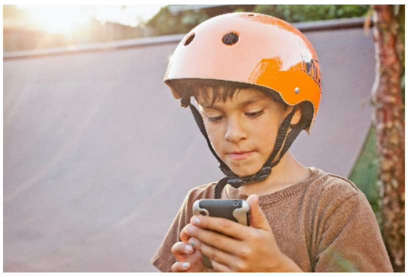
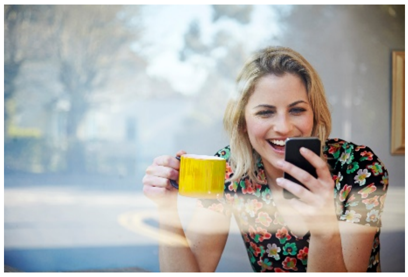
ice group





Q1 2021

Interim report

January-March 2021

CEO summary

EIVIND HELGAKER
CEO

Ice Group delivered a record high adjusted EBITDA result in the first quarter of 2021, ending at NOK 86 million compared to NOK 4 million in the same quarter last year. Operating margins are seeing significant increases indicating new earning levels for Ice group. This is a result of our strategic long-term efforts to improve customer offering, network performance, cost position and deliver continuous customer growth. A new national roaming agreement (NRA) that came into effect on 1 January 2021 drives costs down substantially and the EBITDA result of NOK 86 million, equivalent to an adjusted EBITDA-margin of 16% (1%), is in line with Ice Group's guiding for 2021.

Total operating revenue in the quarter was NOK 552 million, a 12% increase from the first quarter last year (NOK 491 million), while smartphone service revenue was up 13% to NOK 426 million (378).

Periodically the first quarter normally delivers lower sales, and was this year also affected by large parts of Norwegian society being in lockdown because of increasing levels of Covid-19. Our own and most of the bigger retail stores of our partners have therefore been temporarily closed, negatively affecting sales in the quarter. However, we continue to grow our customer base and added 11,000 new subscribers in the first quarter, maintaining our market leading win rate in the B2C segment. This is lower than the previous quarter, but at the same level as last year's first quarter, which was partly impacted by closure of retail stores because of the Covid-19 outbreak. With infection rates in the Oslo region now declining, there is an increased expectation that the authorities will allow shopping centres to fully re-open soon.

Revenues from smartphone customers are increasingly important, and we are pleased to have developed a cooperation with Apple that offers Ice customers high quality services and full access to Apple handsets. Our efforts to increase customer satisfaction and further improve customer offerings are paying off, reducing smartphone churn by 6 percentage points from the first quarter last year to 21% in this year's first quarter. This is the lowest quarterly churn ever reported for Ice Group. Churn reduction efforts continues to be a focus for the Ice team to increase the customer experience and further improve the net growth. The Covid-19 related lockdowns have also reduced customer mobility somewhat in the first quarter and this has had a minor positive effect on our churn.

ARPU improved steadily to NOK 226 in this year's first quarter compared to the corresponding quarter last year (224). Retail store sales generally represent higher ARPU compared to other sales channels. The temporary closure of retail stores has therefore also affected ARPU negatively in the first quarter 2021.

Further network build-out is still key to our business plan and improved profitability going forward. We added 103 new 5G-ready smartphone base stations in the first quarter, bringing the total to 2,990. This run-rate is in line with Ice Group's guidance of adding between 300 and 500 base stations in 2021.

Because of our improved network footprint, the share of traffic in our own network continues to improve. Average data on-net share improved to an all time high 90% in the first quarter of 2021, up from 89% in the fourth quarter of 2020 and an increase from 83% in the first quarter last year. On-net share of voice traffic also continued its positive growth in the first quarter 2021, ending at 68% in the quarter. This is up from 63% in the previous quarter and up from 37% in the corresponding quarter last year. Increasing share of data and voice traffic in Ice Group's own network is a key enabler for improved profitability and quality of services.

In sum, our operational and financial parameters continue to point in the direction we want them to. The first quarter as a whole – including macro effects outside our control – demonstrates our strong platform, the scale effects in our business and our competitive advantages. Based on this, we remain confident about achieving our guiding of an adjusted EBITDA-margin of 15-20% in 2021.

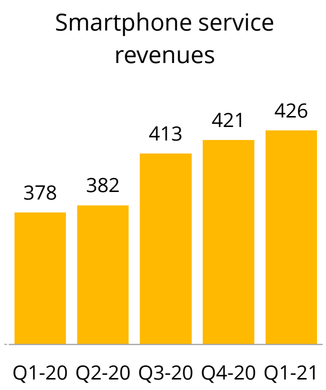
Finally, I want to give credit to my colleagues who make such a fantastic effort for Ice during another Covid-19 lock-down and create a work environment that again is on the list of Norway's best workplaces. This year even up from 7th to an impressive 4th place. Congratulations are in order to all my amazing colleagues!

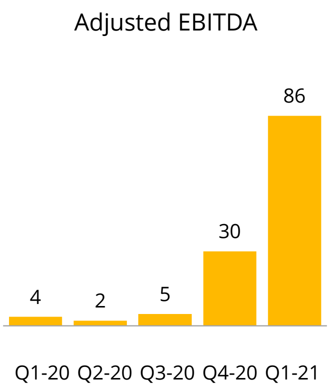
First quarter highlights

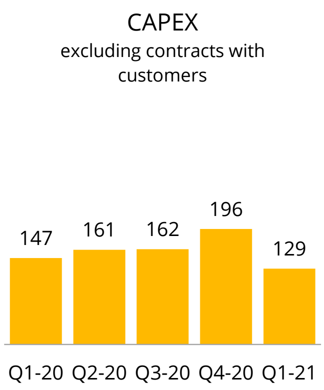
- **650k smartphone subscriptions at the end of the first quarter**
- **Total service revenues of NOK 510 million, representing a y-o-y growth of 12%**
- **Smartphone service revenues grew by 13% y-o-y to NOK 426 million (378)**
- **Adjusted EBITDA of NOK 86 million (4)**
- **Net result NOK -263 million (-420)**
- **Churn (annualised) reduced to 21 %, a 6 %-point reduction y-o-y**
- **NOK 1,400 million senior secured bond successfully refinanced at improved terms**

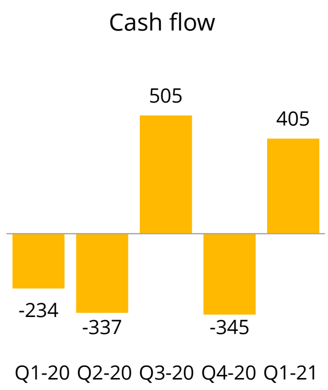
Key figures

	First Quarter		Full year
NOK millions	**2021**	**2020**	**2020**
Total service revenues	510	456	1,910
Smartphone service revenues	426	378	1,593
NRA cost	-43	-111	-441
NRA cost as share of smartphone service revenues	10%	29%	28%
EBITDA adjusted	86	4	41
EBITDA adjusted – margin	16%	1%	2%
Net result for the period	-263	-420	-974
CAPEX excluding contracts with customers	129	147	666
Cash flow for the period	405	-234	-411
No. of smartphone subscriptions, thousand	650	584	639
No. of mobile broadband subscriptions, thousand (Norway)	76	85	78
Smartphone ARPU (Average Revenue Per User – in NOK)	226	224	228
Smartphone churn (annualised)	21%	27%	25%
Smartphone base stations in service	2,990	2,238	2,887
Average data on-net share	90%	83%	84%
Average Voice on-net share	68%	37%	50%

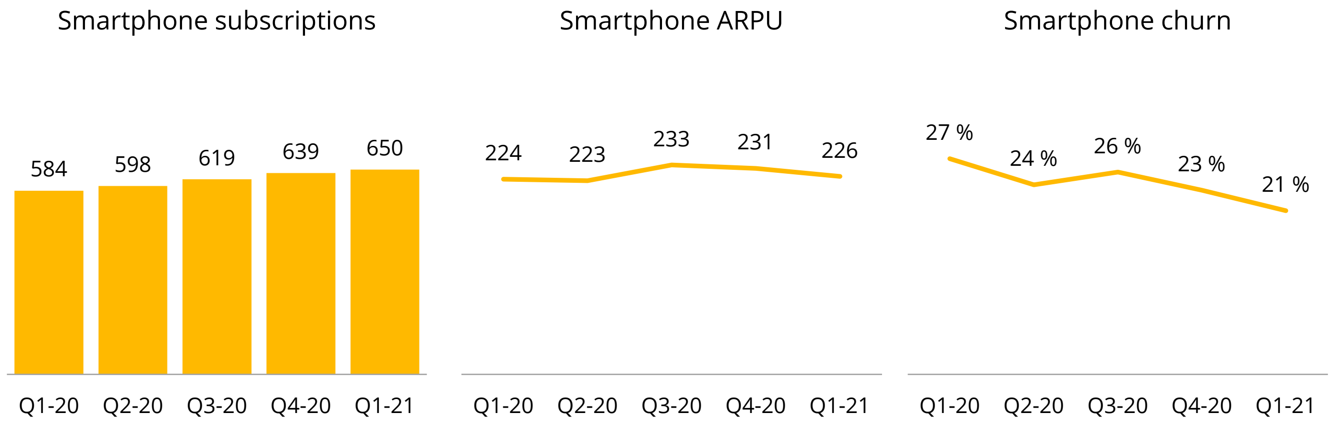








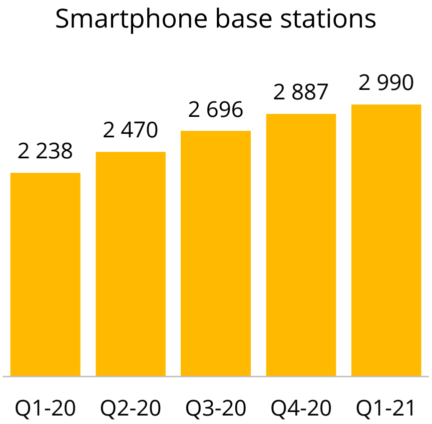
Operational development

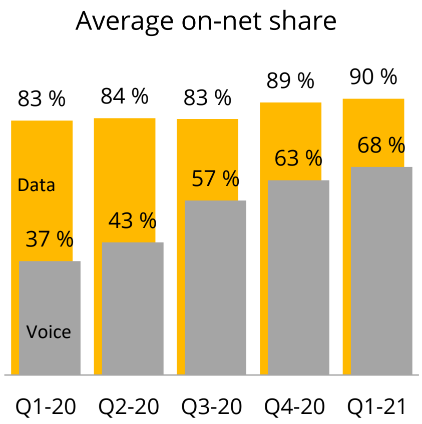


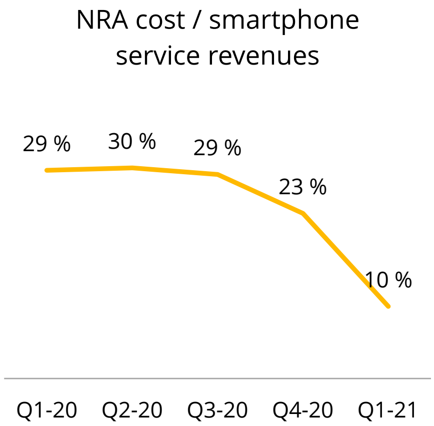
Total smartphone subscribers at the end of the first quarter 2021 was 650,000, an increase of 11,000 during the quarter. Sale of subscriptions has been negatively affected by the temporary closure of retail stores because of the Covid-19 outbreak. New subscriptions are at the same level as the first quarter last year, which was also affected by the closure of retail shops because of Covid-19.

Smartphone ARPU for the first quarter of 2021 was NOK 226, up from NOK 224 in the corresponding quarter last year but down from NOK 231 in the fourth quarter last year. Retail store sales generally represent higher ARPU compared to other sales channels. As such, the temporary closure Ice Group's retail stores has affected ARPU negatively in the first quarter 2021. Underlying subscription revenues were up approximately NOK 7 compared to the first quarter last year.

Smartphone churn ended at 21% for the first quarter of 2021, the lowest quarterly churn ever reported. This is down from 27% in the first quarter of 2020 and down from 23% in the previous quarter. Reducing churn further remain high on the company's agenda. Covid-19 related lockdowns are likely to have contributed towards somewhat lower customer mobility in the first quarter and this has had a positive effect on churn.







Total number of smartphone base stations at the end of the first quarter 2021 was 2,990, an increase of 103 during the quarter. This is at a good level given the challenges posed by the ongoing Covid-19 pandemic and on track with Ice Group's guidance of adding between 300 and 500 base stations in 2021.

On-net shares continue to develop positively as the population coverage improves. On-net share of data was 90% in the first quarter of 2021, up from 89% in the fourth quarter of 2020 and up from 83% in the first quarter last year. The data on-net share now peaks above 90%, showing the positive development in on-net share. On-net share of voice continued the very positive growth in the first quarter 2021, ending at 68% in the quarter. This is up from 63% in the previous quarter and up from 37% in the corresponding quarter last year. Increasing share of data and voice traffic in Ice Group's own network is a key enabler for improved profitability and quality of services.

National roaming costs as share of smartphone service revenues was 10% in the first quarter of 2021, a significant reduction from 23% in the fourth quarter of 2020, reflecting the lower cost level of the new NRA agreement that came into effect on 1 January 2021. National roaming costs as share of smartphone service revenues is expected to continue to decline as the network coverage improves.

Financial review

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

Turnover, expenses and profit

The service revenue for the first quarter of 2021 amounted to NOK 510 million (456), a y-o-y growth of 12%.

The cost for the National Roaming ("NRA") for the first quarter amounted to NOK 43 million compared with NOK 111 million, a y-o-y decrease of 61% after new NRA-agreement has been effective.

The operating expenses for the first quarter amounted to NOK 149 million compared with NOK 136 million. The operating result for the first quarter improved to NOK -58 million compared with NOK -117 million.

The net financial items for the first quarter ended at NOK -205 million compared with NOK -302 million.

Non-recurring and non-operational expenses identified during the first three months of 2021 amounted to net NOK 2 million (5), presenting an EBITDA adjusted y-o-y improvement from NOK 4 million to NOK 86 million for the year and a 15%-points margin improvement from 1% to 16% of revenues. Non-recurring items are mainly related to share-based compensation expenses.

Capitalised expenditure (CAPEX)

The Group's acquisition of non-current assets during the quarter amounted to NOK 129 million (147). The investments are mainly related to the smartphone network build-out project in Norway, both on existing and new sites as well as on core modernisation and IT.

The Group capitalises costs related to contracts with customers as other non-current assets in accordance with IFRS 15. These investments are presented within the working capital in the consolidated statement of cash flows and amounted to NOK 49 million (51) for the first quarter.

Cash flows

Cash flow from *operating activities* for the first three months of 2021 was NOK 14 million (45). The decrease is due to lower cash flows from working capital partly offset by the increase in EBITDA.

The period's cash flow from *investing activities* was NOK -129 million (-147).

Cash flow from *financing activities* was NOK 521 million (-132) for the quarter. Financing activities in 2021 holds the net proceeds from the NOK 1,400 million bond issue in March 2021 and the bond repayment of NOK 703 million. The Group paid NOK 52 million (59) in interest on borrowings in the quarter. NOK -89 million (-72) relates to lease liability payments for the quarter.

Financial position

The total assets of the Group were NOK 6,838 million (6,342) at the end of the period, of which total non-current assets were NOK 5,376 million (5,206). Total equity ended at -1,978 million (-1,409). The Group's cash position at the end of the period was NOK 1,183 million (958). The Group's borrowings were NOK 5,685 million (4,603) at the end of the period.

Covid-19 impact

Covid-19 continued to have a negative impact on the Group in the first quarter due to travel restrictions leading to a lack of international roaming revenues, estimated to be NOK 7 million compared to the first quarter of 2020.

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

Personnel and organisation

At the end of the period, the number of employees in the group amounted to 270 (250 FTEs) versus 229 for the equivalent period the previous year, an increase of 41 employees for the year. Including external resources, such as dedicated people with contract suppliers and subcontractors, the Group employed 392 (380) people.

Related party transactions

No transactions with related parties during the period.

Risks and uncertainties

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

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

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

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

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

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 our population coverage and share of on-net data and voice.

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.

Events after the closing of the period

On 12 April 2020, GoldenTree submitted a pleading to the court in the dispute described in note 8. GoldenTree admits that it received information about the disputed historic transactions when they took place, and agrees to refer the dispute to mediation in June 2021. Refer to note 9 for further information.

Legal disclaimer

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

CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORTS

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

		First Quarter		Full year
NOK millions	*Note*	**2021**	**2020**	**2020**
Service revenue	*4, 5*	510	456	1,910
Other operating revenue	*5*	42	35	184
Total operating revenue	*4, 5*	**552**	**491**	**2,094**
National roaming expenses		-43	-111	-441
Operating expenses		-149	-136	-576
Sales and administrative expenses		-207	-185	-816
Employee benefit expenses		-69	-61	-245
Depreciation, amortisation, impairment losses	7	-142	-116	-528
Total operating expenses		**-610**	**-608**	**-2,606**
Operating result		**-58**	**-117**	**-512**
Financial items – net	*6*	-205	-302	-464
Result before tax		**-263**	**-420**	**-976**
Income taxes		0	-0	2
Net result for the period		**-263**	**-420**	**-974**
Items that may be subsequently reclassified to profit loss:				
Translation differences on foreign operations		72	-103	-97
Other comprehensive income		**72**	**-103**	**-97**
Total comprehensive income for the period		**-191**	**-523**	**-1,071**
Net result for the period attributable to:				
Equity holders of the Parent Company		-263	-420	-974
Net result for the period		**-263**	**-420**	**-974**
Total comprehensive income attributable to:				
Equity holders of the Parent Company		-191	-523	-1,071
Total comprehensive income for the period		**-191**	**-523**	**-1,071**
Earnings per share (NOK)				
Basic earnings per share		-1,30	-2,08	-4.83
Diluted earnings per share		-1,30	-2,08	-4,83

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

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

NOK millions	*Note*	31 Mar 2021	31 Mar 2020	31 Dec 2020
ASSETS				
Intangible assets	*7*	1,980	2,036	1,984
Tangible assets	*7*	3,002	2,791	2,916
Other non-current assets		394	379	408
Total non-current assets		**5,376**	**5,206**	**5,307**
Inventory		7	13	6
Trade receivables		158	137	178
Other receivables		1	1	14
Prepaid expenses and accrued income		112	28	90
Cash and cash equivalents		1,183	958	779
Total current assets		**1,461**	**1,137**	**1,068**
TOTAL ASSETS		**6,838**	**6,342**	**6,375**
EQUITY AND LIABILITIES				
Equity attributable to the Parent Company shareholders	*2*	-1,978	-1,409	-1,793
TOTAL EQUITY		**-1,978**	**-1,409**	**-1,793**
Borrowings	*3*	5,685	4,603	5,004
Non-current lease liabilities	*7*	1,797	1,941	1,769
Other non-current liabilities		306	303	306
Total non-current liabilities		**7,787**	**6,848**	**7,079**
Trade payables		138	259	283
Current lease liabilities	*7*	265	87	176
Other liabilities		29	20	24
Accrued expenses and deferred income		597	537	606
Total current liabilities		**1,028**	**903**	**1,089**
TOTAL LIABILITIES		**8,816**	**7,752**	**8,168**
TOTAL EQUITY AND LIABILITIES		**6,838**	**6,342**	**6,375**

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

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to the shareholders of the Parent Company				
NOK millions	Share capital	Other contributed capital	Reserves	Retained earnings	**Total Equity**
Opening balance 1 January 2020	**182**	**11,412**	**-34**	**-12,449**	**-889**
Net result for the period	-	-	-	-420	-420
Other comprehensive income for the period					
Translation differences on foreign operations	-	-	-103	-	103
Total comprehensive income for the period	-	-	**-103**	**-420**	**-523**
Capital contribution from share-based payments	-	-	-	3	3
Total transactions with owners, recognised directly in equity	**-**	**-**	**-**	**3**	**3**
Closing balance 31 March 2020	**182**	**11,412**	**-137**	**-12,866**	**-1,409**
Net result for the period	-	-	-	-555	-555
Other comprehensive income for the period					
Translation differences on foreign operations	-	-	6	-	6
Total comprehensive income for the period	-	-	**6**	**-555**	**-548**
Capital contribution from share-based payments	-	-	-	14	14
New share issue	-	3	-	-	3
Convertible bond issue	-	144	-	4	148
Total transactions with owners, recognised directly in equity	**-**	**147**	**-**	**18**	**165**
Closing balance 31 December 2020	**182**	**11,559**	**-131**	**-13,403**	**-1,793**
Net result for the period	-	-	-	-263	-263
Other comprehensive income for the period					
Translation differences on foreign operations	-	-	72	-	72
Total comprehensive income for the period	-	-	**72**	**-263**	**-191**
Capital contribution from share-based payments	-	-	-	2	2
New share issue	-	-	-	-	-
Convertible bond	-	-	-	3	3
Total transactions with owners, recognised directly in equity	**-**	**-**	**-**	**6**	**6**
Closing balance 31 March 2021	**182**	**11,559**	**-59**	**-13,660**	**-1,978**

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

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	First Quarter		Full year
NOK millions	**2021**	**2020**	**2020**
Result before tax	-263	-420	-976
Interest expenses related to leases	39	37	143
Paid interest expense	52	59	202
Depreciation & amortisation of non-current assets	110	87	409
Depreciation & amortisation of right-of-use assets	32	29	119
Depreciation & amortisation of contracts with customers	63	55	257
Net interest expense	68	36	190
Adjustments for other non-cash items	18	162	-63
Change in inventory	-1	-3	3
Change in current receivables	12	48	51
Change in current liabilities	-66	8	9
Change in contracts with customers	-49	-51	-282
Cash flows from operating activities	**14**	**45**	**61**
Investments in intangible assets	-11	-16	-125
Investments in tangible assets	-118	-131	-540
Net cash flows from other financial assets	-0	0	2
Cash flows from investing activities	**-129**	**-147**	**-664**
Financing from equity holders	-	-	147
Borrowings	1,365	-	545
Repayments	-703	0	-57
Payments related to lease liabilities	-89	-72	-239
Interest paid, borrowings	-52	-59	-203
Cash flows from financing activities	**521**	**-132**	**193**
Cash flow for the period	**405**	**-234**	**-411**
Cash and cash equivalents Beginning of Period	779	1,183	1,183
Exchange rate difference in cash and cash equivalents	-1	9	7
Cash and cash equivalents End of Period	**1,183**	**958**	**779**

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

NOTES TO THE FINANCIAL REPORT

General information

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

Note 1 – Accounting principles

Basis of preparation

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

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

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

Summary of new accounting policies

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

Note 2 – Equity and going concern

As of 31 March 2021, the consolidated equity is negative by NOK 1,978 million.

With the deferment of spectrum charges from 2021/2022 until 2025, new national roaming agreement effective from January 2021 and 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, this report is prepared under the assumption of going concern.

Note 3 – Borrowings

NOK millions	31 Mar 2021	31 Mar 2020	31 Dec 2020
Senior unsecured bonds	1,407	1,395	1,406
Senior secured callable bonds	2,057	1,388	1,392
Convertible bonds	578	-	543
Goldentree loan (USD)	1,113	1,240	1,111
Rasmussengruppen loan (SEK)	511	502	535
TeliaSonera seller's credit	-	57	-
Long-term payable with Access Industries (USD)	17	21	17
Total borrowings	**5,685**	**4,603**	**5,004**

Currency in millions	Currency	31 Mar 2021	31 Mar 2020	31 Dec 2020
Goldentree loan	USD	135	122	135
Rasmussengruppen loan	SEK	524	482	513
Long-term payable with Access Industries	USD	2	2	2

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

In Q1 2021, Ice Group, through Ice Group Scandinavia Holdings AS, issued a new senior secured bond (ISIN NO0010939788) of NOK 1,400 million with maturity in March 2025. The new senior secured bond is issued at an interest rate of 3 months NIBOR, plus a margin of 4.0% per annum. The bond is to be listed at Oslo Stock Exchange within 6 months of issuance. In March 2021, NOK 703 million of the net proceeds from the offering was used to redeem a portion of the Group's existing NOK 1,400 million senior secured bond (ISIN NO0010807092). In April 2021, the current outstanding amount of NOK 697 million will be redeemed.

Note 4 - Segment information

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

2021 First quarter *NOK millions*	Smartphone service revenue	MBB service revenue	Other operating revenue	Total revenue	EBITDA adjusted	CAPEX
Norway	426	83	42	552	95	178
Other	0	0	0	-0	-10	-
Total	**426**	**83**	**42**	**552**	**86**	**178**

2020 First quarter *NOK millions*	Smartphone service revenue	MBB service revenue	Other operating revenue	Total revenue	EBITDA adjusted	CAPEX
Norway	378	75	35	488	10	198
Other	0	3	0	3	-6	-
Total	**378**	**78**	**35**	**491**	**4**	**198**

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

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

Note 5 – Disaggregation of revenue

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

Disaggregation of revenue from contracts with customers

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

2021 First quarter	**Service revenue**		**Other revenue**		
NOK millions	Norway	Other	Norway	Other	**Total**
Revenue from external customers	510	-	42	-0	**552**
Timing of revenue recognition:					
At a point in time	104	-	42	-0	**146**
Over time	406	-	-	-	**406**

2020 First quarter	**Service revenue**		**Other revenue**		
NOK millions	Norway	Other	Norway	Other	**Total**
Revenue from external customers	453	3	35	0	**491**
Timing of revenue recognition:					
At a point in time	95	0	35	0	**130**
Over time	358	3	-	-	**361**

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

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

Assets and liabilities related to contracts with customers

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

NOK millions	**31 Mar 2021**	**31 Mar 2020**	**31 Dec 2020**
Trade receivables	158	137	178
Contract assets included in Prepaid expenses and accrued income	38	47	40
Contract liabilities included in Accrued expenses and deferred income	42	42	41

Revenue recognised in relations to contract liabilities

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

	First quarter		**Full year**
NOK millions	**2021**	**2020**	**2020**
Revenue from contract liabilities	32	31	42

Assets recognised from costs to fulfil a contract

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

NOK millions	31 Mar 2021	31 Mar 2020	31 Dec 2020
Costs to fulfil a contract at the beginning of the period	387	362	362
Costs capitalised during the period	49	51	282
Amortisation during the period	-63	-55	-257
Costs to fulfil a contract at the end of the period	**373**	**358**	**387**

Note 6 – Financial items

	First quarter		Full year
NOK millions	2021	2020	2020
Interest income	0	1	1
Currency gains, net	-	-	97
Financial income	**0**	**1**	**98**
Interest expense	-126	-101	-416
Interest expenses related to leases	-39	-37	-143
Currency losses, net	-40	-166	-
Other financial expenses	0	-0	-3
Financial expenses	**-205**	**-303**	**-562**
Net financial items	**-205**	**-302**	**-464**

Paid interest expense for the period was NOK 52 million (59).

Note 7 – Leases

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

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

Items recognised in the balance sheet

NOK millions	31 Mar 2021	31 Mar 2020	31 Dec 2020
Right-of-use assets			
Licenses	1,578	1,632	1,565
Property	62	66	59
Technical equipment	1,003	1,118	977
Equipment and tools	0	1	0
Other tangible assets	1	1	1
Total	**2,643**	**2,818**	**2,602**
Lease liabilities			
Current	265	87	176
Non-current	1,797	1,941	1,769
Total	**2,061**	**2,028**	**1,945**

Items recognised in the statement of comprehensive income

NOK millions	31 Mar 2021	31 Mar 2020	31 Dec 2020
Depreciation charge of right-of-use asset			
Licenses	-23	-23	-91
Property	-2	-2	-9
Technical equipment	-20	-17	-73
Equipment and tools	-0	-0	-0
Other tangible assets	-0	-0	-1
Total	**-46**	**-43**	**-174**
Interest expense (included in financial expenses)	-39	-37	-143

Total cash outflow related to leases in the first quarter of 2021 amounted to NOK 89 million (72).

Note 8 – Legal disputes

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

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 9 – Events after the closing of the period

On 12 April 2021, GoldenTree submitted a pleading to the court in the dispute described in note 8. In the pleading, GoldenTree admits that it received information about the disputed historic financing transactions when they took place - despite not raising any objections until August 2020 - which AINMT Holdings AB already had invoked as a key defense against the claim. In the same pleading, GoldenTree agrees to refer the dispute to mediation, which will take place in June 2021. In the pleading GoldenTree has further expanded its claim to include 6 additional alleged breaches (connected to Ice Group Scandinavia Holdings AS' refinancing of its NOK 1,400 million senior secured bond), based on the same legal arguments as for the original claim. Ice Group believes the expanded claim is meritless, and will continue to vigorously defend against the entire claim.

ALTERNATIVE PERFORMANCE MEASURES AND DEFINITIONS

Alternative Performance Measures

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

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

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

EBITDA adjusted

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

	First quarter		Full year
NOK millions	**2021**	**2020**	**2020**
Operating result	**-58**	**-117**	**-512**
Depreciation & amortisation	142	116	528
EBITDA	**83**	**-1**	**16**
Network upgrades & migrations	0	2	6
Other non-recurring items incl. redundancy costs	-0	0	3
Share-based compensation expense	2	3	16
EBITDA adjusted	**86**	**4**	**41**

CAPEX

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

NOK millions	First quarter 2021	2020	Full year 2020
Investments in intangible assets	11	16	125
Investments in tangible assets	118	131	540
Change contracts with customers	49	51	282
CAPEX	**178**	**198**	**948**
Change in contracts with customers	-49	-51	-282
CAPEX excluding contracts with customers	**129**	**147**	**666**
CAPEX	**178**	**198**	**948**
Licences and spectrum	-	-	-2
CAPEX excluding licences and spectrum	**178**	**198**	**946**
Change in contracts with customers	-49	51	-282
CAPEX excluding licences, spectrum and contracts with customers	**129**	**147**	**664**

NIBD

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

NOK millions	31 Mar 2021	31 Mar 2020	31 Dec 2020
Total borrowings	5,685	4,603	5,004
Adjusted for:			
Capitalised loan costs	86	76	60
Long-term payable with Access Industries	-17	-21	-17
Gross Interest-bearing Debt	**5,754**	**4,657**	**5,047**
Cash and cash equivalents	-1,183	-958	-779
Net Interest-bearing Debt	**4,571**	**3,699**	**4,268**

The Group issued a new senior secured bond in first quarter of 2021 of NOK 1,400 million of which NOK 703 million was used to redeem the existing NOK 1,400 million (ISIN NO0010807092) senior secured bond. Accrued interests have been capitalised.

CONSOLIDATED KEY RATIOS

NOK millions	First quarter 2021	First quarter 2020	Full year 2020
Profit			
EBITDA adjusted	86	4	41
Operating result	-58	-117	-512
Key ratios – increase			
Service revenue growth in %	12%	22%	13%
Service revenue growth in absolute numbers	54	81	223
Key ratios - financial position			
Cash liquidity %	142%	126%	98%
Total assets	6,838	6,342	6,375
Equity	-1,978	-1,409	-1,793
Gross interest-bearing debt	5,754	4,657	5,047
Net interest-bearing debt	4,571	3,699	4,268

DEFINITIONS

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

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