



Ice Group ASA: First quarter 2019 results

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Ice Group delivers positive adj. EBITDA for the first time in Q1 2020 with NOK 4 million. Smartphone service revenues grew by 31 percent and smartphone subscriptions grew by 28 percent in the first quarter versus the same quarter last year. On-net traffic shares also continue to grow for Ice Group, which is building a third nationwide mobile network in Norway.

"In Q1 2020 Ice Group's adjusted EBITDA reached a positive margin of 1% for the first time. We also continued to grow our customer base, reaching 20 consecutive quarters of smartphone subscriber growth. Smartphone service revenues in Q1 was NOK 379 million, a 31% increase from last year, driven by a 28% growth in smartphone subscribers. On 7 May Ice won the price for best customer care overall in Norway! Excellent customer care is a core value for Ice, and I want to congratulate all our great people working hard every day to give our customers the best customer care experience in the country," says Eivind Helgaker, CEO of Ice Group.

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

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

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

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

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

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

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

growth and remain confident that we will continue to win market share and improve margins strongly going forward,” says Eivind Helgaker, CEO of Ice Group.

Ice Group invites to a live presentation of the results at 08:00 (CET) today. CEO Eivind Helgaker and CFO Henning Karlsrud will present. Investors, analysts, lenders and media are invited to follow the webcast on https://channel.royalcast.com/webcast/hegnarmedia/20200514_2/. A recording of the presentation will be available on our web site shortly after the live webcast has ended.

Disclosure regulation

This information is subject to the disclosure requirements pursuant to section 5-12 of the Norwegian Securities Trading Act.

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About Ice Group ASA

Ice Group is a telecommunications company with nationwide networks in Norway and Denmark. In Norway, the company operates a pure 4G mobile network, providing smartphone, m2m, IoT and mobile broadband services to B2C and B2B customers. Ice Group also offers mobile broadband, m2m and IoT services in Denmark through its own network.

Attachments

- [Download announcement as PDF.pdf](#)
- [Interim report Q1 2020.pdf](#)
- [Presentation of Q1 2020.pdf](#)