



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2018 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 913 192 354
Organisasjonsform: Aksjeselskap
Foretaksnavn: ICE GROUP SCANDINAVIA HOLDINGS AS
Forretningsadresse: Nydalsveien 18B
0484 OSLO

Regnskapsår

Årsregnskapets periode: 01.01.2018 - 31.12.2018

Konsern

Mørselskap i konsern: Ja
Konsernregnskap lagt ved: Ja

Regnskapsregler

Regler for små foretak benyttet: Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet: Regnskapslovens alminnelige regler
Benyttet ved utarbeidelsen av årsregnskapet til konsernet: IFRS

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Anders Koch
Dato for fastsettelse av årsregnskapet: 15.04.2019

Grunnlag for avgivelse

År 2018: Årsregnskapet er elektronisk innlevert
År 2017: Tall er hentet fra elektronisk innlevert årsregnskap fra 2018

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 02.09.2020



Resultatregnskap

Beløp i: NOK	Note	2018	2017
RESULTATREGNSKAP			
Kostnader			
Annen driftskostnad	P7	5 063 000	7 696 000
Sum kostnader		5 063 000	7 696 000
Driftsresultat		-5 063 000	-7 696 000
Finansinntekter og finanskostnader			
Renteinntekt fra foretak i samme konsern	P2,P3	119 360 000	125 092 000
Annen renteinntekt		87 000	454 000
Sum finansinntekter		119 447 000	125 546 000
Nedskrivning av finansielle eiendeler	P2,P3	602 042 000	434 985 000
Rentekostnad til foretak i samme konsern	P2,P3	4 875 000	7 492 000
Annen rentekostnad	P2,P3	129 196 000	186 817 000
Annen finanskostnad		20 127 000	61 129 000
Sum finanskostnader		756 240 000	690 423 000
Netto finans		-636 793 000	-564 877 000
Ordinært resultat før skattekostnad		-641 856 000	-572 573 000
Skattekostnad på ordinært resultat	P6	0	0
Ordinært resultat etter skattekostnad		-641 856 000	-572 573 000
Årsresultat		-641 856 000	-572 573 000
Overføringer og disponeringer			
Udekket tap	P5	-641 856 000	-572 573 000
Sum overføringer og disponeringer		-641 856 000	-572 573 000



Balanse

Beløp i: NOK	Note	2018	2017
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Finansielle anleggsmidler			
Investering i datterselskap	P2	2 793 693 000	2 299 306 000
Lån til foretak i samme konsern	P3	1 693 672 000	2 004 803 000
Sum finansielle anleggsmidler		4 487 365 000	4 304 109 000
Sum anleggsmidler		4 487 365 000	4 304 109 000
Omløpsmidler			
Varer			
Fordringer			
Andre fordringer	P3	175 807 000	70 032 000
Sum fordringer		175 807 000	70 032 000
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	P4	129 024 000	551 378 000
Sum bankinnskudd, kontanter og lignende		129 024 000	551 378 000
Sum omløpsmidler		304 831 000	621 410 000
SUM EIENDELER		4 792 196 000	4 925 519 000
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital	P4	4 500 000	4 200 000
Sum innskutt egenkapital		4 500 000	4 200 000
Opptjent egenkapital			
Annen egenkapital	P4	2 492 222 000	2 634 378 000



Balanse

Beløp i: NOK	Note	2018	2017
Sum opptjent egenkapital		2 492 222 000	2 634 378 000
Sum egenkapital		2 496 722 000	2 638 578 000
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Obligasjonslån	P8	2 162 603 000	2 149 854 000
Langsiktig konserngjeld	P3	63 049 000	63 049 000
Sum annen langsiktig gjeld		2 225 652 000	2 212 903 000
Sum langsiktig gjeld		2 225 652 000	2 212 903 000
Kortsiktig gjeld			
Leverandørgjeld		877 000	
Kortsiktig konserngjeld		39 776 000	44 845 000
Annen kortsiktig gjeld		29 169 000	29 193 000
Sum kortsiktig gjeld	P1	69 822 000	74 038 000
Sum gjeld		2 295 474 000	2 286 941 000
SUM EGENKAPITAL OG GJELD		4 792 196 000	4 925 519 000



Konsernets resultatregnskap

Beløp i: NOK	Note	2018	2017
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	4,5,6	1 539 291 000	1 265 677 000
Annen driftsinntekt	4,5,6	119 548 000	80 290 000
Sum inntekter		1 658 839 000	1 345 967 000
Kostnader			
National Roaming Expenses		434 117 000	394 743 000
Lønnskostnad	8	205 708 000	193 778 000
Avskrivning på varige driftsmidler og immaterielle eiendeler	12,13	368 737 000	310 816 000
Annen driftskostnad	7,17,1 8	1 399 455 000	1 194 349 000
Sum kostnader		2 408 017 000	2 093 686 000
Driftsresultat		-749 178 000	-747 719 000
Finansinntekter og finanskostnader			
Inntekt på investering i datterselskap og tilknyttet selskap	14	33 000	-29 000
Annen finansinntekt	10	1 650 000	3 482 000
Sum finansinntekter		1 683 000	3 453 000
Annen finanskostnad	11	155 613 000	263 952 000
Sum finanskostnader		155 613 000	263 952 000
Netto finans		-153 930 000	-260 499 000
Ordinært resultat før skattekostnad		-903 108 000	-1 008 218 000
Skattekostnad på ordinært resultat	9	4 968 000	6 448 000
Ordinært resultat etter skattekostnad		-908 076 000	-1 014 666 000
Årsresultat		-908 076 000	-1 014 666 000
Minoritetsinteresser		0	-968 000
Årsresultat etter minoritetsinteresser		-908 076 000	-1 013 698 000
Andre resultatkomponenter for IFRS-foretak		-5 180 000	3 119 000



Konsernets resultatregnskap

Beløp i: NOK	Note	2018	2017
Sum resultatkomponenter for IFRS-foretak		-5 180 000	3 119 000
Totalresultat		-913 256 000	-1 011 547 000
Overføringer og disponeringer			
Udekket tap		-913 256 000	-1 011 547 000
Sum overføringer og disponeringer		-913 256 000	-1 011 547 000



Konsernets balanse

Beløp i: NOK	Note	2018	2017
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Lisenser	12	619 855 000	636 743 000
Kunderelasjonre	12	79 679 000	112 400 000
Andre immaterielle eiendeler	12	232 537 000	198 798 000
Utsatt skattefordel	9	721 000	327 000
Sum immaterielle eiendeler		932 792 000	948 268 000
Varige driftsmidler			
Maskiner og anlegg	13	1 055 812 000	1 016 176 000
Driftsløsøre, inventar, verktøy, kontormaskiner og lignende	13	405 932 000	343 116 000
Sum varige driftsmidler		1 461 744 000	1 359 292 000
Finansielle anleggsmidler			
Investeringer i tilknyttet selskap	14	268 000	235 000
Andre fordringer	6,9	325 637 000	307 920 000
Sum finansielle anleggsmidler		325 905 000	308 155 000
Sum anleggsmidler		2 720 441 000	2 615 715 000
Omløpsmidler			
Varer			
Varer	17	20 168 000	26 621 000
Sum varer		20 168 000	26 621 000
Fordringer			
Kundefordringer	16,18	95 067 000	71 201 000
Andre fordringer	16,19	14 404 000	18 863 000
Forskuddsbetalte kostnader	6,20	95 015 000	158 910 000
Sum fordringer		204 486 000	248 974 000
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	16,21	269 952 000	722 197 000
Sum bankinnskudd, kontanter og lignende		269 952 000	722 197 000



Konsernets balanse

Beløp i: NOK	Note	2018	2017
Sum omløpsmidler		494 606 000	997 792 000
SUM EIENDELER		3 215 047 000	3 613 507 000
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital	P4	4 500 000	4 200 000
Annen innskutt egenkapital	P4	3 852 433 000	3 352 733 000
Sum innskutt egenkapital		3 856 933 000	3 356 933 000
Opptjent egenkapital			
Fond		921 000	3 666 000
Udekket tap		3 440 737 000	2 546 337 000
Sum opptjent egenkapital		-3 439 816 000	-2 542 671 000
Minoritetsinteresser			98 000
Sum egenkapital		417 117 000	814 360 000
Gjeld			
Langsiktig gjeld			
Utsatt skatt	9	9 611 000	4 254 000
Sum avsetninger for forpliktelser		9 611 000	4 254 000
Annen langsiktig gjeld			
Øvrig langsiktig gjeld	16,22	2 226 829 000	2 213 580 000
Sum annen langsiktig gjeld		2 226 829 000	2 213 580 000
Sum langsiktig gjeld		2 236 440 000	2 217 834 000
Kortsiktig gjeld			
Leverandørgjeld	16	227 787 000	282 313 000
Kortsiktig gjeld	16,24	19 953 000	18 623 000
Periodisering av kostnader	6,25	313 750 000	280 377 000
Sum kortsiktig gjeld		561 490 000	581 313 000



Konsernets balanse

Beløp i: NOK	Note	2018	2017
Sum gjeld		2 797 930 000	2 799 147 000
SUM EGENKAPITAL OG GJELD		3 215 047 000	3 613 507 000



Skattedirektoratet

Saksbehandler Torstein Kinden Helleland	Deres dato 04.02.2015	Vår dato 12.02.2015
Telefon 22078139	Deres referanse Herman Skibrek	Vår referanse 2015/94196

PRICEWATERHOUSECOOPERS AS
Postboks 748 Sentrum
0106 OSLO

**Tillatelse til å utarbeide årsregnskapet og årsberetning på engelsk språk for
AINMT Scandinavia Holdings AS, org. nr. 913 192 354**

Vi viser til deres brev av 4. februar 2015 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for AINMT Scandinavia Holdings AS.

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering AINMT Scandinavia Holdings AS dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen forutsetter at opplysningene som vedtaket baserer seg på ikke endres vesentlig.

Kopi av dette brevet må sendes Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Det påligger den regnskapspliktige å dokumentere ved dette brev at tillatelsen er gitt.

Bakgrunn

AINMT Scandinavia Holdings AS er 100 % eiet av det svenske selskapet AINMT Holdings AB som igjen er eiet med 96 % AI Media Holdings (NMT) LLC. Selskapet er morselskap i et norsk underkonsern og har datterselskaper i Norge og utlandet. AINMT Scandinavia Holdings AS er hovedsakelig involvert i bransjen for mobilt bredbånd. Konsernets arbeidsspråk er engelsk. Engelsk språk benyttes i all hovedsak både ved intern og eksternt kommunikasjon. Styreleder i morselskapet er utenlandsk og styret består av to medlemmer. Alle sentrale aktører og samarbeidspartnere innen denne bransjen behersker og benytter engelsk. En norsk oversettelse vil kun ha til formål å oppfylle regnskapslovens språkkrav.

Skattedirektoratets vurdering

Etter regnskapsloven § 3-4 tredje ledd skal *”årsregnskapet og årsberetningen ... være på norsk. Departementet kan ved ... enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk.”*

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap m.v., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

Postadresse
Postboks 9200 Grønland
0134 Oslo

Besøksadresse:
Se www.skatteetaten.no
Org.nr: 996250318
E-post: skatteetaten.no/sendepost

Sentralford
800 80 000
Telefaks
22 17 08 60



”Regjeringen har som siktetmål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon.”

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til *”informative regnskaper for ulike grupper av regnskapsbrukere”*. Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

Det er etter Skattedirektoratets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt særlig vekt på at selskapet er datterselskap til et utenlandsk selskap. Eierkretsen er begrenset. Arbeidsspråket er engelsk. Styret består av to medlemmer der den ene er engelskspråklig. Videre er det vektlagt at selskapet driver virksomhet i en bransje der alle sentrale aktører behersker og benytter engelsk språk.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Geir Johannessen
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Torstein Kinden Helleland

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer



Annual report 2018

Ice Group Scandinavia Holdings AS


*ice group



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BOARD OF DIRECTORS' REPORT

About the company

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

Ice Norway's primary spectrums are now in the 800 MHz, 900 MHz and 1,800 MHz bands. These were acquired in December 2013 and the Group's Norwegian business is now a fully-fledged mobile network operator offering data, voice and messaging services. The mobile broadband services in both Norway, Sweden and Denmark utilize the low-frequency band 450 MHz. For our customers, this means access to mobile broadband with almost full geographical coverage.

The Company is wholly owned by AINMT Holdings AB, Sweden, (the "Parent Company") which is owned to 99.72% by Ice Group ASA (the "Ice Group Parent Company"), Norway, listed at OTC in Norway with ticker "ICE" (together, "Ice Group"). The major shareholder of Ice Group ASA is AI Media Holdings (NMT) LLC, Delaware.

Significant events during the year

- In February, the Company's subsidiary Netett Sverige AB (Net1) won the Swedish Post and Telecom Authority's frequency auction for the national license of 2 x 5 MHz in the 450 MHz band. The term of license is from 5 March 2020 up to and including 31 December 2044.
- In May, Ice in Norway entered into a new and improved national roaming agreement (NRA) with Telia in Norway. The new NRA is valid for two years, with an additional and conditional right to prolong the NRA for one year.
- In June, Ice in Norway signed a contract with Nokia that provides the framework to facilitate further network build-out of Ice's current 4G LTE smartphone network in Norway at very favourable terms for ice. Under the agreement, Nokia is set to deploy its AirScale Radio Access technology to optimise LTE performance and provide the best coverage and capacity to Ice's subscribers as well as opening a path for a future transition to 5G. The agreement also covers network planning, site acquisition, civil works, deployment and support.
- In June, AINMT Holdings AB injected NOK 500 million of equity into Ice Group Scandinavia Holdings AS in order to fund further growth ambitions in Norway. The equity originated from Ice Group's sale of its 30 percent ownership share in Nextel Holdings S.à r.l. to AI Media Holdings (NMT) LLC.

Financial resume and key ratios

NOK thousands	2018	2017 ¹⁾
Service revenue	1,539,291	1,265,677
EBITDA	-358,175	-366,172
Investments	646,701	803,407
Total assets	3,215,047	3,613,507
Operating margin %	Neg	Neg
Equity/assets ratio %	13%	23%

1) Numbers for 2017 have been restated due to implementation of IFRS 15. See note 1 for more information.

The operations

Service revenue in 2018 ended at NOK 1.54 billion, a 22% increase compared to the previous year. The EBITDA result was negative at NOK -358 million, a slight improvement on 2017 (NOK -366 million).

2018 was also impacted by several structural changes with the objective of strengthening Ice Group's focus on Norway, where the Group see the biggest growth potential. The divestment of the Brazil business and the demerger of the Asian businesses contributed towards unlocking a more simplified and transparent ownership structure for Ice Group. Subsequent to year-end, in February 2019, Ice Group also announced the sale of our Swedish operation. The funds released from the sale will be utilised to further strengthen the Norwegian operation.

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Ice is Norway's third largest network operator and provider of wireless data, voice and messaging services, challenging the duopoly of Telenor and Telia. Ice is also Norway's third largest provider of wireless broadband services. The organic customer growth in Norway has been supported by disruptive and customer-centric initiatives, and a strategy of operating openly and honestly with easy-to-understand subscription packages without any hidden fees.

In addition to investing heavily in its Norwegian operation, 2018 was a year of transformation for Ice Group. Several structural changes were implemented that shared a common objective of creating a more simplified and transparent ownership structure and establish an even more robust platform to facilitate further growth for its Norwegian business.

With the group's strengthened focus on Norway, the Ice Group Board of Directors appointed Eivind Helgaker as new CEO of Ice Group in August 2018. Mr. Helgaker has been head of Ice Group's Norwegian business since 2009, a function he retains. Furthermore, Henning Karlsrud was appointed CFO in January 2018, and together with the Norwegian management team, the new CEO and CFO will focus on developing a strong position in the Norwegian market over the coming years.

The Ice team in Norway has generated a strong growth under Mr. Helgaker's leadership and the Board wanted to build on his great operational track record to continue developing Ice Group as a highly competitive challenger to the existing mobile phone duopoly in Norway.

2018 was affected, both financially and operationally, by continued investments in the Norwegian 4G mobile network and putting important building blocks in place that will allow further network build-out and subsequent revenue growth. Such building blocks include a new and improved national roaming agreement ("NRA") with Telia that offers a higher level of flexibility for Ice and is a better match for Ice Group's current market position in Norway. Furthermore, Ice Group also signed a contract with Nokia that provides the framework to facilitate further network build-out in Norway at attractive terms, building a value enhancing business. Under the agreement, Nokia will deploy its AirScale Radio Access technology to optimize LTE performance and provide the best coverage and capacity to Ice's subscribers as well as readying the network for a future transition to 5G.

In June, Ice Group Scandinavia Holdings AS' parent company, AINMT Holdings AB, injected NOK 500 million of equity into the Company in order to fund further growth ambitions in Norway.

The continued investments in the network build-out in Norway have significantly improved the data on-net share throughout 2018. Increasing this figure further will be key to drive down NRA costs to reach positive financial results for the company. Ice is Norway's fastest growing mobile network operator. At year-end the company's 4G smartphone network covered 89 percent of Norway's population. As a result, average data on-net share grew to 67% in the fourth quarter, up from 31% in the corresponding quarter in 2017. At peak, the data on-net share on occasions reached 71% in the fourth quarter 2018.

The quality of Ice Norway's mobile network was in January 2019 verified by independent consultancy Tutela, which through a data traffic analysis in the Nordic region showed that Ice's network delivered the highest consistent quality score in Norway measured through its ability to deliver HD-video more than 90 percent of the time

Ice in Norway has also started producing an increasing amount of voice traffic (VoLTE) through its own 4G network. Its average VoLTE share in the fourth quarter 2018 was 6%. The same figure for January 2019 was 14%. VoLTE benefits the customer through better voice quality during calls and shorter call set-up time, while Ice benefits from lower NRA-costs.

According to official Nkom figures, Ice in Norway had 422 thousand smartphone subscribers per 30 June 2018, representing a market share of 7.4 percent. This market share has been achieved in three years since Ice started providing smartphone services in Norway. Net smartphone subscribers continued to grow in the second half of 2018.

Ice has already built up a solid customer base in the low-ARPU (Average Revenue Per User) segments. In the fourth quarter 2018, the company launched a number of highly competitive high-ARPU products. These have been well received among customers with higher than average data usage, allowing Ice to build a more diverse customer base. Both the smartphone ARPU and the blended ARPU (smartphone and mobile broadband) showed a positive development in 2018 versus the previous year. The Try&Buy concept (NOK 99 per month for up to 20GB the first 2 months, thereafter the customer is placed on the data bundle closest to her consumption) launched in the second quarter of 2018 has proven to be an efficient way of recruiting high-ARPU customers and contributed towards driving up ARPU, together with new price plans launched early November which have more data included in the higher price points.

The management and Board of Directors continue to build the business and deliver on Ice Group's business plan and medium-term targets (subscriber market share of 20%, ARPU of NOK 300, mid-30ies EBITDA margin and 10%



capex/sales). The plan requires continued investments in Norway, and Ice Group therefore conducted an oversubscribed private placement in January 2019, raising gross proceeds of NOK 1.5 billion. The proceeds will be used for the planned network build-out and expand the customer base further. This will secure funding over the next 12-15 months from the launch of the private placement and further enhance Ice Norway's customer proposition, competitiveness and overall profitability, which in turn will make the company an even more powerful challenger to the Norwegian mobile network operator duopoly.

EBITDA

EBITDA for the year amounted to NOK -358,175 (-366,172) thousands. Non-recurring and non-operational items identified during the year amounted to NOK 22,266 (70,732) thousands. Non-recurring and non-operational items are mainly related to extraordinary costs related to the network technology upgrade and Smartphone migration, redundancy and expenses related to the share-based compensation program that lapsed 31 December 2018, including a reversal of related social security costs.

Please also see note 4 and the Alternative Performance Measures section on page 45.

The implementation of the IFRS 15 reporting standard from 1 January 2018 has changed how and when certain revenue and cost items are recognized, which has an impact on Ice Scandinavia's EBITDA. The positive effect from the new standard on Ice Scandinavia's EBITDA compared to previously applied principles for 2017 amounted to NOK 96,849 thousand. More information is presented under the New and changed accounting standards in note 1.

Significant events after the end of the period

- On 17 January 2019, Ice Group ASA announced that it contemplated to carry out a private placement of new shares with the objective of raising gross proceeds of NOK 1.2 - NOK 1.5 billion. Use of proceeds from the Private Placement is for further network build-out and cover costs under the national roaming agreement with Telia in Norway, as well as working capital and general corporate purposes. On 31 January 2019, Ice Group ASA announced that the private placement was oversubscribed, raising gross proceeds of NOK 1.5 billion at a subscription price of NOK 20 per share. On 5 March 2019, the first downwards stream of the proceeds, NOK 700 million, was injected to the Company.
- In February 2019, Ice in Norway launched another high-ARPU service called "Data freedom". This service offers unlimited data at a speed capped to 10Mbps within Ice's own network, which currently covers 89 percent of the population. For example, if a customer has a 6GB subscription priced at NOK 299 per month, he or she can add "Data freedom" for an additional NOK 99 per month. The objective is to offer customers a highly competitive and flexible alternative and simultaneously drive ARPU growth, while avoiding margin dilution through running additional data traffic through Telia's network. The "Data freedom" product has immediately delivered positive effects.
- On 25 February 2019, Ice Group announced that it had entered into an agreement to sell its Swedish business Netett Sverige AB to broadcasting network services company Teracom Group AB for the price of SEK 180 million. The transaction was closed on 14 March 2019.
- On 5 March 2019, following the recently completed private placement in Ice Group ASA, NOK 700 million of equity was injected into Ice Group Scandinavia Holdings AS.
- On 18 March 2019, Ice Group announced that the subsidiary company Ice Communication Norge AS ("Ice") has entered into an agreement to acquire the customer base of the Norwegian mobile virtual network operator Komplet Mobil AS ("Komplet Mobil"). Ice will pay Komplet Mobil an estimated amount of approximately NOK 105 million for the customer base. The amount can change depending on how many Komplet Mobil customers that remain customers of Ice following the forthcoming migration process. As of 15 March 2019, Komplet Mobil had 74,740 active subscribers.

Future developments

For 2019, we maintain our strategic plan to further expand our network in Norway with the objective of further enhancing our customer proposition, competitiveness and overall profitability.

Operations and cash flows

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The Group's operating profit was negative by NOK -749,178 (-747,720) thousands. The main changes from previous year in the operations are the costs related to the technology upgrade and related anti-churn activities. The items making the difference between operating profit and operating cash flows of NOK -362,133 (-371,853) thousands consists of depreciation and amortization, interest payments and changes in net working capital. See also note 27 Non-cash items.

Investments (CAPEX)

The Group's acquisitions of intangible assets during the year amounted to NOK 112,221 (175,027) thousands. Investments in tangible assets during the year amounted to NOK 347,824 (411,585) thousands.

The investments are mainly related to the smartphone network build-out project in Norway, both on existing and new sites as well as on backbone systems and radio access network expansion, and costs to obtain and fulfil customer contracts

As from 1 January 2018, pursuant to the adoption of IFRS 15, Ice Scandinavia capitalizes costs to obtain and to fulfil customer contracts, which means that these investments are presented within the working capital in the consolidated statement of cash flows. As the change of accounting principle is applied retrospectively, the impact on 2017 investments was NOK 216,795 thousand while this year's investment in new customers amounted to NOK 186,656 thousand.

Ice Scandinavia has recognized a network asset impairment of NOK 33 million as a consequence of the post-closing divestment of the Swedish operations.

Financing

The Group is financed through owners' capital and loans.

In 2018, Ice Scandinavia received NOK 500 million in equity contribution from its Parent Company, in 2017 NOK 1,030 million, by share capital increase.

As per the end of 2018, the Group's total assets amounted to NOK 3,215,047 (3,613,507) thousands of which equity amounted to NOK 417,117 (814,262) thousands which gives an equity/assets ratio of 13% (23%).

In 2017, the SEK 1.5 billion high yield bond (ISIN NO 001 0705601), which was issued in March 2014, was re-financed and replaced by two new bonds, on NOK 800 and NOK 1.4bn respectively. As a result, the Company reduced its interest costs from 9.75% in the SEK 1.5 billion bond to NIBOR +5.25% and NIBOR +4.60% respectively.

The bonds are listed at Oslo Børs, ISIN NO 001 0789035 with ticker IGSH01 and ISIN NO 001 0807092 with ticker IGSH02 respectively. Please refer to note 22 Borrowings for details.

In January 2019, Ice Group ASA, the Ice Group Parent Company succeeded in raising NOK 1.5 billion in equity by private placement. In February 2019 the Company received NOK 700 million initially of these funds.

Research and development

A key priority for Ice Group is to continue to invest in network infrastructure and technology. Key focuses during the year have been related to improving the customer offerings and service experience through implementing VoLTE and to further strengthening the networks performance through optimization and improving its security and reliability.

Corporate governance

Ice Scandinavia, being a part of Ice Group, has made a strong commitment to ensure trust and to enhance shareholder value through efficient decision-making and improved communication between the management, the Board of Directors and the shareholders and will seek to ensure that the Group complies with the requirements of section 3-3b of the Norwegian Accounting Act and the Norwegian Code of Practice for Corporate Governance ("NUES"). Ice Group's framework for corporate governance is intended to decrease business risk, maximise value and utilise the Group's resources in an efficient, sustainable manner, to the benefit of shareholders, employees and society at large.

The overall objective of Ice Group's corporate governance policies is to meet Shareholders' demands for returns on their invested capital as well as the long-term health and overall success of the business.

Corporate governance within the Ice Group is mainly based on the Companies Act, the Norwegian Code of Practice, other applicable laws and regulations, the Company's Articles of Association and Ice Group's internal governance



documents. The governance of Ice Group is also designed to support ice group's business model, where decisions are made at local level as far as possible, in the most effective manner possible.

The Annual General Meeting ("AGM"), the Board of Directors and the Chief Executive Officer ("CEO") are the main governing bodies of Ice Group:

- The AGM is the Company's highest decision-making authority and serves as the forum through which Ice Group's shareholders exercise their influence over the business.
- The Board of Directors, who is elected by the shareholders, is ultimately responsible for the strategy and the organization of Ice Group and the management of its operations.
- The CEO, appointed by the Board of Directors, is responsible for handling the day-to-day management of Ice Group in accordance with instructions from the Board. The CEO is supported by the Group Executive Management team.

The external auditor of Ice Scandinavia is appointed at the Annual General Meeting.

Ice Group believes in adhering to responsible business practices and practicing good corporate citizenship. Promotion, adoption and effective implementation of guidelines for the responsible conduct of business and business relationships are consistent with the fiduciary responsibility of protecting long-term investment interests.

Please also refer to the Corporate Governance Statement in the 2018 annual report of the Group Parent Company, Ice Group ASA.

Corporate responsibility

Ice Group Scandinavia Holdings AS defines corporate social responsibility ("CSR") as achieving commercial profitability in a way that is consistent with fundamental ethical values and with respect for individuals, the environment and society.

The Group shall respect human and labour rights, establish good HSE (health, safety and the environment) standards, facilitate good dialogue with stakeholders and generally operate in accordance with applicable regulatory frameworks and good business practice.

At the core of the Company group's CSR policy is the group's four customer-centric corporate values: trust, fair, bold and share. The values define who we are, how we act and what employees of the Company and Group stand for. The Company has identified seven main CSR topics. The Group's general approach to these topics is described below.

Professional and ethical standards

It is the Group's policy to maintain the highest level of professional and ethical standards in the conduct of its business affairs. The Group places the highest importance upon its reputation for honesty, integrity and high ethical standards. These standards can only be attained and maintained through the actions and conduct of all personnel in the Group. It is the obligation of the Group's employees to conduct themselves in a manner to ensure the maintenance of these standards. Such actions and conduct will be important factors in evaluating an employee's judgment and competence, and an important element in the evaluation of an employee for promotion. Correspondingly, insensitivity to or disregard for the principles of the Group's professional and ethical standards will be grounds for appropriate disciplinary actions.

A customer-centric culture

Companies within Ice Group shall strive to promote an open corporate culture that fosters interaction and is based on the Company's corporate values; strive to understand what really matters to our customers in each market and use that insight to drive everything that we do. We believe in establishing differentiation through creating an emotional connection with our customers to drive cost-effective growth. We put ourselves in our customer's shoes when we make decisions. We operate in an open and transparent manner when dealing with our customers. We avoid hidden fees and "small print" in our commercial relationships with customers. We communicate honestly and openly, without hidden agendas. That way we earn our customers' trust and business.

In promoting the Group's principles for good business operations, we shall always respect local values and norms, and achieve success by bridging the divide between different cultures. Group companies shall always comply with local regulatory requirements in the countries in which we operate



Respect for human and labour rights

Companies within Ice Group are committed to respecting fundamental human and labour rights, both in our own operations and in our relations with business partners. Our employees shall be treated with respect and given orderly working conditions. The Group companies shall work continuously with issues such as non-discrimination, the right to privacy, the right to collective bargaining, employment contracts and protection against harassment. Forced labour, child labour and all forms of discrimination are strictly forbidden.

Equal opportunities

It is the Group's position to actively promote equal treatment and that equal treatment of all employees is applied and that different treatment or discrimination based on person's gender, race, colour, national origin, age, religion, sexual orientation or any other characteristic protected by applicable law is unacceptable. Furthermore, the Group is committed to equal opportunity for all qualified employees and job applicants. All employment decisions (such as hiring, discipline, terminations, promotions and job assignments) are to be based on the Group's needs and an employee's performance and potential.

The average number of employees was 193 versus 186 for the equivalent period the previous year, of which 147 and 126 respectively were men. Including external resources, such as dedicated people with contract suppliers and subcontractors, the Group employed 305 (277) people. The Company is a holdings company with no employees. The Board of Directors has three members (all men).

Health, safety and work environment

A healthy work environment contributes to a better health, greater engagement and increased job satisfaction. The goal is to create a work environment that contributes to the motivated and committed employees, which ultimately is important for the Company's continued success. Creating a positive and pleasant environment requires continuous effort and is a natural part of the Group's daily operations.

It is Ice Group's position that equal treatment of all employees is applied, and that different treatment or discrimination based on person's gender, race, colour, national origin, age, religion, sexual orientation or any other characteristic protected by applicable law is unacceptable. Furthermore, the Group is committed to equal opportunity for all qualified employees and job applicants. All employment decisions (such as hiring, discipline, terminations, promotions and job assignments) are to be based on the Company's needs and an employee's performance and potential. The Group has no records of accidents or injuries during the year, and the Group has not deemed it necessary to take special measures in this area. The sick leave during 2018 was 2.7% compared to 1.8% during 2017. Ice in Norway has two years in a row been voted as top 10 most attractive work places according to the well-recognized Great Place to Work survey.

Anti-corruption

Ice Group has zero tolerance for corruption and conducts its business according to applicable laws, while observing the highest ethical standards and without compromise to its commitment to integrity. Ice's compliance manuals set out strict guidelines on how to handle for example receiving and giving gifts and the company furthermore conducts dilemma training for its employees. Ice has also implemented strict guidelines on counterparty screening to fight corruption in its businesses relations, and monitors conduct to avoid any exposure to unacceptable practices.

Ice has established reporting lines for compliance matters, including a whistleblowing system that serves as an interface designed to receive and handle employee reports.

We work to ensure that policies are available throughout our organisation through training sessions, lectures and tests. Going forward, we will continue to develop and strengthen our policies and training.

External environment

The Group's business is affected by the external environment. Our base stations are to a large extent co-located with other operators'. Whereby the Group establishes its own base stations, the aim is to protect the environment to the greatest possible extent. Ice Scandinavia does not pollute the environment to any significant extent.

Regarding the products, the Group work continuously within the industry to improve the environmental profile; in terms of production and packaging as well as transport, distribution and disposal.

The Group intends to implement a separate environment policy during 2019.



Risks and factors of uncertainty

Ice Scandinavia operates in the highly competitive and regulated mobile telecommunications industry in Scandinavia 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 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 are described below.

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 Group's 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 realize 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 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 unauthorized disclosure of personal data handled by the Group.

Amongst Financing risks, the Group has a substantial amount of debt and significant debt service obligations. As a result of this leverage, 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 or exploiting business opportunities or the ability to successfully implement its business strategy.

Please refer to notes 2 and 30 for a detailed walk-through of the risks identified.

Related party transactions

At the end of 2018 Ice Group Scandinavia Holdings AS had one loan from its parent, AINMT Holdings AB. The loan amounted to NOK 50 million and was entered into in 2015. Please see further details in note 22 Borrowings.

Liquidity and going concern

Ice Scandinavia 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 process includes a number of options and partners.

From a liquidity perspective, the NOK 1.5 billion equity raised by the Ice Group Parent Company, completed in January 2019, secured funding for 12-15 months for the Group. Combined with the divestment of the Swedish business this has secured additional funds for network build-out and growth in Norway well into 2020.

Based on the above, the Board confirms that the prerequisites for the going concern assumption exist and that the financial statements have been prepared based on a going concern basis in accordance with section 3-3a of the Norwegian Accounting Act and IAS1, p. 25-26.



Legal disclaimer

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

Proposed distribution of earnings of the Company

At the disposal of the Annual General Meeting:

Net result for the year	NOK thousands
	-641,856
Total	-641,856

The Board proposes that this sum be distributed as follows:

To be carried forward	NOK thousands
	-641,856
Total	-641,856

Oslo, 15 April 2019

Henning Karlsrud


Chairman of the Board

Eivind Helgaker



Anders Koch





CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

<i>NOK thousands</i>	<i>Note</i>	2018	2017¹
Service revenue		1,539,291	1,265,677
Other operating revenue		119,548	80,290
Total operating revenue	4, 5, 6	1,658,839	1,345,967
National roaming expenses		-434,117	-394,743
Operating expenses	17	-685,328	-569,926
Other expenses	7, 18	-714,127	-624,423
Employee benefit expenses	8	-205,708	-193,778
Depreciation, amortization and impairment losses	12, 13	-368,737	-310,816
Total operating expenses		-2,408,016	-2,093,687
Operating result		-749,178	-747,719
Financial income	10	1,650	3,482
Financial expenses	11	-155,613	-263,952
Financial items – net		-153,963	-260,470
Share of net profit from joint ventures	14	33	-28
Result before tax		-903,108	-1,008,218
Income taxes	9	-4,968	-6,448
Net result for the year		-908,076	-1,014,666
<i>Items that may be subsequently reclassified to profit or loss:</i>			
Translation differences on foreign operations		-5,180	3,119
Other comprehensive income		-5,180	3,119
Total comprehensive income for the year		-913,256	-1,011,547
<i>Net result for the year attributable to:</i>			
Equity holders of the Parent Company		-908,076	-1,013,698
Non-controlling interests		-	-968
Net result for the year		-908,076	-1,014,666
<i>Total comprehensive income for the year attributable to:</i>			
Equity holders of the Parent Company		-913,256	-1,010,576
Non-controlling interests		-	-971
Total comprehensive income for the year		-913,256	-1,011,547
Earnings per share (NOK), basic and diluted		n/a	n/a

1) Numbers for 2017 have been restated due to implementation of IFRS 15. See note 1 for more information.



CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

<i>NOK thousands</i>	<i>Note</i>	31 Dec 2018	31 Dec 2017¹
ASSETS			
Non-current assets			
<i>Intangible assets</i>			
Licenses and similar rights		619,855	636,743
Customer relationships		79,679	112,400
Other intangible assets		232,537	198,798
Total intangible assets	12	932,071	947,941
<i>Tangible assets</i>			
Plant and machinery		1,055,812	1,016,176
Equipment and tools		6,370	5,225
Other tangible assets		5,214	11,272
Work in progress		394,348	326,619
Total tangible assets	13	1,461,744	1,359,292
<i>Other non-current assets</i>			
Shares and participations in joint ventures	14	268	235
Other financial assets	16	22,056	14,781
Costs to obtain/fulfil customer contracts	6	303,580	293,139
Deferred tax assets	9	721	327
Total other non-current assets		326,625	308,482
Total non-current assets		2,720,441	2,615,715
Current assets			
Inventory	17	20,168	26,621
Trade receivables	16, 18	95,067	71,201
Other receivables	16, 19	14,404	18,863
Prepaid expenses and accrued income	6, 20	95,015	158,910
Total current receivables		224,654	275,594
Cash and cash equivalents	16, 21	269,952	722,198
Total current assets		494,607	997,793
TOTAL ASSETS		3,215,047	3,613,507

¹⁾ Numbers for 2017 have been restated due to implementation of IFRS 15. See note 1 for more information.



CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTD.)

<i>NOK thousands</i>	<i>Note</i>	31 Dec 2018	31 Dec 2017¹
EQUITY			
Equity attributable to the owners of the Parent Company			
Share capital	P4	4,500	4,200
Other contributed capital		3,852,433	3,352,733
Reserves		921	3,666
Retained earnings including total comprehensive income for the year		-3,440,737	-2,546,338
Total		417,117	814,262
Equity attributable to non-controlling interests		-	98
Total equity	1, 3	417,117	814,360
LIABILITIES			
Non-current liabilities			
Borrowings	16, 22	2,226,829	2,213,580
Provisions for deferred tax	9	9,611	4,254
Total non-current liabilities		2,236,440	2,217,834
Current liabilities			
Trade payables	16	227,787	282,313
Other liabilities	16, 24	19,953	18,623
Accrued expenses and deferred income	6, 25	313,750	280,378
Total current liabilities		561,491	581,314
TOTAL EQUITY AND LIABILITIES		3,215,047	3,613,507

¹⁾ Numbers for 2017 have been restated due to implementation of IFRS 15. See note 1 for more information.

Oslo, 15 April 2019

Henning Karlsrud


Chairman of the Board

Eivind Helgaker



Anders Koch





CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

NOK thousands	Attributable to shareholders in the Parent Company					Non-controlling interests	Total Equity
	Share capital ¹	Other contributed capital	Reserves	Retained earnings	Total		
Opening balance							
1 January 2017	3,600	2,323,333	545	-1,731,874	595,604	490	596,094
Change in accounting principles ²	-	-	-	193,735	193,735	-	193,735
Adjusted opening balance							
1 January 2017	3,600	2,323,333	545	-1,538,139	789,339	490	789,829
Net result for the year	-	-	-	-1,013,698	-1,013,698	-968	-1,014,666
<i>Other comprehensive income for the year</i>							
Translation differences on foreign operations			3,122	-	3,122	-3	3,119
Total comprehensive income for the year			3,122	-1,013,698	-1,010,576	-971	-1,011,547
Change in non-controlling interests	-	-	-	-525	-525	579	53
Capital contribution from share-based payments	-	-	-	5,446	5,446	-	5,446
Share capital increase	600	1,029,400	-	-	1,030,000	-	1,030,000
Total transactions with owners, recognized directly in equity	600	1,029,400	-	4,922	1,034,922	579	1,035,499
Closing balance							
31 December 2017	4,200	3,352,733	3,666	-2,546,914	813,684	98	813,782
Net result for the year	-	-	-	-908,076	-908,076	-	-908,076
<i>Other comprehensive income for the year</i>							
Translation differences on foreign operations			-5,180	-	-5,180	-	-5,180
Total comprehensive income for the year			-5,180	-908,076	-913,256	-	-913,256
Change in non-controlling interests	-	-	2,435	-2,337	98	-98	-
Capital contribution from share-based payments	-	-	-	16,591	16,591	-	16,591
Share capital increase	300	499,700	-	-	500,000	-	500,000
Total transactions with owners, recognized directly in equity	300	499,700	2,435	14,254	516,689	-98	516,591
Closing balance							
31 December 2018	4,500	3,852,433	921	-3,440,737	417,117	-	417,117

1) Please see note P4 for details on the share capital

2) Numbers for 2017 have been restated due to implementation of IFRS 15. See note 1 for more information.



CONSOLIDATED STATEMENTS OF CASH FLOWS

<i>NOK thousands</i>	<i>Note</i>	2018	2017¹
Operating result		-749,178	-747,720
Depreciation and amortization of non-current assets	12, 13	368,737	310,816
Amortization of costs to obtain/fulfil contracts		172,220	121,453
Adjustments for non-cash items	27	10,048	21,000
Interest received, operational		1,348	1,357
Interest paid, operational		-796	-601
Cash flows before changes in working capital		-197,621	-293,694
Change in inventory		2,073	12,672
Change in current receivables		41,087	-13,354
Change in current liabilities		-21,016	139,318
Change in costs to obtain/fulfil contracts		-186,656	-216,795
Cash flows from changes in working capital		-164,512	-78,159
Cash flows from operating activities		-362,133	-371,853
Investments in intangible assets	12	-112,221	-175,027
Investments in tangible assets	13	-347,824	-411,585
Net cash flows from other financial assets		-65	3,084
Cash flows from investing activities		-460,110	-583,528
Financing from shareholders		500,000	830,000
Borrowings	22	-	2,909,900
Repayments		-	-2,229,545
Interest paid, borrowings	22	-128,852	-197,703
Cash flows from financing activities		371,148	1,312,653
Cash flow for the year		-451,095	-357,271
Cash and cash equivalents at the beginning of the period		722,198	362,075
Exchange rate difference in cash and cash equivalents		-1,152	2,852
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		269,952	722,198

1) Numbers for 2017 have been restated due to implementation of IFRS 15. See note 1 for more information.



NOTES TO THE FINANCIAL STATEMENTS

General information

Ice Group Scandinavia Holdings AS ("the Company") is a limited liability company incorporated in Norway and operates with its subsidiaries (together, "the Group" or "Ice Scandinavia") under the trademark Ice in Norway and Net1 in Sweden and 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 is wholly owned by AINMT Holdings AB, Sweden, (the "Parent Company") which is owned to 99.83% by Ice Group ASA, Norway, listed at OTC in Norway with ticker "ICE" (together, "Ice Group"). The major shareholder of Ice Group ASA is AI Media Holdings (NMT) LLC, Delaware.

All amounts in this annual report are expressed in in NOK thousands (KNOK) unless otherwise indicated. Amounts in brackets relate to previous year if not otherwise indicated.

This annual report for the Ice Group Scandinavia Holdings AS Group, including Parent Company Financial Statements and notes, is available at www.icegroup.com.

Note 1 - Basis of preparation

Ice Group Scandinavia Holding AS, previously AINMT Scandinavia Holdings AS, is a 100% owned subsidiary of AINMT Holdings AB.

The Company was founded by AINMT Holdings AB in February 2014 and then acquired the subsidiaries Ice Danmark ApS (29 84 99 43), Ice Norge AS (991 715 290), Ice Communication Norge AS (912 672 808) and Netett Sverige AB (556773-3091) from AINMT Holdings AB in March 2014.

The Annual Report 2018 and the consolidated financial statements for the Ice Group Scandinavia Holdings AS group have been prepared in accordance with IFRS as adopted by the EU and have been prepared on a going concern basis. The most significant accounting principles applied in these consolidated financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to make certain judgments in applying the Group's accounting policies, see note 3 Critical accounting estimates and judgements for further details.

The shareholders have the power to amend the consolidated financial statements after issue.

New and changed accounting standards adopted 1 January 2018

IFRS 9 Financial instruments

Ice Scandinavia has adopted IFRS 9 *Financial instruments* as of 1 January 2018. IFRS 9 replaces IAS 39 *Financial Instruments: Recognition and Measurement*. The new standard sets out new requirements for the accounting of financial instruments in the areas of classification, impairment and hedge accounting.

Ice Scandinavia has adopted IFRS 9 retrospectively in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, but has elected not to restate comparative information. The implementation of IFRS 9 has had no material implementation effect in the Group's consolidated statement of financial position and statement of changes in equity. During 2018 and 2017 the Group did not engage in hedge accounting and all material balances related to financial instruments were recognised at amortized cost. Financial assets are classified at amortized cost under IFRS 9 when these financial assets meet the criteria for the business model Hold to collect and payments of solely principal and interest (SPPi). Investments in equity instruments are held at fair value over profit or loss. In 2018 Ice Scandinavia applies an expected credit loss model (ECL) when calculating impairment losses on accounts receivable using the practical expedient in IFRS 9 of a lifetime ECL approach. All other financial assets are impaired using the 3-stage ECL approach.



IFRS 15 Revenue from contracts with customers

IFRS 15 *Revenue from contracts with customers* is effective from 1 January 2018, and subsequently Ice Scandinavia has changed the accounting principle for revenues from contracts with customers from that date. The new standard is applied by Ice Scandinavia using the full retrospective method.

The revenue recognition model that Ice Scandinavia applied up until 31 December 2017 has, in all material aspects, been in line with IFRS 15, and has only been modified slightly to comply with the requirements in IFRS 15. Ice Scandinavia has made a detailed analysis of all the performance obligations, and the allocation of consideration amongst them, for each type of customer contract. The main change related to revenue recognition, is that certain equipment sales are not considered to be a distinct performance obligation. Due to this change, the revenue recognition for this equipment will in some cases be deferred over time. The effect of this change is not material.

The main effect of implementing IFRS 15 in Ice Scandinavia is related to capitalization of incremental costs related directly to obtaining and fulfilling a contract, such as sales commissions and certain installation costs. These types of costs will be capitalized and deferred over the period over which Ice Scandinavia expects to provide services to the customer.

IFRS 15 adds a number of additional disclosure requirements to both the interim reports and annual report, compared with the previous standard.

The effects on the financial statements are presented below.

No other of the standards and statements that have been published by the IASB, and that are effective for annual periods beginning on or after 1 January 2018, have had any material impact on the financial statements of the company.

IFRS 15 effects on consolidated statements of financial position

<i>NOK thousands</i>	Reported 31 Dec 2016	Change IFRS 15	Restated 1 Jan 2017	Reported 31 Dec 2017	Change IFRS 15	Restated 31 Dec 2017
Assets						
Costs to obtain/fulfil customer contracts ¹	-	197,178	197,178	-	293,139	293,139
Other non-current assets	2,227,170	-	2,227,170	2,322,576	-	2,322,576
Total non-current assets	2,227,170	197,178	2,424,348	2,322,576	293,139	2,615,715
Total current assets	631,180	-	631,180	997,793	-	997,793
Total assets	2,858,350	197,178	3,055,528	3,320,368	293,139	3,613,507
Equity attributable to Parent Company shareholders	595,604	193,735	789,339	523,100	291,162	814,262
Equity attributable to non-controlling interest	490	-	490	98	-	98
Total equity ²	596,094	193,735	789,829	523,198	291,162	814,360
Contract liabilities ³	-	3,443	3,443	-	1,978	1,978
Other liabilities	2,262,256	-	2,262,256	2,797,170	-	2,797,170
Total liabilities	2,262,256	3,443	2,265,699	2,797,170	1,978	2,799,148
Total equity and liabilities ³	2,858,350	197,178	3,055,528	3,320,368	293,139	3,613,507

1) Classified as Other non-current assets in the statement of financial position.

2) Since there is no material effect on revenue and the Company is not in tax position there is no tax-effect. Changes in the temporary tax differences will occur.

3) Unsatisfied performance obligations



IFRS 15 and reclassification of commission revenue effects on consolidated statements of comprehensive income

<i>NOK thousands</i>	Reported 2017	Change IFRS 15	Restated 2017
Service revenue	1,241,917	23,760	1,265,677
Other revenue	102,543	-22,253	80,290
Total revenue	1,344,460	1,507	1,345,967
National roaming expenses	-394,743	-	-394,743
Operating expenses	-570,638	712	-569,926
Other expenses	-718,818	94,395	-624,423
Employee benefit expenses	-194,013	235	-193,778
Depreciation, amortization and impairment losses	-310,816	-	-310,816
Operating result	-844,569	96,849	-747,719
Net result for the year ¹⁾	-1,111,515	96,849	-1,014,666
Other comprehensive income	3,119	-	3,119
Total comprehensive income	-1,108,396	96,849	-1,011,547
<i>Alternative Performance Measures (see page 45)</i>			
EBITDA	-463,021	96,849	-366,172

1) Since there is no material effect on revenue and the Company is not in tax position there is no tax-effect. Changes in the temporary tax differences will occur.

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group

In preparing the consolidated financial statements at 31 December 2018 a number of standards and interpretations are not yet effective and which are applicable to the Group. A preliminary assessment of the effects from the standards that are considered relevant for the Group:

IFRS 16 Leases

IFRS 16 *Leases* changes the accounting treatment of leases by lessees. The standard is effective from the year beginning on 1 January 2019. The new standard removes the classification of leases as operating leases or finance leases as is required by IAS 17 and, instead introduces a single accounting model. When the new standard is implemented, Ice Scandinavia's long-term operating leases will be recognized as non-current assets and financial liabilities in the consolidated statement of financial position. Instead of operating lease expenses, Ice Scandinavia will recognize depreciation and interest expenses in the consolidated income statement of comprehensive income.

The total cost over the lease term will remain unchanged after the implementation of IFRS 16, however during the lease term the impact will be material given the number of site leases and the annual spectrum licenses to which the Group is party. The key line items that will be affected by the implementation of IFRS 16 are:

- Operating expenses will decrease due to the reclassification of operational leases as depreciation and interest expenses.
- EBITDA will improve by the same amount as the decrease in operating expenses.
- Depreciation and amortization will increase due to depreciation of capitalized lease contracts.
- Financial expenses will increase, due to interest expenses on lease liabilities.
- Total non-current assets as well as total non-current liabilities will increase due to the capitalization of lease contracts.

Ice Scandinavia has applied the following principles and decisions in relation to the implementation of IFRS 16:

- Fixed non-lease components included in the contracts will not be separated and therefore will be included as part of the lease liability and the capitalized rights-of-use asset. Where this is part of a lease contract for base station locations, this primarily relates to expenses related to power consumption.
- Lease contracts for base station locations will be defined to have a lease period lasting until the expiry date of the frequencies held in Scandinavia. Although a majority of these lease contracts have exit options, either through active termination of running contracts or not calling on options to prolong the agreement. Management believes Ice Scandinavia has economic incentives to exercise the options to prolong the lease terms. Management believes the most relevant end date of the contracts is when the majority of the frequencies expires.



- With the exception of the aforementioned contracts for base station locations, lease contracts of 12 months or less will not be capitalized. Furthermore, lease contracts with low value (primarily relating to office equipment) will not be capitalized.
- Intangible assets (primarily spectrum licenses and the associated annual spectrum fees) will be included as lease agreements and capitalized.
- Ice Scandinavia will apply the full retrospective approach to provide a meaningful comparison with the year ended 31 December 2018 when the principle is implemented from 1 January 2019.
- Contract with less economic life than 12 months or with a total value of NOK 100 thousand are excluded.

The preliminary total consolidated implementation effect per 1 January 2018 on total assets is approximately NOK 1,600 million, on total equity approximately NOK 240 million and on liabilities approximately NOK 1,830 million. There is no impact on cash flows, however the cash from operating activities in the cash flow statement will be impacted due to the increase in depreciation from the right-of-use assets. The main types of lease contracts to which Scandinavia is party to are site leases and the lease of frequencies. The frequency licenses represent a significant portion of the total implementation effect.

No other IFRS or IFRIC interpretations not yet in force are expected to have a material impact on the Group upon adoption.

Consolidation

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The excess of the consideration of the transferred amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognized directly in the statement of comprehensive income.

Inter-company transactions, balances and unrealized gains on transactions between Group companies are eliminated. Unrealized losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform to the Group's accounting policies.

Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in the Norwegian kroner (NOK) which is the Group's presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of assets and liabilities denominated in foreign currencies are recognized in the statement of comprehensive income. Exchange rate gains and losses related to trade receivables and liabilities are reported on the applicable line in the statement of income and are included in operating result. Exchange rate differences related to financial assets and financial liabilities are reported as financial items in the statement of income, except exchange rate differences related to non-current debt that is part of the Group's net investment in a subsidiary.

Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the

presentation currency. Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet. Income and expenses for each income statement are translated at average exchange rates for the reporting period. All resulting exchange differences are recognized in other comprehensive income.

Revenue recognition

IFRS 15 Revenue from contracts with customers is effective from 1 January 2018, and subsequently Ice Group has implemented the accounting principle for revenues from contracts with customers from that date. The new standard is applied by Ice Group using the full retrospective method, i.e. all comparative periods are reported according to IFRS 15 as well.

The allocation of revenue is based on the stand-alone selling price for each separate performance obligation in the contract with the customer, and the revenue is recognized when the service/good is delivered. The Group divides the revenue into two categories in the Statement of Comprehensive Income; Service revenue and Other operating revenue.

- Mobile voice services are separate performance obligations and revenue is recognized as the service is being delivered. Revenue from Mobile voice services are reported within Service revenues.
- Mobile broadband services are separate performance obligations and revenue is recognized as the service is being delivered. Revenue from Mobile broadband services are reported within Service revenues.
- Consumer routers are not separate performance obligations. Revenue is recognized over the same contract period as when the related mobile broadband service is delivered to the customer, regardless of if the consumer rents the router or buys the router. Revenue from Consumer routers are reported within Service revenues.
- Industry routers are deemed to be separate performance obligations and revenue is recognized either at one point in time, if the customer buys the router, or over the contract period, if the customer rents the router. Ice Group's assessment is that the industry router qualifies as an operational lease. Revenue from Industry routers are reported within Other revenue.
- Start-up fees are in all cases, not separate performance obligations and revenue is recognized with the delivered service for which the start-up fee belongs to is recognized. Start-up fees are reported either in Service revenue or Other revenue depending on what type of service they are related to.
- Discounts are, in all material aspects, not recognized in their full effect in the period the discounts are given to the customer. The discount is proportionally allocated to all performance obligations (distinct goods/services delivered) in the contract and recognized when the underlying performance is recognized over the contract period.
- Lease income is recognised on a straight-line basis over the lease period.

Operating and other expenses

Operating expenses comprises cost of goods sold costs for operating the network; site leases, transmission costs, carrier services, IT-costs and fieldwork and maintenance.

Other expenses are related to retailer commissions and other customer acquisition costs, marketing and public relations and office costs. All these costs are expensed as incurred.

Intangible assets

Licenses and similar rights

Separately acquired trademarks and licenses are shown at historical cost less amortization. Licenses and trademarks acquired in a business combination are recognized at fair value at the acquisition date. Licenses have a finite useful life and are carried at cost less accumulated amortization. Amortization is calculated using the straight-line method to allocate the cost of trademarks and licenses over their estimated useful lives of 10 to 20 years.

Customer relationships

Separately acquired customer relationships are shown at historical cost less amortization. Customer relationships acquired in a business combination are recognized at fair value at the acquisition date. Customer relationships have



a finite useful life and amortization is calculated using an accelerated amortization method over their estimated useful lives, meaning higher amortization expense in the first few years after the acquisition.

Capitalized development costs

Costs associated with maintaining computer software programmes are recognized as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognized as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use it;
- there is an ability to use the webpage or software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Costs that are directly attributable as part of the software product, including the software development employee costs, are capitalized.

Capitalized development costs are shown at historical cost less accumulated amortization. Amortization is commenced when the assets is ready for use. Useful lifetime is assessed based on the period of the future economic benefits. The useful lifetimes are estimated to 3-5 years and amortization are recognized linear over the period. Other development expenditures that do not meet these criteria are recognized as an expense as incurred. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period.

Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Each part of a tangible asset with an acquisition value that is significant in relation to the total acquisition value is depreciated separately. Constructions in progress are not depreciated until they are ready for use. Depreciation on tangible assets are made on a linear basis;

- | | |
|-------------------------|------------|
| - Plant and machinery | 5-25 years |
| - Equipment and tools | 5 years |
| - Other tangible assets | 3-5 years |

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in line 'Other expenses' in the statement of comprehensive income.

Costs to obtain and fulfil customer contracts

With the adoption of IFRS 15 Ice Scandinavia capitalizes the incremental costs to obtain and to fulfil customer contracts as an other non-current asset if the cost is expected to be recovered, which means that these items are now amortized as investment expenditures ("Costs to obtain and fulfil customer contracts") instead of being a direct operating expense. The useful lives are evaluated on a quarterly basis and reflects the customer lifetime, currently 3 years on average. Costs to obtain and fulfil customer contracts are amortized as Operating expenses and Other expenses. Costs to obtain and fulfil customer contracts are included in the statement of financial position within other non-current assets.

Impairment of non-financial non-current assets

Intangible assets that have an indefinite useful life or intangible assets not ready to use are not subject to amortization and are tested annually for impairment. Intangible or tangible non-financial assets that are subject to amortization or depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair



value less costs of disposal and value in use. For the purposes of assessing impairment, assets are Grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units).

The Group uses discounted cash-flow calculations for the impairment tests. A network asset impairment of NOK 33 million was recognized in the fourth quarter as a consequence of the post-closing divestment of the Swedish operations.

Financial instruments

Financial instruments are included in many balance sheet items as described below.

Classification

The Group classifies its financial assets and liabilities in the following categories: financial assets at fair value through (FVTPL), and financial assets and financial liabilities at amortized cost. The classification of financial assets depends on the business model of Hold to collect or Hold to collect and sell, as well as the financial asset meeting the criteria of SPPI (cash flows consist of solely payments of principle and interest). Management determines the classification of its financial instrument at initial recognition. Currently the Group does not have any financial liabilities at FVTPL. There are no financial assets at FVTPL or the other IFRS 9 category of fair value over other comprehensive income (FVOCI).

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are derivatives and financial assets not meeting the criteria of SPPI or designated at fair value by management at initial classification.

Financial assets at amortized cost

Financial assets at amortized cost are non-derivative financial assets with fixed or determinable payments meeting the SPPI criteria and not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting. These are classified as non-current assets. The Group's financial assets at amortized cost comprise 'trade and other receivables' and 'cash and cash equivalents' in the balance sheet and the financial instruments recorded in other receivables.

Financial liabilities

All financial liabilities are at amortized cost and interest is determined using the effective interest method. These liabilities are the Group's borrowings, trade payables and the part of current liabilities related to financial instruments are classified as other financial liabilities.

Recognition and measurement

Regular purchases and sales of financial assets are recognized on the trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognized at fair value, and transaction costs are expensed in the statement of comprehensive income. Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognized when the contractual obligations have been completed or otherwise terminated.

Financial liabilities at fair value through profit or loss are subsequent to the acquisition carried at fair value. All financial assets and financial liabilities at amortized cost are measured using the effective interest method.

Gains or losses arising from changes in the fair value of the 'financial liabilities at fair value through profit or loss' category are presented in the statement of comprehensive income within 'Other (losses)/gains – net' in the period in which they arise and is included in net financial items as it relates to financing.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

Impairment of financial assets

From 1 January 2018, the Group assesses on a forward-looking basis the expected credit losses associated with its financial assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.



For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables. See note 18 for additional details.

The impairment policy for financial assets applied until 31 December 2017 is as follows: The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or Group of financial assets is impaired. A financial asset or a Group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or Group of financial assets that can be reliably estimated.

A write-down is calculated as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognized in the consolidated statement of comprehensive income. If, in a subsequent period, the amount of the impairment loss decreases, and the decrease can be related objectively to an event occurring after the impairment was recognized, the reversal of the previously recognized impairment loss is recognized in the consolidated statement of comprehensive income.

Joint ventures

Joint venture is a joint arrangement whereby the partners that have joint control of the arrangement have rights to the net asset of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decision about the relevant activities require unanimous consent of the parties sharing control. The Group has one joint venture, Smartkom AS.

Joint ventures are included in the consolidated financial statements using the equity method from the date the Group's significant influence or joint control commences until the date it ceases. The Group's share of the joint venture's profit for the financial period is shown as a separate item after the Group's operating result, on the line Share of net profit from joint ventures. The Group's share of the joint venture's changes recorded in other comprehensive income is recorded in the Group's other comprehensive income. If the Group's share of the joint venture's losses exceeds its interest in the company, the carrying amount is written down to zero.

Inventory

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

Trade receivables

Trade receivables are financial instruments and represent the amount due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less a loss allowance for impairment determined using the expected credit loss model for lifetime expected losses.

Cash and cash equivalents

Cash and cash equivalents in the cash flow statement include highly liquid short-term investments that can be easily converted into a known amount, are exposed to insignificant risk and have a maximum maturity of 3 months. Cash and cash equivalents for 2017 and 2016 did not include any highly liquid short-term investments.

Trade payables

Trade payables are financial instruments and represent obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.



Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the statement of comprehensive income over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Current and deferred income tax

The tax expense for the period comprises current and deferred tax. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company and its subsidiaries operate and generate taxable income.

Tax is recognized in the statement of comprehensive income, except to the extent that it relates to items recognized in other comprehensive income. In such cases, the tax is also recognized in other comprehensive income.

Deferred income tax is recognized on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Employee benefits

Pension obligations

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits.

The Group recognizes termination benefits when the Group can no longer withdraw the offer of those benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

Share-based payments

IFRS 2 distinguishes between payments settled with cash and payments settled with equity instruments. The fair value of an equity-settled share-based payment is determined on the allotment date and the difference between this value and the payment the employee makes for the warrants is recognized as a cost over the vesting period with equity as the offsetting entry. Social security costs are recognized through profit or loss.



Cash-settled warrants give rise to a commitment to the employees which is measured at fair value and recognized as an expense with a corresponding increase in liabilities. Fair value is initially measured on the date of allotment and distributed over the vesting period including social security costs. The fair value of the cash-settled warrants is calculated according to the Black-Scholes model taking into account the terms and conditions for the allotted instruments. The liability is re-measured on each reporting date and when it is settled. All changes in fair value on liabilities are recognized through profit or loss for the year as a staff cost including social security costs.

Note that the Company has not issued any share-based instruments itself but have carried costs from incentive programmes issued by its Parent Company.

Leases

The Group is a lessee

The Group holds leases concerning cars, coffee machines, copiers, certain network equipment (only for 2016), and office premises. Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

Leases of property, plant and equipment, where the Group has substantially all the risks and rewards of ownership, are classified as finance leases. Finance leases are capitalized at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments. The lease of certain network equipment (PDSN) has been classified as financial leases.

Each lease payment is allocated between the liability and finance charges. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the statement of comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Equipment acquired under finance leases is depreciated over the lease term. In cases it with reasonable certainty can be established that the ownership will be transferred to the lessee at the end of the lease term, the asset is depreciated applying the same economic period as for other assets of similar nature.

Cash flow statement

The Group presents the statement of cash flows using the indirect method. Cash inflows and outflows are shown separately for investing and financing activities, while operating activities include both cash and non-cash line items. Operating interests received and paid are reported as a part of operating activities. Interests paid on borrowings are included as a part of financing activities. Value Added Tax and other similar taxes are regarded as collection of tax on behalf of authorities, and are reported net.

Share capital

All shares are classified as equity.



Note 2 – Financial risks

The Group's activities expose it to a variety of financial risks: market risk (currency risk, fair value interest rate risk and cash), credit risk and liquidity risk. The Group does not use derivative instruments to hedge risk exposures.

Risk management is handled by Group management under policies approved by the Board. Group treasury identifies, evaluates and hedges financial risks in close cooperation with the Group's operating units. The Board establishes written policies for overall risk management, as well as specific areas such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity.

The following describes the Group's estimated risk exposure and related risk management.

Market risk

(a) *Foreign exchange risk*

Exchange rate fluctuations affect the Group's financial results through translation of the profit and loss accounts and balance sheets of foreign subsidiaries to Norwegian krone (translation exposure). All external debts are denoted in NOK, and from the 2017 refinancing, after which Ice Scandinavia's external debts are denoted in NOK, and further after divesting the Swedish operations in 2019, the foreign exchange risk exposure is deemed as very low.

(b) *Interest rate risk relating to cash flows and fair values*

As the Group has no significant interest-bearing assets, the Group's revenues and cash flows from operating activities are substantially independent of changes in market interest rates.

The Group's interest rate risk arises from long-term borrowings at variable interest rates, where the risk lies in the fluctuation of 3-month NIBOR. The senior secured and senior unsecured bonds of a total NOK 2.2 billion, are running with an interest rate of NIBOR +4.60% and NIBOR +5.25% respectively. The 2015 subordinated loan of NOK 50 million from the Parent Company runs with fixed annual interest rate.

See the sensitivity analysis below.

Credit risk

Credit risk is managed on Group level, with the exception of credit risk relating to outstanding accounts receivable. Each Group company is responsible for monitoring and analysing the credit for each new customer before the standard terms of payment and delivery offered. Due to the end customer structure, Ice Group deems this risk as fairly low.

Liquidity risk

Liquidity risk is the risk that the Group may not have sufficient liquid financial resources to meet its obligations when they fall due or would have to incur excessive costs to do so. The Group assesses, monitors and manages its liquidity needs on an ongoing basis.

Please see the Group's main long-term financial liabilities classified according to the time on the closing date until the contractual maturity date, in note 22 Borrowings.

Capital management

The Group's target with respect to capital is to safeguard the Group's ability to continue its operations so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. With regards to the capital structure, please also see the financial covenants to the bondholders in note 22 Borrowings.

To maintain or adjust the capital structure, the Group may adjust the dividend paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Similar to other companies in the industry, the Group assesses capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total gross borrowings (including current borrowings and non-current borrowings) less cash and cash equivalents. Total capital is calculated as equity plus net debt.



<i>NOK thousands</i>	2018	2017
Total gross borrowings (note 22)	2,226,829	2,213,580
Less cash and cash equivalents (note 21)	-269,952	-722,198
Net debt	1,956,877	1,491,382
Total equity	417,117	814,360
Total capital	2,373,994	2,305,742
Net Debt/Total capital ratio	82%	65%

The following table shows the Group's financial liabilities measured at amortized cost in the consolidated statements of financial position as at 31 December 2018.

<i>NOK thousands</i>	31 Dec 2018		31 Dec 2017	
	Carrying amount	Fair value	Carrying amount	Fair value
Senior Unsecured bond ISIN NO 001 0789035	786,933	762,640	782,951	791,000
Senior Secured bond ISIN NO 001 0807092	1,375,670	1,383,620	1,366,903	1,403,850
Loan from AINMT Holdings AB	63,049	63,049	63,049	63,049

Sensitivity analysis – interest rate risk

The factors below show the hypothetical effect on Group's profit, should some factors change. The calculations are hypothetical and should neither be considered as an indicator of either of these factors being more or less likely to change, nor the size of the magnitude of the change. Real changes and their effects may be larger or smaller than presented below. In addition, it is likely that the real changes will affect other items, and that actions by Ice Group and others, as a result of the changes, may come to affect other items.

The sensitivity analysis should therefore be interpreted with caution.

During 2017 the Company refinanced its debt from a SEK 1.5 billion High Yield bond to a total NOK 2.2 billion, Senior Secured bond and Senior Unsecured bond. The refinancing to a NOK bond eliminates the currency fluctuation risk in debt. However, the new financing structure has a blended debt financing cost of NIBOR +5.25% and +4.60%, which introduces a risk of fluctuation in interest rate which could potentially lead to higher financial costs than expected. An increase of 1% in NIBOR would give a negative effect on the interest expense amounting to NOK 22 million.



Note 3 – Critical accounting estimates and judgements

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Valuation of non-current intangible assets

If the recoverable amount of an intangible non-current asset – licenses, customer relationships and other - falls below the book value, an impairment loss is recognized. At each balance sheet date, a number of factors are analysed in order to assess whether there is any indication of impairment. If such indication exists, an impairment test is prepared based on management's estimate of future discounted cash flows.

The estimates used to determine future cash flows and the discount rate used when calculating value in use are subject to uncertainty. The assumptions applied are as follows:

Average rates of *growth* in operating revenue are based on management's expectations of future conditions in the markets in which the business operates. The assumed long-term growth rate beyond the budgets and strategic plans approved by the Board cannot be higher than the long-term rate of growth in the economy where the business operates.

EBITDA margins are based on the volume/margins achieved historically, adjusted for expected future developments in market conditions. Programs to improve efficiency that are approved and committed are taken into account in determining the expected future EBITDA margins.

Investments needs and costs may vary significantly depending on external factors and technical development. It is assumed that the investments that are necessary to achieve the expected growth in revenue will be carried out.

Future cash flows are discounted to present value using a *discount rate* based on a calculation of a weighted average cost of capital ("WACC"). The after-tax WACC is calculated per segment.

Valuation of loss carry-forwards

The Group has recognized parts of the deferred tax assets for the tax losses in Ice Norge AS, Ice Communication Norge AS, Netett Sverige AB and Ice Danmark ApS to the extent it is deemed it is likely that these losses carry forwards can be utilized against future taxable income and taxable temporary differences. The Group tests annually whether any impairment exists for deferred tax assets for tax loss carry-forwards. In addition, the Group assesses whether it is appropriate to activate the new deferred tax assets for the year's tax losses.

Going concern

Ice Group works actively with, and has an ongoing process, to secure future financing and continue to capitalize on the growth success in Norway. The process includes a number of options and partners

From a liquidity perspective, the NOK 1.5 billion equity raised by the Ice Group Parent Company, completed in January 2019 secured funding for 12-15 months for the Group. Combined with the divestment of the Swedish business this has secured additional funds for network build-out and growth in Norway well into 2020.

Based on the above, the Board confirms that the prerequisites for the going concern assumption exist and that the financial statements have been prepared based on a going concern basis in accordance with section 3-3a of the Norwegian Accounting Act and IAS1, p. 25-26.



Note 4 – Segment information

The segment information is reported in accordance with the reporting to Group Executive Management (chief operating decision-makers) and is consistent with financial information used by this body for assessing performance and allocating resources and is based on geographical location. Growth is measured from service revenues and profitability is measured from EBITDA performance (please see note 31 for definitions), both by geographic location.

2018	Service revenue	Total revenue	EBITDA	Investments	Non-current assets 31 Dec
<i>NOK thousands</i>					
Norway	1,391,628	1,479,759	-359,005	603,562	2,412,516
Sweden	130,399	160,535	9,549	41,113	260,205
Denmark	17,264	18,545	-6,147	2,091	24,675
Corporate overhead	-	-	-2,572	-	-
Total	1,539,291	1,658,839	-358,175	646,766	2,697,396

2017 ¹	Service revenue	Total revenue	EBITDA	Investments	Non-current assets 31 Dec
<i>NOK thousands</i>					
Norway	1,081,434	1,129,332	-384,019	729,421	2,254,841
Sweden	165,547	195,130	24,270	63,602	313,815
Denmark	18,696	21,505	-2,544	7,301	31,717
Corporate overhead	-	-	-3,878	-	-
Total	1,265,677	1,345,967	-366,172	800,323	2,600,372

¹⁾ Numbers for 2017 have been restated due to implementation of IFRS 15. See note 1 for more information.

Revenue from intercompany charges are not included in the segments information. Investments and non-current assets exclude financial assets and deferred tax assets.

EBITDA

EBITDA (Earnings Before Interests, Taxes Depreciations and Amortizations) is as operating profit after adjustment of expenses for depreciation, amortization and impairment losses, foreign exchange differences recognized in income pertaining to revaluation of items in the balance sheet and non-recurring items. Any effects from business combinations are not included. Also see note 31 Definitions.

Reconciliation	2018	2017 ¹
Operating result	-749,178	-747,719
Depreciation & amortization	368,737	310,816
Network upgrades & migrations	26,255	61,456
Redundancy & other items	341	1,584
Share-based compensation expense	-4,330	7,692
EBITDA	-358,175	-366,172

¹⁾ Numbers for 2017 have been restated due to implementation of IFRS 15. See note 1 for more information.

Note 5 – Revenues by type

	2018	2017 ¹
Revenue from sale of communication services ¹	1,539,291	1,265,677
Revenue from sale of Customer Premises Equipment ("CPE")	32,218	-8,196
Other operational revenue	87,329	88,486
Total revenues	1,658,839	1,345,967

¹⁾ Numbers for 2017 have been restated due to implementation of IFRS 15. See note 1 for more information.

Communication services revenue consist of voice, data and mobile broadband subscription fees, revenues from voice (outgoing traffic) and data traffic, messaging, outbound roaming and other carrier services, wholesale and other mobile service revenues.

CPE revenue is mainly related to sale of routers and accessories (antennas, batteries etc) and in 2018 also introducing Smartphone handsets.

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



Note 6 – Revenue from contracts with customers

6(a) 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:

2018 <i>NOK thousands</i>	Service revenue			Other revenue			Total
	Norway	Sweden	Denmark	Norway	Sweden	Denmark	
Revenue from external customer	1,391,628	130,399	17,264	88,131	30,136	1,281	1,658,839
Timing of revenue recognition:							
At a point in time	337,494	5,739	892	87,892	30,102	1,281	463,401
Over time	1,054,134	124,660	16,371	238	34	-	1,195,438

2017 <i>NOK thousands</i>	Service revenue			Other revenue			Total
	Norway	Sweden	Denmark	Norway	Sweden	Denmark	
Revenue from external customer	1,081,434	165,547	18,696	47,898	29,583	2,809	1,345,967
Timing of revenue recognition:							
At a point in time	297,147	7,892	1,224	47,931	29,583	2,809	386,587
Over time	784,287	157,655	17,472	-33	-	-	959,381

Revenues from external customers comes in all material aspects from service subscriptions. Other revenue consists of CPE sales and other operational revenue.

6(b) Assets and liabilities related to contracts with customers

The group has recognized the following assets and liabilities related to contracts with customers:

<i>NOK thousands</i>	31 Dec 2018	31 Dec 2017 restated	1 Jan 2017 restated
Capitalized cost to obtain/fulfil customer contracts	303,580	293,139	197,178
Contract assets included in Prepaid expenses and accrued income	44,955	26,828	21,240
Contract liabilities included in Accrued expenses and deferred income	55,463	45,269	36,963

Revenue recognized in relations to contract liabilities

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

<i>NOK thousands</i>	31 Dec 2018	31 Dec 2017
Revenue recognized that was included in the contract liability	36,801	35,050

Assets recognized from costs to fulfil a contract

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

<i>NOK thousands</i>	31 Dec 2018	31 Dec 2017 restated
Asset recognized from costs incurred to fulfil a contract at 31 December	303,580	293,139
Amortization recognized as cost of providing services during the period	-172,212	-121,453

Note 7 - Fees and other remuneration to auditors

	2018	2017
PwC		
Audit assignment	3,190	3,250
Other assurance services	229	1,055
Tax advisory	227	116
Other advisory services	3,030	978
Total	6,677	5,399

Audit assignments involve examination of the annual accounts and the Board and the CEO, other tasks incumbent upon the auditor to perform. Further assurance services principally include other attestation services required by laws and regulations, attestations related to information system, audits, attestations and agreed upon procedures



required by regulators and other third parties. Other advisory services include advice or other assistance resulting from observations of such review or implementation of such other tasks. Everything else is secondary. All amounts are excluding VAT. The Group has not received any services from any other audit firm than PricewaterhouseCoopers.

Note 8 – Employees

Average number of employees divided by country	2018		2017	
	Total	Of which men	Total	Of which men
Norway	156	118	133	101
Sweden	29	22	25	18
Denmark	8	7	9	7
Total	193	147	167	126

Employee benefit expenses	2018	2017
Salaries and other remuneration	179,898	151,384
Pension benefits ¹⁾	9,564	8,527
Other social costs	30,798	27,370
Other personnel related expenses	16,649	27,234
Capitalized expenses for development work	-31,202	-20,502
Total	205,708	194,013

1) Post-employment benefits

The Group has only defined contribution pension plans. All the related costs have been recognized in the statement of comprehensive income, which is the same as the amount paid. The Group has no other post-employment benefits to employees.

2018

Remuneration and other benefits Senior executives	Base salary	Bonus	Other benefits	Pension benefit	Total	Of which carried by the Group ⁴
						Total
Eivind Helgaker / CEO	2,550	1,185	500	128	4,363	4,363
Henning Karlsrud ¹ / CFO	2,205	1,938	187	110	4,440	4,440
Murat Erden ² / Interim CFO	195	1,992	-	-	2,187	68
Jean Daniel Fouchard ³ / CEO	2,021	1,886	178	-	4,086	1,430
Jean-Marc Engels ³ / CTIO	1,728	1,152	-	-	2,879	1,008
Total	8,699	8,153	865	238	17,955	11,309

1) Assumed the position on 12 January 2018.

2) Had the position until 12 January 2018.

3) Had the position until 19 September 2018.

4) Parts of the senior executive team also carry out services for the non-Scandinavian part of the AINMT Holdings AB Group. Only the proportion of their time that they contribute to this Group is expensed in the Group's statement of comprehensive income.

2017

Remuneration and other benefits Senior executives	Base salary	Bonus	Other benefits	Pension benefit	Total	Of which carried by the Group ³
						Total
Jean Daniel Fouchard / CEO	2,788	2,788	319	23	5,918	2,663
Johan Michelsen / CFO	2,061	1,300	-	103	3,464	1,559
Murat Erden ¹ / Interim CFO	1,604	-	-	-	1,604	722
Jean-Marc Engels / CTIO	2,313	1,119	95	-	3,527	1,587
Gösta Kallner ² / CTO	755	152	27	118	1,052	474
Anders Koch ² / Financial Controller	581	58	-	121	760	342
René Kappelgård ² / MD Denmark	413	325	40	33	811	811
Linus Jönsson ² / MD Sweden	895	801	60	169	1,924	1,924
Eivind Helgaker / MD Norway	2,754	1,445	144	118	4,460	4,460
Total	14,162	7,989	685	685	23,521	14,542

1) Assumed the position on 22 May 2017.

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2) Had the position until 30 June 2017.

3) Parts of the senior executive team also carry out services for the non-Scandinavian part of the AINMT Holdings AB Group. Only the proportion of their time that they contribute to this Group is expensed in the Group's statement of comprehensive income.

The Board of Directors consist of 3 (2) persons from Senior executives. No separate Board fee has been paid to the Board members.

Costs expensed for Share-based incentive programs (see below) related to Senior executives amounted to NOK 3,482 (3,291) thousands.

Guidelines for remuneration to senior executives and CEO

Remuneration to the Chief Executive Officer ("CEO") and other senior executives consists of base salary, variable remuneration, other benefits and share-based compensation. Other senior executives are those eight people who, together with the CEO, comprise the Group management. Distribution between basic salary and variable compensation shall be proportionate to the executive's responsibility and authority. For senior executives, variable pay is ranged between 35% and 100% of base salary. Variable compensation is based on performance in relation to individual targets.

CEO

The CEO is eligible to receive an annual bonus of up to 75% of the annual base salary if conditions apply. The CEO is entitled to a severance pay of 6 months base salary in case of notice based on Company circumstances. The Group has no difference in retirement benefits for executives compared to other employees.

Share-based incentive program

In 2014 Ice Group introduced a share-based incentive program consisting of warrants and employee stock options in the Parent Company AINMT Holdings AB. The warrants were allocated free of charge, were strictly equity based and the employees did not have the option to receive the settlement in cash. The warrants were issued by AINMT Holdings AB and each subscription or stock option entitled to subscribe for one ordinary Class B share and the expiration date was 31 December 2018. The total number of warrants and employee stock options issued on 31 December 2014 amounted to 4,550,450 of which 3,245,000 has been distributed to employees within the Ice Group Scandinavia Holdings AS group. In total, of NOK 6,549 (5,446) thousands related to the employee stock options have been recognized in accordance with IFRS 2.

The costs are recognized over the duration of the programs and based upon managements' expectations on future exercises of the warrants and stock options. The Parent Company will not recharge the Company for the expenses related. All warrants from the program lapsed on 31 December 2018 and no warrants were exercised.

All warrants from the program lapsed on 31 December 2018 except for 130,000 warrants that were exercised.

Note 9 – Taxes

	2018	2017
Current taxes	-	-
Deferred taxes	4,968	-6,448
Total tax	-4,968	-6,448

Reconciliation of effective tax

	2018	2017
Result before tax	-903,108	-1,008,217
Income tax calculated at applicable tax rate of the Parent Company	207,715	241,972
Difference in tax rates in foreign operations ¹	-1,218	-1,710
Tax effects from:		
- Non-taxable income and non-deductible items	-5,551	22,002
- Non-capitalized unused tax losses	-205,914	-268,712
Total tax	-4,968	-6,448

1) The Group is conducting business in Scandinavia, which means that the Group complies with applicable tax laws in Norway, Sweden and Denmark. Applicable corporate tax rates are 23% (24%) in Norway, 22% (22%) in Sweden and 22% (22%) in Denmark. The corporate tax rate in Norway has changed in Norway to 21.4% as from 1 January 2019.



Deferred taxes	2018	2017
Positive changes in deferred taxes	7,517	7,934
Negative changes in deferred taxes	-12,485	-14,382
Total deferred tax in the statement of income	-4,968	-6,448
Deferred tax assets		
Opening carrying amount	80,091	92,516
Changes recognized as income in the statement of income	-	-
Changes recognized as cost in the statement of income	-12,485	-14,382
Currency translation differences	-1,352	1,957
Closing carrying amount	66,254	80,091
Whereof attributable to capitalized tax losses	62,263	76,605
Whereof attributable to temporary differences from 23% / 24%	3,991	3,486
Deferred tax liabilities		
Opening carrying amount	-84,018	-89,983
Changes recognized as income in the statement of income	7,517	7,934
Currency translation differences	1,356	-1,969
Closing carrying amount	-75,145	-84,018
Whereof attributable to non-current assets	-75,145	-84,018
Net deferred taxes presented in the statement of positions	-8,890	-3,927

Deferred tax assets are recognized for tax loss carry forwards to the extent that it is probable that they can be utilized by future taxable profits. The Group did not recognize deferred tax assets amounting to NOK 1,678 (698) million related to losses of NOK 3,657 (3,034) million, which can be offset against future taxable profits. The Group's loss carry-forwards does not expire at any given time, except for non-deductible internal interest that have a lifetime of 10 years.

Note 10 – Financial income	2018	2017
Interest income	1,348	1,357
Currency gains	-	2,051
Other financial income	302	73
Total	1,650	3,482

Note 11 – Financial expenses	2018	2017
Interest expenses	-147,576	-228,013
Currency losses	-7,470	-
Other financial expenses	-567	-35,939
Total	-155,613	-263,952



Note 12 – Intangible assets	Licenses and similar rights	Customer relationships	Other intangible assets	Total
Accumulated acquisition value	878,750	210,700	162,528	1,251,978
Accumulated amortization	-195,711	-118,704	-23,135	-337,550
Opening carrying value 1 January 2017	683,039	91,996	139,393	914,428
<i>Changes during the year</i>				
Investments	4,840	82,254	87,933	175,027
Disposals / write-downs	-	-23,718	-	-23,718
Currency translation differences	3,467	-	95	3,562
Amortization	-54,603	-38,132	-28,624	-121,359
Closing carrying value	636,743	112,400	198,797	947,941
Accumulated acquisition value	896,842	292,954	246,285	1,436,081
Accumulated amortization	-260,099	-180,554	-47,487	-488,140
Closing carrying value 31 December 2017	636,743	112,400	198,798	947,941
<i>Changes during the year</i>				
Investments	37,695	-	74,526	112,221
Currency translation differences	8	-	-36	-28
Amortization	-54,590	-32,721	-40,751	-128,062
Closing carrying value	619,855	79,679	232,537	932,071
Accumulated acquisition value	933,912	292,954	316,030	1,542,896
Accumulated amortization	-314,057	-213,275	-83,493	-610,825
Closing carrying value 31 December 2018	619,855	79,679	232,537	932,071

The below table shows the commercial mobile spectrum licences that the Group holds as of 31 December 2018:

Spectrum (MHz)	Bandwidth (MHz)	Valid until	Spectrum (MHz)	Bandwidth (MHz)	Valid until
Norway			Sweden		
410 MHz	2 x 1.8 MHz	31 Dec 2019	450 MHz	2 x 5 MHz	31 Dec 2044
450 MHz	2 x 5 MHz	31 Dec 2019			
800 MHz	2 x 10 MHz	31 Dec 2033	Denmark		
900 MHz	2 x 5 MHz	31 Dec 2033	450 MHz	2 x 4.5 MHz	23 Jan 2022
1,800 MHz	2 x 20 MHz	31 Dec 2033			
2,100 MHz	2 x 5 MHz	31 Dec 2033			

As over three years remain before the expiry of the frequencies, the process for renewal is not yet known and, as such, the Group has not yet defined a plan for renewal. However, to the Group's knowledge, no other operators have network or end-customer equipment supporting 450 MHz frequencies, which would make the indirect acquisition and utilization cost substantially higher for other operators.

Other intangible assets mainly consist of IT software and capitalized development costs.



Note 13 – Property, plant & equipment	Technical equipment	Equipment and tools	Other tangible assets	Work in progress	Total
Accumulated acquisition value	1,340,372	4,639	45,757	160,669	1,551,436
Accumulated depreciation	-237,336	-2,366	-19,441	-	-259,143
Opening carrying value 1 January 2017	1,103,036	2,272	26,316	160,669	1,292,292
<i>Changes during the year</i>					
Investments	77,345	3,750	6,772	165,943	253,811
Disposals / write-downs	-2,471	-	-9,556	-	-12,027
Reclassifications, net	-547	-	575	-28	-
Currency translation differences	13,965	-2	673	34	14,670
Depreciation	-175,153	-796	-13,508	-	-189,457
Closing carrying value	1,016,175	5,225	11,272	326,619	1,359,290
Accumulated acquisition value	1,427,937	8,436	42,160	326,619	1,805,152
Accumulated depreciation	-411,762	-3,211	-30,888	-	-445,861
Closing carrying value 31 December 2017	1,016,175	5,225	11,272	326,619	1,359,291
<i>Changes during the year</i>					
Investments	274,341	2,365	6,872	69,948	353,526
Disposals / write-downs	-32,563	-	-1,879	-	-34,442
Reclassifications, net	2,207	-	-	-2,207	-
Currency translation differences	-8,261	-14	-255	-11	-8,542
Depreciation	-196,087	-1,206	-10,796	-	-208,089
Closing carrying value	1,055,812	6,370	5,214	394,348	1,461,745
Accumulated acquisition value	1,696,698	9,386	41,785	394,348	2,142,218
Accumulated depreciation	-640,886	-3,016	-36,571	-	-680,473
Closing carrying value 31 December 2018	1,055,812	6,370	5,214	394,348	1,461,745

Work in progress by 31 December 2018 consists primarily of capitalized costs related to the technology upgrade. No interests have been activated related to the project.

Technical equipment includes leased assets held by the Group under finance leases with the following amounts (also see note 23):

	31 Dec 2018	31 Dec 2017
Acquisition value – capitalized financial leases	9,040	8,727
Accumulated depreciation	-7,413	-6,942
Closing carrying value	1,627	1,785



Note 14 – Investments in joint ventures

Company name	Holding		Book value of shares		Result from shares	
	31 Dec 2018	31 Dec 2017	31 Dec 2018	31 Dec 2017	2018	2017
Smartkom AS, Oslo, Norway	50%	50%	268	235	33	-28
Total joint ventures			268	235	33	-28

Voting shares equals the capital share.

	2018	2017
Result from shares in joint ventures		
Net result in joint ventures	66	-55
Holdings	50%	50%
Participation in result of joint ventures	33	-28
Net result	33	-28
Total result of shares in joint ventures	33	-28

	2018	2017
Extracts from the income statement of joint ventures		
Net sales	1,080	1,278
Operating result	66	-55
Net result	66	-55

	2018	2017
Extracts from the balance sheet of joint ventures		
Total assets	509	469
Equity	394	306
Current liabilities	115	162
Total equity and liabilities	509	469

	2018	2017
Shares in joint ventures		
Acquisition value		
Acquisition value at 1 January	235	262
Share of result for the year	33	-28
Total shares in joint ventures at 31 December	268	235

Note 15 – Investments in subsidiaries and Joint Ventures

Ice Group Scandinavia Holdings AS holds investments in the following subsidiaries:	Corporate identity no	Registered office	Capital share	Number of shares
<i>Direct holdings:</i>				
Ice Norge AS	991 715 290	Oslo, Norway	100%	23,646,768
Ice Communication Norge AS	912 672 808	Oslo, Norway	100%	30,000
Netett Sverige AB	556773-3091	Stockholm, Sweden	100%	30,171,971
Ice Danmark ApS	29 849 943	Copenhagen, Denmark	1000%	138,792,200
SmartKom AS	917 953 686	Oslo, Norway	50%	100,000

Voting shares equals the capital share.

Ice Norge AS has an obligation to pay previous creditors a maximum of approximately EUR 25 million if a set Operating income before Interest, Tax and Depreciation/Amortization (EBITDA) is reached, or if there is a change of control in Ice Norge AS or in the Parent Company. The obligation is valid for 10 years following the acquisition of the assets in 2009 and matured on 1 April 2019. No additional settlement was required, and this conditional cash consideration is valued at zero NOK.



Note 16 – Financial instruments by category

	31 Dec 2018	31 Dec 2017 ¹⁾
Financial assets at amortized costs		
Other financial assets	22,056	14,781
Trade receivables	95,067	71,201
Other receivables	33,282	17,905
Cash and cash equivalents	269,952	722,198
Total	420,357	826,086
Financial liability at amortized costs		
Borrowings	2,263,049	2,213,580
Other long-term liability	1,176	-
Trade payables	227,787	282,313
Other short-term liabilities	266,627	5,949
Total	2,758,639	2,501,842

1) 2017 figures are not restated under IFRS 9. Short-term liabilities did not include accrued expenses.

Both assets and liabilities are measured at amortized cost.

Note 17 – Inventory and Costs of goods sold

The inventory comprises of finished goods and amounted to NOK 20,168 (26,621) thousands. The cost of inventories recognized as an expense, cost of goods sold, in the statement of comprehensive income amounted to NOK -60,702 (-41,014) thousands. Cost of goods sold is included in the statement of comprehensive income on the line "Operating expenses".

Note 18 – Trade receivables

	31 Dec 2018	31 Dec 2017
Trade receivables	105,470	80,818
Less provision for bad debts ¹⁾	-10,403	-9,617
Trade receivables – net¹⁾	95,067	71,201

1) Refers to accounts receivables that by individual assessment has been considered as uncertain.

On 1 January 2018 Ice Group adopted IFRS 9. Adoption of IFRS 9 did not give any material difference in the loss allowance on 1 January 2018 using the expected credit loss model as compared to the loss allowance measured using an incurred loss model during 2017. IFRS 9 does not require a restatement of comparative figures. Therefore, the loss allowance for 2017 is not restated.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of sales over a period of 36 months before 31 December 2018 or 1 January 2018, respectively, and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

	Gross		Net	
	31 Dec 2018	31 Dec 2018	31 Dec 2017	
Aging analysis of trade receivables				
Trade receivables not due	61,145	60,699	31,233	
Trade receivables past due	44,325	34,368	39,967	
of which less than 30 days	16,864	16,110	25,883	
of which 30-180 days	9,189	7,008	5,834	
of which more than 180 days	18,271	11,250	8,250	
Total accounts receivable	105,470	95,067	71,201	

Specification of provision for bad debt

	31 Dec 2018	31 Dec 2017
Loss allowance as of 1 January	-9,617	-12,306
Change during the year	-908	2,790
Currency effects	122	-101
Loss allowance as of 31 December	-10,403	-9,617
Realized losses for the year	-7,209	-8,326

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Allocations to and reversals of provisions for bad debts are included in other expenses. There is no collateral or other security on the outstanding trade receivables at period end(s).

Note 19 – Other current receivables	31 Dec 2018	31 Dec 2017
VAT receivable	13,240	18,803
Other	1,165	60
Total	14,404	18,863

Note 20 – Prepaid expenses and accrued income	31 Dec 2018	31 Dec 2017
Prepaid expenses	50,060	132,082
Accrued income related to contract with customers	44,955	26,828
Total	95,015	158,910

Note 21 – Cash and cash equivalents	31 Dec 2018	31 Dec 2017
Cash at bank	255,868	715,293
Payroll withholdings and other restricted cash	14,084	6,905
Total	269,952	722,198

Note 22 – Borrowings	31 Dec 2018	31 Dec 2017
Non-current borrowings (see also note 1)		
Bond loans – Gross debt	2,200,000	2,200,000
Bond loans – Loan costs	-37,397	-50,147
AINMT Holdings AB loan	63,049	63,049
Financial lease	1,176	677
Total borrowings	2,226,829	2,213,580
Cash and cash equivalents	-269,952	-722,198
Net debt	1,956,877	1,491,382

Please see also Net Interest-Bearing Debt ("NIBD") under Alternative Performance Obligations on page 45.

Senior Unsecured Callable Bond 2017/2022

In Q2 2017, Ice Group, through Ice Group Scandinavia Holdings AS, successfully issued a five-year NOK 800 million senior unsecured bond (ISIN NO 001 0789035) at a blended debt financing cost of NIBOR +5.25%. The bond was successfully admitted to Oslo Stock Exchange on 3 October 2017.

Senior Secured Callable Bond 2017/2021

In Q4 2017, Ice Group, through Ice Group Scandinavia Holdings AS, issued a four-year NOK 1.4 billion senior secured bond (ISIN NO 001 0807092). The bond has a coupon of 3 months NIBOR +4.60%. The bond was successfully admitted to Oslo Stock Exchange on 8 November 2017.

AINMT Holdings AB loan (subordinated)

In Q1 2015, the Norwegian business acquired the B2B business from Network Norway. The commitment to pay the seller's credit related to this purchase was overtaken by AINMT Holdings AB and consequently Ice Group Scandinavia Holdings AS entered an internal loan, amounting to NOK 50 million, with its Parent Company instead of its external party. The interest is annually fixed 9.75% and the terms have been extended to be due on 1 April 2020.

The total borrowings from AINMT Holdings AB includes capitalized interests of NOK 13,049 thousand.



Financial covenants

For the Senior Secured Callable Bond 2017/2021 and the Senior Unsecured Callable Bond 2017/2022 the Group has to comply to certain covenants:

- Liquidity must at all times exceed NOK 150 million
- Loan to value, where net interest-bearing debts to enterprise value must not exceed 50%

As per 31 December 2018, loan to value 35%.

Maturity table

The maturity table below shows the classification of the Group's main long-term financial interest-bearing liabilities by closing date until the contractual maturity date. Other liabilities are due within one year or not material.

Maturity table	31 Dec 2018		Payment due by period		
	Original Loan Amount	Outstanding principal	Borrowings and interests due within 1 year	Borrowings and interests due between 2 and 5 years	Borrowings and interests due after 5 years
2018					
Senior Unsecured Callable Bond	800,000	800,000	-52,080	-917,614	-
Senior Secured Callable Bond	1,400,000	1,400,000	-80,040	-1,551,774	-
AINMT Holdings AB loan ¹⁾	50,000	63,049	-3,412	-13,650	66,461
Total		2,263,049	135,532	2,483,038	66,461

1) Interest is capitalized.

The table does not include the non-cash unwinding of capitalized loan costs.

Note 23 -- Leasing agreements

Finance leases

The Group's finance leases relate to technical facilities. The nominal value for non-cancellable finance leases amounted at the end of the period:

	31 Dec 2018	31 Dec 2017
Total future minimum leases	-1,239	-178
Less interest charge (future financial costs)	63	38
Total	-1,176	-140

Operating leases

The Group's main expense for operating leases is attributable to site- and transmission leases. The contracts are written and with varying duration times, the basic principle however being that contracts are prolonged unless specifically cancelled. The Groups costs in the form of operating leases for site- and transmission leases during the financial year amounted to NOK 260,448 (225,374) thousands and are expected to vary with the expansion of network coverage and capacity. All site leases have a maximum cancellation period of one year.

The Group have operating leases related to office premises, servers, printers, copying and coffee machines. The table below relates to these leases.

The nominal value of future minimum lease fees for non-cancellable operating leases amounted at the end of the period:

	31 Dec 2018	31 Dec 2017
Within one year	-13,836	-17,569
Later than one year but within five years	-31,796	-33,079
Later than five years	-33,756	-
Total	-79,387	-47,507

Note 24 -- Other current liabilities

	31 Dec 2018	31 Dec 2017
Employee benefit related liabilities	11,613	9,192
Other payables	8,339	9,431
Total	19,953	18,623



Note 25 – Accrued expenses and deferred income	31 Dec 2018	31 Dec 2017
Accrued interests	47,808	42,589
Accrued personnel related expenses	37,229	39,489
Other accrued expenses	173,249	153,032
Deferred revenue ¹	55,463	45,269
Total	313,750	280,378

1) Numbers for 2017 have been restated due to implementation of IFRS 15. See note 1 for more information.

Note 26 – Pledges and other contractual commitments

Assets pledged as per 31 December 2018 were all related to the issuing of the Senior Secured Callable bond (ISIN NO 001 0807092) in favour of the bondholders (Nordic Trustee ASA, Norway, as bond trustee on behalf of the bondholders):

- All shares in Ice Group Scandinavia Holdings AS and its subsidiaries Ice Communication Norge AS, Netett Sverige AB and Ice Danmark ApS
- Ice Group Scandinavia Holdings AS: Pledge over (i) all bank accounts, (ii) operating assets, (iii) inventory and (iv) factoring registered in the Register of Mortgaged Movable Property
- Ice Norge AS and Ice Communication Norge AS: Pledge over (i) bank accounts, (ii) operating assets, (iii) inventory, (iv) machinery and plant, (iv) factoring registered in the Register of Mortgaged Movable Property
- In addition to the above, pledges were set out over the monetary claims under the following Group internal loans and loan agreements:
 - Ice Group Scandinavia Holdings AS loans agreements to/with Ice Norge Communication AS of (ii) NOK 1,660,000,000 and to/with Ice Danmark ApS of (iii) DKK 25,000,000
 - Ice Communication Norge AS loan agreements to/with Ice Norge AS of NOK 166,000,000

All pledges related to Netett Sverige AB were duly released in connection with the divestment in February 2019.

Other contractual commitments	2018	2017
Commitments, investments	921,594	149,236
Commitments, other	40,695	28,210
Total future fees for other contractual commitments	962,289	177,446

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

Note 27 – Adjustments for non-cash items	2018	2017
Currency related adjustments (unrealized)	6,584	10,344
Share-based compensation expenses (see note 8)	-4,330	7,692
Other non-cash items	7,794	2,964
Total	10,048	21,000

Note 28 – Transactions with related parties

The Company is wholly owned by AINMT Holdings AB, Sweden, (the “Parent Company”) which is owned to 99.72% by Ice Group ASA, Norway. The major shareholder of Ice Group ASA is AI Media Holdings (NMT) LLC, Delaware. The ultimate parent which is deemed to have a controlling influence over AINMT Group is AI International Investments LLC, registered in Delaware, USA with address 730 5th Avenue, 20th Floor, New York NY10019. Other related parties are all subsidiaries within the Group and senior executives of the Group, i.e. Board and Management, as well as its family members.

In 2015 Ice Group Scandinavia Holdings AS entered into a subordinated loan agreement with its Parent Company, AINMT Holdings AB. The loan was subordinated to the High Yield Bond at that time, and is still subordinated to the new Senior Secured Callable Bond(s). See also note 22 Borrowings.

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



Note 29 – Subsequent events

There are no other events after 31 December that have a material effect on the financial statement for 2018, however the below items are relevant for the future business of Ice Scandinavia:

- On 17 January 2019, Ice Group ASA announced that it contemplated to carry out a private placement of new shares with the objective of raising gross proceeds of NOK 1.2 - NOK 1.5 billion. Use of proceeds from the Private Placement is for further network build-out and cover costs under the national roaming agreement with Telia in Norway, as well as working capital and general corporate purposes. On 31 January 2019, Ice Group ASA announced that the private placement was oversubscribed, raising gross proceeds of NOK 1.5 billion at a subscription price of NOK 20 per share. On 5 March 2019, the first downwards stream of the proceeds, NOK 700 million, was injected to the Company.
- In February 2019, Ice in Norway launched another high-ARPU service called "Data freedom". This service offers unlimited data at a speed capped to 10Mbps within Ice's own network, which currently covers 89 percent of the population. For example, if a customer has a 6GB subscription priced at NOK 299 per month, he or she can add "Data freedom" for an additional NOK 99 per month. The objective is to offer customers a highly competitive and flexible alternative and simultaneously drive ARPU growth, while avoiding margin dilution through running additional data traffic through Telia's network. The "Data freedom" product has immediately delivered positive effects.
- On 25 February 2019, Ice Group announced that it had entered into an agreement to sell its Swedish business Netett Sverige AB to broadcasting network services company Teracom Group AB for the price of SEK 180 million. The transaction was closed on 14 March 2019.
- On 5 March 2019, following the recently completed private placement in Ice Group ASA, NOK 700 million of equity was injected into Ice Group Scandinavia Holdings AS.
- On 18 March 2019, Ice Group announced that the subsidiary company Ice Communication Norge AS ("Ice") has entered into an agreement to acquire the customer base of the Norwegian mobile virtual network operator Komplet Mobil AS ("Komplet Mobil"). Ice will pay Komplet Mobil an estimated amount of approximately NOK 105 million for the customer base. The amount can change depending on how many Komplet Mobil customers that remain customers of Ice following the forthcoming migration process. As of 15 March 2019, Komplet Mobil had 74,740 active subscribers.

Note 30 – Risks and factors of uncertainty

Ice Group's continuing operations operate in the highly competitive and regulated mobile telecommunications industry in Scandinavia 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 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

Industry related risks

Economic conditions

The Group operates in Norway, Sweden and Denmark and is accordingly influenced by the prevailing macroeconomic conditions in each country, as well as global economic, financial and geopolitical conditions.

Factors relating to general economic conditions, such as consumer spending, business investment, government spending, the volatility and strength of both debt and equity markets, and inflation, all affect the profitability and financial condition of the Group's business. In a sustained economic phase of low growth and high public debt, characterised by higher unemployment, lower household income; could result in customers switching to lower-cost alternatives offered by the Group's competitors. The following may significantly impact the Group's earnings and financial position: (i) a deterioration and volatility in the global and local economy, as well as the telecommunications sector; (ii) a deterioration in business and consumer confidence, employment trends; and (iii) a drop-in consumer spending. The exact nature of all the risks and uncertainties the Group faces as a result of the current economic conditions and economic outlook in the markets in which the Group operates cannot be predicted and many of these risks are beyond the Group's control. Any of these factors may affect the Group's ability to grow its subscriber base and the price charged to its customers and could have a material adverse effect on the Group's business, earnings and financial condition.



Regulatory environment

The Group operates in a highly regulated industry. The Group's businesses are subject to regulations set by Government authorities in each of the markets in which the Group operates. Changes in regulation or Government policy could restrict the Group's ability to manage its operations. Regulatory authorities could amend or revoke licenses, which could materially impact the Group's business performance and operational results.

Norway represents the Group's core territory. The Norwegian Communications Authority has designated Telenor with significant market power, and therefore specific obligations have been imposed on Telenor. Such impositions could be obligations for Telenor such as to sell and give access to their network, non-discriminatory obligations with regard to price or any other terms for access for national roaming, Mobile Virtual Network Operator ("MVNO") agreements and co-location, accounting separation so that this forms a basis for monitoring compliance with the prohibition of price discrimination against MVNO providers, price and accounting controls. The wholesale prices for mobile data could therefore become regulated to help MVNOs and Service Providers competitiveness in the mobile data market.

For the Smartphone services in Norway, agreements with national and international operators are required to ensure services for the customers in relation to interconnect and international roaming. On national level, there is a regulation on obligation to offer interconnect agreements with the other operators, with a degree of price regulation. On international level, the Group is dependent on maintaining agreements securing both interconnect and international roaming. Lack of such agreements could result in no-service for customers on making international calls and roaming abroad. For EU-roaming, the wholesale prices are regulated, but for international roaming outside EU, the Group is dependent on agreements with reasonable financial terms.

Actual or perceived health risks relating to electromagnetic and radio frequency emissions

The electromagnetic signals from mobile devices and base stations have raised concerns over potential health risks. If negative campaigns around the potential effect of radio signals on health were to increase or litigation were to arise, this could lead to negative publicity, potential reduction in customer intake and usage and restrict network roll-out which could have a material adverse effect on the Group's business, earnings and financial condition.

Operational risks

Competition from other operators

The Group's business plan presupposes a significant growth in its customer base in the Scandinavian region. The Group faces competition from other telecommunication operators in the markets in which it operates, as well as fixed line operators in some markets. The Group's main competitors in Norway are Telenor and Telia Company. In Sweden the main competitors are Telia Company, Tele2, Telenor and 3. In Denmark the main competitors are TDC A/S, Telenor Denmark, 3 Denmark and Telia Company.

Competition from current market participants, potential new entrants and new products and services, may adversely affect the Group's performance. In Norway, both Telenor and Telia Company offers MVNOs access to infrastructure and network. Meanwhile, there are a limited number of MVNOs in Norway. Still, a company has the opportunity of offering mobile services through entering into service provider agreements with Telenor or Telia Company. A service provider agreement means that the threshold for entering into the mobile market as a competitor is somewhat lower since such new entrants are not dependent on investing in infrastructure or core network.

Increased competition could lead to an increased customer churn and a decrease in customer growth rates as well as affect the prices the Group charges for its products and services any of which could have a material adverse effect on the Group's business, earnings and financial condition. Moreover, multi-play offerings could be introduced by competitors, which the Group might not be able to meet, and as a consequence the Group might have an increase in customer churn.

Future investments in maintaining, upgrading and expanding its networks

The Group's success is dependent on its ability to continue its investments in maintaining, upgrading and expanding its telecommunication networks. In Scandinavia, the Group has completed an upgrade of its telecommunication services from third generation broadband services ("3G") to Long-Term Evolution technology ("LTE") which is the fourth-generation standard ("4G") for wireless communication of high-speed data for mobile phones and data terminals.

There are some factors that are outside the control of the Group that could restrict or limit the Group's ability to continue with those investments. These include the availability of new and attractive products in the market, the ability of equipment suppliers to deliver their products in an effective and satisfactory manner and the Group's ability to negotiate with its suppliers. In the 450 MHz segment, efficient and affordable LTE450 equipment is important to be able to deliver competitive services. Failure to maintain and develop robust telecommunication networks could



hinder the Group's financial and operational performance in the future, which could have a material adverse effect on the Group's business, earnings and financial condition.

The Group's own LTE network covers today around 40% of the Norwegian population for mobile telephone services, hereby on-net traffic. Furthermore, the Group has the ambition to build approximately additional 2,000 base stations in Norway in the first six months of 2018, giving a 80% population coverage. This would also result in increased maintenance and maintenance fees for delivering and sustaining top of the line quality mobile telephone services in addition to maintaining the infrastructure for the mobile broadband services. Still, the Group is continually working for co-location of infrastructure for both services.

Furthermore, incidents and cut-offs caused by inclement weather, power outages and failures, has led to increased attention from the authorities resulting in regulatory demands and impositions on Mobile Network Operators securing back-up power in case of a storm or similar incident causing cut-offs in the electrical infrastructure. Such impositions may also lead to increased costs for the Group on top of maintenance fees.

The amount and timing of the Group's future capital requirements may differ materially from the current estimates due to various factors, many of which are beyond the Group's control. If the Group is awarded a new license in the future, the Group would expect to finance the related investment requirements from operating cash flows or through debt and equity financing (or any combination thereof), which could result in a substantial cost to the Group. The type, timing and terms of any future financing will depend on the Group's cash needs and the prevailing conditions in the financial markets. The Group cannot assure that it would be able to accomplish any of these measures on a timely basis or on commercially reasonable terms, if at all. There can be no assurance that the Group will generate sufficient cash flows in the future to meet its capital expenditure needs, sustain its operations or meet its other capital requirements, which may have a material adverse effect on the Group's business, financial condition and results of operations.

In addition to investing in the Group's network, it must also continuously maintain and upgrade the existing networks and IT systems in order to allow the ongoing operations to function properly and to expand such subscriber function as the Group's subscriber base grows. In addition, the Group could, be required to upgrade the functionality of the Group's networks, increase its customer service efforts, update its network management and administrative system and upgrade older systems and networks to adapt them to new technologies by regulatory obligations. Many of these tasks are not fully under the Group's control, and may be affected by, among other things, applicable regulations. If the Group fails to successfully maintain, expand or upgrade the Group's networks and IT systems, its offerings and services may become less attractive to new subscribers and the Group may lose existing subscribers to its competitors. In addition, the Group's future and ongoing network and IT systems upgrades may fail to generate a positive return on investment, which may have an adverse effect on the Group's business, financial condition and results of operations. Finally, if the Group's capital expenditure exceeds the Group's projections or the Group's operating cash flow is lower than expected, the Group might be required to seek additional financing for future maintenance and upgrades, which in turn could have a material adverse effect on the Group's business, financial condition and results of operations.

Moreover, the Group may be unable to allocate sufficient managerial and operational resources to meet its needs as the Group's business grows, and the Group's current operational and financial systems and managerial controls and procedures may become inadequate, which as a result may have a material adverse effect on the Group's business, financial condition and results of operations.

License renewal risk

In order to operate its telecommunications networks and deliver its products and services to its customers, the Group is required to hold telecommunications licenses issued by the Government in the markets in which it operates. The terms of the Group's licenses require it to meet certain conditions established by the legislation regulating the communications industry, as well as to maintain minimum quality, service and coverage standards. If the Group fails to comply with these or other conditions of its licenses or with the requirements regulating the communications industry generally, or if it does not obtain permits for the operation of equipment or the use of frequencies, the Group anticipates that it would have an opportunity to cure any non-compliance. However, the Group may not receive an anticipated grace period, and any grace period afforded to it may not be sufficient to allow the Group to cure its non-compliance. If the Group does not cure its non-compliance, any such non-compliant license may be revoked or suspended or the Group may be subject to fines or other administrative actions. Although the Group may have an opportunity to cure any non-compliance, there is no assurance that it would be granted any grace period or that any grace afforded to it will be sufficient to allow the Group to cure its non-compliance. The Group's ability to comply with these conditions is subject in certain respects to factors beyond the Group's control.

When the Group's telecommunications licenses expire, the Group will need to renew them in order to continue its operations. The Group's ability to renew its licenses in the future may be affected by factors outside of its control such as competition from other operators when bidding for license renewals or the Government's decision to revoke licenses or limit the number of license-holders. Failure to secure licenses in the future would have a significant impact on the Group's ability to continue to deliver its products and services and subsequently impact the Group's



financial and operational performance. The 450 MHz frequency licenses expire in 2019 for Norway and in 2022 for Denmark. It is unclear what the auction format will be and if the Group will be successful in renewing these licenses. The 800 MHz, 900 MHz and 1,800 MHz frequencies purchased in Norway expires in 2033. Failure to secure licenses in the future would have a significant impact on the Group's ability to continue to deliver its products and services and subsequently impact the Group's financial and operational performance.

Delay in network roll out, swap and network stability

The Group's ability to operate successfully is dependent on the Group's ability to deploy sufficient resources, complete an efficient transition to LTE and operate the Group's networks. The failure or breakdown of key components of the Group's networks, including hardware and software, may have a material negative effect on the Group's financial and operational performance. Although the majority of system parts are redundant, if two or more business-critical nodes fail, the network may become unstable and weak services to the end-user could lead to customers terminating their services with the Group, any of which could have a material adverse effect on the Group's business, earnings and financial condition.

Relationships with suppliers

The Group depends on a limited number of suppliers and vendors in the market, over whom the Group has no direct operational or financial control, to provide equipment and services to develop and upgrade its networks and operate its businesses. The Group's suppliers of core network, radio and access equipment may not continue to supply equipment and provide services to the Group on favourable terms, or at all, may discontinue manufacturing the necessary equipment required to operate the telecommunications networks.

The Group may experience problems such as the availability of new devices, higher than anticipated prices of new devices, and potential difficulties with new suppliers. Given that the number of 450 MHz band operators and subscribers globally is limited, the attractiveness for suppliers to supply equipment for this frequency band is limited which could lead to fewer suppliers and higher prices for equipment and devices.

Our reliance on third party suppliers exposes us to risks related to delays and/or defects in the delivery and installation of their products and services. Moreover, if any of the third parties that the Group rely on become unable to or refuse to provide equipment to the Group and/or services that the Group depends on in a timely and commercially manner, or at all, the Group may experience service interruptions or service quality problems, which may impact the Group's reputation and potentially have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

Also, relying on national roaming agreements and good quality from the Group's suppliers might make the Group vulnerable.

The Group cannot assure you that its suppliers will continue to provide the Group with products and services on commercially attractive terms, or that the Group will be able to obtain required services or equipment in the future from the Group's current or alternative suppliers on commercially attractive terms, if at all. If the Group's key suppliers are unable to provide the Group with adequate supplies of products and services, the Group's ability to attract subscribers could be negatively affected, which in turn could have a material adverse effect on the Group's business, financial condition and results of operations.

New licenses auctioned by the authorities

The authorities may hold auctions for new licenses in the future which may lead to new licenses being assigned to current or new competitors of the Group. Such assignment may lead to increased competition in the telecommunications market and may have a negative effect on the prices the Group is able to obtain from its customers. Assignment of new licenses may also decrease the demand for the Group's services. Increased competition through assignment of new licenses may therefore have a material adverse effect on the Group's financial and operational performance.

The Norwegian authorities held an auction for the 900 MHz band in the end of May 2017. The auction was won by Telenor and Telia Company which resulted in a status quo meaning that both Telenor and Telia Company upheld their frequency holdings equivalent to 2x15 MHz (Telenor) and 2 x 9.8 MHz (Telia Company). The result added pressure on the authorities and government in relation of reaching the goal of three competitive Mobile Network Operators in Norway. The Ministry of Transport and Communications decided to introduce a total frequency cap of 2x35 MHz for frequency bands for mobile communication below 1 GHz. The cap includes the 450 MHz band.

An auction for the 700 MHz and 2.1 GHz bands is planned to take place in June 2019 whereas one of the overall target is to ensure efficient utilization of the frequency resources by constructing it so that the goal of having at least three competing networks in Norway is kept or reached. The Group currently holds 2 x 5 MHz in the 2.1 GHz band which expires in 2032. The Group is dependent on license permits in the 700 MHz and the 2.1 GHz band for further growth as a Mobile Network Operator. The authorities postponed last years' planned auction for higher



frequencies from 6 GHz to 38 GHz, possibly being executed later in 2019 or in 2020. These higher frequencies are mostly relevant for transmission and possibly later for the development of the 5G ecosystem.

The authorities will in 2019 grant a new permit for the use of the 450 MHz band for 20 new year's. The Group is the holder of the existing permit expiring on 31 December 2019. The new permit is planned to be awarded from 1 January 2020.

Assignment of the licenses requires governmental approval

If necessary, the Group may decide to divest licenses to raise additional funds and assign the licenses to the buyer. In order to assign licenses in Norway and Sweden the authorities must consent to the assignments. In Denmark, there is only a notification requirement to the authorities both prior to the assignment and then again after the assignment has taken place. For the licenses in Norway there is a risk that the authorities do not consent to the assignment, which could have a significant impact on the Group's ability to continue to deliver its products and services and subsequently impact the Group's financial and operational performance. This implies that the Group may have limited ability to improve its financial condition through sale of assets.

Financial risks

The financial risks are described in note 2.

Note 31 – Definitions

ARPU	Average monthly Revenue Per User
Churn	The number of lost subscriptions expressed as a percentage of the average number of subscriptions.
EBITDA	Ice Scandinavia defines EBITDA as Operating result after adjustment of expenses for depreciation, amortization and impairment losses, foreign exchange differences recognized in income pertaining to revaluation of items in the balance sheet and non-recurring items. Any effects from business combinations are not included in EBITDA.
Equity/assets ratio	Equity divided by total capital.
Investments	Investments is defined as investments in intangible assets and property, plant and equipment plus capitalized costs to obtain/fulfil customer contracts, as reported in the statement of cash flows
Gross interest bearing-debt	Total interest-bearing debts including capitalized interests
Operating margin	Operating result expressed as a percentage of Total operating revenue
Net interest-bearing debt	Gross interest-bearing debts less cash and cash equivalents



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.

EBITDA

EBITDA (Earnings Before Interests, Taxes Depreciations and Amortizations) is a financial parameter that the Ice Scandinavia considers to be relevant to an investor who wants to understand the generation of earnings before investment in fixed assets. Ice Scandinavia defines EBITDA as operating profit after adjustment of expenses for depreciation, amortization and impairment losses, foreign exchange differences recognized in income pertaining to revaluation of items in the balance sheet and non-recurring items. Any effects from business combinations are not included. Also see note 31 Definitions.

Reconciliation	2018	2017 ¹
Operating result	-749,178	-747,719
Depreciation & amortization	368,737	310,816
Network upgrades & migrations	26,255	61,456
Redundancy & other items	341	1,584
Share-based compensation expense	-4,330	7,692
EBITDA	-358,175	-366,172

1) Numbers for 2017 have been restated due to implementation of IFRS 15. See note 1 for more information.

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.

Reconciliation	2018	2017
Total borrowings as specified in note 22	2,226,829	2,213,580
<i>Adjusted for:</i>		
Capitalized loan costs	37,397	50,147
Financial lease	-1,176	-677
Gross Interest-bearing Debt	2,263,049	2,263,049
Cash and cash equivalents	-269,952	-722,198
Net Interest-bearing Debt	1,999,898	1,540,903



PARENT COMPANY INCOME STATEMENT

<i>NOK thousands</i>	<i>Note</i>	2018	2017
Revenue		-	-
Operating income		-	-
Other operating expenses	<i>P7</i>	-5,063	-7,696
Operating expenses		-5,063	-7,696
Operating result		-5,063	-7,696
Financial income and expenses			
Interest income from group companies		119,360	125,092
Other interest income		87	454
Interest expense to Parent company		-4,875	-7,492
Other interest expenses		-129,196	-186,817
Other financial expenses		-13,315	-60,866
Unrealized currency effects on borrowings		-6,812	-263
Impairments	<i>P2, P3</i>	-602,042	-434,985
Net financial income and expenses		-636,793	-564,877
Operating result before tax		-641,856	-572,573
Tax on ordinary result	<i>P6</i>	-	-
Operating result after tax		-641,856	-572,573
ANNUAL NET PROFIT		-641,856	-572,573
Brought forward			
From other equity	<i>P5</i>	-641,856	572,573
Net brought forward		-641,856	-572,573



PARENT COMPANY BALANCE SHEET

<i>NOK thousands</i>	<i>Note</i>	<u>31 Dec 2018</u>	<u>31 Dec 2017</u>
ASSETS			
Non-current assets			
Investments in Group companies	P2	2,793,693	2,299,306
Loans to Group companies	P3	1,693,672	2,004,803
Total financial non-current assets		4,487,365	4,304,109
Current assets			
Other receivables	P3	175,807	70,032
Total debtors		175,087	70,032
Cash and cash equivalents	P4	129,024	551,378
Total current assets		304,831	621,410
TOTAL ASSETS		4,792,196	4,925,519



PARENT COMPANY BALANCE SHEET (CONTD.)

<i>NOK thousands</i>	<i>Note</i>	31 Dec 2018	31 Dec 2017
EQUITY			
Restricted equity			
Share capital	P4	4,500	4,200
Total restricted equity		4,500	4,200
Retained earnings			
Other equity		2,492,222	2,634,378
Total retained equity		2,492,222	2,634,378
Total equity	P4	2,496,722	2,638,578
LIABILITIES			
Non-current liabilities			
Bond loans	P8	2,162,603	2,149,853
Borrowings from Parent Company	P3	63,049	63,049
Total non-current liabilities		2,225,652	2,212,903
Current liabilities			
Trade payables		877	-
Payables to Group companies		39,776	44,845
Other liabilities		29,169	29,194
Total current liabilities	P1	69,822	74,039
Total liabilities		2,295,474	2,286,942
TOTAL EQUITY AND LIABILITIES		4,792,196	4,925,519

Oslo, 15 April 2019

Henning Karlsrud

Chairman of the Board

Eivind Helgaker

Anders Koch



PARENT COMPANY CASH-FLOWS

<i>NOK thousands</i>	<i>Note</i>	2018	2017
Operating result		-5,063	-7,696
Other financial expenses		-565	-
Interest received		87	454
Currency and other non-cash items		-6,812	40,981
Cash flows before changes in working capital		-12,353	33,739
Change in current receivables		-7,597	18,731
Change in current liabilities		-9,437	-23,456
Cash flows from changes in working capital		-17,034	-4,725
Cash flows from operating activities		-29,386	29,014
Investments in subsidiaries		-750,000	-618,409
Loans to subsidiaries		-14,116	-208,005
Cash flows from investing activities		-764,116	-826,413
Financing from shareholders	<i>P4</i>	500,000	830,000
Borrowings		-	2,909,064
Repayments		-	-2,226,721
Interest payments on borrowings		-128,852	-199,775
Cash flows from financing activities		371,148	1,312,568
Cash flow for the year		-422,354	515,169
Cash and cash equivalents at the beginning of the period		551,378	36,210
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		129,024	551,378



NOTES TO PARENT COMPANY FINANCIAL STATEMENTS

P1 - Accounting principles

The annual accounts have been prepared in compliance with the Accounting Act and accounting principles generally accepted in Norway.

Operating expenses

Purchases from other Group companies consist mainly of consultancy fees in strategic Group projects, property lease, IT-operations and maintenance and audit fees.

Classification of balance sheet items

Assets intended for long term ownership or use have been classified as fixed assets. Assets relating to the trading cycle have been classified as current assets. Other receivables are classified as current assets if they are to be repaid within one year after the transaction date. Similar criteria apply to liabilities. First year's instalment on long term liabilities and long-term receivables are, however, not classified as short-term liabilities and current assets.

Shares in subsidiaries and loans to subsidiaries

The Company conducts the main part of the external debt financing in the Group and finances its operating subsidiaries with equity and loans.

Shares in subsidiaries and loans provided to subsidiaries are evaluated at the lower of cost or fair value. Any impairment losses and reversal of impairment losses are classified as net gains (loss and impairment) on financial assets in the income statement.

Asset impairments

Impairment tests are carried out if there is indication that the carrying amount of an asset exceeds the estimated recoverable amount. The test is performed on the lowest level of fixed assets at which independent cash flows can be identified. If the carrying amount is higher than both the fair value less cost to sell and recoverable amount (net present value of future use/ownership), the asset is written down to the highest of fair value less cost to sell and the recoverable amount. Previous impairment charges are reversed in later periods if the conditions causing the write-down are no longer present.

Liabilities

Liabilities are recognized in the balance sheet at amortized cost.

Foreign currencies

Receivables and liabilities in foreign currencies are valued at the exchange rate on the balance sheet date. Currency effects are recognized through the income statement as a part of net financial items.

Pensions

The Company has no employees.

Taxes

The tax charge in the income statement includes both payable taxes for the period and changes in deferred tax. Deferred tax is calculated at relevant tax rates on the basis of the temporary differences which exist between accounting and tax values, and any carry-forward losses for tax purposes at the year-end. Tax enhancing or tax reducing temporary differences, which are reversed or may be reversed in the same period, have been eliminated. The disclosure of deferred tax benefits on net tax reducing differences which have not been eliminated, and carry-forward losses, is based on estimated future earnings. Deferred tax and tax benefits which may be shown in the balance sheet are presented net.

The tax effect of group contributions given to parent or sister companies are recognized in the income statement if the amount represents distribution of prior earnings. The tax effect of group contributions given to subsidiaries is recognized net with the contribution as an additional cost of the shares. The tax effect of group contributions received from parent or sister companies is recognized net with the contribution as an equity increase. The tax effect of group contributions received from subsidiaries are recognized in the income statement. Deferred tax is reflected at nominal value.

ice group



Cash flow statement

The cash flow statement has been prepared using the indirect method. This means that operating income is adjusted for transactions that do not result in cash payments during the period and for any income or expense associated with investing or financing cash flows.

Founding

The Company was founded as Startfase 654 AS in February 2014.

Note P2 – Subsidiaries

Investments in subsidiaries, associated companies and joint ventures are booked according to the cost method. Amounts in the table below are stated in NOK thousands.

Subsidiary	Location	Ownership and voting share	Book value
Ice Norge AS	Oslo, Norway	100%	338,988
Ice Communication Norge AS	Oslo, Norway	100%	2,253,123
Netett Sverige AB	Stockholm, Sweden	100%	175,700
Ice Danmark ApS	Copenhagen, Denmark	100%	25,882
Balance sheet value 31 December 2018			2,793,693

In the 2018 closing, the Company wrote down the book value of the shares in Netett Sverige AB with NOK -271,495 thousand.

Note P3 – Balances with Group companies, related parties etc.

	31 Dec 2018		31 Dec 2017	
	Non-current	Current	Non-current	Current
Loans to subsidiaries	1,693,672	-	2,004,803	-
Other short-term receivables	-	175,571	-	69,778
Total	1,693,672	175,571	2,004,803	69,778
Loans from AINMT Holdings AB ¹	63,049	-	63,049	-
Trade payables to Group companies	-	639	-	367
Other current liabilities	-	39,137	-	30,714
Total	63,019	39,776	63,049	31,081

1) The loan is subordinated and runs with 9.75% annual interest, is amortization free and matures on 1 April 2020.

The Company has no employees. No loans/sureties have been granted to the general manager, Board chairman or other related parties. In the 2018 closing, the Company wrote down loans to Netett Sverige AB with NOK -330,547 thousand.

Note P4 – Shareholders' equity and shareholder information

	No of shares	Share capital	Other equity	Total
As per 1 January 2017	30	3,600	2,177,551	2,181,151
Share capital increase	-	600	1,029,400	1,030,000
Profit for the year	-	-	-572,573	-572,573
As per 31 December 2017	30	4,200	2,634,378	2,638,578
Share capital increase	-	300	499,700	500,000
Profit for the year	-	-	-641,856	-641,856
As per 31 December 2018	30	4,500	2,492,222	2,496,722



The shares have one vote each. The shares have a nominal value of 150,000 NOK (140,000) each, are all fully paid and are all held by AINMT Holdings AB, which is owned to 99.83% by Ice Group ASA. The ultimate Parent Company is AI Media Holdings (NMT) located in Delaware, USA.

Note P5 – Taxes

Calculation of deferred tax/deferred tax benefit	2018	2017
<i>Temporary differences</i>		
Non-current receivables and liabilities in other currencies	37,397	50,147
Capitalized acquisition costs acc sktl 14-2	-	-
Net temporary differences	37,397	50,147
Tax losses carried forward	-360,581	-333,517
Basis for deferred tax	-323,184	-283,371
Deferred tax (23%)	-74,332	-65,175
Deferred tax benefit not shown in the balance sheet	74,332	65,175
Deferred tax in the balance sheet	-	-

The reason deferred tax benefit is not reflected in the balance sheet is that there are not enough historical results to evidence that future taxable profits will be sufficient to utilise the tax benefit.

Basis for income tax expense, changes in deferred tax and tax payable	2018	2017
Result before taxes	39,814	-572,573
Permanent differences	-	-
Basis for the tax expense for the year	39,814	-572,573
Change in temporary differences	12,750	-30,517
Basis for payable taxes in the income statement	-27,064	-603,090
+/- Group contributions received/given	-	-
Taxable income	-27,064	-603,090
Components of income tax expenses		
Payable tax on this year's result	-	-
Adjustment in respect of priors	-	-
Total payable tax	-	-
Change in deferred tax	-	-
Change in deferred tax due to change in tax rate	-	-
Tax expense	-	-
Payable taxes in the balance sheet		
Payable tax in the tax charge	-	-
Tax effect of group contribution	-	-
Payable tax in the balance sheet	-	-

Note P6 – Fees and other remuneration to auditors

Expensed audit fees	2018	2017
Statutory audit	993	880
Assurance services	78	1,055
Other assignments	-	-
Tax advisory fees	25	-
Total	1,096	1,935

VAT is not included in the audit fees. All audit fees are with PwC.



Note P7 – Pledges and securities

In relation with issuing the Senior Secured Callable bond, collaterals were set out in favour of the bondholders (Nordic Trustee ASA, Norway, as bond trustee on behalf of the bondholders).

Please see note 26 for details.

Note P8 – Bond loans

	31 Dec 2018	31 Dec 2017
Senior Unsecured bond (NOK 800 million)	800,000	800,000
Senior Secured bond (NOK 1.4 billion)	1,400,000	1,400,000
Capitalized transaction costs	-37,397	-50,147
Total	2,162,603	2,149,853

Senior Secured Callable Bond 2017/2021

In Q4 2017, Ice Group Scandinavia Holdings AS, issued a four-year NOK 1.4 billion senior secured bond (ISIN NO 001 0807092). The bond has a coupon of 3 months NIBOR +4.60%. The bond was admitted to Oslo Stock Exchange on 8 November 2017.

Senior Unsecured Callable Bond 2017/2022

In Q2 2017, Ice Group Scandinavia Holdings AS, issued a five-year NOK 800 million senior unsecured bond (ISIN NO 001 0789035) at a blended debt financing cost of NIBOR +5.25%. The bond was admitted to Oslo Stock Exchange on 3 October 2017.

Financial Covenants

In addition to information covenants, the Group has to – for both the above bonds – comply with certain financial covenants:

- Minimum liquidity of NOK 150 million
- Loan to value cannot exceed 50%

As per 31 December 2018, loan to value tested to 35%.



RESPONSIBILITY STATEMENT

From the Board of Directors and CEO of Ice Group Scandinavia Holdings AS:

"We confirm to the best of our knowledge that:

- the consolidated financial statements for 2018 have been prepared in accordance with IFRS as adopted by the EU as well as additional information requirements in accordance with the Norwegian Accounting Act and that
- the financial statements for the parent company for 2018 have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting practice in Norway

and that

- the information presented in the financial statements gives a true and fair view of the Company's and Group's assets liabilities financial position and result for the period viewed in their entirety and that
- the Board of Directors' report gives a true and fair view of the development performance and financial position of the Company and Group and includes a description of the principle risks and uncertainties."

Oslo, 15 April 2019

Henning Karlsrud


Chairman of the Board

Eivind Helgaker



Anders Koch





To the General Meeting of Ice Group Scandinavia Holdings AS

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Ice Group Scandinavia Holdings AS, which comprise:

- The financial statements of the parent company Ice Group Scandinavia Holdings AS (the Company), which comprise the balance sheet as at 31 December 2018, the income statement and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The consolidated financial statements of Ice Group Scandinavia Holdings AS and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2018, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- The financial statements are prepared in accordance with the law and regulations.
- The accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2018, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.
- The accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2018, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Basis for Opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by laws and regulations, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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



Independent Auditor's Report - Ice Group Scandinavia Holdings AS

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The Groups business activities are largely unchanged compared to last year. However, the 4G build up was addressed as a key audit matter in 2017 but is not included in 2018 as the amounts and tempo of investments have decreased and the judgment related to the latest investments are limited. Revenue recognition from voice remain a key audit matters as they contain approximately the same complexity and risks as previous year.

Key Audit Matter	How our audit addressed the Key Audit Matter
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Recognition of revenue from voice

The Group's revenue for the year ended 31 December 2018 amounted to NOK 1 659 million of which a significant portion relates to voice revenues. Voice revenues continued to grow during 2018 and the group has launched new customer programs during the year. There is an inherent risk of errors in recognized revenue due to the impact of changing pricing models, the magnitude of transactions and the complexity of the IT applications related to revenue recognition.

As of 1 January 2018 the Group implemented the new revenue recognition standard, revenues from contract with customers (IFRS 15), using the modified retrospective method. The standard requires costs to obtain and costs to fulfill contracts to be capitalized based on the useful life of customers. This represent a change compared with previous periods.

We focused on this area because the assessment of the useful life of customers and costs to fulfill the contracts require management to use judgement. Further it requires considering large amounts of data, which adds a degree of complexity to the estimation procedures.

See also note 1, 4, 5 and 6 to the financial statements where management explain

We obtained an understanding of the revenue recognition process based on interviews with management and review of the group's process and policy documentation. Understanding the IT environment in which billing and other relevant supporting applications to the financial statements reside, has been a material part of our audit.

We tested internal controls and performed analytical procedures to ensure whether different incentive and discount programs were correctly recognized. Our testing of internal controls included an evaluation of design and effectiveness of key controls directed at uncovering abnormalities in credit notes and manual bookings as well as irregular activity in specific customer accounts. We also tested controls related to the monthly reconciliations of invoiced amounts to booked amounts in the general ledger designed to ensure accuracy, completeness, cut-off and occurrence in recognition of revenue. We found that we were able to base our audit on the controls we tested.

We performed analytical procedures to identify non-standard revenue streams or abnormalities in manual journal entries. These procedures included reconciling payments throughout the year with booked revenue. We found no material errors through this testing.

We also evaluated whether management's application of revenue recognition principles was in accordance with relevant accounting regulations. We tested the application of the accounting principles for a sample of contracts without identifying material misstatements.

(2)



Independent Auditor's Report - Ice Group Scandinavia Holdings AS

how they account for revenue from contracts with customers and how the implementation of IFRS 15 affected the financial statements.

We assessed the appropriateness of the related disclosures in notes 1, 4, 5 and 6 and found them to appropriately explain accounting for revenue and to be in accordance with IFRS requirements.

Other information

Management is responsible for the other information. The other information comprises information in the annual report, except the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors for the Financial Statements

The Board of Directors (Management) are responsible for the preparation in accordance with law and regulations, including fair presentation of the financial statements of the Company in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation and fair presentation of the consolidated financial statements of the Group in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements of the Company use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. The consolidated financial statements of the Group use the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

(3)



Independent Auditor's Report - Ice Group Scandinavia Holdings AS

As part of an audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's or the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

(4)



Independent Auditor's Report - Ice Group Scandinavia Holdings AS

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report and in the statements on Corporate Governance and Corporate Social Responsibility concerning the financial statements, the going concern assumption and the proposed allocation of the result is consistent with the financial statements and complies with the law and regulations.

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Oslo, 15 April 2019
PricewaterhouseCoopers AS

Herman Skibrek
State Authorised Public Accountant