Ice Group Scandinavia Holdings AS

Q1 - 2020

Interim report

January-March 2020

CEO summary

In Q1 2020 Ice Group Scandinavia Holdings´ adjusted EBITDA reached a positive margin of 2% for the first time. We also continued to grow our customer base, reaching 20 consecutive quarters of smartphone subscriber growth. Smartphone service revenues in Q1 was NOK 379 million, a 31% increase from last year, driven by a 28% growth in smartphone subscribers. On 7 May Ice won the price for best customer care overall in Norway! Excellent customer care is a core value for Ice, and I want to congratulate all our great people working hard every day to give our customers the best customer care experience in the country.

In March 2020 the outbreak of the Covid-19 virus reached Norway. Ice's key objective during this period has been on maintaining operations, ensure the safety for our employees, and secure high regularity and service towards our customers. The subscription based business model of telecoms gets limited direct financial impact of the Covid-19 outbreak, and Ice has implemented several initiatives to secure that there is no negative impact on the stability and quality of our network and customer offering.

As an effect of the Covid-19 restrictions in Norway Ice has seen traffic volumes changing, with a neutral effect for Ice on NRA and international roaming costs. We have seen quite stable volumes on data, while voice traffic is up and international roaming is down. User pattern with regards to usage volumes during the day and location also changed over-night. These significant changes in user behavior over the last period have not impacted network stability and is a proof of the quality of our operations. There is no effect on financial covenants, impairments or quality of earnings following the Covid-19 outbreak.

On-net share of data and voice (VoLTE) continued to increase in Q1, mostly driven by network build-out and positive effects of the Apple agreement, but also as an effect of the Covid-19 restrictions in Norway, among other things banning travel to secondary homes. On-net data for Q1 ended at 83% while on-net VoLTE was 37%. Total number of smartphone base stations at the end of Q1 was 2.238, an increase of 122 during the quarter, slightly behind plan due to Covid19 restrictions. We have a good pipeline of ready-to-build base stations, and Ice continue to target up to 1,000 new base stations in total in 2020, increasing our population coverage to 95%.

Total smartphone subscribers at the end of Q1 was 584.000, an increase of 127.000 since Q1 2019. The majority of this growth, 93.000 subscriptions, is organic growth excluding the remaining customers from the acquisition of the Komplett customer base in 2019. 11.000 new smartphone subscribers was added during Q1 2020, but the sale of subscriptions was negatively affected by the Covid-19 outbreak and the resulting restrictions in Norway, especially impacting retail sales. On the other hand, Ice is already very strong in digital sales and we have been able to increase our digital sales during the Covid-19 outbreak. We will have even higher focus and increased investments in digital sales channels going forward.

Smartphone churn was negatively impacted by price adjustments on our 1GB subscription, and ended at 27% for the quarter. Reducing churn remain high on our agenda, and we are working on several initiatives to reduce this going forward. Smartphone ARPU for Q1 was NOK 226, a NOK 5 increase from Q1 last year.

The new Market-15 regulation from Norwegian Communications Authority (Nkom)is positive for Ice Group as it is expected to lower Ice's roaming costs. The decision also imposes stricter regulation regarding site sharing, which will have a positive impact for Ice in our current build-out phase.

The situation related to the outbreak of Covid-19 underlines the importance of a well-functioning and stable telecom network and market in Norway. We believe that our objective of developing a fully-fledged third network will be a national advantage ensuring also that the country will have a good, stable, diversified and modern telecom infrastructure with healthy and competitive prices for its population. Continued network-build out and smartphone subscription growth remain key to realizing Ice Group's business plan. We have now delivered 20 consecutive quarters with smartphone subscription growth and remain confident that we will continue to win market share and improve margins strongly going forward.

First quarter highlights

- Smartphone customers base increased with 11k new subscriptions in the first quarter
- 584k smartphone subscriptions at the end of the first quarter, up from 457k at the same time last year
- Total service revenues of NOK 456 million, representing a y-o-y growth of 22%
- Smartphone service revenues grew by 31% y-o-y to NOK 379 million (288)
- Adjusted EBITDA of NOK 9 million (-68)
- Net result NOK -210 million (-272)

Key figures

	First Quarter		Full year
NOK million	**2020**	**2019[1)]**	**2019[1)]**
Total service revenues	456	375	1,687
Smartphone service revenues	379	288	1,363
EBITDA adjusted	9	-68	-163
EBITDA adjusted – margin	2%	-17%	-9%
Net result – continuing operations	-210	-272	-963
CAPEX	146	126	597
Cash flow for the period	-217	503	744
Average data on-net share	83%	71%	74%
Average VoLTE on-net share	37%	16%	22%
No. of smartphone subscriptions, thousand	584	457	573
No. of mobile broadband subscriptions, thousand (Norway)	85	84	86
Smartphone ARPU (Average Revenue Per User – in NOK)	226	221	224
Smartphone churn (annualised)	27%	24%	27%

[1)] *Numbers from the divested Swedish operation are included in the first two months of 2019 for Total service revenues, EBITDA adjusted, Results before taxes, Investments and Cash flow for the period.*

Financial review

Please refer to the financial reports of Ice Group ASA for further information about the operations of Ice Group.

The comments below are related to Ice Scandinavia's development in 2020 compared to 2019.

Turnover, expenses and profit

The service revenue for the first quarter 2020 amounted to NOK 456 million (375), a y-o-y growth of 22%. It should be noted however that the Q1 2020 turnover has no revenue from Sweden, while the revenue in Q1 2019 was NOK 19 million.

The cost for the National Roaming ("NRA") for the first quarter was NOK 111 million compared with NOK 97 million, an increase of 14% compared to the 28% increase in smartphone subscribers. The operating expenses for the first quarter was NOK 121 million compared with NOK 119 million. The operating result for the first quarter improved to NOK -109 million compared with NOK -182 million.

Net financial items for the quarter ended at NOK -101 million compared with NOK -91 million. Interest expense for the first three months of 2020 amounted to NOK 54 million (47) while NOK 53 million (40) were paid interest on borrowings in the period. Financial expenses related to IFRS 16 amounted to NOK 36 million (32) for the period.

Non-recurring and non-operational expenses identified during the first three months of 2020 amounted to net NOK 3 million (11), presenting an EBITDA adjusted y-o-y improvement from NOK -68 million to NOK 9 million and a 19%-point margin improvement from -17% to 2% of revenues. Non-recurring items are mainly related to extraordinary costs from network technology upgrade, smartphone migration and financing costs.

Investments

The Group's acquisition of non-current assets during the first quarter of 2020 amounted to NOK 146 million (126). 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 Group capitalises costs to obtain and to fulfil customer contracts as other non-current assets in accordance with IFRS 15. These investments are presented within the working capital in the consolidated statement of cash flows, and amount to NOK 52 million (38) for the first quarter.

Cash flows

Cash flow from *operating activities* for the first three months of 2020 was NOK 110 million (-172).

The period's cash flow from *investing activities* was NOK -145 million (39). 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 -182 million (636). Financing activities in Q1 2019 holds the net proceeds from the NOK 700 million cash financing received from the Parent Company.

Financial position

The total assets of the Group were NOK 6,125 million (4,576) at the end of the period, of which total non-current assets were NOK 5,194 million (3,685). Total equity ended at 181 million (580). The Group's cash position at the end of the period was NOK 797 million (772).

Personnel and organisation

At the end of the period, the number of employees in the group amounted to 216 versus 192 for the equivalent period the previous year, an increase of 24 employees for the year. Including external resources, such as dedicated people with contract suppliers and subcontractors, the Group employed 367 (285) people.

Related party transactions

No transactions with related parties during the period except for the financing from the parent company and operating activities with other companies within Ice Group but outside Ice Scandinavia. For other items, see further details under the section on critical accounting estimates and judgments in the annual report of 2019.

Risks and uncertainties

Ice Scandinavia's continuing operations are in the highly competitive and regulated mobile telecommunications industry in Norway and Denmark and is exposed to certain risks that could have impact on earnings or its financial position. Ice Scandinavia 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 Scandinavia's current or future operations. Ice Scandinavia 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 Scandinavia'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 Scandinavia provides, which could result in lower service revenues, and thereby have a material adverse effect on Ice Scandinavia'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 Scandinavia'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 Scandinavia'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 Scandinavia's reputation from some sort of failure of its information technology systems, or loss, alteration or unauthorised disclosure of personal data handled by the Group.

Amongst financing risks, the Group has a substantial amount of debt and debt service obligations. As a result of this, 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 2020, the plan is to introduce ~1000 new base stations in total. This will increase our population coverage and share of on-net data and voice, and in turn reduce our NRA expenses.

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

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

Further the Group expects to reach EBITDA break-even in the second half of 2020.

Events after the closing of the period

* The Norwegian Ministry of Local Government and Modernisation has granted Ice a 4 year deferment of planned payments with a total of approximately NOK 550 million in liquidity effect. The deferments reduce the funding need for Ice Scandinavia significantly, and the company is currently pursuing different alternatives to securing the company's remaining financing needs.

Legal disclaimer

Certain statements in this Ice Group Scandinavia Holdings AS 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

NOK million	*Note*	First Quarter 2020	First Quarter 2019[1)]	Full year 2019[1)]
Service revenue	*4,5*	456	375	1,687
Other operating revenue	*5*	18	21	70
Total operating revenue	*4,5*	**473**	**396**	**1,756**
National roaming expenses		-111	-97	-440
Operating expenses		-121	-119	-526
Other expenses		-177	-200	-760
Employee benefit expenses		-58	-60	-222
Depreciation, amortisation, impairment losses		-115	-102	-468
Total operating expenses		**-582**	**-578**	**-2,417**
Operating result		**-109**	**-182**	**-660**
Financial items – net		-101	-91	-313
Result before tax		**-210**	**-273**	**-973**
Income taxes		-0	1	10
Net result for the period		**-210**	**-272**	**-963**
Items that may be subsequently reclassified to profit loss:				
Translation differences on foreign operations		-0	1	1
Other comprehensive income		**-0**	**1**	**1**
Total comprehensive income for the period		**-211**	**-271**	**-963**
Net result for the period attributable to:				
Equity holders of the Parent Company		-210	-272	-963
Non-controlling interests		-	-	-
Net result for the period		**-210**	**-272**	**-963**
Total comprehensive income attributable to:				
Equity holders of the Parent Company		-211	-271	-963
Non-controlling interests		-	-	-
Total comprehensive income for the period		**-211**	**-271**	**-963**

[1)] *Includes the divested Swedish operation up until and including February 2019.*

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

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

NOK million	*Note*	**31 Mar 2020**	**31 Mar 2019**	**31 Dec 2019**
ASSETS				
Intangible assets		2,025	1,279	2,060
Tangible assets		2,783	2,095	2,376
Other non-current assets		385	311	386
Total non-current assets		**5,194**	**3,685**	**4,822**
Inventory		10	9	6
Trade receivables		96	68	107
Other receivables		1	32	13
Prepaid expenses and accrued income		27	10	25
Cash and cash equivalents		797	772	1,014
Total current assets		**931**	**891**	**1,166**
TOTAL ASSETS		**6,125**	**4,576**	**5,987**
EQUITY AND LIABILITIES				
Equity attributable to the Parent Company shareholders	*2*	181	580	391
Equity attributable to non-controlling interests		-	-	-
TOTAL EQUITY		**181**	**580**	**391**
Borrowings	*3*	2,846	2,229	2,842
Non-current lease liabilities		1,940	1,155	1,616
Provisions for deferred tax		0	9	-
Other non-current liabilities		304	-	304
Total non-current liabilities		**5,090**	**3,393**	**4,762**
Trade payables		252	206	155
Current lease liabilities		86	56	111
Other liabilities		26	16	27
Accrued expenses and deferred income		489	325	542
Total current liabilities		**854**	**603**	**835**
TOTAL LIABILITIES		**5,944**	**3,996**	**5,597**
TOTAL EQUITY AND LIABILITIES		**6,125**	**4,576**	**5,987**

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

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

		Attributable to shareholders of the Parent Company				
NOK million	*Note*	Share capital	Other contributed capital	Reserves	Retained earnings	**Total Equity**
Opening balance 1 January 2019		**5**	**3,852**	**-1**	**-3,705**	**151**
Net result for the period		-	-	-	-272	-272
Other comprehensive income for the period						
Translation differences on foreign operations		-	-	1	-	1
Total comprehensive income for the period		**-**	**-**	**1**	**-272**	**-271**
New share issue		0	700	-	-	700
Total transactions with owners, recognised directly in equity		**0**	**700**	**0**	**0**	**700**
Closing balance 31 March 2019		**5**	**4,552**	**0**	**-3,977**	**580**
Net result April - December		-	-	-	-692	-692
Other comprehensive income for the period						
Translation differences on foreign operations		-	-	-0	-	-0
Total comprehensive income for the period		**-**	**-**	**-0**	**-692**	**-692**
Capital contribution from share-based payments		-	-	-	3	3
New share issue		-	500	-	-	500
Total transactions with owners, recognised directly in equity		**-**	**500**	**-**	**3**	**503**
Closing balance 31 December 2019		**5**	**5,052**	**-0**	**-4,666**	**391**
Net result for the period		-	-	-	-210	**-210**
Other comprehensive income for the period						
Translation differences on foreign operations		-	-	-0	-	**-0**
Total comprehensive income for the period		**-**	**-**	**-0**	**-210**	**-210**
Capital contribution from share-based payments		-	-	-	1	**1**
Total transactions with owners, recognised Directly in equity		**-**	**-**	**-**	**1**	**1**
Closing balance 31 March 2020		**5**	**5,052**	**-0**	**-4,875**	**181**

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 million	*Note*	**2020**	**2019**	**2019**
Result before tax		-210	-273	-973
Payments related to lease interest		36	32	113
Paid interest expense		53	40	144
Non-cash items				
Depreciation & amortisation of non-current assets		86	78	370
Depreciation & amortisation of right-of-use assets		29	24	98
Depreciation & amortisation of costs to obtain/fulfil contracts		55	50	206
Net interest expense		1	1	17
Adjustments for other non-cash items		60	**9**	40
Cash flows before changes in working capital		**110**	**-38**	**14**
Change in inventory		-4	-0	2
Change in current receivables		46	38	5
Change in current liabilities		9	-134	-105
Change in capitalised costs to obtain/fulfil customer contracts		-52	-38	-270
Cash flows from changes in working capital		**-0**	**-134**	**-367**
Cash flows from operating activities		**110**	**-172**	**-353**
Net cash flow from divestment of subsidiary		-	166	166
Investments in intangible assets		-16	-14	-232
Investments in tangible assets		-130	-112	-384
Net cash flows from other financial assets		0	-0	-0
Cash flows from investing activities		**-145**	**39**	**-451**
Financing from shareholders		-	700	1,200
Borrowings		-	-	599
Repayments		-57	7	-
Payments related to lease liabilities		-72	-32	-113
Interest paid, borrowings		-53	-40	-138
Cash flows from financing activities		**-182**	**636**	**1,548**
Cash flow for the period		**-217**	**503**	**744**
Cash and cash equivalents Beginning of Period		1,014	270	270
Exchange rate difference in cash and cash equivalents		0	-1	-1
Cash and cash equivalents End of Period		**797**	**772**	**1,014**

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

NOTES TO THE FINANCIAL REPORT

General information

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

The Company has three bonds listed at Oslo Børs in Norway (ISIN NO 001 0789035, ISIN NO 001 0807092 and ISIN NO 001 0864002).

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 2019, 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 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 followed in the Group's annual financial accounts for the year ended 31 December 2019.

Note 2 – Going concern

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

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

Based on the above, this report is prepared under the assumption of going concern.

Note 3 – Borrowings

In Q4 2019 Ice Group Scandinavia Holdings AS issued a four-year NOK 900 million Senior Unsecured bond (ISIN NO 001 0864002) at NIBOR +8.00%. The bond was listed at Oslo Stock Exchange on 30 March 2020.

Note 4 - Segment information by geographical area

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 geographical location. Growth is measured from service revenues and profitability is measured from EBITDA performance, both by geographic location.

"Other" in the table are the items not directly attributable to country level operations.

2020	**First Quarter**			
NOK millions	Service revenue	Total revenue	EBITDA adjusted	Investments
Norway	453	470	11	198
Other	3	3	-2	-
Total	**456**	**473**	**9**	**198**

2019	**First Quarter**				**Full year**			
NOK millions	Service revenue	Total revenue	EBITDA adjusted	Investments	Service revenue	Total revenue	EBITDA adjusted	Investments
Norway	353	371	-72	165	1,654	1,720	-152	886
Sweden[1)]	19	21	5	0	19	21	5	0
Other	4	4	-2	0	14	15	-16	0
Total	**375**	**396**	**-68**	**165**	**1,687**	**1,756**	**-163**	**887**

1) *First quarter and full year 2019 holds two months from the divested Swedish operation.*

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

Revenue from intercompany transactions is not included in the segment information. Investments include investments in contracts assets and exclude 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 2019 Annual Report of Ice Group Scandinavia Holdings AS.

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 First Quarter	**Service revenue**		**Other revenue**		
NOK millions	Norway	Other	Norway	Other	**Total**
Revenue from external customers	453	3	17	0	**473**
Timing of revenue recognition:					
At a point in time	95	0	17	0	**113**
Over time	358	3	-	-	**361**

2019 First Quarter	**Service revenue**			**Other revenue**			
NOK millions	Norway	Sweden	Other	Norway	Sweden	Other	**Total**
Revenue from external customers	353	19	4	18	2	-	**396**
Timing of revenue recognition:							
At a point in time	76	1	-	18	2	-	**97**
Over time	277	18	4	0	-	-	**299**

2019 Full year	**Service revenue**			**Other revenue**			
NOK millions	Norway	Sweden	Other	Norway	Sweden	Other	**Total**
Revenue from external customers	1,654	19	14	66	2	1	**1,756**
Timing of revenue recognition:							
At a point in time	357	1	1	66	2	1	**428**
Over time	1,297	18	13	1	-	-	**1,329**

Revenues from external customers comes in all material aspects from service subscriptions, which are over time, and CPE (Consumer Premises Equipment) 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 2020**	**31 Mar 2019**	**31 Dec 2019**
Capitalised cost to obtain/fulfil customer contracts	365	290	366
Contract assets included in Prepaid expenses and accrued income	46	43	48
Contract liabilities included in Accrued expenses and deferred income	42	43	42

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

NOK millions	**31 Mar 2020**	**31 Mar 2019**	**31 Dec 2019**
Revenue recognised that was included in the contract liability	53	44	44

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

NOK millions	**31 Mar 2020**	**31 Mar 2019**	**31 Dec 2019**
Asset recognised from costs incurred to obtain/fulfil a contract at the end of period	365	290	366
Amortisation recognised as cost of providing services during the period	-55	-50	-206

Note 6 – Events after the closing of the period

The Norwegian Ministry of Local Government and Modernisation has granted Ice a 4 year deferment of planned payments with a total of approximately NOK 550 million in liquidity effect. The deferments reduce the funding need for Ice Scandinavia significantly, and the company is currently pursuing different alternatives to securing the company's remaining financing needs.

ALTERNATIVE PERFORMANCE MEASURES AND DEFINITIONS

Alternative Performance Measures

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

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

EBITDA

EBITDA (Earnings Before Interests, Taxes, Depreciations and Amortisations) is a financial parameter that Ice Scandinavia 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, non-recurring and non-operational items. Any effects from business combinations are not included. Please refer to note 2 for effects from adoption of IFRS 16.

	First Quarter		Full year
Reconciliation	**2020**	**2019**	**2019**
Operating result	**-109**	**-182**	**-660**
Depreciation & amortisation	115	102	468
EBITDA	**6**	**-80**	**-163**
Network upgrades & migrations	2	4	10
Other non-recurring items incl. redundancy costs	-0	7	16
Share-based compensation expense	1	-	3
EBITDA adjusted	**9**	**-68**	**-163**

NIBD

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

Reconciliation	**31 Mar 2020**	**31 Mar 2019**	**31 Dec 2019**
Total borrowings	2,846	2,229	2,842
Adjusted for:			
Capitalised loan costs	36	34	40
Gross Interest-bearing Debt	**2,883**	**2,263**	**2,883**
Cash and cash equivalents	-797	-772	-1,014
Net Interest-bearing Debt	**2,085**	**1,491**	**1,869**

Consolidated key ratios

	First Quarter		Full year
NOK million	**2020**	**2019**	**2019**
Profit			
EBITDA adjusted	9	-68	-163
Operating result	-109	-182	-660
Key ratios – increase			
Service revenue growth in %	22%	4%	10%
Service revenue growth in absolute numbers	81	14	147
Key ratios - financial position			
Cash liquidity %	109%	148%	140%
Total assets	6,125	4,576	5,987
Equity/assets ratio %	3%	13%	7%
Equity	181	580	391
Gross interest-bearing debt	2,883	2,263	2,883
Net interest-bearing debt	2,085	1,491	1,869

Definitions

ARPU	Average Revenue Per User
EBITDA adjusted	Ice Scandinavia 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 in EBITDA adjusted.
Investments	Investments is defined as investments in non-current assets, including capitalised costs to obtain/fulfil customer contracts, as stated in the statement of cash-flows, excluding business combinations, for continuing operations.
Cash liquidity in %	Current assets divided by current liabilities
Equity/assets ratio %	Equity divided by total capital
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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