



Second quarter 2021 results

17 August 2021

CEO Eivind Helgaker and interim CFO Per Heyeraas



Disclaimer

By reading this company presentation (the “Presentation”), or attending any meeting or oral presentation held in relation thereto, you (the “Recipient”) agree to be bound by the following terms, conditions and limitations.

The Presentation has been produced by Ice Group ASA (the “Company”) for information purposes only and does not in itself constitute, and should not be construed as, an offer to sell or a solicitation of an offer to buy any securities of the Company in any jurisdiction. The distribution of this Presentation may be restricted by law in certain jurisdictions, and the Recipient should inform itself about, and observe, any such restriction. Any failure to comply with such restrictions may constitute a violation of the laws of any such jurisdiction.

The Recipient acknowledge that it will be solely responsible for its own assessment of the Company, the market and the market position of the Company and that it will conduct its own analysis and be solely responsible for forming its own view of the potential future performance of the Company’s business. The Company shall not have any liability whatsoever (in negligence or otherwise) arising directly or indirectly from the use of this Presentation or its contents, including but not limited to any liability for errors, inaccuracies, omissions or misleading statements in this Presentation, or violation of distribution restrictions.

An investment in the Company involves significant risk, and several factors could adversely affect the business, legal or financial position of the Company or the value of its securities. For a description of relevant risk factors we refer to the Company’s annual report for 2020 and the prospectus dated 16 May 2019, available on the Company’s website www.icegroup.com. Should one or more of these or other risks and uncertainties materialize, actual results may vary significantly from those described in this Presentation. An investment in the Company is suitable only for investors who understand the risk factors associated with this type of investment and who can afford a loss of all or part of their investment.

This Presentation contains certain forward-looking statements relating to inter alia the business, financial performance and results of the Company and the industry in which it operates. Any forward-looking statements contained in this Presentation, including assumptions, opinions and views of the Company or cited from third party sources, are solely opinions and forecasts and are subject to risks, uncertainties and other factors that may cause actual results and events to be materially different from those expected or implied by the forward-looking statements. The Company cannot provide any assurance that the assumptions underlying such forward-looking statements are free from errors nor do any of them accept any responsibility for the future accuracy of opinions expressed in this Presentation or the actual occurrence of forecasted developments.

This Presentation speaks as at the date set out on herein. Neither the delivery of this Presentation nor any further discussions of the Company shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since such date. The Company does not assume any obligation to update or revise the Presentation or disclose any changes or revisions to the information contained in the Presentation (including in relation to forward-looking statements).

This Presentation is subject to Norwegian law, and any dispute arising in respect of this Presentation is subject to the exclusive jurisdiction of Norwegian courts.

Second quarter 2021 highlights and main developments

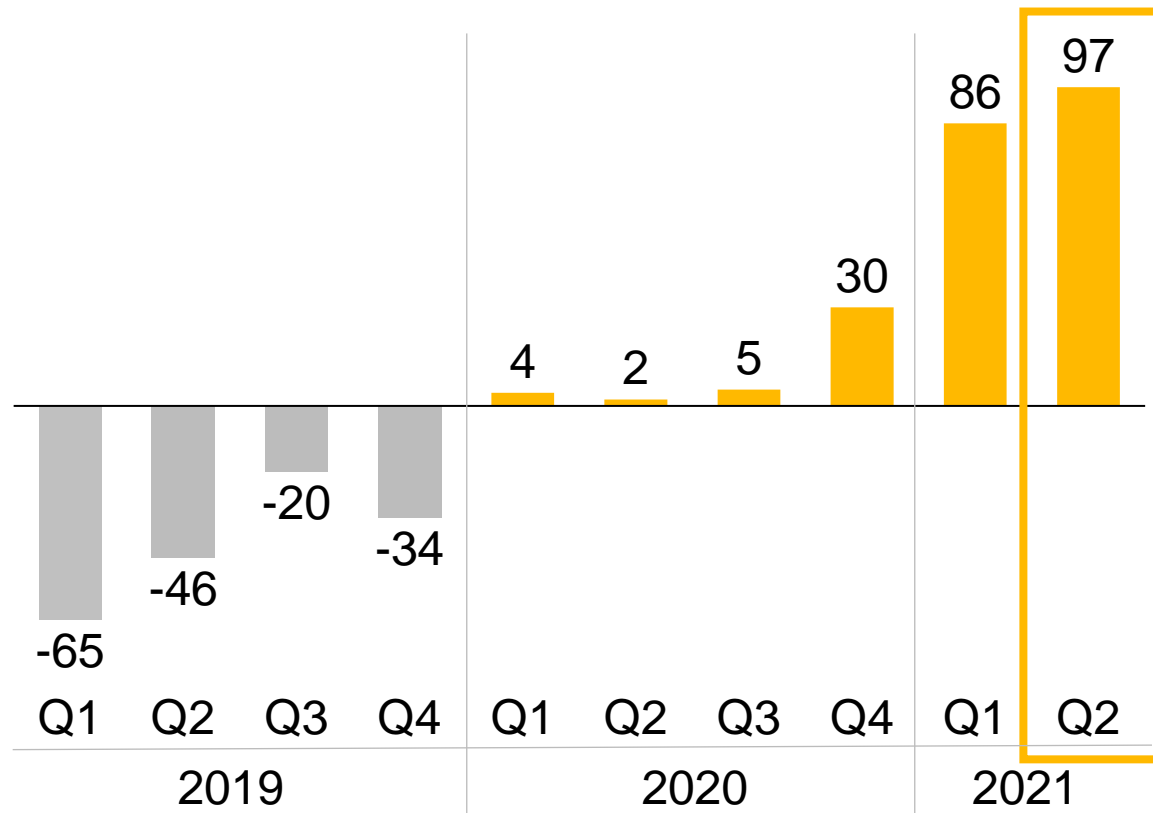
- All time high adjusted **EBITDA of NOK 97 million**
- Adjusted **EBITDA-margin of 17%**, in line with guidance
- **Smartphone service revenues** at NOK 434 million, **up 14%** from Q2 2020
- Total revenues of NOK 562 million, equivalent to **y-o-y growth of 13%**
- 663k smartphone subscriptions at end of Q2, **up 13k in Q2**
- **Churn at 20%** (annualized), record low level
- First **value added products** launched

NOK 97 million in adj. EBITDA in Q2 2021

- a NOK 95 million improvement from Q2 2020

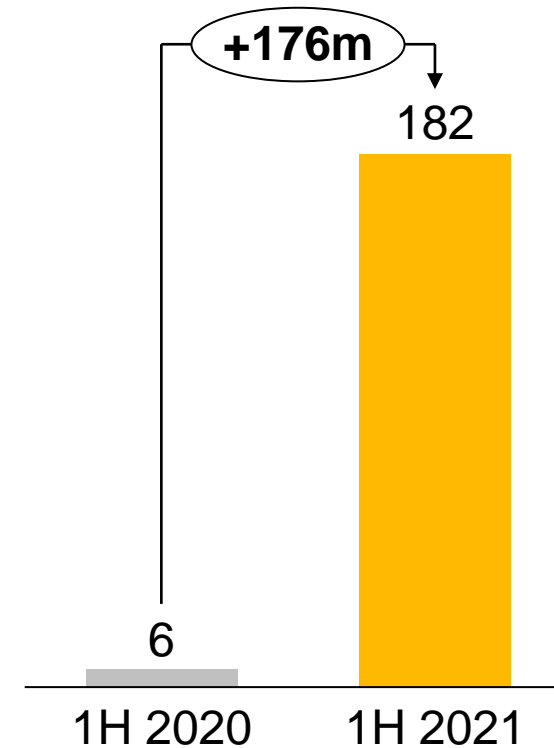
Adjusted EBITDA

NOK millions per quarter



Adjusted EBITDA

NOK millions, first six months



First value added products launched

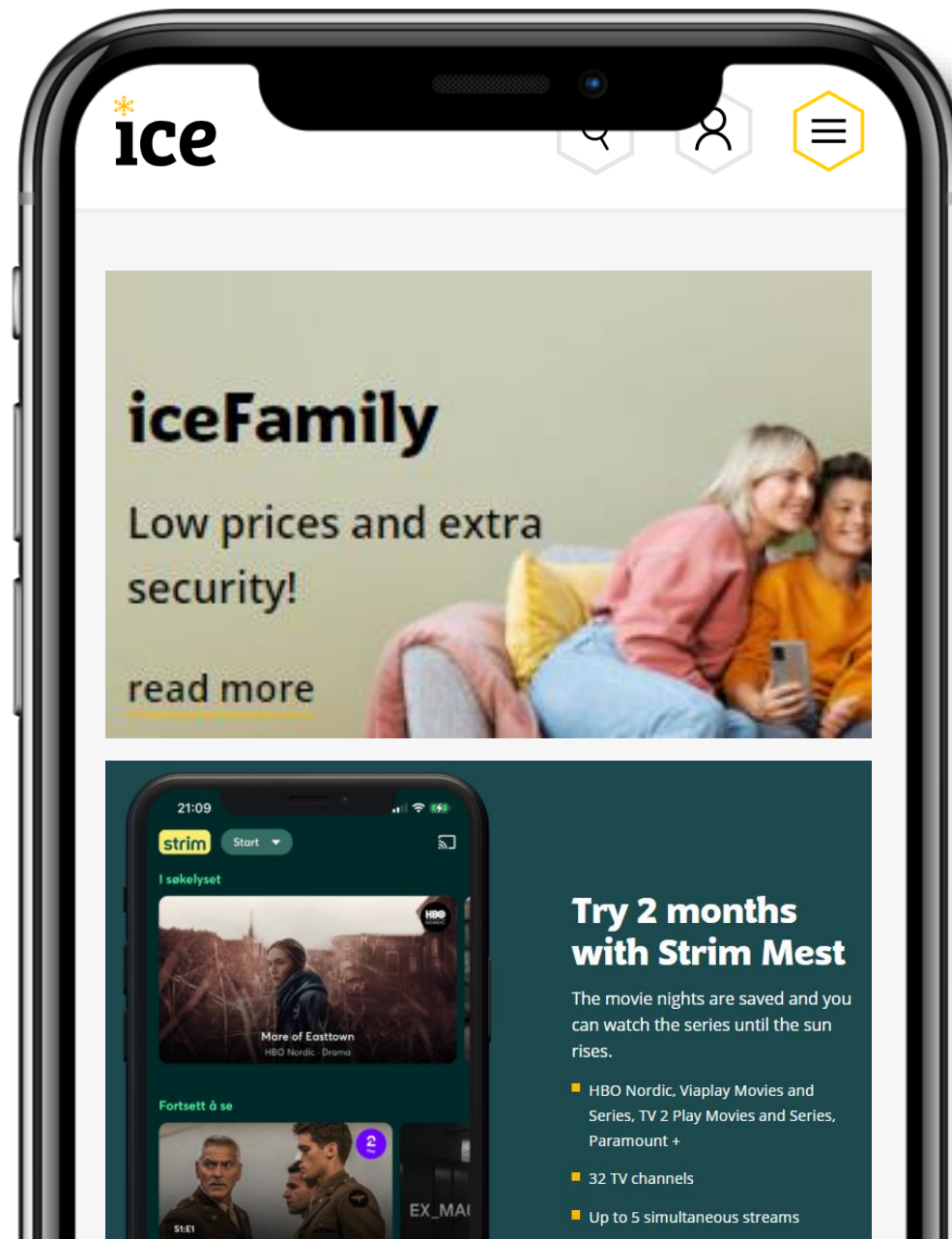
iceFamily

- A family package with included insurance for ID theft, online abuse and safe online shopping
- Of the customers that qualify for iceFamily, more than 60% have gone through iceFamily onboarding in the app
- Insurance package product will be made available for non-family customers for a fee this fall
- ice is the only provider of “Trygg netthandel” (“Safe online shopping), which is a legal aid insurance from our partner HELP where our customers get help to claim their customer rights related to physical products bought online

Streaming Summer

- Summer campaign together with streaming service Strim, offering free streaming and Data Freedom throughout the summer
- Of all summer campaign sales from ice.no, more than 20% has signed up for the Strim offer.

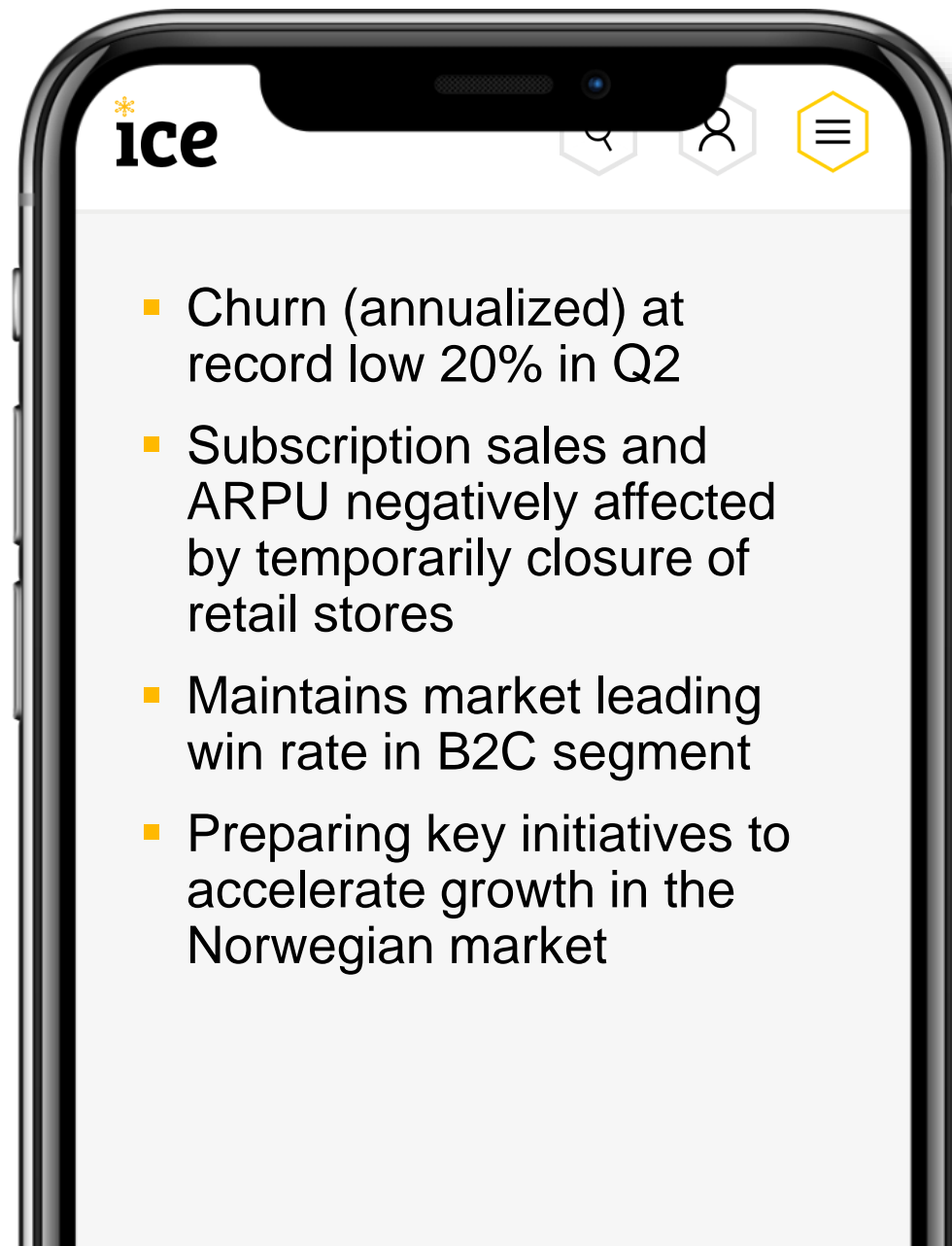
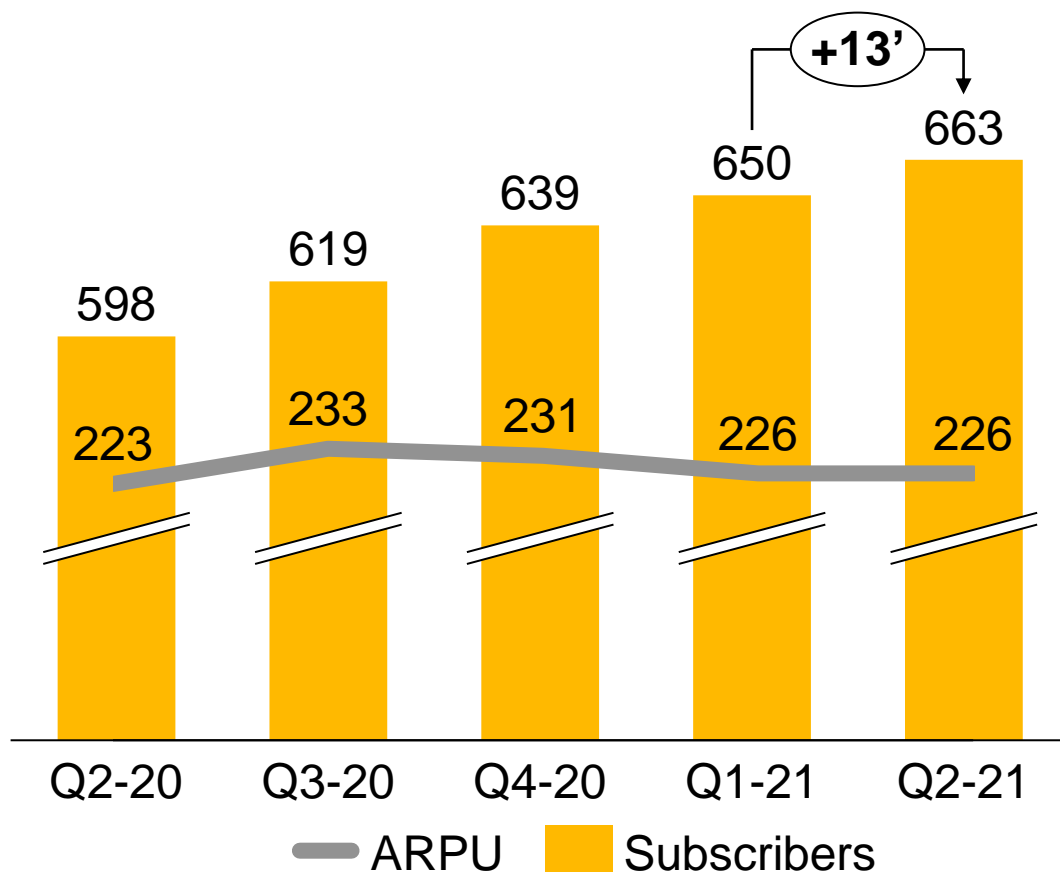
 ice group



Continued growth in smartphone subscribers

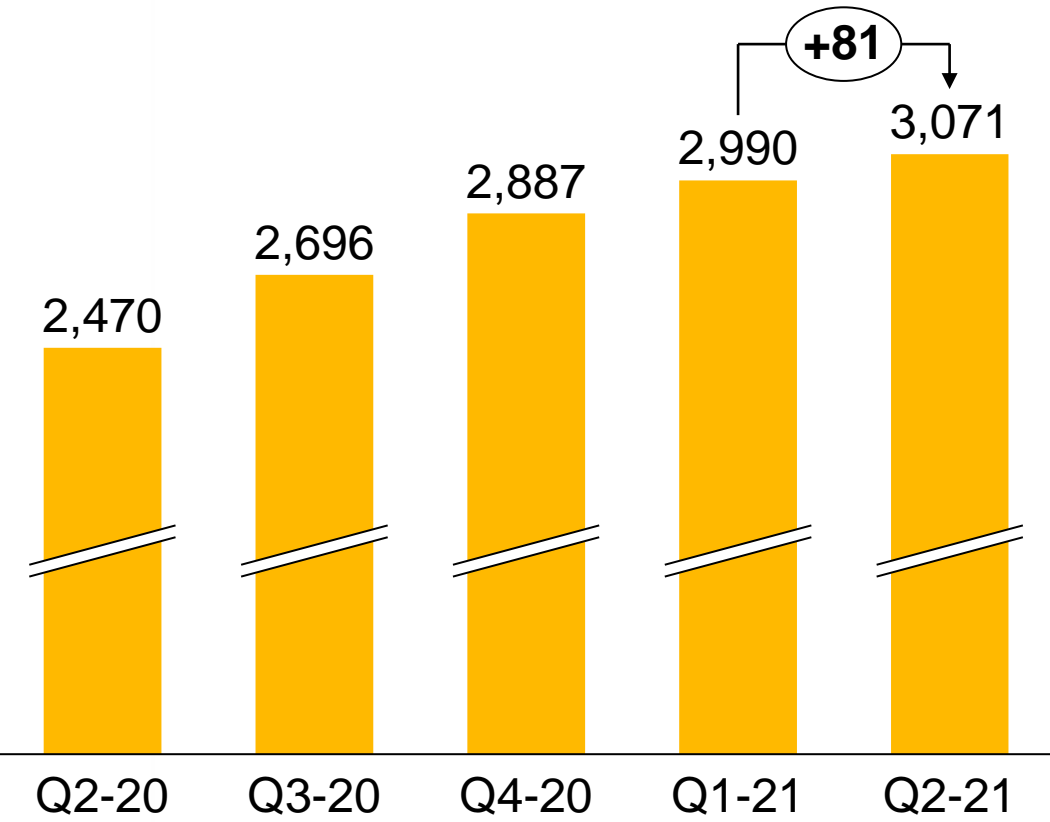
Smartphone subscribers & ARPU

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



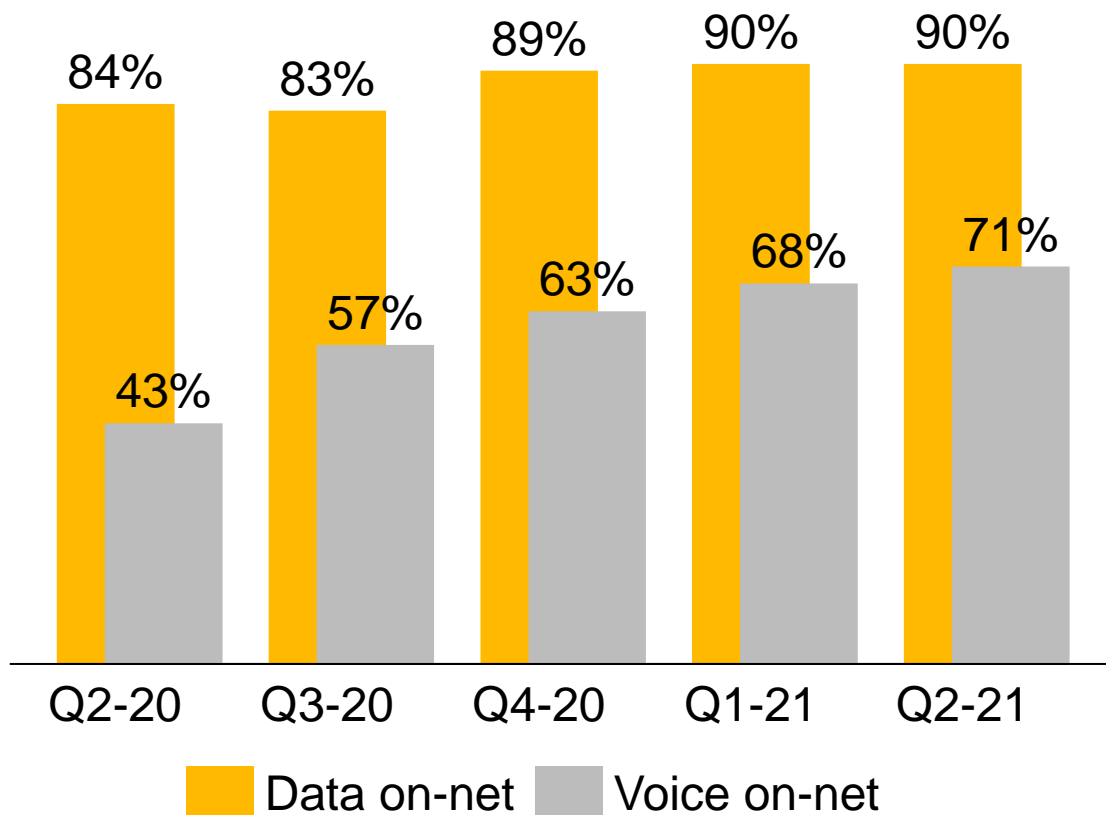
We continue to build base stations – in line with guiding for 2021

Operational smartphone sites



High quality network with increasing population coverage

Average on-net share



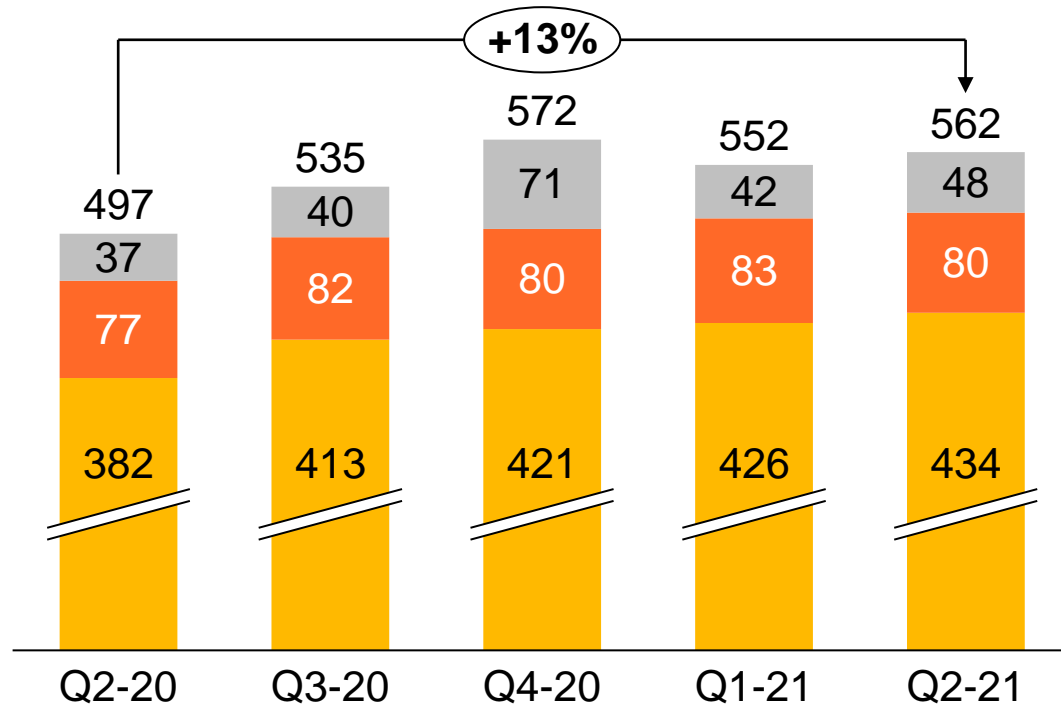
- High quality network
 - Top score among Nokia networks in Europe
 - #1 on up-time in Tutela 2020 report
- On-net share:
 - Increasing voice on-net is improving user experience
 - Data on-net share normally lower during summer due to travel
 - Peak days above 92% data on-net share

Finance

EBITDA margin of 17% in Q2 2021

Operating revenues

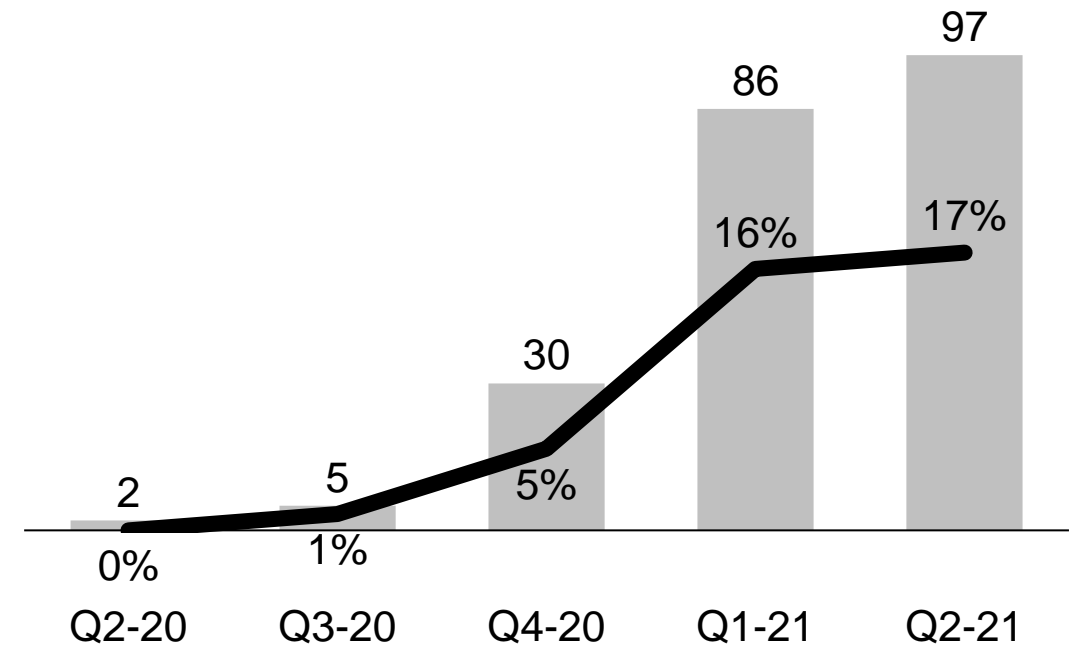
NOK millions



- Other revenues
- MBB service revenues
- Smartphone service revenues

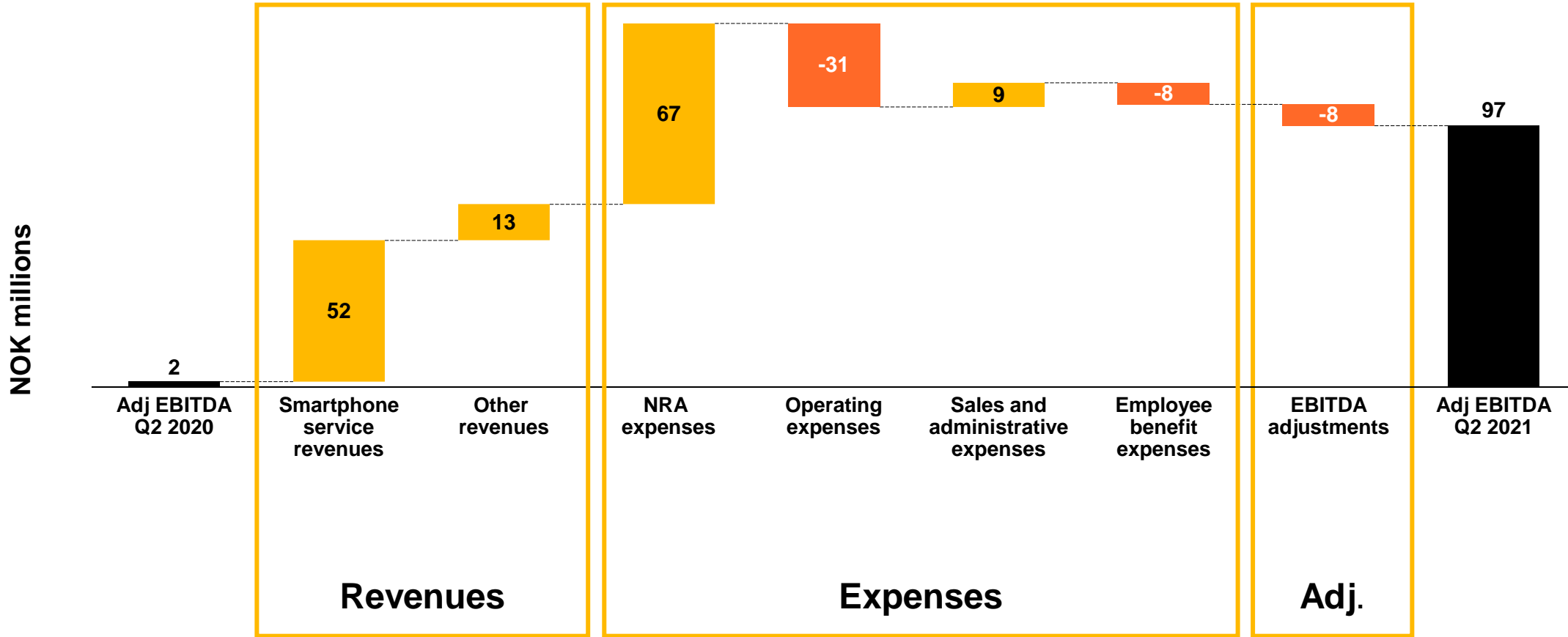
Adj EBITDA and adj EBITDA margin

NOK millions / %



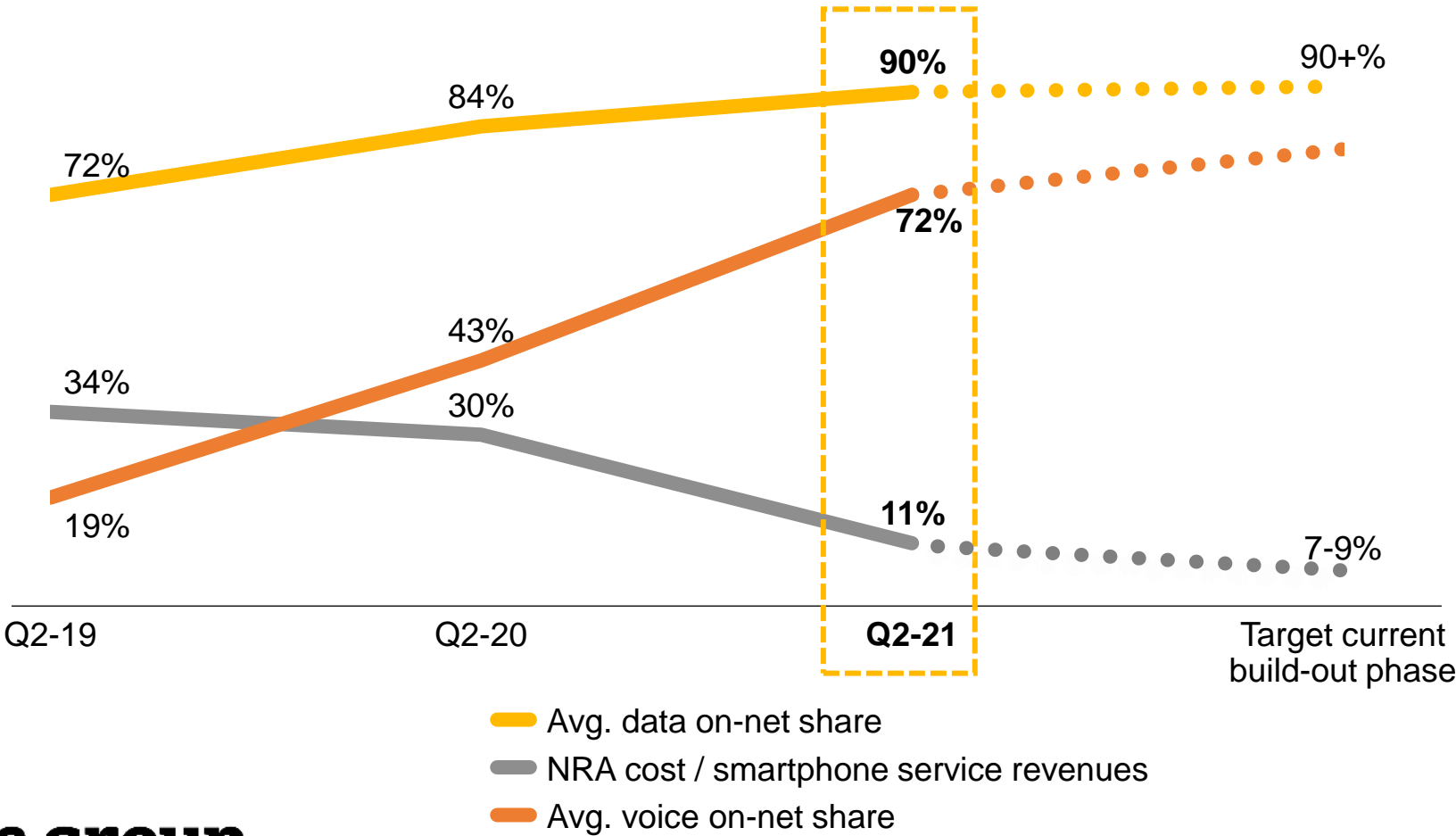
- Adj EBITDA
- Adj EBITDA margin

Adj. EBITDA development – Q2 2020 vs Q2 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

NOK millions	2020 Q2	2021 Q2
Service revenue total	460	514
Other operating revenue total	38	48
Total operating revenue	497	562
Operating expenses, NRA	(114)	(47)
Operating expenses, excl. NRA	(125)	(156)
Sales and administrative expenses	(220)	(211)
Employee benefit expenses	(46)	(54)
Depreciation, amortization and impairment losses	(128)	(144)
Total operating expenses	(633)	(612)
Operating result	(136)	(50)
Financial items - net	(44)	(144)
Share profit of joint ventures	-	-
Result before tax	(180)	(194)
Income taxes	(0)	0
Net result for the period	(181)	(194)
EBITDA adjusted	2	97

Q2 2020 includes a 96 mnok positive unrealized currency effect. Q2 2021 includes a 14 mnok positive unrealized currency effect

Cash flow

NOK millions	2020 Q2	2021 Q2
Result before tax	(180)	(194)
Payments related to lease interest	40	39
Paid interest expense	61	52
Depreciation & amortisation of non-current assets	81	98
Depreciation & amortisation of right-of-use assets	46	47
Depreciation & amortisation of contracts with customers	76	67
Net interest expense	31	57
Adjustments for other non-cash items	(77)	30
Change in inventory	2	(3)
Change in current receivables	(24)	4
Change in current liabilities	16	138
Change in contracts with customers	(73)	(53)
Cash flows from operating activities	0	281
Investments in intangible assets	(19)	(22)
Investments in tangible assets	(142)	(101)
Net cash flows from other financial assets	2	0
Cash flows from investing activities	(159)	(124)
Financing from shareholders	3	-
Borrowings	-	-
Repayments	(57)	(697)
Payments related to lease liabilities	(62)	(49)
Interest paid, borrowings	(61)	(52)
Cash flows from financing activities	(178)	(798)
Cash flows for the period	(337)	(641)
Cash and cash equivalents at the beginning of the period	958	1 183
Exchange rate differences in cash and cash equivalents	(3)	1
Cash and cash equivalents at the end of the period	618	542

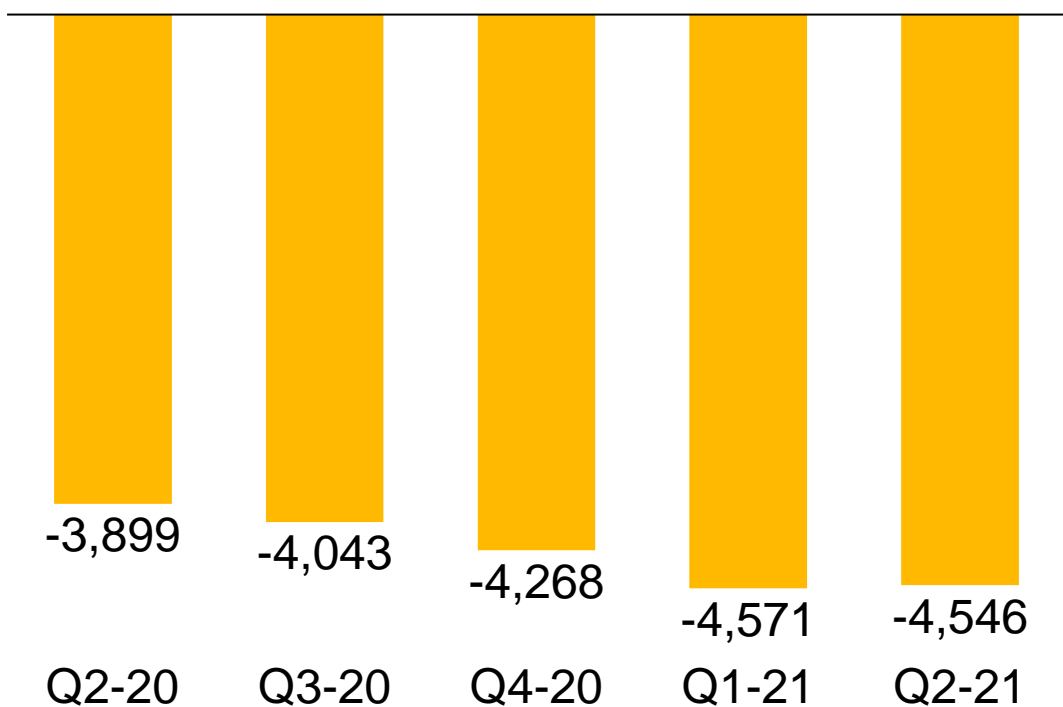
Mainly unrealized FX-effects

Increase in trade payables from Q1 to Q2, from low level in Q1 to more normalized level in Q2

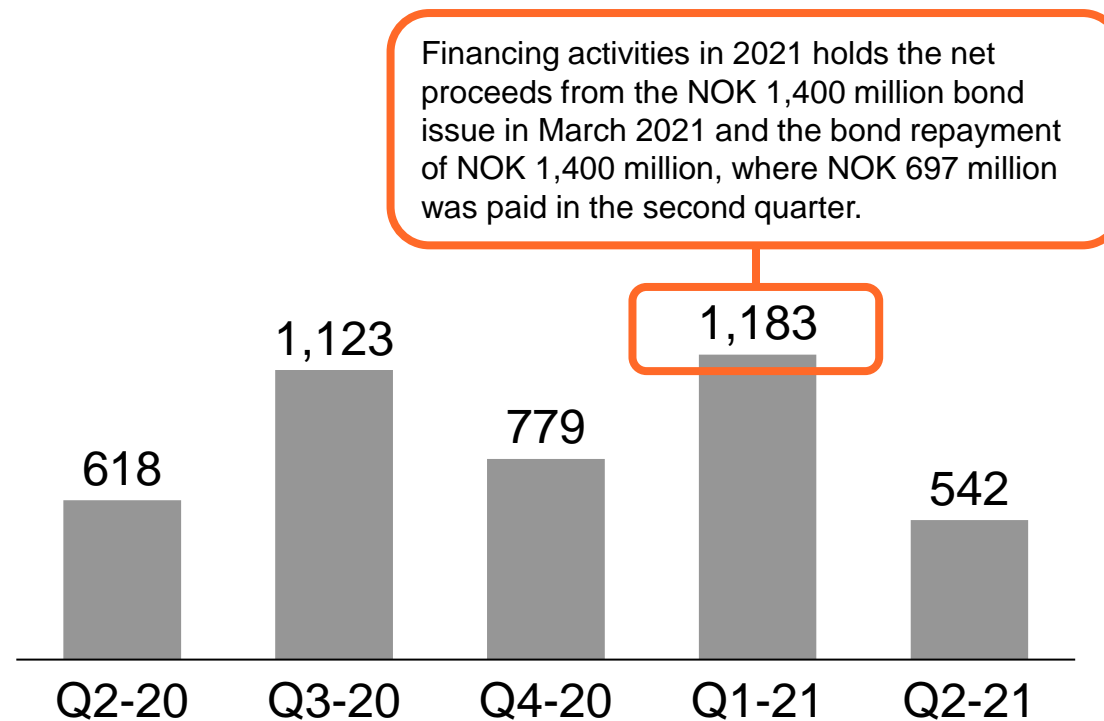
Bond repayment of NOK 1,400 million, where NOK 697 million was paid in the second quarter.

Net interest bearing debt and cash position

Net interest bearing debt (NOK millions)

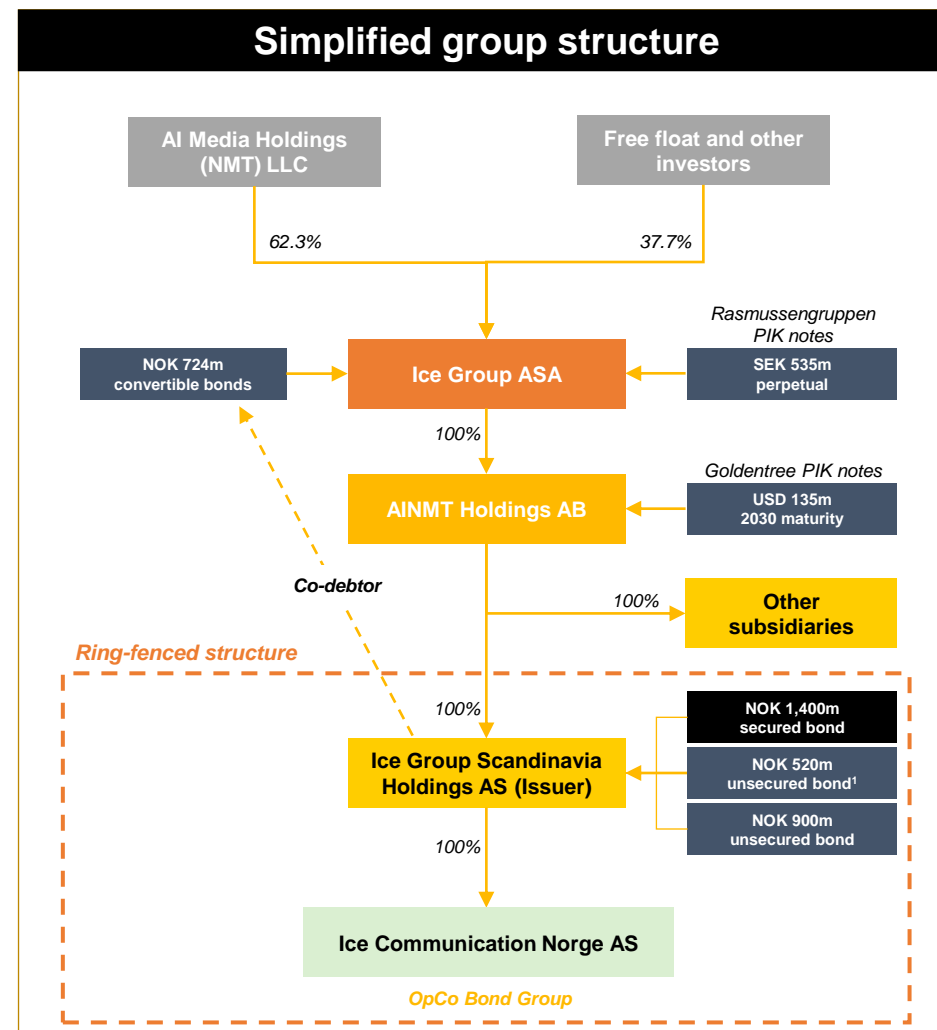


Cash and cash equivalents (NOK millions)



Opportunity to improve current debt structure

- The NOK 1.4 bn senior secured bond was successfully refinanced in February with maturity in March 2025. The new senior secured bond was issued at a margin of 4.0% down from a margin of 4.6% for the previous secured bond
- Ice is positioning itself to benefit from the continued strong bond market and is considering to refinance the senior unsecured bond maturing in April 2022 up to its full nominal value
- At GoldenTree's request due to their change of legal advisor, Oslo District Court has decided that the main hearing, originally scheduled for next month, will be rescheduled



(1) Net of treasury bonds (NOK 280m)

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

Second quarter highlights and main developments

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

**EBITDA (adj)
of NOK 97
million in Q2
2021**

**First value
added services
launched
during Q2**

Q & A

Appendix

Balance sheet

NOK millions	2020 Q2	2021 Q2
<i>Assets</i>		
Intangible assets	2 005	1 950
Tangible assets	3 037	3 034
Other non-current assets	374	380
Total non-current assets	5 416	5 365
Inventory	10	10
Trade receivables	131	176
Other receivables	35	1
Prepaid expenses and accrued income	56	91
Cash and cash equivalents	618	542
Total current assets	851	820
TOTAL ASSETS	6 267	6 184

NOK millions	2020 Q2	2021 Q2
<i>Equity and liabilities</i>		
Equity attributable to the Parent Company shareholders	(1 575)	(2 200)
Total Equity	(1 575)	(2 200)
Non-current borrowings	4 466	4 508
Non-current leases	1 992	1 817
Deferred tax liabilities	1	-
Other non-current liabilities	304	307
Total non-current liabilities	6 763	6 632
Trade payables	280	260
Current borrowings	-	520
Current leases	75	221
Other current liabilities	24	46
Accrued expenses and deferred income	700	705
Total current liabilities	1 079	1 752
Total liabilities	7 842	8 384
TOTAL EQUITY AND LIABILITIES	6 267	6 184

Key KPIs

NORWAY	2020				2021	
	Q1	Q2	Q3	Q4	Q1	Q2
No. of active subscriptions (in thousands)	668	683	701	718	726	736
- smart phone	584	598	619	639	650	663
- consumer	545	558	578	598	608	619
- business	39	40	41	41	42	44
- MBB (excl. M2M/IoT)	85	84	82	78	76	73
Smartphone ARPU	224	223	233	231	226	226
Number of Smartphone base stations in service EoP	2 238	2 470	2 696	2 887	2 990	3 071
Smartphone avg. Data on-net share %	83 %	84 %	83 %	89 %	90 %	90 %
Voice on-net share %	37 %	43 %	57 %	63 %	68 %	71 %
Smartphone churn, annualized %	27 %	24 %	26 %	23 %	21 %	20 %

Contact

Ice Group ASA
Nydalsveien 18B
0484 Oslo
Norway

ir@icegroup.com
www.icegroup.com

 **ice group**

