



First quarter 2021 results

6 May 2021

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First quarter 2021 highlights and main developments

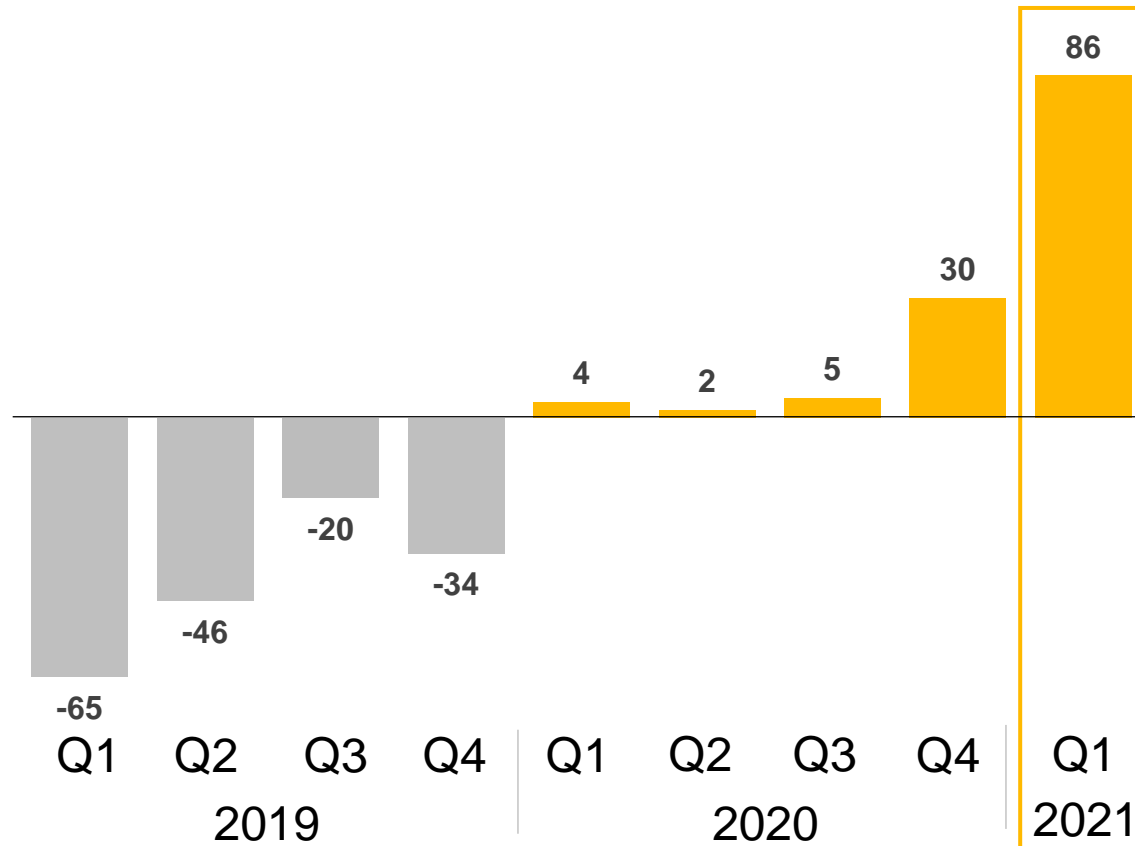
- **Improved cost position** and growing customer base gives momentum to earnings growth
- All time high adjusted **EBITDA of NOK 86 million**
- Adjusted **EBITDA-margin of 16%**, in line with guidance
- **Smartphone service revenues** at NOK 426 million, **up 13%** from Q1 2020
- Total revenues of NOK 552 million, equivalent to **y-o-y growth of 12%**
- 650k smartphone subscriptions at end of Q1, **up 11k in Q1**
- **Churn at 21%** (annualized), record low level
- Successful refinancing of NOK 1.4 billion bond at **improved terms**

NOK 86 million in adj. EBITDA in Q1 2021

- a NOK 82 million improvement from Q1 2020

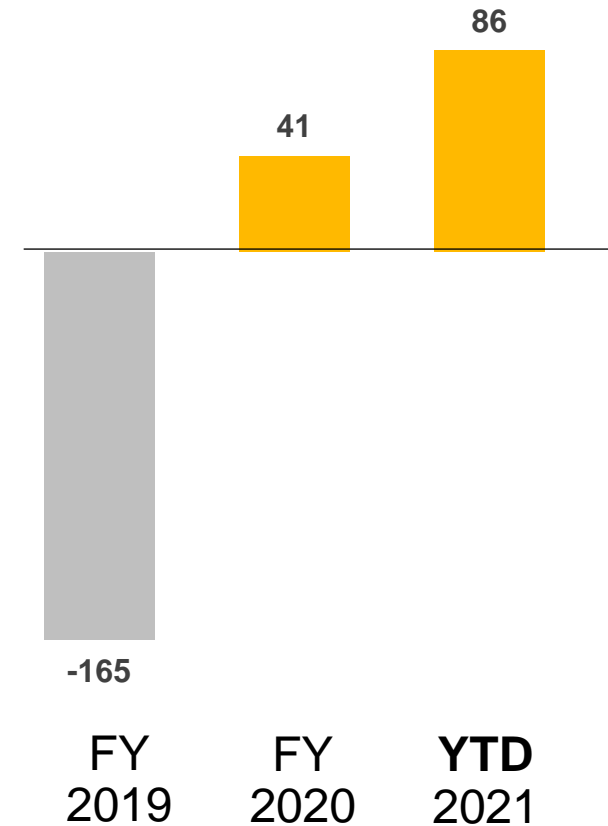
Adjusted EBITDA

NOK millions per quarter



Adjusted EBITDA

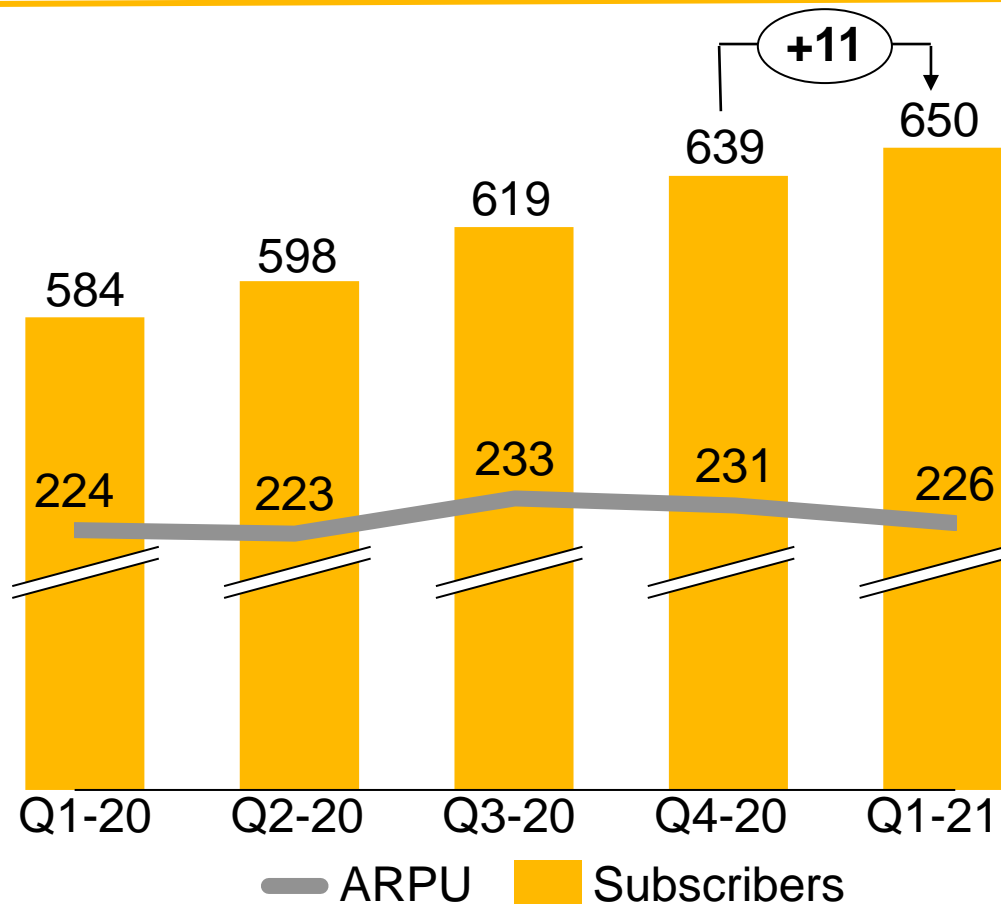
NOK millions per year



Continued growth in smartphone subscribers

Smartphone subscribers & ARPU

1,000 subscribers end of period / Average monthly ARPU in NOK



- Churn (annualized) at record low 21% in Q1
- +NOK 2 in ARPU vs Q1 2020 – strong underlying subscription growth ARPU
- Subscription sales and ARPU negatively affected by temporarily closure of retail stores
- Maintains market leading win rate in B2C segment

Strong focus on customers and employees is paying off



Winner of best customer care award (mobile)

- Third win in mobile category
- Ice has also won broadband category several times

New “Annual-plan”-subscription

- Introduced in February
- 12-month lock-in with discounted prices
- flexibility to change subscription during the period



4th place in Great Place to Work 2021

- Up from 7th position last year
- Top-10 four years in a row

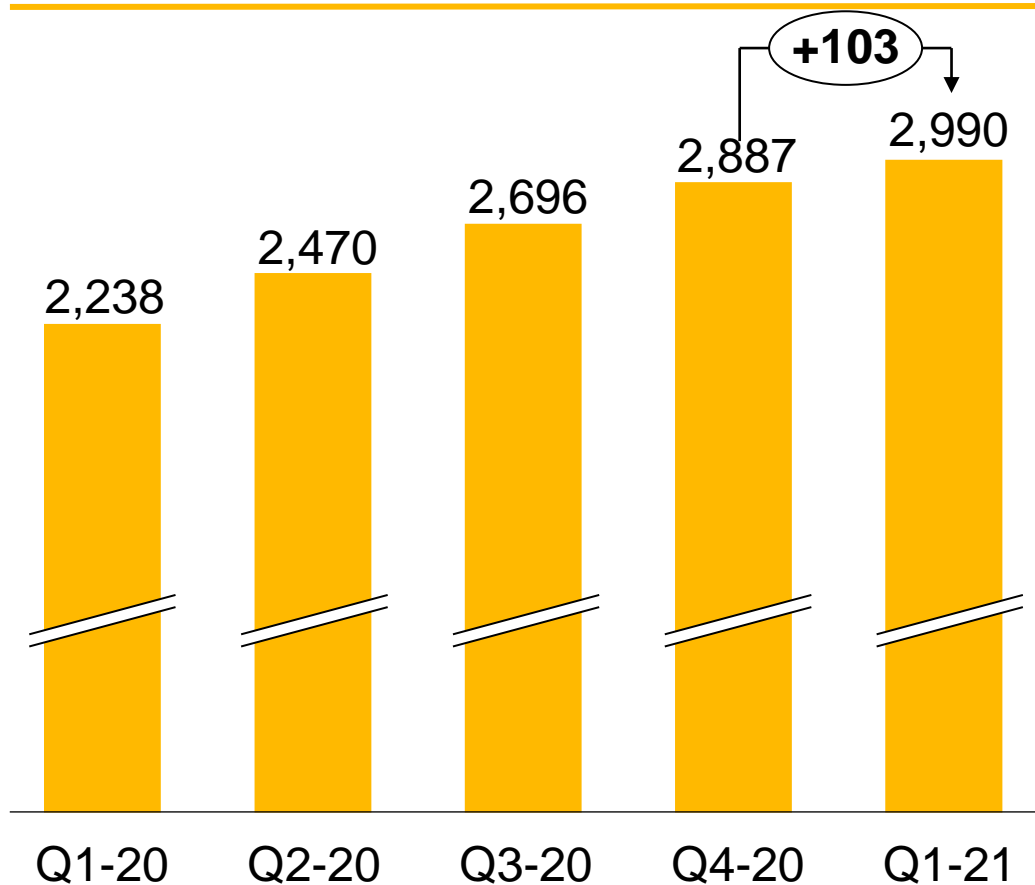
4th Ice-owned store opened on 29 April

- The new Ice store at Ski Storsenter, south east of Oslo



We continue to build base stations – giving us higher population coverage and improved network quality

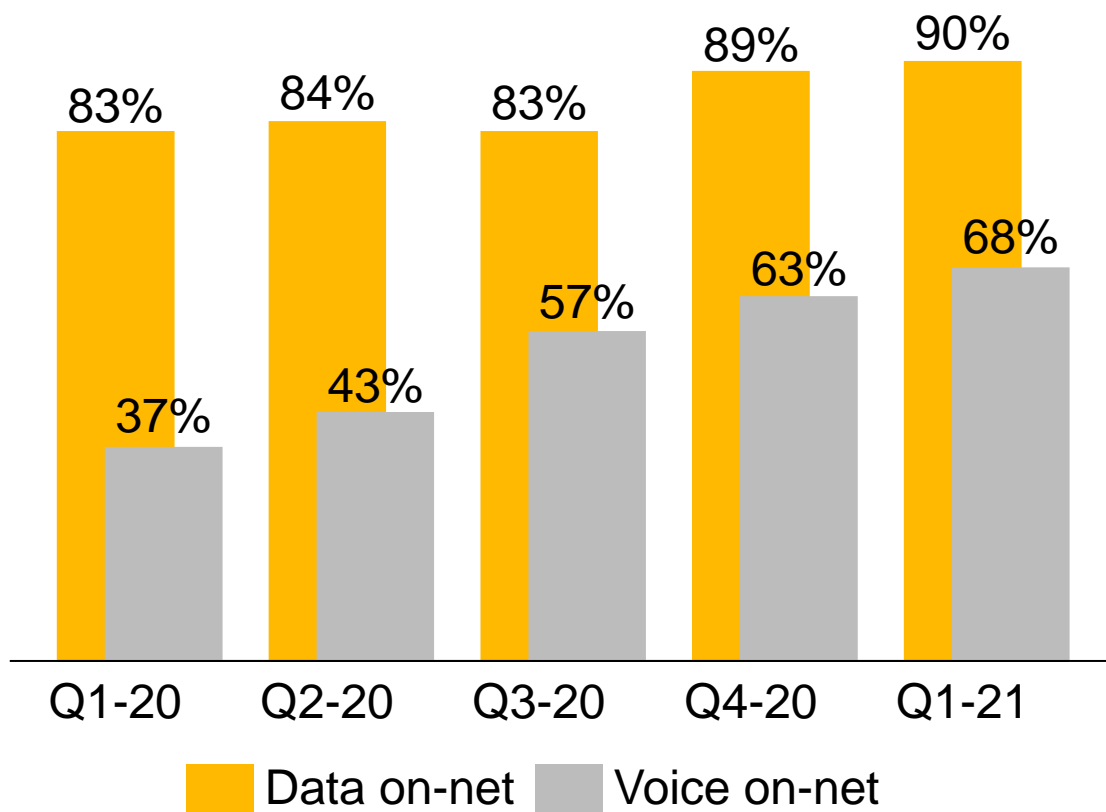
Operational smartphone sites



- 103 new base stations added in Q1 2021
- Build out pace in line with guiding of 300-500 new base stations in 2021
- Nokia 5G-ready equipment

Increased coverage gives higher on-net share and lowers the roaming costs

Average on-net share



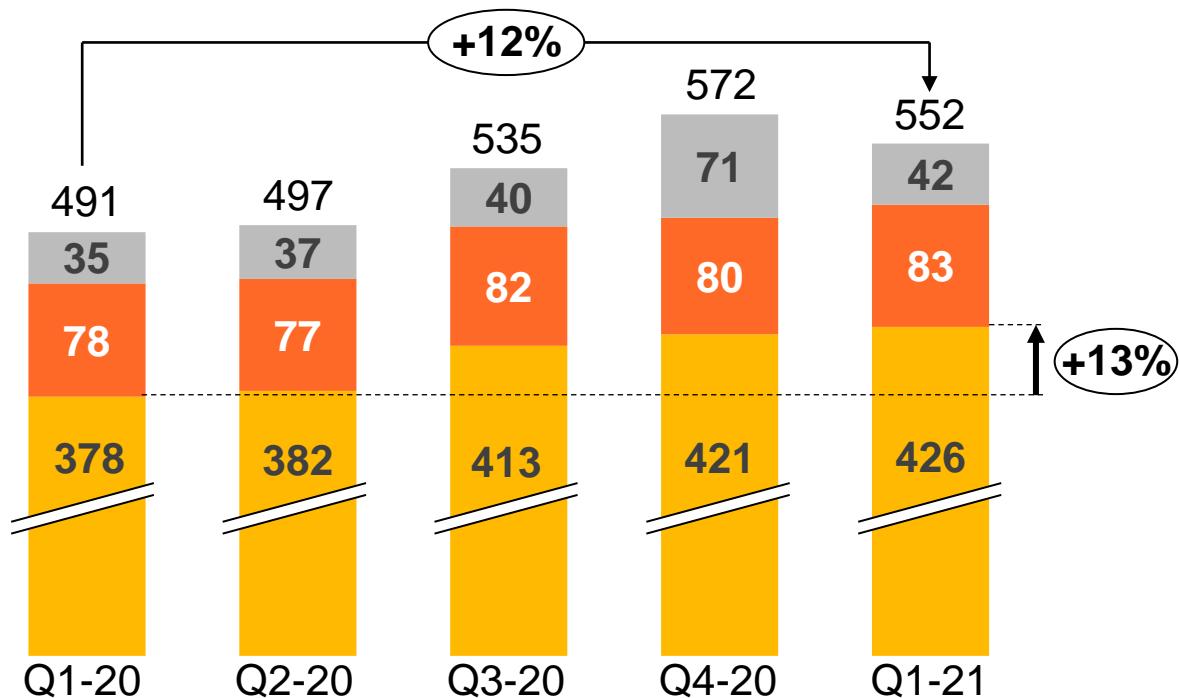
- Voice on-net:
 - Improving user experience
- Data on-net:
 - Increased coverage gives higher on-net share
 - Peak days above 92% on-net share

Finance

EBITDA result and margin continue to improve

Operating revenues

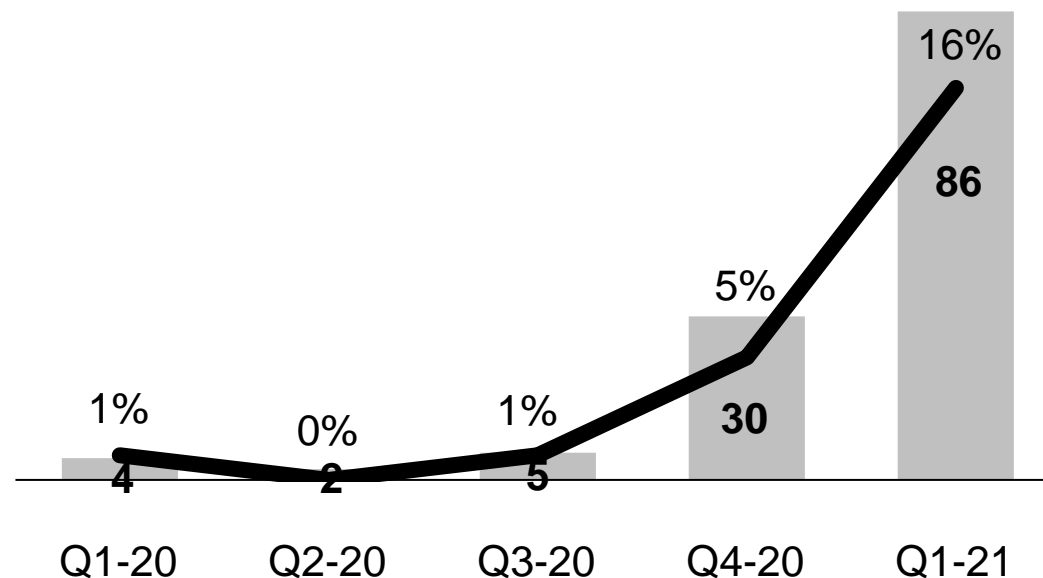
NOK millions



- Other revenues
- MBB service revenues
- Smartphone service revenues

Adj EBITDA and adj EBITDA margin

NOK millions / %

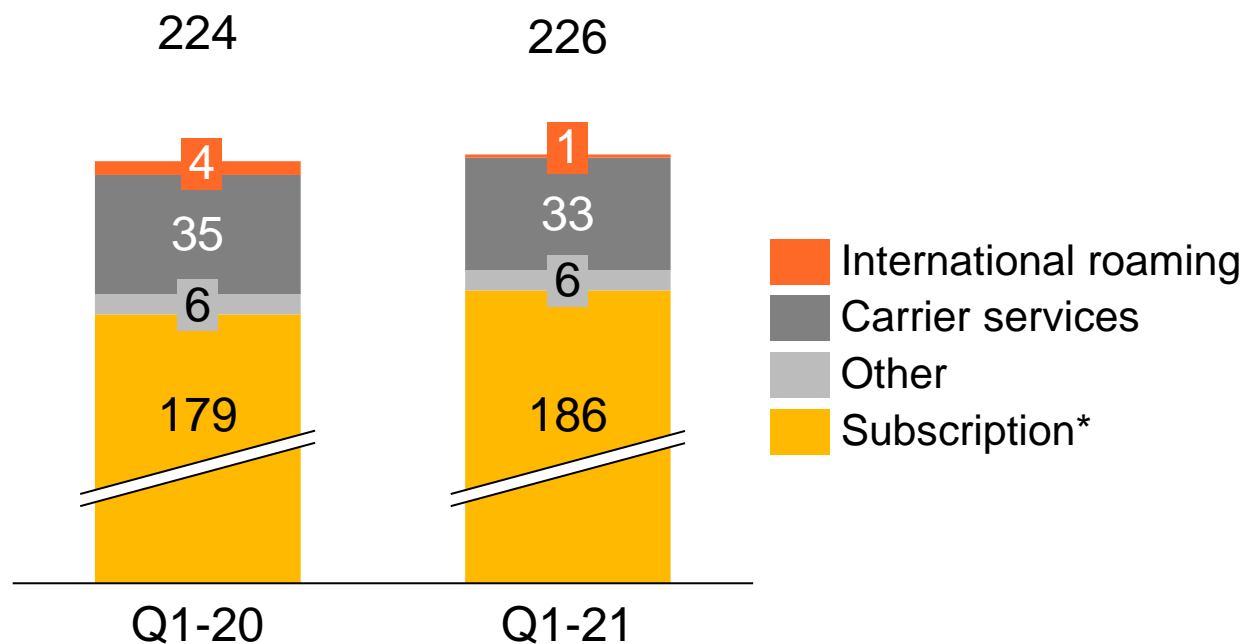


- Adj EBITDA
- Adj EBITDA margin

Positive underlying ARPU development

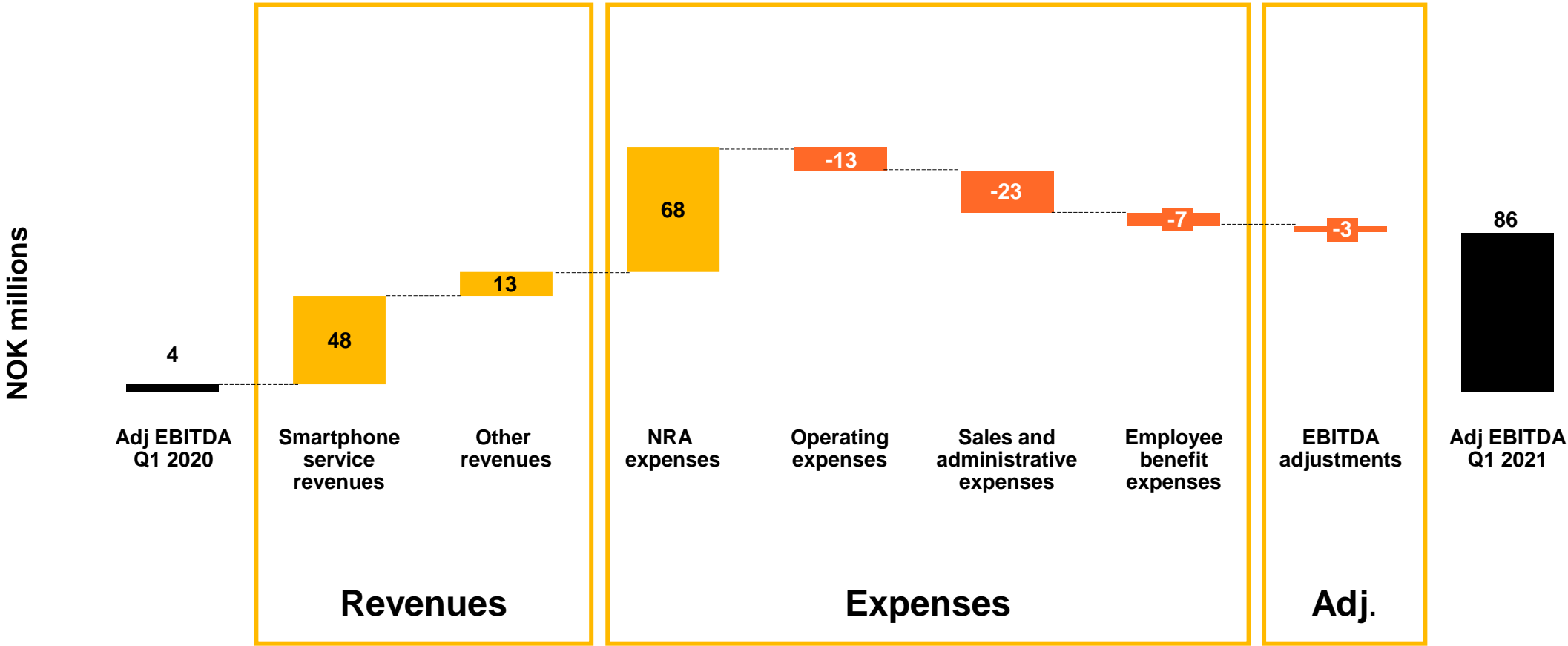
Smartphone ARPU detailed

Average monthly revenue per subscription (NOK)



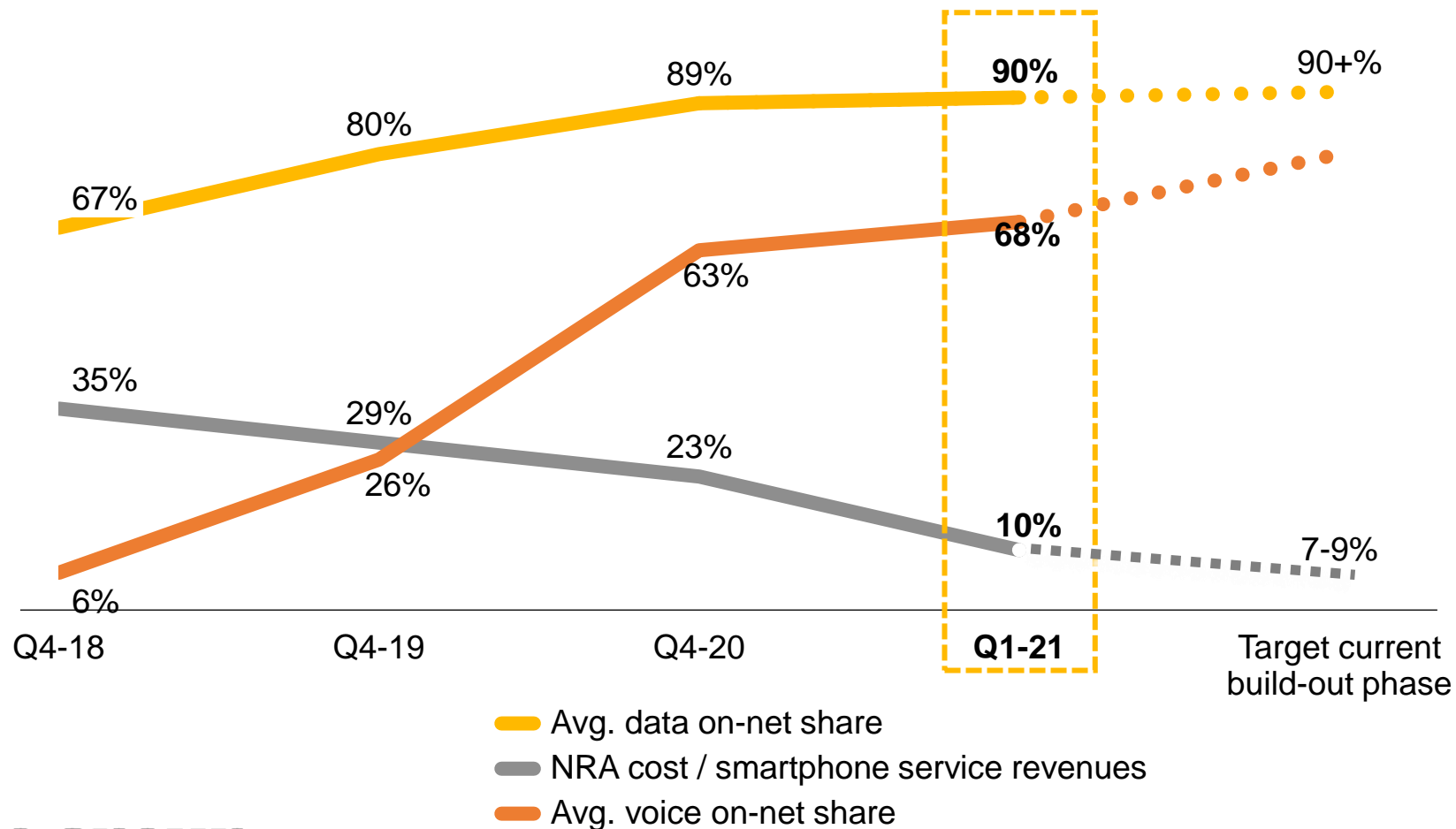
- Subscription ARPU up NOK 7 versus Q1 previous year
- Decline in international roaming due to Covid-19 travel restrictions impacts ARPU negatively
- Carrier services have regulated prices and zero margin

Adj. EBITDA development – Q1 2020 vs Q1 2021



Step-down in NRA cost from 1 January 2021 with new roaming agreement

On-net data share and network rental cost as % of revenues



- Network build-out enabling shift from variable to fixed cost base
- Continuously decreasing network rent cost as on-net share increases
- Step-down in NRA cost from 1 January 2021 with new Telia roaming agreement

Income statement

<i>NOK millions</i>	First Quarter		Full year
	2021	2020	2020
Service revenue	510	456	1,910
Other operating revenue	42	35	184
Total operating revenue	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	-142	-116	-528
Total operating expenses	-610	-608	-2,606
Operating result	-58	-117	-512
Financial items – net	-205	-302	-464
Result before tax	-263	-420	-976
Income taxes	0	-0	2
Net result for the period	-263	-420	-974
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	-263	-420	-974
Basic earnings per share	-1,30	-2,08	-4.83
Adjusted EBITDA	86	4	41

The net financial items include interest expenses of NOK 126 million, interest expenses related to leases of NOK 39 million, and net currency loss of NOK 40 million.

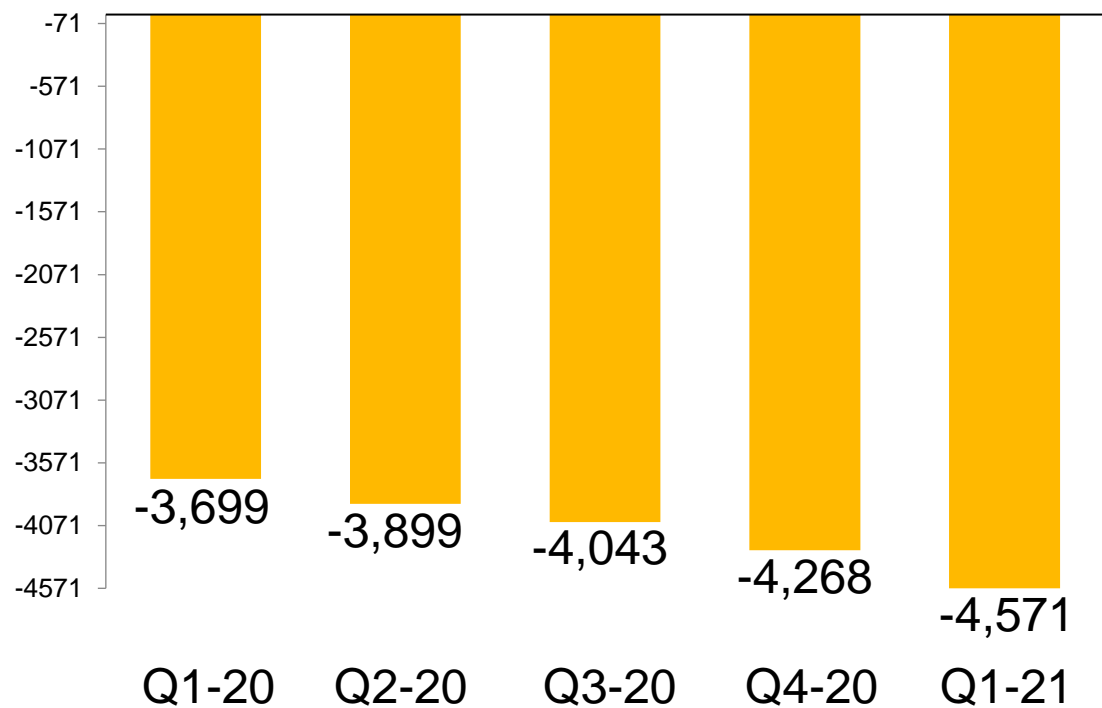
Cash flow

<i>NOK millions</i>	First Quarter		Full year
	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

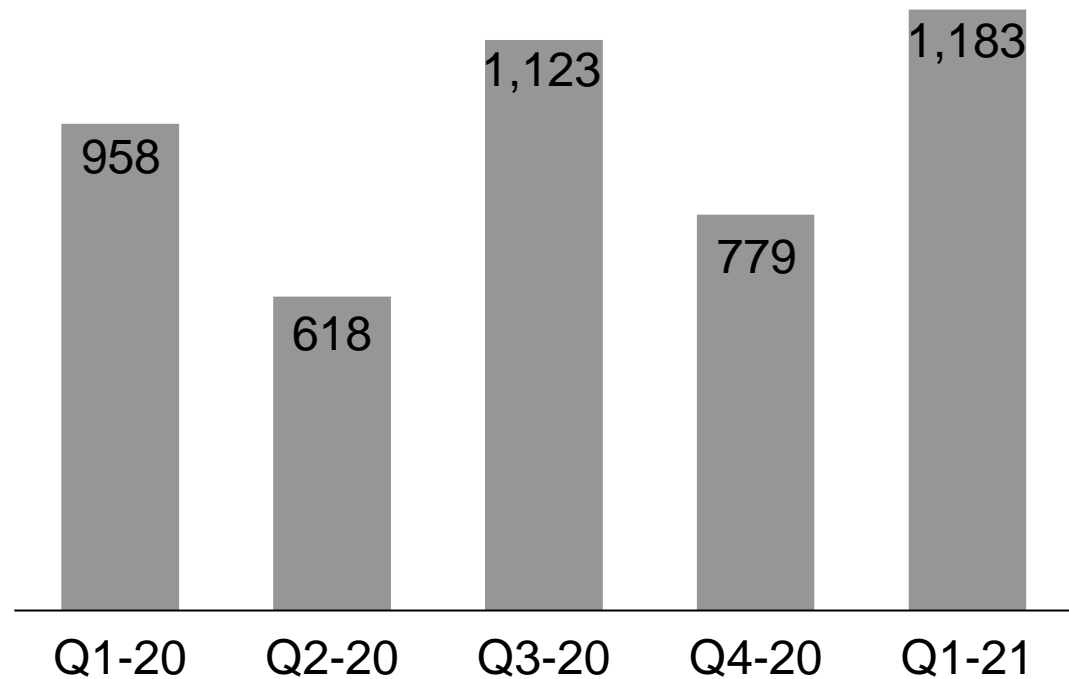
New NOK 1.4 billion bond issue. Repayment of NOK 703 million is related to the partial buy-back of the former NOK 1.4 million senior secured bond prior to full redemption, which took place in April.

Net interest bearing debt and cash position

Net interest bearing debt (NOK millions)

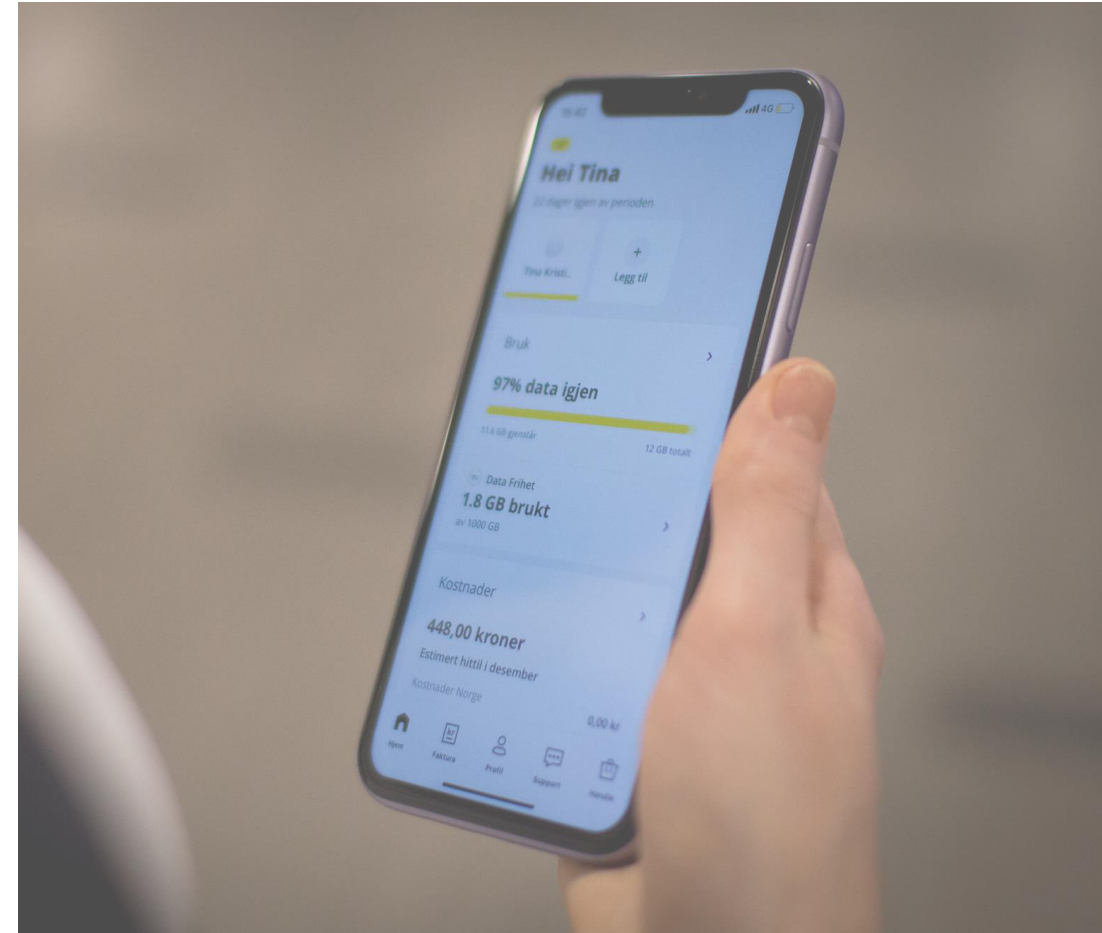


Cash and cash equivalents (NOK millions)



Successful refinancing of NOK 1.4 bn senior secured bond

- New senior secured bond issue of NOK 1,400 million with maturity in March 2025
- New senior secured bond 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 previous NOK 1.4 bn bond.
- Senior secured bond IGSH02 (ISIN NO0010807092) now fully redeemed



Guidance & outlook

Smartphone network build-out:

2021: **300-500** new smartphone base stations

CAPEX/sales:

(CAPEX excl. contracts with customers)

2021: **20-25%**

National Roaming Cost (NRA):

2021: NOK **~200** million

EBITDA (adj) margin:

2021: **15-20%**

Summary

Fourth quarter highlights and main developments

**Continued
positive
operational
development
despite Covid-
19 impact**

**EBITDA (adj)
of NOK 86
million in Q1
2021**

**Successful
refinancing of
NOK 1,400
million bond**

Q & A

Appendix

Our path to medium-term and long-term value creation

- **Subscriber share¹**
- **ARPU^{1,2}**
- **Adj. EBITDA margin³**
- **Capex / sales**

Medium term targets:

>20%

~NOK300

mid 30s %

~10%

Long term targets:

>25%

+2.5% p.a.

mid 40s %

~10%

Balance sheet

<i>NOK millions</i>	31 Mar 2021	31 Mar 2020	31 Dec 2020
ASSETS			
Intangible assets	1,980	2,036	1,984
Tangible assets	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

<i>NOK millions</i>	31 Mar 2021	31 Mar 2020	31 Dec 2020
EQUITY AND LIABILITIES			
Equity attributable to the Parent Company shareholders	-1,978	-1,409	-1,793
TOTAL EQUITY	-1,978	-1,409	-1,793
Borrowings	5,685	4,603	5,004
Non-current lease liabilities	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	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

Key KPIs

NORWAY	2020				2021
	Q1	Q2	Q3	Q4	Q1
No. of active subscriptions (in thousands)	668	683	701	718	726
- smart phone	584	598	619	639	650
- consumer	545	558	578	598	608
- business	39	40	41	41	42
- MBB (excl. M2M/IoT)	85	84	82	78	76
Smartphone ARPU	224	223	233	231	226
Number of Smartphone base stations in service EoP	2 238	2 470	2 696	2 887	2 990
Smartphone avg. Data on-net share %	83 %	84 %	83 %	89 %	90 %
Voice on-net share %	37 %	43 %	57 %	63 %	68 %
Smartphone churn, annualized %	27 %	24 %	26 %	23 %	21 %

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