	<b>306</b>	-
Cathrine Wiig Ore <sup>1</sup> / General Counsel	320	65	1	16	<b>402</b>	-
<b>Total</b>	<b>7,086</b>	<b>4,284</b>	<b>365</b>	<b>669</b>	<b>12,404</b>	<b>895,000</b>

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

Costs expensed for Share-based incentive programs (see below) related to Senior executives amounted to NOK 16 (12) million.

## 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 seven 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 2020 and it may be found on [www.icegroup.com](http://www.icegroup.com).

## Share-based incentive program

On 29 March 2019, a long-term incentive 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. The latest exercise date for the 1,825,000 options held by current employees and board members was 31 December 2020, while the latest exercise date for the options held by others was 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 share option program for former employees that expired 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. All stock options lapsed in 31 December 2020 except for 20,000 options that were exercised.

On 24 February 2020 the Board approved a new long-term incentive program. The total number of options granted was 2,550,000 where each option gives the holder the right to acquire one share in the Company with a strike price of NOK 25. The options 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.

At year-end 2020, the total number of outstanding options is 2,550,000.

## Board remunerations

NOK thousands	2020		2019	
	Total fees	Options EoP	Total fees	Options EoP
<i>Chair</i>				
Guillaume d'Hauteville	465	-	-	-
Hans-Holger Albrecht	-	-	750	180,000
<i>Other members of the Board</i>				
Ingvild Myhre	444	-	456	150,000
Guillaume d'Hauteville	-	-	466	-
Mari Thjømøe	400	-	449	-
Hans-Holger Albrecht	483	-	-	-
<b>Total</b>	<b>1,792</b>		<b>2,121</b>	

## Shareholdings

The shareholders in the Company were distributed as follows:

Shareholders	2020		2019	
	Direct shares	Ownership %	Direct shares	Ownership %
<i>More than 5% shareholdings</i>				
Access Industries (and affiliates)	125,744,293	62.3%	125,744,293	62.3%
RASMUSSENGRUPPEN AS (and affiliates)	20,517,105	10.2%	22,329,681	11.1%
Jörg Mohaupt (direct and indirect)	16,561,683	8.2%	16,561,683	8.2%
<i>Board of Directors and management shareholdings</i>				
Mari Thjømøe	60,620	0.0%	24,000	0.0%
Henning Karlsrud	31,243	0.0%	25,000	0.0%
Martin Westersø	17,844	0.0%	15,194	0.0%
Hans Heggenhaugen	9,379	0.0%	6,000	0.0%
Abid Shiraz Naveed	5,280	0.0%	3,292	0.0%
Eivind Helgaker	159,301	0.1%	152,476	0.1%
Other investors (< 5% share ownership)	38,787,030	19.0%	36,832,442	18.3%
<b>Total</b>	<b>201,893,778</b>	<b>100.0%</b>	<b>201,694,061</b>	<b>100.0%</b>

## Note 9 – Taxes

<i>NOK millions</i>	<b>2020</b>	<b>2019</b>
Current taxes	-	-
Deferred taxes	-2	-10
<b>Total tax</b>	<b>-2</b>	<b>-10</b>
<b>Reconciliation of effective tax</b>	<b>2020</b>	<b>2019</b>
Result before tax	-976	-1,142
Income tax calculated at applicable tax rate of the Parent Company	215	251
Tax effects from:		
- Non-taxable income and non-deductible items	29	13
- Adjustments of prior-year taxes	-	-
- Non-capitalised unused tax losses	-246	-274
<b>Total tax</b>	<b>-2</b>	<b>-10</b>
<b>Deferred taxes</b>	<b>2020</b>	<b>2019</b>
Positive changes in deferred taxes	26	45
Negative changes in deferred taxes	-28	-54
<b>Total deferred tax in the statement of income</b>	<b>-2</b>	<b>-10</b>
<b>Deferred tax assets</b>	<b>2020</b>	<b>2019</b>
Opening carrying amount	28	66
Changes recognised as income in the statement of income	2	-
Changes recognised as cost in the statement of income	-28	-54
Currency translation differences	0	16
<b>Closing carrying amount</b>	<b>2</b>	<b>28</b>
Whereof attributable to capitalised tax losses	2	0
Whereof attributable to temporary differences from 22% / 23%	0	28
<b>Deferred tax liabilities</b>	<b>2020</b>	<b>2019</b>
Opening carrying amount	-28	-75
Changes recognised as income in the statement of income	26	45
Changes recognised as cost in the statement of income	2	0
Currency translation differences	0	2
<b>Closing carrying amount</b>	<b>0</b>	<b>-28</b>
Whereof attributable to non-current assets	0	-28
<b>Net deferred taxes presented in the statement of positions</b>	<b>0</b>	<b>0</b>

Deferred tax assets are recognised for tax loss carry forwards to the extent that it is probable that they can be utilised by future taxable profits. The Group did not recognise deferred tax assets amounting to NOK 1,111 (973) million related to

losses of NOK 5,165 (4,549) 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 has a lifetime of 10 years.

## Note 10 – Financial income

<i>NOK millions</i>	<b>2020</b>	<b>2019</b>
Interest income	1	3
Currency gains	145	21
Other financial income	-	6
<b>Total</b>	<b>146</b>	<b>30</b>



## Note 11 – Financial expenses

<i>NOK millions</i>	<b>2020</b>	<b>2019</b>
Interest expenses	-416	-344
Interest expenses related to leases	-143	-113
Currency losses	-48	-37
Other financial expenses <sup>1</sup>	-3	-23
<b>Total</b>	<b>-610</b>	<b>-518</b>

<sup>1)</sup> Relates to the divestment of Netett Sverige AB, completed on 14 March 2019.

## Note 12 – Intangible assets

<i>NOK millions</i>	Licenses and similar rights	Customer relationships	Other intangible assets	Total
Accumulated acquisition value	1,404	293	316	2,013
Accumulated amortisation	-373	-213	-83	-669
<b>Opening carrying value 1 January 2019</b>	<b>1,031</b>	<b>80</b>	<b>234</b>	<b>1,344</b>
<i>Changes during the year</i>				
Discontinued operations	-52	-	-	-52
Investments	759	102	102	963
Currency translation differences	-4	-	-2	-5
Amortisation	-81	-45	-54	-180
<b>Closing carrying value</b>	<b>1,655</b>	<b>136</b>	<b>280</b>	<b>2,070</b>
Accumulated acquisition value	2,026	395	397	2,818
Accumulated amortisation	-371	-258	-119	-748
<b>Closing carrying value 31 December 2019</b>	<b>1,655</b>	<b>136</b>	<b>280</b>	<b>2,070</b>
<i>Closing carrying value 31 December 2019, right-of-use assets</i>	<i>1,655</i>	<i>-</i>	<i>-</i>	<i>1,655</i>
<i>Changes during the year</i>				
Investments	2	-	124	125
Amortisation	-91	-38	-83	-211
<b>Closing carrying value</b>	<b>1,565</b>	<b>99</b>	<b>320</b>	<b>1,984</b>
Accumulated acquisition value	2,022	393	513	2,928
Accumulated amortisation	-457	-294	-193	-944
<b>Closing carrying value 31 December 2020</b>	<b>1,565</b>	<b>99</b>	<b>320</b>	<b>1,984</b>
<i>Closing carrying value 31 December 2020, right-of-use assets</i>	<i>1,565</i>	<i>-</i>	<i>-</i>	<i>1,565</i>
Amortisation periods in years	10-20	-	3-5	-

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 2020:

Spectrum (MHz)	Bandwidth (MHz)	Valid until
410 MHz	2 x 1.8 MHz	31 Dec 2039
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 utilisation cost substantially higher for other operators.

## Note 13 – Property and technical equipment

<i>NOK millions</i>	Property	Technical equipment	Equipment and tools	Other tangible assets	Work in progress	Total
Accumulated acquisition value	133	3,039	11	44	394	3,621
Accumulated depreciation	-28	-950	-3	-37	-	-1,019
<b>Opening carrying value 1 January 2019</b>	<b>105</b>	<b>2,089</b>	<b>8</b>	<b>7</b>	<b>394</b>	<b>2,603</b>
<i>Changes during the year</i>						
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
<b>Closing carrying value</b>	<b>68</b>	<b>1,800</b>	<b>10</b>	<b>3</b>	<b>503</b>	<b>2,383</b>
Accumulated acquisition value	86	2,737	13	10	503	3,348
Accumulated depreciation	-17	-937	-3	-7	-	-965
<b>Closing carrying value 31 December 2019</b>	<b>68</b>	<b>1,800</b>	<b>10</b>	<b>3</b>	<b>503</b>	<b>2,383</b>
<i>Closing carrying value 31 December 2019, right-of-use assets</i>	<i>68</i>	<i>790</i>	<i>1</i>	<i>1</i>	<i>-</i>	<i>860</i>
<i>Changes during the year</i>						
Discontinued operations	-0	-4	-	-0	-0	-4
Investments	-	1,068	1	-	-171	898
Disposals / write-downs	-	-45	-	-1	-	-46
Currency translation differences	0	2	-0	-0	-	2
Depreciation	-9	-305	-2	-1	-	-317
<b>Closing carrying value</b>	<b>59</b>	<b>2,516</b>	<b>9</b>	<b>1</b>	<b>331</b>	<b>2,916</b>
Accumulated acquisition value	85	3,691	13	2	331	4,123
Accumulated depreciation	-26	-1,176	-4	-2	-	-1,208
<b>Closing carrying value 31 December 2020</b>	<b>59</b>	<b>2,515</b>	<b>9</b>	<b>1</b>	<b>331</b>	<b>2,916</b>
<i>Closing carrying value 31 December 2020, right-of-use assets</i>	<i>59</i>	<i>977</i>	<i>0</i>	<i>1</i>	<i>-</i>	<i>1,036</i>
Depreciation periods in years	3-11	5-25	5	3-5	-	-

Technical equipment primarily consists of investments in the Group's mobile telephone network, including amongst other mobile telephone network equipment, radio installations and other equipment.

Work in progress by 31 December 2020 consists primarily of capitalised costs related to the technology upgrade and migration projects. No interest has been capitalised related to the projects.

## Note 14 – 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

<i>NOK millions</i>	31 Dec 2020	31 Dec 2019
<b>Right-of-use assets</b>		
Licenses	1,565	1,655
Property	59	68
Technical equipment	977	790
Equipment and tools	0	1
Other tangible assets	1	1
<b>Total</b>	<b>2,602</b>	<b>2,515</b>
<b>Lease liabilities</b>		
Current	176	112
Non-current	1,769	1,618
<b>Total</b>	<b>1,945</b>	<b>1,730</b>

### Items recognised in the statement of comprehensive income

<i>NOK millions</i>	31 Dec 2020	31 Dec 2019
<b>Depreciation charge of right-of-use asset</b>		
Licenses	-91	-81
Property	-9	-9
Technical equipment	-73	-56
Equipment and tools	0	0
Other tangible assets	-1	-1
<b>Total</b>	<b>-174</b>	<b>-147</b>
Interest expense (included in financial expenses)	-143	-112
Expenses related to low-value leases (included in sales and admin. expenses)	-2	-2

Total cash outflow related to leases in 2020 amounted to NOK 239 million (202).

### Distribution of short-term and long-term debt

<b>Duration</b>	<b>Less than 1 year</b>	<b>1-3 years</b>	<b>3-5 years</b>	<b>Over 5 years</b>	<b>Total</b>
<i>NOK millions</i>					
Short-term debt	176				<b>176</b>
Long-term debt		207	240	1,323	<b>1,769</b>

## Note 15 – Investments in joint ventures

<i>NOK thousands</i>		<b>Holding</b>		<b>Book value of shares</b>		<b>Result from shares</b>	
<b>Company name</b>		<b>31</b>		<b>31 Dec 2020</b>	<b>31 Dec 2019</b>	<b>2020</b>	<b>2019</b>
		<b>31 Dec 2020</b>	<b>31 Dec 2019</b>				
Smartkom AS		50%	50%	282	310	-28	42
<b>Total book value of shares in joint ventures at 31 December</b>		<b>50%</b>	<b>50%</b>	<b>282</b>	<b>310</b>	<b>-28</b>	<b>42</b>

Voting shares equals the capital share.

<b>Result from shares in joint ventures</b>	<b>2020</b>	<b>2019</b>
Holdings	50%	50%
Participation in result of joint ventures	-28	42
Net result	-56	85
<b>Total result of shares in joint ventures</b>	<b>-28</b>	<b>42</b>

<b>Extracts from the income statement of joint ventures</b>	<b>2020</b>	<b>2019</b>
Operating result	-57	85
<b>Net result</b>	<b>-56</b>	<b>85</b>

<b>Extracts from the balance sheet of joint ventures</b>	<b>2020</b>	<b>2019</b>
Current assets	477	553
<b>Total assets</b>	<b>477</b>	<b>553</b>
Equity	382	489
Total liabilities	94	64
<b>Total equity and liabilities</b>	<b>477</b>	<b>553</b>

<b>Shares in joint ventures</b>	<b>2020</b>	<b>2019</b>
<b>Acquisition value</b>		
Investments	310	268
Share of result for the year	-28	42
<b>Total shares in joint ventures at 31 December</b>	<b>282</b>	<b>310</b>

## Note 16 – Financial instruments by category

<i>NOK millions</i>	<b>31 Dec 2020</b>	<b>31 Dec 2019</b>
<b>Financial assets at amortised costs</b>		
Other financial assets	20	20
Trade receivables	178	143
Cash and cash equivalents	779	1,183
<b>Total</b>	<b>978</b>	<b>1,346</b>
<b>Financial liability at amortised costs</b>		
Borrowings	5,004	4,331
Other non-interest bearing liabilities	306	303
Non-current lease liabilities	1,769	1,618
Trade payables	283	164
Other current liabilities	24	21
Current lease liabilities	176	112
<b>Total</b>	<b>7,562</b>	<b>6,537</b>

## Note 17 – Operating expenses

<i>NOK millions</i>	<b>2020</b>	<b>2019</b>
Carrier services	251	279
COGS	132	89
Network costs	194	206
<b>Total</b>	<b>576</b>	<b>574</b>



## Note 18 – Trade receivables

<i>NOK millions</i>	<b>31 Dec 2020</b>	<b>31 Dec 2019</b>
Trade receivables	190	156
Less provision for bad debts	-12	-12
<b>Trade receivables – net</b>	<b>178</b>	<b>143</b>

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 2020 or 1 January 2020, 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.

<i>Aging analysis of trade receivables</i>	<b>Gross</b>		<b>Net</b>	
	<b>31 Dec 2020</b>	<b>31 Dec 2019</b>	<b>31 Dec 2020</b>	<b>31 Dec 2019</b>
Trade receivables not due	140	98	139	97
Trade receivables past due	50	58	39	46
<i>of which less than 30 days</i>	13	27	12	26
<i>of which 30-180 days</i>	9	8	7	6
<i>of which more than 180 days</i>	28	23	20	14
<b>Total accounts receivable</b>	<b>190</b>	<b>156</b>	<b>178</b>	<b>143</b>

<i>Specification of provision for bad debt</i>	<b>31 Dec 2020</b>	<b>31 Dec 2019</b>
<b>Loss allowance as of 1 January</b>	<b>-12</b>	<b>-11</b>
Change during the year	0	-2
Currency effects	0	0
<b>Loss allowance as of 31 December</b>	<b>-12</b>	<b>-12</b>
Realised losses for the year	-8	-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 19 – Other current receivables

<i>NOK millions</i>	<b>31 Dec 2020</b>	<b>31 Dec 2019</b>
VAT receivable	13	17
Other	1	2
<b>Total</b>	<b>14</b>	<b>19</b>

## Note 20 – Prepaid expenses and accrued income

<i>NOK millions</i>	<b>31 Dec 2020</b>	<b>31 Dec 2019</b>
Prepaid expenses	89	18
Accrued income related to contract with customers	1	9
Accrued interest income	0	0
<b>Total</b>	<b>90</b>	<b>27</b>

## Note 21 – Cash and cash equivalents

<i>NOK millions</i>	<b>31 Dec 2020</b>	<b>31 Dec 2019</b>
Cash at bank	765	1,165
Payroll withholdings and other restricted cash	13	18
<b>Total</b>	<b>779</b>	<b>1,183</b>

## Note 22 – Borrowings

<i>NOK millions</i>	<b>31 Dec 2020</b>	<b>31 Dec 2019</b>
Senior unsecured bonds	1,406	1,393
Senior secured callable bonds	1,392	1,386
Convertible bonds	543	-
Goldentree loan (USD)	1,111	1,032
Rasmussengruppen loan (SEK)	535	446
TeliaSonera seller's credit	-	56
Long-term payable with Access Industries (USD)	17	18
<b>Total borrowings</b>	<b>5,004</b>	<b>4,331</b>

<i>Currency in millions</i>	<b>Currency</b>	<b>31 Dec 2020</b>	<b>31 Dec 2019</b>
Goldentree loan	USD	139	125
Rasmussengruppen loan	SEK	513	472
Long-term payable with Access Industries	USD	2	2

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

### 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% points. 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% points. 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% points. The bond was successfully admitted to Oslo Stock Exchange on 1 April 2020.

### Convertible Bond

In Q3 2020, Ice Group, through Ice Group ASA, issued a five-year convertible bond of NOK 689 million, of which NOK 545 million is increased borrowing and NOK 144 million is the equity component. The interest rate is 8% p.a. if paid in cash or 10% if paid in kind (PIK). The bonds may be converted to shares in Ice Group ASA. The conversion price is initially set to NOK 19.5089 per share, and subject to adjustments under given circumstances described in the bond terms.

### Goldentree loan (subordinated)

On 30 September 2015, Ice Group, through 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 "Goldentree loan") 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 until year ten corresponding to an interest coupon of 19.9% p.a. in 2024, 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.

Please see note 29 for information regarding the legal dispute with GoldenTree Asset Management LLP.

### Rasmussengruppen loan

On 30 October 2015, the Company received a secured perpetual callable subordinated loan of SEK 340 million from RASMUSSENGRUPPEN AS ("RG") (related party). As the loan is subordinated, it is inferior to the Company's other creditors. The lender has a first priority pledge on the loan. As the loan is perpetual it has no final maturity date.

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 shall be increased to 20% p.a. Interest shall be calculated from the date of payment, and paid in arrears each year. The Company can choose whether interest is to be paid in cash or added to the principal.

### 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. The loan was fully settled in June 2020.

### 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 with 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 2020, loan to value (for the Ice Scandinavia group) tested to 32%.

**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. For maturity table regarding leases, see note 14.

NOK millions

Maturity table, borrowings	31 Dec 2020			Cash payments due by period			
	Original Loan Amount (contract currency)	Outstanding principal (contract currency)	Outstanding amount (NOK millions)	Within 1 year	Between 1 and 3 years	Between 3 and 5 years	Over 5 years
<b>2020</b>							
Senior Unsecured Callable Bond 17/22 <sup>1</sup>	520	520	514	-45	-542	-	-
Senior Secured Callable Bond 17/21	1,400	1,400	1,392	-1 469	-	-	-
Senior Unsecured Callable Bond 19/23	900	900	892	-85	-1,078	-	-
Convertible Bond <sup>4</sup>	545	545	543	-	-	-978	-
Goldentree loan - Gross debt (USD) <sup>2</sup>	83	139	1,111	-	-	-	-6,251
RG loan (SEK) <sup>3</sup>	340	513	535	-	-	-	-
Long-term payable with Access Industries	2	2	17	-	-	-	-17
Spectrum charges <sup>5</sup>	303	303	303	-	-	-303	-
<b>Total</b>			<b>5,307</b>	<b>-1,599</b>	<b>-1,620</b>	<b>-1,281</b>	<b>-6,268</b>

<sup>1</sup> Principal netted with own bond of NOK 280.5 million. Interest income is received each period, and is included in the cash payments overview

<sup>2</sup> Interest can be capitalised.

<sup>3</sup> The loan is perpetual with no final maturity date and interests are capitalised annually. There is no planned date of repayment and thus there is no estimation of maturity

<sup>4</sup> Maturity table shows repayment of convertible bond under assumption of PIK interest until final maturity date

<sup>5</sup> Deferment of spectrum payments from 2021/2022 until 2025

Maturity table, borrowings	31 Dec 2019			Cash payments due by period			
	Original Loan Amount (contract currency)	Outstanding principal (contract currency)	Outstanding amount (NOK millions)	Within 1 year	Between 1 and 3 years	Between 3 and 5 years	Over 5 years
<b>2019</b>							
Senior Unsecured Callable Bond 17/22 <sup>1</sup>	520	520	511	-53	-587	-	-
Senior Secured Callable Bond 17/21	1,400	1,400	1,386	-84	-1,406	-	-
Senior Unsecured Callable Bond 19/23	900	900	882	-88	-176	-966	0
GT loan - Gross debt (USD) <sup>2</sup>	83	126	1,032	-	-	-	-6,432
RG loan (SEK) <sup>3</sup>	340	472	446	-	-	-	-
TeliaSonera seller's credit (NOK) <sup>2</sup>	50	60	56	-3	-56	-	-
Long-term payable with Access Industries	2	2	18	-	-	-	-18
Spectrum charges <sup>4</sup>	303	303	303	-	-303	-	-
<b>Total</b>			<b>4,634</b>	<b>-228</b>	<b>-2,528</b>	<b>-966</b>	<b>-6,450</b>

<sup>1</sup> Principal netted with own bond of NOK 280.5 million. Interest income is received each period, and is included in the cash payments overview

<sup>2</sup> Interest can be capitalised.

<sup>3</sup> The loan is perpetual with no final maturity date and interests are capitalised annually. There is no planned date of repayment and thus there is no estimation of maturity

<sup>4</sup> Spectrum payments due in 2021/2022

For information regarding liquidity risk management, see note 2 section "Liquidity risk".

#### Reconciliation of debt arising from financing activities:

2020	NOK millions	Borrowings	Lease liabilities	Total liabilities from financing activities
	January 1, 2020	4,331	1,730	6,061
	of which non-current		1,618	
	of which current		112	
Cash flows	Repayment of interest-bearing debt	-57	-	-57
	Payment of lease liabilities	-	-239	-239
	Issuance of interest-bearing debt	545	-	545
Non-cash changes	New leases	-	454	454
	PIK capitalisation	153	-	153
	Foreign exchange movement	33	-	33
	December 31, 2020	5,004	1,945	6,949
	of which non-current		1,769	
	of which current		176	

#### Reconciliation of debt arising from financing activities:

2019	NOK millions	Borrowings	Lease liabilities	Total liabilities from financing activities
	January 1, 2019	3,732	1,691	5,423
	of which non-current		1,625	
	of which current		66	
Cash flows	Repayment of interest-bearing debt	-72	-	-72
	Payment of lease liabilities	-	-202	-202
	Issuance of interest-bearing debt	879	-	879
	Repurchase of outstanding senior unsecured bond	-280	-	-280
Non-cash changes	New leases	-	241	241
	PIK capitalisation	156	-	156
	Foreign exchange movement	-84	-	-84
	December 31, 2019	4,331	1,730	6,061
	of which non-current		1,618	
	of which current		112	

### Note 23 – Other current liabilities

NOK millions	31 Dec 2020	31 Dec 2019
Employee benefit related liabilities	14	12
Other payables	10	9
<b>Total</b>	<b>24</b>	<b>21</b>



## Note 24 – Accrued expenses and deferred income

<i>NOK millions</i>	<b>31 Dec 2020</b>	<b>31 Dec 2019</b>
Accrued interests	97	76
Accrued personnel related expenses	39	40
Other accrued expenses	337	305
Accrued expenses related to leases	91	91
Deferred income	41	42
<b>Total</b>	<b>606</b>	<b>555</b>

## Note 25 – Pledges and other contractual commitments

Assets pledged as per 31 December 2020 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 subsidiary Ice Communication Norge AS
- Ice Group Scandinavia Holdings AS: Pledge over (i) all bank accounts (NOK 50 million), (ii) operating assets (NOK 55 million), (iii) inventory and (iv) factoring registered in the Register of Mortgaged Movable Property
- Ice Communication Norge AS: Pledge over (i) bank accounts (NOK 475 million), (ii) operating assets (NOK

101 million), (iii) inventory (NOK 4 million), (iv) technical equipment (NOK 1,539 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 to Ice Norge Communication AS of NOK 2,090,000,000

All pledges related to Netett Sverige AB and Ice Danmark ApS were duly released in connection with the divestment in February 2019 and May 2020, respectively.

*NOK millions*

### Other contractual commitments

	<b>2020</b>	<b>2019</b>
Commitments, investments	518	140
Commitments, other	17	-
<b>Total future fees for other contractual commitments</b>	<b>535</b>	<b>140</b>

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

## Note 26 – Adjustments for non-cash items

<i>NOK millions</i>	<b>2020</b>	<b>2019</b>
Share-based compensation expenses (see note 8)	16	12
Impairment of non-current assets	0	8
Currency related items	-97	16
<b>Total</b>	<b>-80</b>	<b>36</b>

## Note 27 – 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 to its subsidiaries AINMT Holdings AB, Ice Communication Norge AS and Ice Retail AS,

and an external loan from Rasmussengruppen AS (see note 22). The Group's largest shareholders AI Media Holdings (NMT) LLC, Rasmussengruppen AS and Bridford Investments Limited that in aggregate hold c.82% of the shares in the Group, have subscribed for bonds in the amount of NOK 650 million in the convertible bond issue in August 2020.

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

## Note 28 – Earnings per share

The calculations of earnings per share attributable to the equity holders of Ice Group ASA are based on the following:

*NOK millions except earnings per share*

<b>Earnings</b>	<b>2020</b>	<b>2019</b>
Net result	-974	-1,133
<b>Basic/diluted earnings per share</b>	<b>-4.83</b>	<b>-5.62</b>

*NOK thousands*

<b>Number of shares</b>	<b>2020</b>	<b>2019</b>
Weighted average number of shares	201,874	201,589

## Note 29 – Legal disputes

GoldenTree Asset Management LP (GoldenTree) has submitted a statement of claim to Oslo District Court to obtain a judgement that the loan agreement with the Group has been breached 14 times since 2017 (7 of these alleged breaches consisting of not informing GoldenTree of the alleged breaches) and that the lenders are entitled to an increase in the interest rate of 5 percentage points for each breach. According to GoldenTree this implies that interest accrued in the last year ending 30 September 2020 alone amounts to USD 112,376,900. GoldenTree alleges that this

interest amount is due and payable and requests that the Ice Group ASA subsidiary, AINMT Holdings AB, be ordered to pay this amount to GoldenTree. GoldenTree has been informed of the public bond issues and has never before objected to or raised any concerns in relation thereto.

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

## Note 30 – Subsequent events

There are no other events after 31 December 2020 that have a material effect on the financial statement for 2020. However, the below items are relevant for on the future business of Ice Group:

- \* On 3 February 2021, 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 2,019,000 (1% of outstanding shares) where each option will give the holder the right to acquire one Ice Group ASA share. The options are granted with 550,000 options to CEO, 180,000 options to each of the other non-resigned members of the executive management team and up to 569,000 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.

- \* On 19 February 2021, Ice Group ASA's subsidiary Ice Group Scandinavia Holdings AS successfully completed a new senior secured bond issue of NOK 1,400 million with maturity in March 2025. Net proceeds from the offering will be used to redeem the existing NOK 1,400 million senior secured bond IGSH02 (ISIN NO0010807092). The new senior secured bond will be issued at an interest rate of 3 months NIBOR, plus a margin of 4.0% per annum. This compares to an interest rate of 3 months NIBOR, plus a margin of 4.6% per annum for the Company's existing bond. Arctic Securities, DNB Markets, a part of DNB Bank ASA, and Pareto Securities acted as joint bookrunners for the new bond issue. An application will be made for the bonds to be listed on Oslo Børs.

## Note 31 – Risks and factors of uncertainty

Ice Group operates in the highly competitive and regulated mobile telecommunications industry in Norway and is exposed to certain risks that could have impact on earnings or its financial position. Ice Group has defined risk as anything that could have a material adverse effect on the achievement of its goals or activities. Risks can be threats, uncertainties or lost opportunities relating to Ice Group's current or future operations. Ice Group divides the risks into related to disease outbreaks, risks related to the industry and market conditions, risks related to the Group's operations, legal and regulatory risks and financial risks.

### Risks related to disease outbreaks

#### 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 evidenced by the recent COVID-19 pandemic outbreak, disease outbreaks may cause significant disruptions to our continuing business operations, including the supply of stocks and the movement of staff and their ability to commute to their place of work. Such restrictions and the outbreak itself could have an adverse impact on the Ice 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 pandemic outbreaks to the Group's financial results. Ice Group has however implemented precautionary measures and protocols based on recommendations from official health authorities, such as the Norwegian Institute of Public Health (No. Folkehelseinstituttet) and the World Health Organization ("WHO"). To the extent possible, business continuity and contingency 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.

It is clear that restrictions resulting from pandemic outbreaks such as COVID-19 on movement of people, transportation 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 domestically and internationally – following the disease outbreaks could directly impact the growth and/or demand for the services Ice Group provides, which in turn 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 related to the industry and market conditions

#### Continued rapid technological changes

The telecommunications industry is characterised 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 mobile 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 competitive, causing the Group to lose subscribers and market share. As a consequence, the Group may need to make further investments in order to remain competitive, which would increase costs and affect profitability, which again could have a material adverse effect on the Group's business, financial condition and results of operations.

### Risks related to the Group's operations

#### Future investments in maintaining, upgrading and expanding networks

The 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 mobile broadband segment, efficient and affordable equipment is important to be able to deliver competitive services. Failure to maintain and develop robust telecommunication networks could hinder the Group's financial and operational performance in the future.

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. Further, 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, regulatory regime under the which the Group operates. If the Group fails 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.

### Dependency on contracts

The National Roaming Agreement Ice Communication Norge AS has signed 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 National Roaming Agreement lasts until 31 December 2023 with a 1+1 year extension option, whereas the last 1 year option is subject to certain conditions. There is no absolute certainty 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, access to Telenor's masts, 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 framework supply agreement with Nokia whereby Nokia was elected as vendor 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 as a turnkey supplier to be completed in 2021. The Group is in particular subject to material payment 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 materially adverse impact on the Group's financial condition, results of operation and ability to further expand its business.

### Competition from other operators

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

Competition from current market participants, potential new entrants and new products and services, may adversely affect the Group's performance. In Norway, both Telenor and Telia offer Mobile Virtual Network Operator ("MVNO") 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 capital expenditure required to enter the mobile market in Norway as a competitor is much lower since such new entrants are not dependent on investing in infrastructure or core network.

### Disruption of services

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

### Relationship with suppliers

The Group depends on a limited number of suppliers and vendors to provide equipment and services to develop and upgrade its networks and operate its businesses. Although the Group believes that there exist alternative suppliers and vendors if the existing relationships were to be terminated, no assurance can be given that the Group will be able to replace the suppliers on equal or better terms. The Group's suppliers of core network, radio and access equipment may not continue to supply equipment and provide services to the Group on terms that are favourable or may discontinue with the manufacturing of the necessary equipment required to operate the telecommunications networks. The Group may experience problems such as the availability of new devices, higher than anticipated prices of new devices, and potential difficulties with new suppliers. Given that the number of 450 MHz band operators and subscribers globally is limited, the attractiveness for suppliers to supply equipment for this frequency band is limited which could lead to fewer suppliers and higher prices for equipment and devices. Any failure in relation to the supply chain may have an adverse effect on the Group's financial and operational performance.



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.

### **Licence renewal risk**

When the Group's telecommunications frequency licenses held by Ice Communication Norge AS expire, the Group will need to renew them in order to continue its operations. The Group's ability to renew its licenses in the future may be affected by factors outside of its control, such as competition from other operators when bidding for license renewals in auctions or the government's decision to revoke licenses or limit the number of license-holders.

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

Failure to renew licenses 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.

### **New licenses auctioned by the authorities**

Ice 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 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 Ice 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. 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.

### **Cyber-attacks, subscriber database piracy etc.**

The Group may be exposed to database piracy, unauthorised access or other database security breaches which could result in the leakage and unauthorized 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.

## **Legal and regulatory risks**

### **Regulatory environment**

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 licenses, which could materially impact the Group's business performance and operational results.

### **Dispute with GoldenTree**

GoldenTree Asset Management LP ("GoldenTree") as agent and certain other lenders entered into an unsecured and subordinated loan agreement dated 30 September 2015 (the "GoldenTree Loan Agreement") with AINMT Holdings AB, which owns directly 100 % of the shares in Ice Group Scandinavia Holding AS. On 10 October 2020 GoldenTree submitted a claim against AINMT Holdings AB before Oslo District Court to obtain a judgement that the GoldenTree Loan Agreement has been breached 14 times since 2017 (7 of these alleged breaches consisting of not informing GoldenTree of the alleged breaches) and that the lenders are entitled to an increase in the interest rate of 5 percentage points for each breach. According to GoldenTree this implies that interest accrued in the last year ending 30 September 2020 alone amounts to USD 112,376,900. GoldenTree alleges that this interest amount is due and payable and requests that AINMT Holdings AB be ordered to pay this amount to GoldenTree. In Ice Group's opinion there is no merit to any of GoldenTree's claims that the loan agreement has been breached. Ice Group has rejected all claims in their entirety and is vigorously defending against them before the court.

The case currently stands before the district court. As with every court proceeding, the outcome is up to the court and,

thus, outside the Ice Group's control. GoldenTree has not made any claims against neither of Ice Group ASA, Ice Group Scandinavia Holdings AS and Ice Communication Norge AS and will not have the right to seek recourse against them. The consequences of a ruling in disfavour of AINMT Holding AB, would mean that AINMT Holdings AB would have to pay a cash amount to GoldenTree, or that AINMT Holdings AB upon enforcement of such monetary claim by GoldenTree must sell its shares in Ice Group Scandinavia Holdings AS and, thus, lose control over Ice Group Scandinavia Holdings AS and Ice Communication Norge AS if AINMT Holdings AB does not possess enough funds to make the cash payment. This will trigger the change of control provision/ownership undertaking in the Bond Terms and under existing bonds. AINMT Holdings AB is solely a holding company which Ice Communication Norge AS does not rely on in order to carry out its business.

### Data protection

In order to provide its services, the Group collects and processes large amounts of personal data with respect to, inter alia, its customers, as a data controller. The EU General Data Protection Regulation and local data protection laws ("GDPR") provide strict obligations on data controllers and rights for data subjects. Breach of GDPR may result in fines and penalties as well as loss of reputation. The implementation of GDPR has required amendments to the Group's procedures and policies, including measures to ensure compliance with the rules. If there are breaches of these measures, the Group could face significant administrative and monetary sanctions or reputational damage which may have an adverse effect on the Group's financial condition and results of operation.

## Financial risks

### Amount of debt

Ice Group has a relatively high level of outstanding debt.

Ice Group ASA has entered into a SEK 340 million Secured Perpetual Callable Subordinated Loan Agreement with Rasmussengruppen AS (the "RG Loan"). AINMT Holdings AB has entered into in a USD 80 million loan agreement with a consortium of financial investors represented by GoldenTree Asset Management LLP as agent (the "Goldentree Loan").

No members of the Group are guaranteeing or providing security for any obligations under the RG Loan or the GoldenTree Loan Agreement, which limits the impact on the Group if the relevant obligors of Ice Group would fail to make payments under those loan agreements. However, if the obligors would not be able to cover their payment obligations thereunder, the overall liquidity of Ice Group is likely to be affected. Defaults (or alleged defaults) under the agreements could also lead to legal disputes, as the current dispute with GoldenTree as described in section Dispute with GoldenTree above.

In respect of the Group, Ice Group Scandinavia Holdings AS has issued the following bonds:

a) NOK 1,400 million Senior Secured Callable Bonds issued 12 October 2017, maturing 12 October 2021 (to be refinanced with proceeds from the Bond Issue)

b) NOK 800 million Senior Unsecured Callable Bonds issued in 2017 and maturing 7 April 2022,

c) NOK 900 million Senior Unsecured Callable Bonds issued in 2019 and maturing 10 October 2023, and

d) NOK 689 million PIK Toggle Subordinated Convertible Bond in 2020 maturing 31 August 2025, where Ice Group Scandinavia Holdings AS is co-debtor and Ice Group ASA is issuer.

The level of debt of Ice Group could adversely affect the overall financial flexibility of the Group. It is mainly the Group's level of debt that is likely to have the most 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.

### Covenants

The bond agreements for the bond issues include financial and operational covenants applicable for 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. The GoldenTree Loan Agreement and the RG Loan contain put options, which would require the Group to repay the loans, in whole or in part, prior to their respective maturity date. In the event of an acceleration of the loans or an exercise of these put options, there is a risk that the Group will not have sufficient funds at the relevant time to make the required repayments.

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 agreements and in future credit facilities may be affected by events beyond their 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 Group cannot assure that its assets would be sufficient to repay such debt in full.

### Financing and liquidity risks

Financing risk refers to risks relating to the Group's ability to obtain additional financing or refinancing of existing debt, or that it can only be obtained only at a significantly higher cost.

Further expansion of the Group in Norway could 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.

There is always refinancing risk when it comes to refinancing existing debt. The Group believes the two unsecured bonds have a good refinancing runway. Ice Group is progressing

well on revenue growth, EBITDA and cash flow compared to when the bonds were entered into, and, therefore, expects that it will be able to refinance the bonds before they mature. However, no assurance can be given that such refinancing will be granted on equal or better terms.

Although Ice Group's main shareholders have 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 Ice Group's high leverage, the Group uses a large share of its cash flow for payment of liabilities, which means that the Group's financial flexibility is limited.

### Interest rate risks

The Group is exposed to interest rate risks in interest bearing current and non-current liabilities. As the bonds carry variable interest rates (NIBOR), the relatively high level of debt results in exposure to interest rate risk.

Further financial risks are described in note 2.

## 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 adjusted

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

<i>NOK millions</i>	<b>2020</b>	<b>2019</b>
<b>Operating result</b>	<b>-512</b>	<b>-655</b>
Depreciation and amortisation	528	468
<b>EBITDA</b>	<b>16</b>	<b>-186</b>
Items related to network technical upgrade	6	10
Redundancy and other non-recurring costs	3	45
Sale of trademark	-	-46
Share-based compensation expenses	16	12
<b>EBITDA adjusted</b>	<b>41</b>	<b>-165</b>

### CAPEX

Ice Group considers CAPEX, CAPEX excluding contracts with customers, CAPEX excluding licenses and spectrum and CAPEX excluding licences, spectrum and contracts with

customers as important measures to be able to understand the Group's investments in intangible, tangible and other non-current assets.

<i>NOK millions</i>	<b>2020</b>	<b>2019</b>
Investments in intangible assets	125	243
Investments in tangible assets	540	389
Change contracts with customers	282	265
<b>CAPEX</b>	<b>948</b>	<b>897</b>
Change in contracts with customers	-282	-265
<b>CAPEX excluding contracts with customers</b>	<b>666</b>	<b>631</b>
<b>CAPEX</b>	<b>948</b>	<b>897</b>
Licences and spectrum	-2	-342
<b>CAPEX excluding licences and spectrum</b>	<b>946</b>	<b>554</b>
Change in contracts with customers	-282	-265
<b>CAPEX excluding licences, spectrum and contracts with customers</b>	<b>664</b>	<b>289</b>



## 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.

<i>NOK millions</i>	<b>2020</b>	<b>2019</b>
Total borrowings as specified in note 22	5,004	4,331
<i>Adjusted for:</i>		
Capitalised loan costs	60	77
Long-term payable with Access Industries	-17	-18
<b>Gross Interest-bearing Debt</b>	<b>5,047</b>	<b>4,390</b>
Cash and cash equivalents	-779	-1,183
<b>Net Interest-bearing Debt</b>	<b>4,268</b>	<b>3,208</b>

The Group issued a convertible bond in the third quarter of 2020 of NOK 689 million, of which NOK 545 million is increased borrowings and NOK 144 million in equity component. Accrued interests have been capitalised.

## STATEMENT OF COMPREHENSIVE INCOME

### Ice Group ASA

<i>NOK millions</i>	<i>Note</i>	<b>2020</b>	<b>2019</b>
Operating revenue		0	-
Other expenses	<i>P3</i>	-23	-38
<b>Operating result</b>		<b>-23</b>	<b>-38</b>
<b>Net financial items</b>	<i>P2, P8</i>	<b>-23</b>	<b>14</b>
<b>Result before tax</b>		<b>-46</b>	<b>-24</b>
Income taxes	<i>P9</i>	-	-
<b>Net result for the year</b>		<b>-46</b>	<b>-24</b>
<i>Items that may be subsequently reclassified to profit or loss:</i>			
Translation differences from associated companies		-	-
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income</b>		<b>-46</b>	<b>-24</b>

## STATEMENT OF FINANCIAL POSITION

### Ice Group ASA

<i>NOK millions</i>	<i>Note</i>	<b>31 Dec 2020</b>	<b>31 Dec 2019</b>
<b>ASSETS</b>			
Investments in Group companies	<i>P5</i>	6,311	6,311
Loans to Group companies	<i>P6</i>	1,049	446
<b>Total non-current assets</b>		<b>7,360</b>	<b>6,757</b>
Current receivables from Group companies		25	17
Other receivables		1	0
<b>Total current receivables</b>		<b>26</b>	<b>17</b>
Cash and cash equivalents		210	89
<b>Total current assets</b>		<b>235</b>	<b>106</b>
<b>TOTAL ASSETS</b>		<b>7,596</b>	<b>6,863</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital		182	182
Other contributed capital		11,559	11,412
Retained earnings incl. other comprehensive income		-5,252	-5,216
<b>TOTAL EQUITY</b>	<i>P7, P8</i>	<b>6,489</b>	<b>6,377</b>
Borrowings		1,078	446
<b>Total non-current liabilities</b>	<i>P8</i>	<b>1,078</b>	<b>446</b>
Trade payables		1	0
Current liabilities to Group companies		1	37
Other current liabilities		1	0
Accrued expenses		26	3
<b>Total current liabilities</b>		<b>29</b>	<b>40</b>
<b>TOTAL LIABILITIES</b>		<b>1,107</b>	<b>486</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>7,596</b>	<b>6,863</b>

Oslo, 25 March 2021

  
Guillaume d'Hauteville  
Chairman of the Board

  
Mari Thjømøe

  
Hans-Holger Albrecht

  
Elvind Helgaker  
CEO

  
Ingvild Myhre

## STATEMENT OF CHANGES IN EQUITY

### Ice Group ASA

<i>NOK millions</i>	Share capital	Other contributed capital	Retained earnings incl. OCI	<b>Total Equity</b>
<b>Opening balance 1 January 2019</b>	<b>114</b>	<b>10,005</b>	<b>-5,193</b>	<b>4,926</b>
Net result for the year	-	-	-24	-24
<i>Other comprehensive income for the year</i>				
Translation differences on foreign operations	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-24</b>	<b>-24</b>
New share issue	68	1,408	-	1,476
<b>Total transactions with owners, recognised directly in equity</b>	<b>68</b>	<b>1,408</b>	<b>-</b>	<b>1,476</b>
<b>Closing balance 31 December 2019</b>	<b>182</b>	<b>11,412</b>	<b>-5,216</b>	<b>6,377</b>
Net result for the year	-	-	-46	-46
<i>Other comprehensive income for the period</i>				
Translation differences on foreign operations	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-46</b>	<b>-46</b>
Capital contribution from share-based payments	-	-	6	6
New share issue	-	3	-	3
Convertible bond issue	-	144	4	148
<b>Total transactions with owners, recognised directly in equity</b>	<b>-</b>	<b>147</b>	<b>10</b>	<b>157</b>
<b>Closing balance 31 December 2020</b>	<b>182</b>	<b>11,559</b>	<b>-5,252</b>	<b>6,489</b>

## STATEMENT OF CASH FLOWS

### Ice Group ASA

<i>NOK millions</i>	<i>Note</i>	<b>2020</b>	<b>2019</b>
Result before tax		-46	-24
Other non-cash adjustments		5	-13
Change in current assets		-9	-8
Change in current liabilities		-11	18
<b>Cash flows from operating activities</b>		<b>-61</b>	<b>-28</b>
Investments in associated companies		-	-1,250
Loans to subsidiaries	<i>P6</i>	-510	-
<b>Cash flows from investing activities</b>		<b>-510</b>	<b>-1,250</b>
Financing from equity holders		147	1,468
Borrowings		545	-102
<b>Cash flows from financing activities</b>		<b>692</b>	<b>1,366</b>
<b>Cash flow for the year</b>		<b>121</b>	<b>89</b>
Cash and cash equivalents at the beginning of the period		89	0
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>		<b>210</b>	<b>89</b>



# NOTES TO PARENT COMPANY FINANCIAL STATEMENTS

## Ice Group ASA

### Content notes

P1	Accounting principles
P2	Financial income and expenses
P3	Fees and other remuneration to auditors
P4	Transactions with related parties
P5	Investments in subsidiaries
P6	Loans to subsidiaries
P7	Shareholders' equity and shareholder information
P8	Borrowings
P9	Taxes
P10	Pledges and securities

## 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 result before tax 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.

## Note P2 – Financial income and expenses

<i>NOK millions</i>	<b>2020</b>	<b>2019</b>
Interest income	46	36
Group contribution	-	11
Interest expenses	-69	-36
Net currency gain	-	2
<b>Net financial items</b>	<b>-23</b>	<b>14</b>

## Note P3 – Fees and other remuneration to auditors

<i>NOK thousands (VAT is not included)</i>	<b>2020</b>	<b>2019</b>
Audit assignment	1,016	795
Other assurance services	460	-
Tax advisory	572	90
Other advisory services	279	931
<b>Total</b>	<b>2,326</b>	<b>1,816</b>

## 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 to its subsidiaries AINMT Holdings AB, Ice Communication Norge AS and Ice Retail AS,

and an external loan from Rasmussengruppen AS (see note 22). The Group's largest shareholders AI Media Holdings (NMT) LLC, Rasmussengruppen AS and Bridford Investments Limited that in aggregate hold c.82% of the shares in the Group, have subscribed for bonds in the amount of NOK 650 million in the convertible bond issue in August 2020.

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 P7 for information on shareholdings in the Company.

## Note P5 – Investments in subsidiaries

**Ice Group ASA holds investments in the following entities as per**

<b>31 Dec 2020:</b>	<b>Corporate identity no</b>	<b>Registered office</b>	<b>Capital share</b>	<b>Number of shares</b>
<i>Direct holdings:</i>				
AINMT Holdings AB	556771-3440	Oslo, Norway	100 %	201,694,061
<i>Indirect holdings:</i>				
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
SmartKom AS	917 953 686	Oslo, Norway	50 %	100,000

**Ice Group ASA holds investments in the following entities as per**

<b>31 Dec 2019:</b>	<b>Corporate identity no</b>	<b>Registered office</b>	<b>Capital share</b>	<b>Number of shares</b>
<i>Direct holdings:</i>				
AINMT Holdings AB	556771-3440	Stockholm, Sweden	100 %	201,694,061
<i>Indirect holdings:</i>				
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

Voting shares equals the capital share.

## Note P6 – Loans to subsidiaries

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.

On 30 November 2020, the Company granted a loan in the aggregate principal amount of NOK 500 million to Ice Group Scandinavia Holdings group. The loan carries an interest rate of 10% p.a. with interest accrued annually. The loan, including all accrued and unpaid interest, shall be repaid in full at the latest by 31 August 2025.

On 18 December 2020, the Company granted a loan in the aggregate principal amount of NOK 10 million to Ice Retail AS. The loan carries an interest rate of 10% p.a. with interest accrued annually. The loan, including all accrued and unpaid interest, shall be repaid in full at the latest by 31 August 2025.

## Note P7 – Shareholders' equity and shareholder information

<i>NOK millions</i>	No. of shares	Share capital	Other contributed capital	Total
<b>As per 31 December 2019</b>	<b>201,694,061</b>	<b>182</b>	<b>11,412</b>	<b>11,594</b>
New share issue	199,717	-	3	3
Convertible bond issue			144	144
<b>As per 31 December 2020</b>	<b>201,893,778</b>	<b>182</b>	<b>11,559</b>	<b>11,741</b>

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 P5.

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

In the General Meeting in the Company held on 29 May 2020, the Board of Directors were granted the following authorizations:

- \* Authorisation to increase the share capital, in one or more rounds, in connection with the Company's incentive programmes by up to NOK 9,076,232.74, valid until the earlier of the company's annual

general meeting in 2021 and 30 June 2021 from the general meetings resolution;

- \* Authorisation to increase the share capital, in one or more rounds, in connection with future investments or to strengthen the Company's capital by up to NOK 81,686,094.70, valid until the earlier of the company's annual general meeting in 2021 and 30 June 2021 from the general meetings resolution; and
- \* Authorisation to issue convertible loans with an aggregate loan amount of up to NOK 2,000 million and the share capital may be increased by up to NOK 90,762,327.45, valid until the earlier of the company's annual general meeting in 2021 and 30 June 2021 from the general meetings resolution.

## Note P8 – Borrowings

Please see note 22 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.

### Rasmussengruppen loan

On 30 October 2015, the Company received a secured perpetual callable subordinated loan of SEK 340 million from RASMUSSENGRUPPEN AS ("RG") (related party). 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.

### Convertible bond

In Q3 2020, the Company issued a five-year convertible bond of NOK 689 million, of which NOK 545 million is increased borrowing and NOK 144 million is the equity component. The interest rate is 8% p.a. if paid in cash or 10% if paid in kind (PIK). The bonds may be converted to shares in Ice Group ASA. The conversion price is initially set to NOK 19.5089 per share, and subject to adjustments under given circumstances described in the bond terms.



## Note P9 – Taxes

NOK millions

	2020	2019
<b>Distribution of Income tax expense for the year</b>		
Current income taxes	-	-
Change in deferred taxes recognised in the Financial Statements	-	-
<b>Income tax expense</b>	-	-
<b>Reconciliation of tax expense</b>		
Income before tax	-46	-24
Permanent differences	0	0
<b>Taxable income</b>	<b>-46</b>	<b>-24</b>
<b>Net deferred tax assets</b>		
Unused tax losses	21	10
Net deferred tax assets	21	10
Net deferred tax assets not recognised in the Financial Statements	-21	-10
<b>Net deferred tax assets recognised in the Financial Statements</b>	<b>-</b>	<b>-</b>
<b>Numerical reconciliation of effective tax rate</b>		
Profit before income tax	-46	-24
Tax rate	22%	22%
Prima facie tax payable	-10	-5
<i>Tax effect of amounts which are not deductible (taxable) in calculating taxable income:</i>		
Impairment of shares in subsidiaries	-	-
Other differences	10	5
Change in deferred tax due to change in tax rate	-	-
Change in net deferred tax assets not recognised in the Financial Statements	-	-
<b>Income tax expense</b>	<b>-</b>	<b>-</b>
<b>Effective tax rate</b>	<b>0%</b>	<b>0%</b>

Deferred tax assets are recognised for tax loss carry forwards to the extent that it is probable that they can be utilised by future taxable profits. The Company did not recognise deferred tax assets amounting to NOK 21 (10) million related

to losses of NOK 96 (45) 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 P10 – Pledges and securities

The Company has no pledges by itself, please refer to note 25 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 2020 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
- the financial statements for the Parent Company for 2020 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."

25 March 2021

  
Guillaume d'Hauteville  
Chairman of the Board

  
Mari Thjømøe

  
Hans-Holger Albrecht

  
Eivind Helgaker  
CEO

  
Ingvild Myhre

## 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.
CAPEX	CAPEX is defined as investments in non-current assets as stated in the statement of cash-flows
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



Ice Group ASA - Nydalsveien 18B 0484 Oslo - [www.icegroup.com](http://www.icegroup.com)



To the General Meeting of Ice Group ASA

## **Independent Auditor's Report**

*Report on the Audit of the Financial Statements*

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### **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 statement of financial position as at 31 December 2020, the statement of comprehensive income, statement of changes in equity and statement of cash flows 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 statements of financial position as at 31 December 2020, the consolidated statements of comprehensive income, consolidated statements of changes in equity and 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 2020, 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 2020, 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.

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### **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.

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State authorised public accountants, members of The Norwegian Institute of Public Accountants, and authorised accounting firm





### 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. The Groups business activities are largely unchanged compared to last year. *Recognition of Smartphone service revenue* remain a Key Audit Matter as they contain approximately the same complexity and risks as previous year.

Key Audit Matter	How our audit addressed the Key Audit Matter
<p><i>Recognition of Smartphone service revenue</i></p> <p>The Group's total Smartphone service revenue for the year ended 31 December 2020 amounts to NOK 1,593 million. Total Smartphone service revenue continued to grow during 2020 and the group has launched new customer programs during the year. 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.</p> <p>We focused on this area because of the large amount of data and transactions, which adds a degree of complexity.</p> <p>See also note 1, 4, 5 and 6 to the financial statements where management explain how they account for revenue from contracts with customers.</p>	<p>We obtained an understanding of the revenue recognition process based on interviews with management and review of the group's processes 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.</p> <p>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 in 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.</p> <p>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.</p> <p>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.</p> <p>We assessed the appropriateness of the related disclosure notes in notes 1, 4, 5 and 6 and found them to be appropriately explain accounting for revenue and to be in accordance with IFRS requirements.</p>



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### *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.

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### *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 a true and fair view 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.

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### *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 a true and fair view.
- 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*

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### *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 and the going concern assumption is consistent with the financial statements and complies with the law and regulations.

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### *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, 25 March 2021

**PricewaterhouseCoopers AS**

Øystein Sandvik  
State Authorised Public Accountant

## Revisjonsberetning Ice Group ASA

## Signers:

<i>Name</i>	<i>Method</i>	<i>Date</i>
Øystein Blåka Sandvik	BANKID_MOBILE	2021-03-25 16:37

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