



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

### Enheten

Organisasjonsnummer:	990 362 688
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	MARLINK AS
Forretningsadresse:	Lysaker torg 45 1366 LYSAKER

### Regnskapsår

Årsregnskapets periode:	01.01.2020 - 31.12.2020
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### Konsern

Morselskap i konsern:	Ja
Konsernregnskap lagt ved:	Nei

### Regnskapsregler

Regler for små foretak benyttet:	Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet:	Forenklet IFRS

### Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Stein Anderssen
Dato for fastsettelse av årsregnskapet:	31.08.2021

### Grunnlag for avgivelse

År 2020: Årsregnskapet er elektronisk innlevert  
År 2019: Tall er hentet fra elektronisk innlevert årsregnskap fra 2020

*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, 11.04.2023



### Resultatregnskap

Beløp i: NOK	Note	2020	2019
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Salgsinntekt	4	3 155 994 000	3 067 715 000
Kostnad solgte varer		1 546 611 000	1 508 258 000
<b>Brutto resultat</b>		<b>1 609 383 000</b>	<b>1 559 457 000</b>
<b>Kostnader</b>			
Distribusjonskostnader	6.1, 6.2	747 956 000	637 274 000
Administrative kostnader	6.3, 6.4	643 649 000	659 227 000
<b>Driftsresultat</b>		<b>217 778 000</b>	<b>262 956 000</b>
<b>Finansposter</b>			
Inntekt på investering i datterselskap og tilknyttet selskap	6.6	420 194 000	1 839 000
Renteinntekt fra foretak i samme konsern	6.6		0
Rentekostnad til foretak i samme konsern	6.7		0
Annen finansinntekt	6.6, 6.8	44 141 000	94 234 000
Annen finanskostnad	6.7, 6.9	184 897 000	226 428 000
<b>Netto finans</b>		<b>279 438 000</b>	<b>-130 355 000</b>
<b>Ordinært resultat før skattekostnad</b>		<b>497 216 000</b>	<b>132 601 000</b>
Skattekostnad på ordinært resultat	8	0	0
<b>Ordinært resultat etter skattekostnad</b>		<b>497 216 000</b>	<b>132 601 000</b>
<b>Årsresultat</b>		<b>497 216 000</b>	<b>132 601 000</b>
Andre resultatkomponenter for IFRS-foretak		25 519 000	22 000
<b>Totalresultat</b>		<b>517 754 000</b>	<b>132 623 000</b>
<b>Overføringer og disponeringer</b>			
Sum overføringer og disponeringer		0	0



## Balanse

Beløp i: NOK	Note	2020	2019
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
Forskning og utvikling	10	2 999 000	
Konsesjoner, patenter, lisenser, varemerker og lignende rettigheter	10	111 045 000	124 533 000
Utsatt skattefordel	8		
Goodwill		603 563 000	603 563 000
<b>Sum immaterielle eiendeler</b>		<b>717 607 000</b>	<b>728 096 000</b>
<b>Varige driftsmidler</b>			
Tomter, bygninger og annen fast eiendom	9	33 305 000	11 685 000
Maskiner og anlegg	9, 19	996 204 000	979 222 000
<b>Sum varige driftsmidler</b>		<b>1 029 509 000</b>	<b>990 907 000</b>
<b>Finansielle anleggsmidler</b>			
Investeringer i datterselskap	5	2 395 100 000	2 395 175 000
Lån til foretak i samme konsern	11.1	466 713 000	108 024 000
Andre fordringer	20	9 919 000	
<b>Sum finansielle anleggsmidler</b>		<b>2 871 732 000</b>	<b>2 503 199 000</b>
<b>Sum anleggsmidler</b>		<b>4 618 848 000</b>	<b>4 222 202 000</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
<b>Fordringer</b>			
Kundefordringer	11.1	440 146 000	552 250 000
Andre fordringer	11.1	42 683 000	26 156 000
Konsernfordringer	11.1	1 132 942 000	635 561 000
Krav på innbetaling av selskapskapital	11.1		
<b>Sum fordringer</b>		<b>1 615 771 000</b>	<b>1 213 967 000</b>
<b>Investeringer</b>			
Andre finansielle instrumenter	11.1	22 061 000	19 348 000
<b>Sum investeringer</b>		<b>22 061 000</b>	<b>19 348 000</b>



## Balanse

Beløp i: NOK	Note	2020	2019
<b>Bankinnskudd, kontanter og lignende</b>			
Bankinnskudd, kontanter og lignende	13	2 418 000	27 157 000
<b>Sum Bankinnskudd, kontanter og lignende</b>		<b>2 418 000</b>	<b>27 157 000</b>
<b>Sum omløpsmidler</b>		<b>1 640 250 000</b>	<b>1 260 472 000</b>
<b>SUM EIENDELER</b>		<b>6 259 098 000</b>	<b>5 482 674 000</b>
<b>BALANSE - EGENKAPITAL OG GJELD</b>			
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Selskapskapital	14	18 572 000	18 572 000
Overkurs	14	2 505 009 000	2 505 009 000
<b>Sum innskutt egenkapital</b>		<b>2 523 581 000</b>	<b>2 523 581 000</b>
<b>Opptjent egenkapital</b>			
Annen egenkapital		1 395 551 000	872 817 000
<b>Sum opptjent egenkapital</b>		<b>1 395 551 000</b>	<b>872 817 000</b>
<b>Sum egenkapital</b>		<b>3 919 132 000</b>	<b>3 396 398 000</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
Pensjonsforpliktelser	20	0	837 000
Andre avsetninger for forpliktelser	16	5 263 000	1 002 000
<b>Sum avsetninger for forpliktelser</b>		<b>5 263 000</b>	<b>1 839 000</b>
<b>Annen langsiktig gjeld</b>			
Gjeld til kredittinstitusjoner	11.2	869 694 000	882 963 000
Øvrig langsiktig gjeld	11.3, 11.2, 19	98 769 000	75 808 000
<b>Sum annen langsiktig gjeld</b>		<b>968 463 000</b>	<b>958 771 000</b>
<b>Sum langsiktig gjeld</b>		<b>973 726 000</b>	<b>960 610 000</b>
<b>Kortsiktig gjeld</b>			



## Balanse

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2020</b>	<b>2019</b>
Leverandørgjeld	12.3	455 858 000	521 256 000
Annen kortsiktig gjeld	12.3, 20	910 383 000	604 409 000
<b>Sum kortsiktig gjeld</b>		<b>1 366 241 000</b>	<b>1 125 665 000</b>
<b>Sum gjeld</b>		<b>2 339 967 000</b>	<b>2 086 275 000</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>6 259 099 000</b>	<b>5 482 673 000</b>



**Skattedirektoratet**

Saksbehandler Inger Helene Iversen	Deres dato 16.10.2012	Vår dato 24.10.2012
Telefon 61236772	Deres referanse Thomas Embretsen	Vår referanse 2012/793879

ERNST & YOUNG AS  
Postboks 20 Oslo Atrium  
0051 OSLO

**Dispensasjon fra kravet om utarbeidelse av årsregnskap og årsberetning på norsk språk for "Vizada Norge konsernet"**

Vi viser til deres brev av 11. oktober 2012 og til telefonsamtale den 23. oktober 2012 med Stein Anderssen. I brevet søker dere om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for

- Mobsat Holding Norway AS, org.nr. 990 362 688,
- Vizada AS, org.nr. 983 928 412
- Marlink AS org.nr. 983 852 203 og
- Vizada Networks AS, org.nr. 977 499 054

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering de fire selskapene dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk fom. regnskapsåret 2012, jf. regnskapsloven § 3-4 tredje ledd.

Dispensasjonen forutsetter at det benyttes engelsk språk ved utarbeidelsen av årsregnskapet og årsberetningen, og at øvrige opplysninger som vedtaket baserer seg på, heller ikke endres vesentlig.

**Bakgrunn**

Fra søknaden gjengis:

*Vizada Norge konsernet med det norske hovedkontoret lokalisert i Bærum, er leverandør av globale og regionale satellittbaserte kommunikasjonstjenester til maritime og landbaserte virksomheter. Vizada Norge konsernet har datterselskaper i mange land, hvorav de største er i Norge, USA, Belgia, Slovakia. For mer informasjon om konsernets bransje/virksomhet henvises til selskapets websider [vizada.com](http://vizada.com) og [marlink.com](http://marlink.com).*

*Den overveiende majoriteten av morselskapets og de tre ovennevnte datterselskapers aksjonærer og styremedlemmer er utenlandske personer eller selskaper. Vizada Norge gruppen kontrolleres av det fransk/tyske konsernet EADS/Astrum med 100 % som ønsker at engelsk språk benyttes ved utarbeidelsen av årsregnskap og årsberetning. All kommunikasjon med konsernets primære kunder, kreditorer og eiere foregår på engelsk. Det er heller ingen forhold rundt selskapenes finansiering som skulle tilsi behov for regnskap på norsk (bankforbindelser etterspør kun informasjon på engelsk).*

Postadresse Postboks 9200 Grønland 0134 Oslo For elektronisk henvendelse se <a href="http://www.skatteetaten.no">www.skatteetaten.no</a>	Besøksadresse Se <a href="http://www.skatteetaten.no">www.skatteetaten.no</a> Org. nr: 996250318	Sentralbord 800 80 000 Telefaks 22 17 08 60
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*I lys av selskapenes og konsernets situasjon, der majoriteten av selskapenes aksjonærer og styremedlemmer kun behersker engelsk, all kommunikasjon med konsernets primære kunder og kreditorer skjer på engelsk, samt at engelsk er både arbeidsspråket til konsernet og bransjespråket der selskapene og konsernet i all hovedsak opererer, fremstår kravet i Regnskapslovens § 3-4 om utarbeidelse av årsregnskap og årsberetning på norsk som unødvendig. I tillegg til at det er ressurskrevende, fører av og til tvil om oversettelse og uoverensstemmelser mellom engelsk og norsk versjon til unødvendige misforståelser.*

I telefonsamtale den 23. oktober 2012 ble det opplyst at Mobsat Holding Norway AS er 100 % eid fra utlandet. Mobsat holding Norway AS eier 100 % av aksjene i selskapene Vizada AS og Marlink AS. Marlink AS eier igjen 100 % av aksjene i Vizada Networks AS.

#### **Skattedirektoratets vurdering**

Etter regnskapsloven § 3-4 tredje ledd skal årsregnskapet og årsberetningen være på norsk. Departementet (delegert Skattedirektoratet) kan ved forskrift eller 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:

*Regjeringen har som siktemål 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, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Som nevnt ovenfor er det særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt vekt på at selskapenes virksomhet er utpreget internasjonal og arbeidsspråket er engelsk. Videre er det vektlagt at morselskapet Mobsat Holding Norway AS er 100 % eid av et utenlandsk selskap.



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Vennligst oppgi vår referanse ved henvendelser i anledning saken.

Med hilsen

*Rune Tystad*

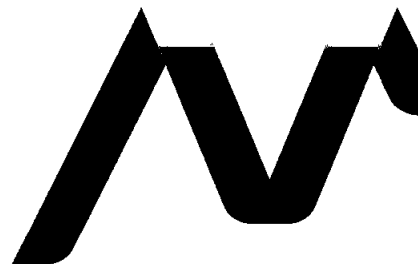
Rune Tystad  
seniorrådgiver  
Rettsavdelingen, foretaksskatt  
Skattedirektoratet

*Inger Helene Iversen*  
Inger Helene Iversen





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## **MARLINK AS**

REPORT AND FINANCIAL STATEMENTS

Year ended 31 December 2020

Company registration n° 990362688



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## BOARD OF DIRECTORS REPORT

### BUSINESS OPERATIONS

Marlink AS offers sales, services and installations of satellite enabled communication solutions and related value-added services to the maritime sector, as well as to land based enterprises, humanitarian organisations/NGOs, and inter-governmental organisations (IGOs), both directly to end customers and through a network of distributors and resellers. The products and services span from simple handheld solutions, to Inmarsat MSS services, and to more sophisticated VSAT solutions. The company offers true global coverage through a mixture of fully owned and third-party teleports. The head-office is located at Lysaker close to Oslo (Norway), and the main activities are located at Lysaker and at Eik teleport located south of the city of Stavanger (Norway).

During the financial year of 2020 the company has not had significant activities related to research and development.

### GOING CONCERN

The annual accounts have been prepared on the going concern assumption, and the board confirms that this condition is present.

### PROFIT AND LOSS

KNOK = 1000 NOK. In 2020, Marlink AS' operating income was KNOK 3.155.994 and the result after tax was a profit of KNOK 497.217. Comparable numbers for 2019 were operating income of KNOK 3.067.715 and a profit after tax of KNOK 132.601. The increase of the profit after tax is mainly due to the dividends received in 2020 (See Financial statements, note 6.6).

As per end of 2020 total assets amounted to KNOK 6.259.099 and total equity was KNOK 3.919.132, i.e. an equity to total assets ratio of 63%.

The cash flow from the operational activities in 2020 was positive with KNOK 524.682.

In the view of the board, the accounts presented for the financial year of 2020 and corresponding notes provide an accurate account of the company's position and the enterprise's result. The board proposes that the accounts presented be adopted as the company's statement of profit or loss and the statement of financial position.

Beyond what appears in the annual accounts, the board has no knowledge of other issues regarding the market or the development in prices which are crucial to assessment of the company. No events have occurred after the end of the financial year that have not been taken into consideration in the annual accounts or issues that are considered important in order to assess the company's result and position.

Marlink AS  
Report and financial statements  
Year ended 31 December 2020

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## **FUTURE DEVELOPMENTS**

In accordance with the general trend of increasing globalization and internationalization, growth is expected in the demand for services within the areas operated by Marlink AS, although the COVID-19 crisis is expected to have short term negative effects within certain segments, especially the cruise and ferry segment for 2021.

## **ENVIRONMENT**

The company does not contribute to pollution of the external environment.

## **WORKING ENVIRONMENT**

The company had 187 employees at the end of the financial year. The working environment at the company is considered good, and no special measures were therefore taken in this area in 2020. The company did not record any accidents resulting in personal injury in 2020. The company's sick leave in 2020 was 2,19%.

## **GENDER EQUALITY**

The company operates in a technological industry where the professions that have been recruited (Masters of Science, engineers, technicians) are traditionally male-dominated. Even though this has gradually changed, this is still reflected in the organizational structure – not least at the executive level. 34 (18%) of the company's employees as at 31.12.2020 were women, and 153 (82%) were men. There are four women in the company's management group. The average annual salary for women at the company is lower than for the men, which is due to the share of women in leading positions being lower than the share of men. The arrangements at the company regarding working hours are independent of gender but depend on the employee's position. Marlink AS has three (1,6%) temporary employees (all males), and two (1,1%) female part-time employees, and one (0,5%) male part-time employee. The average number of weeks of parental leave in 2020 were 13 for females, and 11 for males.

## **DISCRIMINATION**

The purpose of the Anti-discrimination Act is to promote equality, ensure equal opportunities and rights and to prevent discrimination based on ethnicity, national origin, descent, skin colour, language, religion or belief. The company works actively, in a goal-oriented and planned manner, to promote the purpose of the Act at our business. The activities include recruitment, salary and working conditions, promotions, development options, and protection against harassment.

The company's goal is to be a workplace where there is no discrimination due to a disability. The company works actively and in a goal-oriented manner to design and prepare the physical conditions so that the business' different functions can be used by as many people as possible. Workplaces and tasks are adapted individually to disabled employees or job-seekers.



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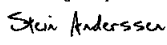


#### ALLOCATION OF PROFIT FOR THE YEAR


The board proposes that the year's profit of KNOK 497.217 to be transferred to other equity for an amount of KNOK 47.217 and to be distributed a dividend of KNOK 450.000.

Lysaker, August 31st, 2021


The board of Marlink AS

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Stein Anderssen  
Chairman of the Board

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Erik Ceuppens  
Board member

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Hervé Nays  
Board member

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Tore Morten Olsen  
CEO



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## STATEMENT OF PROFIT AND LOSS

For the year ended 31 December 2020

	Notes	2020	2019
		NOK000	NOK000
Revenue from contracts with customers	4	3,155,994	3,067,715
<b>Revenue</b>		<b>3,155,994</b>	<b>3,067,715</b>
Cost of sales		(1,546,611)	(1,508,258)
<b>Gross profit</b>		<b>1,609,384</b>	<b>1,559,456</b>
Other operating income	6.1	12,129	16,762
Marketing, selling and distribution expenses	6.2	(760,085)	(654,036)
Administrative expenses	6.3	(620,107)	(645,519)
Other operating expenses	6.4	(23,542)	(13,708)
<b>Operating profit</b>		<b>217,779</b>	<b>262,955</b>
Finance income	6.6	459,354	84,379
Finance costs	6.7	(72,212)	(183,394)
Other finance income	6.8	4,981	11,694
Other finance costs	6.9	(112,685)	(43,033)
<b>Profit before tax</b>		<b>497,217</b>	<b>132,601</b>
Income tax expense	8	-	-
<b>Profit for the year</b>		<b>497,217</b>	<b>132,601</b>



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## STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2020

	Notes	2020	2019
		NOK000	NOK000
<b>Profit for the year</b>		<b>497,217</b>	<b>132,601</b>
<b>Other comprehensive income</b>			
<i>Other comprehensive income that may be reclassified to profit and loss in subsequent periods:</i>			
Gain/(loss) on cash flow hedges		15,146	3,822
<b>Other comprehensive income/(loss) that may be reclassified to profit and loss in subsequent periods</b>		<b>15,146</b>	<b>3,822</b>
<i>Other comprehensive income that will not be reclassified to profit and loss in subsequent periods:</i>			
Remeasurement gain on defined benefits plans	20	11,544	1,976
Adjustment on IFRS 16	2.5	(1,171)	-
Adjustment from deferred tax assets from Palantir AS			(5,776)
<b>Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods</b>		<b>10,373</b>	<b>(3,800)</b>
<b>Other comprehensive gain/(loss) for the year</b>		<b>25,519</b>	<b>22</b>
<b>Total comprehensive income for the year</b>		<b>522,736</b>	<b>132,624</b>



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## STATEMENT OF FINANCIAL POSITION

As at 31 December 2020

	Notes	2020 NOK000	2019 NOK000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	9	893,130	851,674
Intangible assets	10	717,608	728,096
Right-of-use assets	19	136,380	139,233
Investment in a subsidiary	5	2,395,100	2,395,175
Net employee defined benefit assets	20	9,919	-
Non-current financial assets	11.1	466,713	108,024
Deferred tax asset	8	-	-
		<u>4,618,850</u>	<u>4,222,201</u>
<b>Current assets</b>			
Trade receivables	11.1	440,146	552,250
Contract assets	11.1	2,876	4,173
Other receivables	11.1	1,140,758	636,090
Prepayments	11.1	31,990	21,454
Other current financial assets	11.1	22,061	19,348
Cash and short-term deposits	13	2,418	27,157
		<u>1,640,250</u>	<u>1,260,471</u>
<b>Total assets</b>		<u><b>6,259,099</b></u>	<u><b>5,482,672</b></u>

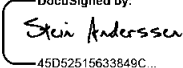


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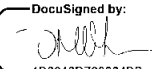
	Notes	2020 NOK000	2019 NOK000
<b>Equity and liabilities</b>			
<b>Equity</b>			
Issued capital	14	18,572	18,572
Share premium	14	2,505,009	2,505,009
Retained earnings		1,381,869	874,280
Cash flow hedge reserve		13,682	(1,463)
<b>Total equity</b>		<b>3,919,132</b>	<b>3,396,397</b>
<b>Non-current liabilities</b>			
Interest-bearing loans and borrowings	11.2	869,694	882,963
Other non-current financial liabilities	11.3	4,438	3,902
Provisions	16	5,263	1,002
Lease contract liabilities	11.2,19	94,331	71,906
Net employee defined benefit liabilities	20	-	837
		973,726	960,611
<b>Current liabilities</b>			
Trade and other payables	11.3,18	1,305,845	1,052,510
Lease contract liabilities	11.2,19	45,952	70,813
Other current financial liabilities	11.3,18	14,443	2,343
		1,366,241	1,125,666
<b>Total liabilities</b>		<b>2,339,967</b>	<b>2,086,276</b>
<b>Total equity and liabilities</b>		<b>6,259,099</b>	<b>5,482,672</b>

Lysaker, August 31st, 2021

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 Stein Anderssen  
 Chairman of the Board

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 Erik Ceuppens  
 Board member

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 Hervé Nays  
 Board member

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 Tore Morten Olsen  
 CEO



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**STATEMENT OF CHANGES IN EQUITY**

For the year ended 31 December 2020

	Issued capital (Note 14)	Share premium (Note 14)	Retained earnings	Cash flow hedge reserve	Total
	NOK000	NOK000	NOK000	NOK000	NOK000
<b>As at 1 January 2020</b>	18,572	2,505,009	874,280	(1,463)	3,396,397
Profit of the period	-	-	497,217	-	497,217
Remeasurement gain on defined benefits plans (Note 20)	-	-	11,544	-	11,544
Gain on cash flow hedges	-	-	-	15,146	15,146
Adjustment of IFRS 16 Leases (Note 2.5)	-	-	(1,171)	-	(1,171)
<b>At 31 December 2020</b>	<b>18,572</b>	<b>2,505,009</b>	<b>1,381,870</b>	<b>13,682</b>	<b>3,919,133</b>

	Issued capital (Note 14)	Share premium (Note 14)	Retained earnings	Cash flow hedge reserve	Total
	NOK000	NOK000	NOK000	NOK000	NOK000
<b>As at 1 January 2019</b>	17,246	1,615,915	778,579	(5,286)	2,406,453
Effect of adoption of IFRS 16 Leases	-	-	(1,867)	-	(1,867)
Effect of merger with Palantir AS	-	-	(31,233)	-	(31,233)
<b>As at 1 January 2019 (adjusted)</b>	<b>17,246</b>	<b>1,615,915</b>	<b>745,478</b>	<b>(5,286)</b>	<b>2,373,353</b>
Profit of the period	-	-	132,601	-	132,601
Dividends paid (Note 15)	-	(630,798)	-	-	(630,798)
Issue of share capital (Note 14)	1,327	1,519,892	-	-	1,521,218
Remeasurement gain on defined benefits plans (Note 20)	-	-	1,976	-	1,976
Cancellation of deferred tax assets (Note 8)	-	-	(5,776)	-	(5,776)
Gain on cash flow hedges	-	-	-	3,822	3,822
<b>At 31 December 2019</b>	<b>18,572</b>	<b>2,505,009</b>	<b>874,280</b>	<b>(1,463)</b>	<b>3,396,397</b>

Marlink AS  
Report and financial statements  
Year ended 31 December 2020

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## STATEMENT OF CASH FLOWS

For the year ended 31 December 2020

	2020		2019	
	Notes	NOK000	NOK000	NOK000
<b>Operating activities</b>				
Profit before tax		497,217		132,601
<i>Adjustment to reconcile profit before tax to net cash flows:</i>				
Depreciation and impairment of property, plant and equipment and right-of-use assets		342,901		225,458
Amortisation and impairment of intangible assets		26,783		19,325
Depreciation and impairment of financial assets		82		2,507
Gain on disposal of property, plant and equipment		(3,419)		(1,225)
Net finance loss/(gain)		(279,438)		103,129
Movements in provisions and pensions		4,796		(4,791)
<i>Working capital adjustments:</i>				
Change in trade and other receivables		102,863		(55,627)
Change in trade and other payables		11,227		(3,641)
<b>Net cash flows from operating activities</b>		<b>703,011</b>		<b>417,738</b>
<b>Investing activities</b>				
Proceeds from sale of property, plant and equipment		11,904		3,402
Purchase of property, plant and equipment		(325,466)		(257,427)
Purchase of intangible assets		(16,295)		(37,230)
Acquisition of subsidiary shares		(399)		-
Purchase of financial instruments				(9,878)
Dividend received		33,981		1,839
<b>Net cash flows from investing activities</b>		<b>(296,274)</b>		<b>(299,294)</b>
<b>Financing activities</b>				
Dividend paid				(630,798)
Interest costs		(72,130)		(176,383)
Interest income		39,160		82,540
Deposit to vendor		(9,426)		(353)
Deposit from customer		535		233
Other costs		(172)		-
External borrowing increase		(60,681)		638,407
Internal borrowings decrease		(168,412)		(44,152)
Internal lendings (increase)/decrease		(160,349)		18,870
<b>Net cash flows used in financing activities</b>		<b>(431,475)</b>		<b>(111,634)</b>
<b>Net increase/Decrease in cash and cash equivalents</b>		<b>(24,739)</b>		<b>6,810</b>
Cash and cash equivalents as at 1 January		27,157		22,501
Cash and cash equivalents from company merged		-		(2,153)
<b>Cash and cash equivalents as 31 December</b>		<b>2,418</b>		<b>27,157</b>



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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 1. CORPORATE INFORMATION

Marlink AS is a fully owned subsidiary of Toruk AS. Toruk AS is fully owned by Makto SARL, Luxemburg. Makto SARL is a holding company owned by Apax Partners, France.

The principal activity of the Company is that, it specializes in the delivery and satellite-based communication services, mainly to the Maritime industry.

These annual accounts were approved by the Board on August 31st 2021 for a decision to be made by the General Meeting.

Information on other related party relationships of the Company is provided in Note 22.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 Basis of preparation

Pursuant to the provision regarding exemptions in section 3-7 of the Norwegian Accounting Act, no separate consolidated accounts have been prepared for Marlink AS. The annual accounts for 2020 have been prepared pursuant to the Regulations regarding Simplified Application of International Accounting Standards (FOR-2008-01-21-57), pursuant to section 3-9(5) of the Accounting Act, with comparison figures for 2014. Deviation from measuring and recognition rules pursuant to section 3-1 of Regulations FOR-2008-01-21-57 has been applied in relation to points 1, 2 and 4. Both the functional and presentation currency are Norwegian kroner.

In accordance with IFRS requirements, management has performed assessments and made assumptions that affect the reported assets and debt, and reporting of contingent assets and liabilities on the accounting date and reported income and costs for the reporting period. The actual results may deviate from these estimates.

The company's financial statements are based on the principles of historical cost accounting.

#### 2.2 Summary of significant accounting policies

##### 2.2.1 Goodwill

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised over the net identifiable assets acquired and liabilities assumed. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to the company's cash flow-generating units where synergies are expected from the acquisition. A cash flow-generating unit to which goodwill has been allocated is assessed on an annual basis for impairment or when there are indications that a cash flow-generating unit's value may be impaired. If the recoverable amount from a cash flow-generating unit is lower than the book value, the value reduction will first be recorded to the unit's share of goodwill, and then be recorded on a pro rata basis to the unit's other assets. Impairment of goodwill will not be reversed in subsequent periods.



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## 2. Significant accounting policies *Continued*

### 2.2.2 Investments in subsidiaries

The investments in shares in subsidiaries are recognized at fair value.

### 2.2.3 Current versus non-current classification

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Company classifies all other liabilities as non-current.

## 2.3 Fair value measurement

The Company measures financial instruments such as non-financial assets at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

### 2.3.1 Revenue from contracts with customers

Operating income primarily consists of sale and rental of satellite equipment, operation and maintenance of the equipment, and sale of satellite capacity. Under IFRS 15, the revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.



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## 2. Significant accounting policies *Continued*

The Company derives revenue principally from the sale of satellite communications services typically pursuant to on-demand agreements or fixed-term contracts. The Company provides its customers with primarily two types of satellite telecommunications services: usage-based services, determined on a metered basis, such as minutes/capacity used, and satellite communications services based on fixed contracts. The usage-based services are primarily related to the Mobile Satellite Services (MSS)

segment. The services provided under fixed contracts are primarily related to the corporate network and fixed maritime services reported as part of the VSAT (Very Small Aperture Terminal; dishes used to benefit from fixed satellite services) segment. The Company also sells equipment and provides operational and maintenance services.

Revenue arrangements with multiple deliverables are divided into separate units of accounting if the delivered item has value to the customer on a standalone basis and there is objective and reliable evidence of the fair value of the undelivered items. Arrangement consideration is allocated based on their relative fair values, with the amount allocated to the delivered item being limited to the amount that is not contingent on the delivery of additional items or other specified performance criteria, which most often is the amount received in cash at the time of sale. In most instances the delivered element is equipment, and the equipment is recorded with low revenue, potentially including a connection fee, due to discounts provided. The subsequent services are recorded at the normal selling price or at a discounted value, depending on the facts and circumstances.

### **Sale of products**

Sales of products are recognised at the point in time when the Company satisfies its performance obligation by transferring control over the promised products to the customer, which is usually when the products are delivered to the customer, risk of obsolescence and loss have been transferred to the customer and the customer has accepted the products.

### **Rendering of services**

The Company derives revenue principally from the sale of satellite communications services typically pursuant to on-demand agreements or fixed-term contracts. The Company provides its customers with primarily two types of satellite telecommunications services: usage-based services, determined on a metered basis, such as minutes/capacity used, and satellite communications services based on fixed contracts. The usage-based services are primarily related to the Mobile Satellite Services (MSS) segment. The services provided under fixed contracts are primarily related to the corporate network and fixed maritime services reported as part of the VSAT (Very Small Aperture Terminal; dishes used to benefit from fixed satellite services) segment.

### **Interest income**

Interest income is recognized on a time-proportion basis using the effective interest method.

### **Dividend income**

Dividend income is recognized when the right to receive payment is established.

### **Trade receivables**

A receivable is recognised if an amount of consideration that is unconditional is due from the customer (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section 2.3.10 *Financial instruments – initial recognition and subsequent measurement*.



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## 2. Significant accounting policies *Continued*

### 2.3.2 Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is

recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at nominal amounts and released to profit or loss over the expected useful life of the asset, based on the pattern of consumption of the benefits of the underlying asset by equal annual instalments.

### 2.3.3 Taxes

#### Current and deferred income tax

Tax accrued will be recorded to the accounts at the amount that is expected to be paid or received. Assets and liabilities associated with deferred tax are calculated according to the liability method, with full allocation of all temporary differences between the recorded and tax value of assets and liabilities, including losses carried forward.

Marlink AS will record the effect of uncertain tax positions when it is probable that the tax position will be accepted by the tax authorities. The company will perform provisions for departure from the tax assessment or legal disputes pending a final decision. Deferred tax assets will be recognised to the extent it is probable that the tax assets will be utilised in future periods. The tax rates adopted on the date of the statement of financial position and the undiscounted amounts will be used.

#### Sales tax

Expenses and assets are recognised net of the amount of sales tax, except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of sales tax included

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

### 2.3.4 Foreign currencies

#### 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 monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss.

#### Functional and presentation currency

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Norwegian Kroner (NOK), which is the Company's functional and presentation currency.



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## 2. Significant accounting policies *Continued*

### 2.3.5 Dividends

Dividends on ordinary shares are recognized as a liability and deducted from equity in the Company's financial statements in the year in which they are approved by the Company's shareholders. Interim dividends are deducted from equity when they are declared and approved by the Company's directors.

### 2.3.6 Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses

Depreciation is calculated on the straight-line method so as to write off the cost of each asset to its residual value over its estimated useful life. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

Buildings	3 to 10 years
Satellite equipment	3 to 10 years
Machine and equipment	3 to 5 years
IT Equipment	3 to 5 years

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Where the carrying amount of an asset is greater than its estimated recoverable amount, the asset is written down immediately to its recoverable amount.

Expenditure for repairs and maintenance of property, plant and equipment is charged to profit or loss of the year in which it is incurred. The cost of major renovations and other subsequent expenditure are included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Company. Major renovations are depreciated over the remaining useful life of the related asset.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

### 2.3.7 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.



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## 2. Significant accounting policies *Continued*

### i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Real estate	6 years
Motor Vehicles	3 to 4 years
Leased Lines	2 to 7 years
Purchase of satellite capacity	3 to 4 years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

### ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

### iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

### Company as a lessor

Marlink AS presents assets it has leased to others as receivables equal to the net investments in the leases. Financial income will be set so a constant return is achieved on outstanding receivables during the life of the contract. Direct costs incurred in connection with establishing the lease are included in the receivable.

The rental income from operational leases will be recorded to the accounts on a linear basis over the life of the lease. Initial direct costs incurred through negotiation and establishment of an operational lease will be



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## 2. Significant accounting policies *Continued*

granted recorded value for the leased fixed asset and recognized as an expense on a linear basis over the life of the lease as depreciation. Variable rent will be recognized as income during the earning period.

### 2.3.8 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

### 2.3.9 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

A summary of the policies applied to the Company's intangible assets is, as follows:

Customers software and licences	3 years
Brand	5 years
Customer contracts acquired	5 to 10 years

### 2.3.10 Financial instruments – initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.



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## 2. Significant accounting policies *Continued*

### Financial assets

#### Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit and loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

#### Subsequent measurement

The financial assets at amortised cost (debt instruments) is the only category relevant to the Company. The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Company's financial assets at amortised cost are only trade receivables.



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## 2. Significant accounting policies *Continued*

### Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when:

- - The rights to receive cash flows from the asset have expired, or
- - The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

### Impairment

For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

### Financial liabilities

#### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including and derivative financial instruments.

#### Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

#### Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.



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## 2. Significant accounting policies *Continued*

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

### Financial liabilities at amortised cost (loans and borrowings)

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

This category generally applies to interest-bearing loans and borrowings. For more information, refer to Note 11.

### Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

### Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### 2.3.11 Derivative financial instruments and hedge accounting

#### Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts, interest rate swaps, to hedge its foreign currency risks, interest rate risk. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

#### Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit or loss. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The Company uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments.

The Company designates only the spot element of forward contracts as a hedging instrument. The forward element is recognised in OCI and accumulated in a separate component of equity under cost of hedging reserve.



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## 2. Significant accounting policies *Continued*

If cash flow hedge accounting is discontinued, the amount that has been accumulated in OCI must remain in accumulated OCI if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to profit or loss as a reclassification adjustment.

### 2.3.12 Cash and short-term deposits

Cash and cash equivalents cover cash in hand and at bank that on the date of the procurement were due in less than three months. Cash and cash equivalents are assessed at the nominal value on the date of the statement of financial position.

### 2.3.13 Provisions

Provisions for liabilities like removal obligations, restructuring, loss contracts and legal claims will be recognized when the company, as a result of a previous incident, has an existing legal or self-imposed obligation which it is probable that the company will need to meet, and the amount can be estimated reliably. No provisions will be made for future operating losses. Provisions will be measured at the management's best estimate of the expenses to settle the obligation on the reporting date.

Provisions for restructuring will be recognized when the company has approved a detailed and formal restructuring plan, and the restructuring has either begun or been made public.

### 2.3.14 Pensions and other post-employment benefits

Marlink AS has a defined benefit pension plan for employees, which requires contributions to be made to a separate fund administered by Telenor Pensjonskasse. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. Actuarial gains and losses for the defined benefit plan are recognized in full in the period in which they occur in other comprehensive income. Such actuarial gains and losses are also immediately recognized in other equity and are not reclassified to statement of comprehensive income in subsequent periods. Unvested past service costs are recognized as an expense on a straight-line basis over the average period until the benefits become vested. Past service costs are recognized immediately if the benefits have already vested immediately following the introduction of, or changes to, a pension plan.

In pension schemes that are defined contribution schemes, the pension premium is recognized as an expense in the period when the obligation for payment incurred.

## 2.4 Changes in accounting policies and disclosures

### New and amended standards and interpretations

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2020. The Company has not early adopted any other standard interpretation or amendment that has been issued but is not yet effective.

#### 2.4.1 Amendments to IFRS 3: Definition of a Business

The amendment to IFRS 3 Business Combinations clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs. These amendments had no impact on the financial statements of the Company.



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## 2. Significant accounting policies *Continued*

### 2.4.2 Amendments to IFRS 7, IFRS 9 and IAS 39 Interest Rate Benchmark Reform

The amendments to IFRS 9 and IAS 39 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments have no impact on the consolidated financial statements of the Company.

### 2.4.3 Amendments to IAS 1 and IAS 8 Definition of Material

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the financial statements of the Company.

### 2.4.4 Conceptual Framework for Financial Reporting issued on 29 March 2018

The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the IASB in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards. This will affect those entities which developed their accounting policies based on the Conceptual Framework. The revised Conceptual Framework includes some new concepts, updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts. These amendments had no impact on the financial statements of the Company.

### 2.4.5 Amendments to IFRS 16 Covid-19 Related Rent Concessions

On 28 May 2020, the IASB issued Covid-19-Related Rent Concessions - amendment to IFRS 16 Leases. The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification.

The amendment applies to annual reporting periods beginning on or after 1 June 2020. Earlier application is permitted. This amendment had no impact on the financial statements of the Company.

## 2.5 Correction of an error

In January 2019, the IFRS 16 - *Lease* has been applied for the first time. The full amount of the lease contracts (i.e. including value added tax when applicable) has been taken into account for the computation of the contracts liability, the valuation of the rights-of-use and the interests. But the value added tax must be excluded from lease accounting as value added tax payments are not made to lessor in exchange for the right to use an underlying asset. Contracts eligible to IFRS 16 have been processed without having excluded value added tax.

Furthermore, some lease contracts have not been processed according to IFRS 16 whereas they should have been.



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## 2. Significant accounting policies *Continued*

As a consequence, contract liabilities were understated as follows:

### Impact on equity (increase/(decrease) in equity)

	31 December 2019	1 January 2019
	NOK000	NOK000
Rights-of-use	135,600	108,012
Prepayments	3,412	-
<b>Total assets</b>	<b>139,011</b>	<b>108,012</b>
Lease contract	142,050	109,879
<b>Total liabilities</b>	<b>142,050</b>	<b>109,879</b>
<b>Net impact on equity</b>	<b>(3,038)</b>	<b>(1,867)</b>

### Impact on statement of profit or loss (increase/(decrease) in profit)

	31 December 2019
	NOK000
Lease contract expense	31,102
Right of use amortization	(27,588)
Interest costs	(4,685)
<b>Net impact on profit for the year</b>	<b>(1,171)</b>

This correction has been recorded in equity in 2020 (see Statement of changes in equity, page 10)

## 3. SIGNIFICANT ACCOUNTING JUDGEMENTS

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires Management to exercise its judgment in the process of applying the Company's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on Management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

Estimates and judgments 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.

### Judgements

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 discussed below:

#### Determining the lease term of contracts with renewal and termination options – Group as lessee

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company hasn't lease contracts that include extension and termination options.

#### Impairment of non-financial assets

The impairment test is performed using the discounted cash flows expected to be generated through the use of non-financial assets, using a discount rate that reflects the current market estimations and the risks associated with the asset. When it is impractical to estimate the recoverable amount of an



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### 3. Significant accounting judgements *Continued*

asset, the Company estimates the recoverable amount of the cash generating unit in which the asset belongs to.

#### Trade receivables and contract assets

The Company uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information.

#### Income taxes

Significant judgment is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

#### Defined benefit plans (pension benefits)

The cost of the defined benefit pension plan and other post-employment medical benefits and the present value of the pension obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, management considers the interest rates of corporate bonds in currencies consistent with the currencies of the post-employment benefit obligation with at least an 'AA' rating or above, as set by an internationally acknowledged rating agency, and extrapolated as needed along the yield curve to correspond with the expected term of the defined benefit obligation. The underlying bonds are further reviewed for quality. Those having excessive credit spreads are excluded from the analysis of bonds

on which the discount rate is based, on the basis that they do not represent high quality corporate bonds.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases and pension increases are based on expected future inflation rates for the respective countries.

Further details about pension obligations are provided in Note 20.

#### Development costs

The Company capitalises costs for product development projects. Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits. At 31 December 2020, the carrying amount of capitalised development costs was NOK 4.106.228 (2019: Null).

#### Leases - Estimating the incremental borrowing rate



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### 3. Significant accounting judgements *Continued*

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain specific estimates.

#### Impairment of investments in subsidiaries

The Company periodically evaluates the recoverability of investments in subsidiaries whenever indicators of impairment are present. Indicators of impairment include such items as declines in revenues, earnings or cash flows or material adverse changes in the economic or political stability of a particular country, which may indicate that the carrying amount of an asset is not recoverable. If facts and circumstances indicate that investment in subsidiaries may be impaired, the estimated future discounted cash flows associated with these subsidiaries would be compared to their carrying amounts to determine if a write-down to fair value is necessary.

#### Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash generating units of the Company on which the goodwill has been allocated. The value in use calculation requires the Company to estimate the future cash flows expected to arise from the cash-generating units using a suitable discount rate in order to calculate present value (Refer to note 10).

### 4. REVENUE FROM CONTRACTS WITH CUSTOMERS

	2020	2019
	NOK000	NOK000
Rendering services	3,020,639	2,938,128
Sales of equipment	135,355	129,587
	<u>3,155,994</u>	<u>3,067,715</u>

The company does not follow sales by geographical distribution, or customer location. As such a note showing revenues split by geographical distribution or customer locations would not be relevant.



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## 5. SUBSIDIARIES

Name	Principal activities	Country of incorporation	Ownership stake (%)		Book value NOK000	
			2020	2019	2020	2019
Marlink Holding SAS	Telecommunications	France	100	100	1,521,218	1,521,218
Marlink SpA	Telecommunications	Italy	100	100	565,756	565,756
Marlink Inc.	Telecommunications	USA	100	100	97,298	97,298
Marlink Ltd	Telecommunications	Great Britain	100	100	91,811	91,811
Marlink s.r.o.	Telecommunications	Slovakia	100	100	54,090	54,090
Telemar Hong Kong Ltd	Telecommunications	Hong Kong	100	100	1,076	1,076
Marlink Communications FZ LLC	Telecommunications	Dubai	100	100	176	176
Athens Prosjektutvikling AS	Telecommunications	Norway	100	100	-	75
Astrium Services BC Ltd	Telecommunications	Tanzania	100	100	-	-
Marlink CG Ltd	Telecommunications	Cyprus	64	64	63,676	63,676
					<b>2,395,100</b>	<b>2,395,175</b>

## 6. OTHER INCOME/EXPENSES

### 6.1 Other operating income

	2020	2019
	NOK000	NOK000
Service fees	7,467	8,620
Net gain on disposal of property, plant and equipment	3,419	1,225
Government grants (Note 28)	-	1,198
Interest on trades	432	615
Freight	601	531
Other operating income	210	141
Net foreign exchange on trades	-	4,433
	<b>12,129</b>	<b>16,762</b>

### 6.2 Marketing, selling and distribution expenses

	2020	2019
	NOK000	NOK000
Service fees	627,415	494,234
Wages and salaries	58,367	61,497
General subcontracting	2,946	23,934
Freight on sales	19,141	20,993
Travel, mission and entertainment	2,566	11,308
Social security costs	7,533	8,597
Office expenses	-	5,834
Commission on sales	13,107	4,602
Pension costs	4,386	3,969
Other fees	17,151	13,321
Other expenses	7,473	5,746
	<b>760,085</b>	<b>654,036</b>



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## 6. Other income/expenses *Continued*

### 6.3 Administrative expenses

	<b>2020</b>	<b>2019</b>
	<b>NOK000</b>	<b>NOK000</b>
Depreciation	275,525	303,242
Wages and salaries	108,704	120,291
Upkeep and maintenance	35,491	49,523
General subcontracting	24,599	42,790
Social security costs	17,734	20,138
Amortisation	94,159	19,325
Other fees	23,463	17,383
Service fees	-	11,153
Office expenses	5,243	10,522
Travel, mission and entertainment	866	9,504
Post and telecommunications	9,288	8,817
License	-	8,201
Pension costs	8,120	7,201
Insurance	3,549	3,235
Other administrative expenses	13,366	14,193
	<b>620,107</b>	<b>645,519</b>

### 6.4 Other operating expenses

	<b>2020</b>	<b>2019</b>
	<b>NOK000</b>	<b>NOK000</b>
Loss on receivables	2,083	9,738
Provision for expected credit losses	7,053	(4,685)
Freight on purchase	11,857	8,652
Interest expenses on trade	1,532	4
Ungranted grants	1,017	-
	<b>23,542</b>	<b>13,708</b>



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## 6. Other income/expenses *Continued*

### 6.5 Employee benefits expense

	2020	2019
	NOK000	NOK000
<b>Included in marketing, selling and distribution expenses:</b>		
Wages and salaries	58,367	61,497
Social security costs	7,533	8,597
Pension costs	4,386	3,969
Post-employment benefits other than pensions	-	2
Other staff costs	1,574	783
<b>Included in cost of administrative expenses:</b>		
Wages and salaries	108,704	120,291
Social security costs	17,734	20,138
Pension costs	8,120	7,201
Post-employment benefits other than pensions	92	525
Other staff costs	1,530	3,134
<b>Total employee benefits expense</b>	<b>208,040</b>	<b>226,137</b>
Average number of employees	187	169
Average number of man-labour years	186	168

### 6.6 Finance income

	2020	2019
	NOK000	NOK000
Interest income from current account	22,996	35,572
Interest income from bank account	434	32,990
Interest income from lending	15,729	13,978
Dividends received*	420,194	1,839
	<b>459,354</b>	<b>84,379</b>

\* Dividend of kNOK 386,213 from Marlink SpA have been registered by decrease of the borrowing from this subsidiary. Only kNOK 33.981 of dividends have been received by bank transfer.

### 6.7 Finance costs

	2020	2019
	NOK000	NOK000
Interest costs on borrowing	55,719	79,439
Interest costs on current account	12,611	15,187
Interest costs on bank account	1,137	81,758
Interest costs on lease contract liability	2,664	4,504
Other financial expenses	82	2,507
	<b>72,212</b>	<b>183,394</b>



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## 6. Other income/expenses *Continued*

### 6.8 Other finance income

	2020	2019
	NOK000	NOK000
Net foreign exchange gains from current account	1,161	-
Net foreign exchange gains from cash flow hedge	3,820	-
Net foreign exchange gains from borrowing	-	11,615
Other income	-	78
	<b>4,981</b>	<b>11,694</b>

### 6.9 Other finance costs

	2020	2019
	NOK000	NOK000
Net foreign exchange loss from cash flow hedge	-	7,159
Net foreign exchange loss on current account	-	13,492
Net foreign exchange loss from lending	5,822	21
Net foreign exchange loss on bank account	36,239	22,306
Other expenses	90	55
Net foreign exchange from trade	29,394	-
Net foreign exchange from borrowing	41,140	-
	<b>112,685</b>	<b>43,033</b>

## 7. REMUNERATIONS TO LEADING PERSONNEL, AUDITORS AND OTHERS

### Leading personnel

No directors' fees were paid in 2020. The board's members do not have any agreements regarding special remuneration upon termination or changes to their post, agreements regarding bonuses, profit-sharing, options, etc.

In 2020, the CEO received a salary of NOK 2,113,755, and NOK 1,411,316 in bonus. The CEO also received NOK 200,451 in other benefits, excluding pension rights.

NOK 360,096 was recognized as pension costs for the CEO in 2020. The CEO have no agreement of payment of funds if the employment is terminated.

No member of the board nor the CEO have a loan or security at Marlink AS.

Mr. Ceuppens and Mr. Nays, members of the Board, haven't received any remuneration or alike from Marlink AS.



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## 7. Remunerations to leading personnel, auditors and others *Continued*

### Auditors' fees

	2020	2019
	NOK	NOK
Statutory auditing	1,470,000	1,042,914
Other attestation services	-	236,331
Other non-audit services	18,200	9,850
<b>Total auditor's fees</b>	<b>1,488,200</b>	<b>1,289,095</b>

Amounts are exclusive of VAT

## 8. INCOME TAX

The major components of income tax expense for the years ended 31 December 2020 and 2019 are:

	2020	2019
	NOK000	NOK000
<b>Accounting profit before income tax</b>	<b>497,217</b>	<b>132,601</b>
Other comprehensive income	25,519	5,798
Tax-free income	(419,818)	(1,839)
Non tax deductible expenses	5,153	1,206
Change in temporary differences	(10,852)	(19,105)
<b>Tax income basis of the year</b>	<b>97,219</b>	<b>118,661</b>
Limitation on deductibility of interests from group loans	-	-
Tax losses carried forward	97,219	(118,661)
<b>Tax income basis of the year after tax losses carried forward</b>	<b>-</b>	<b>-</b>
<b>At Norwegian's statutory income tax rate of 22% (2019: 22%)</b>	<b>-</b>	<b>-</b>

Reconciliation of tax expense and the accounting profit multiplied by Norwegian's domestic tax rate for 2020 and 2019:

	2020	2019
	NOK000	NOK000
<b>Accounting profit before income tax</b>	<b>497,217</b>	<b>132,601</b>
Expected tax expense at the rate of 22% (2019: 22%)	109,388	29,172
Tax effect of tax free income	(92,360)	(405)
Tax effect of non tax deductible expenses	1,134	265
Tax effect on other comprehensive income	5,614	1,276
Change in tax rate	23,776	30,308
Deferred tax not recognized	(23,776)	(30,308)
<b>Total income tax expense</b>	<b>-</b>	<b>-</b>



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## 8. Income tax *Continued*

The temporary differences are set out below:

	<b>2020</b>	<b>2019</b>	<b>Changes</b>
	<b>NOK000</b>	<b>NOK000</b>	<b>NOK000</b>
Fixed assets	402,590	408,112	5,521
Outstanding receivables	(91,386)	(83,388)	7,998
Capital gain and loss account	(139)	(174)	(35)
Accruals	(5,263)	-	5,263
Financial instruments	16,656	(2,189)	(18,844)
Pensions	9,919	(837)	(10,756)
	<b>332,377</b>	<b>321,525</b>	<b>(10,852)</b>
Tax losses carry forward	(4,448)	(101,666)	(97,218)
	<b>327,929</b>	<b>219,859</b>	<b>(108,070)</b>
Temporary differences to not be recognized in deferred tax computation	327,929	219,859	(108,070)
<b>Basis for computation of deferred tax</b>	<b>-</b>	<b>-</b>	<b>-</b>

The 2019 figure for Fixed assets have been changed compared to the signed financial statement for 2019 due to an ongoing tax control case with Norwegian Tax Authorities. Despite this change, the 2019 figure for tax losses carried forward has however net been adjusted in these calculations on taxes.



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9. PROPERTY, PLANT AND EQUIPMENT

Cost	Buildings and land NOK000	Satellite equipment NOK000	Machines & equipment NOK000	IT Equipment NOK000	Construction in progress NOK000	Total NOK000
<b>At 1 January 2019</b>	100,493	1,860,951	151,848	24,403	225,254	2,362,949
From Palantir AS	-	-	-	4,489	4,547	9,036
Additions	-	316,359	-	-	(58,933)	257,427
Activations	7,041	-	86	2,351	(9,478)	-
Disposals	-	(10,354)	-	-	(3,842)	(14,196)
<b>At 31 December 2019</b>	<b>107,534</b>	<b>2,166,955</b>	<b>151,934</b>	<b>31,243</b>	<b>157,547</b>	<b>2,615,214</b>
Additions	8,871	294,667	589	2,342	18,997	325,466
Disposals	-	(21,623)	-	(4,063)	(5,870)	(31,557)
<b>At 31 December 2020</b>	<b>116,405</b>	<b>2,440,000</b>	<b>152,523</b>	<b>29,522</b>	<b>170,674</b>	<b>2,909,124</b>
<b>Depreciation and Impairment</b>						
<b>At 1 January 2019</b>	70,637	1,302,752	134,946	24,209	8,442	1,540,985
From Palantir AS	-	-	-	4,586	-	4,586
Depreciation charge for the year	6,939	208,891	4,901	1,346	-	222,077
Impairment charge for the year	-	6,076	-	-	(2,695)	3,381
Disposals	-	(7,488)	-	-	-	(7,488)
<b>At 31 December 2019</b>	<b>77,576</b>	<b>1,510,231</b>	<b>139,847</b>	<b>30,140</b>	<b>5,747</b>	<b>1,763,541</b>
Depreciation charge for the year	5,524	235,051	3,492	912	-	244,979
Impairment charge for the year	-	(4,737)	-	-	28,578	23,841
Disposals	-	(12,304)	-	(4,063)	-	(16,367)
<b>At 31 December 2020</b>	<b>83,100</b>	<b>1,728,241</b>	<b>143,339</b>	<b>26,989</b>	<b>34,325</b>	<b>2,015,994</b>
Net book value						
At 31 December 2019	29,958	656,724	12,088	1,103	151,801	851,674
<b>At 31 December 2020</b>	<b>33,305</b>	<b>711,758</b>	<b>9,184</b>	<b>2,533</b>	<b>136,349</b>	<b>893,130</b>

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10. INTANGIBLE ASSETS

	Goodwill	Research and Development	Licences	Software	Brand	Customer base	Construction in progress	Total
	NOK000	NOK000	NOK000	NOK000	NOK000	NOK000	NOK000	NOK000
<b>Cost</b>								
At 1 January 2019	603,563	-	66,669	40,254	9,720	253,250	138	973,594
Additions	-	-	-	738	-	-	36,491	37,230
Activations	-	-	3,325	4,604	-	-	(7,929)	-
Reallocation	-	-	-	-	-	-	-	-
At 31 December 2019	603,563	-	69,994	45,595	9,720	253,250	28,701	1,010,823
Additions	-	3,505	8,480	9,236	-	-	(4,926)	16,295
Activations	-	-	-	-	-	-	-	-
At 31 December 2020	603,563	3,505	78,474	54,831	9,720	253,250	23,775	1,027,118
<b>Amortisation</b>								
At 1 January 2019	-	-	66,669	33,718	9,720	153,295	-	263,402
Amortisation	-	-	539	3,208	-	15,578	-	19,325
At 31 December 2019	-	-	67,208	36,926	9,720	168,874	-	282,727
Amortisation	-	506	3,441	7,257	-	15,578	-	26,783
At December 2020	-	506	70,650	44,183	9,720	184,452	-	309,510
<b>Net book value</b>								
At 31 December 2019	603,563	-	2,786	8,670	-	84,376	28,701	728,096
At 31 December 2020	603,563	2,999	7,824	10,648	-	68,798	23,775	717,608

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## 11. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

### 11.1 Financial assets

	2020	2019
	NOK000	NOK000
<b>Derivatives designated as hedging instruments</b>		
Foreign exchange forward and swap contracts	16,656	154
<b>Total financial assets at fair value</b>	<b>16,656</b>	<b>154</b>
<b>Debt instruments at amortised cost</b>		
Internal loan (Note 22)	453,863	104,446
Deposit to vendor	12,850	3,424
Trade receivables from third-party customers	340,293	439,734
Trade receivables from related parties (Note 22)	99,853	112,516
Contract assets	2,876	4,173
Other receivables from third-party customers	447	529
Other receivables from related-parties (Note 22)	1,132,942	635,561
Government grant (Note 17)	114	1,166
VAT receivable	7,256	11,734
Prepayments	31,990	21,454
Downpayments to vendors	5,406	6,447
<b>Total financial assets*</b>	<b>2,104,544</b>	<b>1,341,338</b>
<b>Total current</b>	<b>466,713</b>	<b>1,233,314</b>
<b>Total non-current</b>	<b>1,637,831</b>	<b>108,024</b>

\* Financial assets, other than cash and short-term deposits

**Derivatives designated as hedging instruments** reflect the positive change in fair value of interest rate swap contract, designated as cash flow hedges to hedge highly probable forecast payment of capital borrowing in euros (EUR) and US dollars (USD).

**Debt instruments at amortised cost** include trade receivables and receivables from related parties.



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## 11. Financial assets and financial liabilities *Continued*

### 11.2 Financial liabilities: Interest-bearing loans and borrowings

	Interest rate	Maturity	2020	2019
	%		NOK000	NOK000
<b>Current interest-bearing loans and borrowings</b>				
Lease contract liability (Note 19)	2.20-3.21	2021	45,952	70,813
<b>Total current interest-bearing loans and borrowings</b>			<b>45,952</b>	<b>70,813</b>
<b>Non-current interest-bearing loans and borrowings</b>				
Lease contract liability (Note 19)	2.20-3.21		94,331	71,906
€ 65,961,908 JP Morgan Senior Facility Agreement B1	EURIBOR 3M +5% (floor E3M@0%)	2026-02-12	678,873	639,741
\$ 21,900,000 JP Morgan Senior Facility Agreement B2	LIBOR 3M+5% (floor L3M@0%)	2026-02-12	180,452	188,835
€ 0 JP Morgan Revolving Facility Agreement	EURIBOR 3M +1,2775% (floor E3M@0%)	2026-02-12	1,236	1,251
€ 8,692,745 Loan from Marlink SpA	EURIBOR 3M +5.75% (floor E3M@0%)	2027-07-10	9,132	-
NOK 2,750,000 DNB Revolving Facility Agreement		2022-07-07	-	2,795
NOK 962,465 Loan from former Palantir AS shareholders (2018: NOK 1,862,225)	NIBOR 1M+2,75%	2021	-	968
\$ 2,910,230 Loan from Toruk AS (2018: \$ 31,405,042)	LIBOR 3M+5,75%	2023-06-02	-	49,374
<b>Total non-current interest-bearing loans and borrowings</b>			<b>964,025</b>	<b>954,869</b>
<b>Total interest-bearing loans and borrowings</b>			<b>1,009,977</b>	<b>1,025,682</b>

#### JP Morgan loans

On February 12, 2019 the Company signed three new loans with new lenders: A new Senior facility agreement ("SFA"), made of 2 tranches (Facility B1 & B2) and a Revolving facility agreement.

On February 12, 2019 the Company drew down the committed amounts for facilities B1,B2, in full, for a total amount of EUR 66 million plus USD 21,9 million, leading to a countervalue of NOK 831 818 048,06 at that date.

The revolving facility was not drawn on closing date. It has been partially drawn in April 2021 for an amount of €18m.



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## 11. Financial assets and financial liabilities *Continued*

### 11.3 Other financial liabilities

	2020	2019
	NOK000	NOK000
<b>Derivatives designated as hedging instruments</b>		
Foreign exchange forward and swap contracts	-	2,343
<b>Total financial instruments at fair value</b>	<u>-</u>	<u>2,343</u>
<b>Other financial liabilities at amortised cost, other than interest-bearing loans and borrowings</b>		
Deposits from customers	4,438	3,902
DLL Facility Vendor Payment Agreement	1,860	6,424
Trade and other payables (Note 18)	1,305,845	1,032,381
Downpayment from customers	12,524	13,705
Downpayment from related parties (Note 22)	59	-
<b>Total financial assets*</b>	<u>1,324,726</u>	<u>1,058,755</u>
<b>Total current</b>	<u>1,320,289</u>	<u>1,054,852</u>
<b>Total non-current</b>	<u>4,438</u>	<u>3,902</u>

### 11.4 Hedging activities and derivatives

The Company is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are foreign currency risk and interest rate risk.

#### Cash flow hedges

##### *Foreign currency risk*

Foreign exchange forward and swap contracts are designated as hedging instruments in cash flow hedges of forecast sales in US dollars and forecast expenses in NOK. These forecast transactions are highly probable. The foreign exchange forward or swap contract balances vary with the level of expected foreign currency sales and purchases and changes in foreign exchange forward rates.

##### *Interest rate risk*

Interest rate swap contracts are designated as hedging instruments in cash flow hedges of reimbursement of principal of borrowings in US dollar and Euros. These future transactions are highly probable, and they hedge 100% of the borrowing capital reimbursement in US dollars and euros. The interests rate swap contracts balances vary with the level of expected interest rates.



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## 11. Financial assets and financial liabilities *Continued*

The Company is holding the following cash flow hedge contracts:

	Maturity					Total
	1 to 3 months	3 to 6 months	6 to 9 months	9 to 12 months	More than 12 months	
<b>As at 31 December 2020</b>						
Foreign exchange forward contracts (highly probable forecast purchase)						
Notional amount (in NOK000)	36,000	36,000	-	-	-	<b>72,000</b>
Average forward rate (NOK/USD)	9.535	9.529	-	-	-	-
Foreign exchange swap contracts (highly probable forecast purchase)						
Notional amount (in NOK000)	30,000	30,000	36,000	36,000	-	<b>132,000</b>
Average forward rate (NOK/USD)	9.000	9.500	9.000	9.000	-	-
Foreign exchange swap contracts (highly probable forecast sale)						
Notional amount (in NOK000)	30,000	30,000	36,000	36,000	-	<b>132,000</b>
Average forward rate (NOK/USD)	10.015	10.700	10.023	10.023	-	-
Interest rate swap contracts (highly probable forecast purchase)						
Notional amount (in €000)	-	-	-	-	66,000	<b>66,000</b>
EURIBOR3+0,25%						
Notional amount (in \$000)	-	-	-	-	21,900	<b>21,900</b>
LIBOR3 +3,75%						
<b>As at 31 December 2019</b>						
Foreign exchange forward contracts (highly probable forecast purchase)						
Notional amount (in NOK000)	30,000	30,000	-	-	-	<b>60,000</b>
Average forward rate (NOK/USD)	8.600	8.661	-	-	-	-
Foreign exchange swap contracts (highly probable forecast purchase)						
Notional amount (in NOK000)	30,000	30,000	30,000	30,000	-	<b>120,000</b>
Average forward rate (NOK/USD)	8.300	8.300	8.300	8.300	-	-
Foreign exchange swap contracts (highly probable forecast sale)						
Notional amount (in NOK000)	30,000	30,000	30,000	30,000	-	<b>120,000</b>
Average forward rate (NOK/USD)	8.730	8.730	9.012	9.025	-	-
Interest rate swap contracts (highly probable forecast purchase)						
Notional amount (in €000)	-	-	-	-	66,000	<b>66,000</b>
EURIBOR3+0,25%						
Notional amount (in \$000)	-	-	-	-	21,900	<b>21,900</b>
LIBOR3 +3,75%						



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## 11. Financial assets and financial liabilities *Continued*

### 11.5 Financial instruments risk management objectives and policies

#### Interest rate risk

Given the Company has no significant interest-bearing assets (except cash and cash equivalents and non-current other receivables), income and operating cash flows are substantially independent of changes in market interest rates. The Company's interest rate risk arises principally from long-term borrowings. Borrowings issued at variable rates expose the Company to fair value interest rate risk.

The Company managed this risk using 2 interest rate hedging instruments :

- Interest rate CAP hedging instruments CAP ("LIBOR Cap" and "EURIBOR Cap") which fixed the interest rate to a maximum of respectively 2,75% for KUSD 21,900, and 0,25% for KEUR 66,000. These instruments were implemented in 2019 and shall expire on May, 2021.

The mark-to-market valuation of these interest hedges was nil as of December 31, 2020 (Cap levels were relatively distant from actuals rates). The costs for the year 2020 was nil (costs were supported in 2019) and the hedge benefit was nil (Cap levels were never exceeded).

- Interest rate SWAP hedging instrument ("LIBOR SWAP") which fixed the interest rate to 0,343% for KUSD 21,900. This instrument was implemented in 2020 and shall expire on May, 2022.

The mark-to-market valuation of this interest rate SWAP amounted to KUSD -40 as of December 31, 2020 and was recorded as a liability in the Statement of Financial Position.

The hedge cost for the year 2020 was KUSD 9 and the hedge benefit was KUSD 5.

#### Foreign currency risk

The Company operates internationally and is exposed to foreign exchange risk, primarily with respect to the US dollar. The vast majority of its revenue is rated and billed in US Dollars, as well as the majority of capital expenditure, which are therefore not subject to risks associated with fluctuating foreign currency rates of exchange. Conversely, fixed costs are primarily denominated in Norwegian Krona. Operating cash flows and Income statement are therefore subject to changes as a result of foreign exchange fluctuations.

In addition, the Company raised EUR 66 million senior loans in February 2019, labelled in EUR which are exposing it to foreign exchange fluctuation risk.

Since inception in 2016, the Company's policy has been to hedge its operating cash flow and income statement exposure but not its balance sheet exposure. Such policy was still in force as of December 31, 2020.

Hedging policy was defined by the Board of the Company and consists in hedging on a 12 months rolling basis, at one point in time 50% of next half-year thru forward and 50% of subsequent half-year thru zero-premium Collars. Hedges in place in Marlink AS at end of December 2020 fully reflected this policy, reducing group exposure on short term variations of NOK against USD during the year 2021.

As of December 31, 2020 forward instruments were hedging a nominal value of NOK 72 million with expiry dates in the first half of 2021. Collar instruments were hedging a nominal value of NOK 132 million with expiry dates in the second half of 2021. Considering unfavorable evolution of the mark-to-market valuation of these instruments amounted to USD 2.0 million as of December 31, 2020. It was recorded as an asset in the Statement of Financial Position and directly through OCI (Other Liquidity risk).



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## 11. Financial assets and financial liabilities *Continued*

### Trade and other receivables risk

Concentrations of credit risk with respect to trade receivables are limited due to the Company's large number of customers. The Company's historical experience in collection of accounts receivable falls within the recorded allowances. Due to these factors, Management believes that no additional credit risk beyond amounts provided for collections losses is inherent in the Company's trade receivables.

### Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability but can also increase the risk of losses. The Company has procedures with the object of minimising such losses such as maintaining sufficient cash and other highly liquid current assets.

The following tables detail the Company's remaining contractual maturity for its financial liabilities:

	2021	2022	2023	2024	2025	After 2025
	NOK000	NOK000	NOK000	NOK000	NOK000	NOK000
Purchase of satellite and network capacity	79,000	44,841	25,771	6,437	391	-
Bank guarantee	1,312	3,019			10,581	16,012
Rent obligation	15,068	8,399	3,615	1,587	535	238
<b>Total contractual obligations</b>	<b>95,380</b>	<b>56,259</b>	<b>29,386</b>	<b>8,024</b>	<b>11,507</b>	<b>16,250</b>

### Trade receivables and contract assets

Outstanding customer receivables and contract assets are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of credit insurance obtained from reputable banks and other financial institutions.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.



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## 11. Financial assets and financial liabilities *Continued*

Set out below is the information about the credit risk exposure on the company's trade receivables using a provision matrix:

	Trade receivables					
	Days past due					Total
	0-30	31-60	61-90	91-365	>365	
	NOK000	NOK000	NOK000	NOK000	NOK000	NOK000
Expected credit loss rate	0.30%	0.66%	1.19%	13.08%	83.80%	
Estimated total gross carrying amount at default	197,881	106,395	56,586	95,842	88,190	544,895
expected credit loss	595	700	671	12,533	73,902	88,402

	Trade receivables					
	Days past due					Total
	0-30	31-60	61-90	91-365	>365	
	NOK000	NOK000	NOK000	NOK000	NOK000	NOK000
Expected credit loss rate	0.27%	0.60%	1.07%	11.86%	89.38%	
Estimated total gross carrying amount at default	156,194	112,716	44,268	64,864	96,429	474,471
expected credit loss	426	672	475	7,691	86,193	95,456

## 12. RECEIVABLES AND CONTRACT ASSETS

### 12.1 Trade and other receivables

	2020	2019
	NOK000	NOK000
Trade receivables from third-party customers	537,148	527,066
Trade receivables from related parties (Note 22)	(1,126)	157,184
Other receivables from third-parties	34,911	529
Other receivables from related parties (Note 22)	1,132,942	635,561
Government grants receivables	140	1,166
VAT receivable	7,256	11,734
Prepayments	31,990	21,454
	1,743,262	1,354,694
Allowance for expected credit losses	(95,456)	(88,402)
	<b>1,647,806</b>	<b>1,266,291</b>

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

For terms and conditions relating to related party receivables, refer to Note 22.



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## 12. Receivables and contract assets *Continued*

Set out below is the movement in the allowance for expected credit losses of trade receivables.

	2020	2019
	NOK000	NOK000
<b>As at 1 January</b>	<b>88,402</b>	<b>92,888</b>
Addition from Marlink Enterprise AS	-	-
Addition from Palantir AS	-	200
Adjustment due to IFRS 9 <i>Financial instruments</i>	-	-
Expected credit loss	7,908	4,231
Write-off	(855)	(8,916)
<b>AS at 31 December</b>	<b>95,456</b>	<b>88,402</b>

### 12.2 Contract assets

As at 31 December 2020, the Company has contract asset of KNOK 2,876 (2019: KNOK 4,173)

## 13. CASH AND SHORT-TERM DEPOSITS

	2020	2019
	NOK000	NOK000
Cash at banks and on hand	2,418	27,157
	<b>2,418</b>	<b>27,157</b>

The company has a tax guarantee of NOK 15 million in favour of Kemneren i Asker og Baerum

The company has a performance guarantee of 8.533 KNOK in favour of World Food Programme

The company has a performance guarantee of 2.706 KNOK in favour of United Nations

The company has a performance guarantee of 2.360 KNOK in favour of Kuwait Oil Tanker Company

The company has a performance guarantee of 1.312 KNOK in favour of Telespazio Group

The company has a rental guarantee of 610 KNOK in favour of SETTER EIENDOM AS

The company has a tender guarantee of 262 KNOK in favour of NATO CS Agency

The company has a tender guarantee of 171 KNOK in favour of Qatar Gas Transport Company LTD. (Nakilat)

The company has a rental guarantee of 140 KNOK in favour of VESTNORSK HOTEL AS



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## 14. ISSUED CAPITAL AND RESERVES

### Issued capital

	<u>2020</u>	<u>2019</u>
	<u>Nbr</u>	<u>Nbr</u>
Ordinary shares of NOK 1,40 each	13,265,867	13,265,867
	<u><b>13,265,867</b></u>	<u><b>13,265,867</b></u>
	<u>Nbr</u>	<u>NOK</u>
<b>At 1 January 2019</b>	<u><b>13,265,867</b></u>	<u><b>17,245,627</b></u>
Increase on February 12, 2019 of the share price	-	1,326,587
<b>At 31 December 2019</b>	<u><b>13,265,867</b></u>	<u><b>18,572,214</b></u>
<b>At 31 December 2020</b>	<u><b>13,265,867</b></u>	<u><b>18,572,214</b></u>

There is only one class of shares. There are no rules in the by-laws regarding voting rights. No rights may lead to the issuing of new shares.

The company shares have been pledged to the benefit of the Company's senior lenders.

### Share premium

	<u>KNOK</u>
<b>At 1 January 2019</b>	<u><b>1,615,915</b></u>
Dividend paid	(630,798)
Issuance of share capital	1,519,892
<b>At 31 December 2019</b>	<u><b>2,505,009</b></u>
<b>At 31 December 2020</b>	<u><b>2,505,009</b></u>

All shares were owned by Toruk AS at 31.12.2018.

On February 12, 2019, in the frame of the Marlink Company's refinancing, the Board of Directors decided to:

- Distribute a dividend for an amount of € 64,000,000 to the shareholder of the company Toruk AS. It was converted to NOK 630,798,000 using the daily rate of 1 EUR = 9,795 NOK and the payment has been paid by the company's share premium.
- Increase the capital by increasing the share price to NOK 1,40.
- Toruk AS subscribed to the capital increase of its subsidiary Marlink AS for an amount of NOK000 1,521,218 (k\$ 176,672) (NOK000 1,327 for share price increase and NOK000 1;519,892 for share premium issue). This contribution was settled by transferring to Marlink AS all the shares owned by Toruk AS in Marlink Holding SAS. The value of the Marlink Holding SAS shares transferred to Marlink AS were estimated at a fair value of NOK000 1,521,218 (k\$ 176,672).

The capital is fully owned by Toruk AS for NOK 18,572,213.80 at 31.12.2020.



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## 15. DISTRIBUTIONS MADE AND PROPOSED

	2020	2019
	NOK000	NOK000
<b>Dividends declared and paid:</b>		
Final dividends for 2018	-	630,798
<b>Proposed dividends:</b>		
Final dividends for 2020	<u>450,000</u>	<u>-</u>

Proposed dividends are subject to approval at the annual general meeting and are not recognized as a liability as at 31 December.

## 16. PROVISIONS

	Contracts losses	Restructuring	Dismantling	Total
	NOK000	NOK000	NOK000	NOK000
<b>At 1 January 2020</b>	-	1,002	-	1,002
Arising during the year		4,794	469	5,263
Utilised		(1,002)	-	(1,002)
<b>At 31 December 2020</b>	<u>-</u>	<u>4,794</u>	<u>469</u>	<u>5,263</u>
Current	-	-	-	-
Non-current	-	4,794	469	5,263
	Contracts losses	Restructuring	Dismantling	Total
	NOK000	NOK000	NOK000	NOK000
<b>At 1 January 2019</b>	3,282	572	-	3,854
Arising during the year		1,002	-	1,002
Utilised	(3,282)	(572)	-	(3,854)
<b>At 31 December 2019</b>	<u>-</u>	<u>1,002</u>	<u>-</u>	<u>1,002</u>
Current	-	-	-	-
Non-current	-	1,002	-	1,002

## 17. GOVERNMENT GRANTS

	2020	2019
	NOK000	NOK000
<b>At 1 January</b>	1,166	-
Received during the year		
Apprenticeship	-	32
Research and Development	35	-
	<u>1,201</u>	<u>32</u>
Released to the statement of profit and loss		
Apprenticeship	-	(32)
Research and Development	(1,087)	1,166
<b>At 31 December</b>	<u>114</u>	<u>1,166</u>
Current	114	1,166
Non-current	-	-



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## 18. TRADE AND OTHER PAYABLES

	<u>2020</u>	<u>2019</u>
	<b>NOK000</b>	<b>NOK000</b>
Trade payables	407,426	431,157
Trade payables to related parties (Note 22)	48,432	90,099
Other payables	270	237
Other payables to related parties (Note 22)	632,050	269,217
Accruals	64,307	68,958
Deferred income	153,360	172,712
	<u><b>1,305,845</b></u>	<u><b>1,032,381</b></u>

Trade and other payables are non-interest bearing, except Other payables to related parties (refer to Note 22).

## 19. LEASES

### Company as a lessee

The Company has lease contracts for various items of real estate, vehicles, leased lines and purchase of satellite capacity used in its operations. Real estates have lease terms between 5 and 7 years, while motor vehicles have lease terms between 3 and 5 years. Concerning the leased lines, terms are between 2 and 7 years and the purchase of satellite capacity have lease terms between 3 and 4 years.

The company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the company is restricted from assigning and subleasing the leased assets

The Company also has certain leases of machinery with lease terms of 12 months or less and leases of office equipment with low value. The company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	<b>Real estate</b>	<b>Vehicles</b>	<b>leased lines</b>	<b>Satellite capacity</b>	<b>Total</b>
	<b>NOK000</b>	<b>NOK000</b>	<b>NOK000</b>	<b>NOK000</b>	<b>NOK000</b>
<b>As at 1 January 2019</b>	-	-	-	-	-
Adoption of IFRS 16 Lease	14,946	1,002	67,638	24,426	108,012
Additions	-	231	106,427	-	106,658
Depreciation expense	(3,261)	(503)	(60,025)	(11,648)	(75,437)
<b>As at 31 December 2019</b>	<b>11,685</b>	<b>730</b>	<b>114,040</b>	<b>12,778</b>	<b>139,233</b>
Correction (see note 2.5)	19,406	204	(1,777)	(208)	17,624
Revaluation	1,375	131	(42,696)	-	(41,190)
Additions	787	313	-	86,990	88,089
Depreciation expense	(12,623)	(811)	(38,941)	(15,001)	(67,376)
<b>As at 31 December 2020</b>	<b>20,629</b>	<b>567</b>	<b>30,625</b>	<b>84,559</b>	<b>136,380</b>



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## 19. Leases *Continued*

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	<u>2020</u>	<u>2019</u>
	<b>NOK000</b>	<b>NOK000</b>
As at 1 January	142,719	109,879
Additions	100,620	101,230
Accretion of interest	2,840	5,428
Payments	(105,897)	(73,818)
<b>As at 31 December</b>	<b><u>140,283</u></b>	<b><u>142,719</u></b>
Current	45,952	71,906
Non-current	94,331	70,813

The maturity analysis of lease liabilities are disclosed in Note 21.

The following are the amounts recognized in profit or loss:

	<u>2020</u>	<u>2019</u>
	<b>NOK000</b>	<b>NOK000</b>
Depreciation expense of right-of-use assets	67,376	75,437
Interest expense on lease liabilities	2,664	4,504
<b>Total amount recognised in profit or loss</b>	<b><u>70,040</u></b>	<b><u>79,941</u></b>

## Company as a lessor

The company presents assets it has leased to others as receivables equal to the net investments in the leases. Financial income will be set so a constant return is achieved on outstanding receivables during the life of the contract. Direct costs incurred in connection with establishing the lease are included in the receivable.

The rental income from operational leases will be recorded to the accounts on a linear basis over the life of the lease. Initial direct costs incurred through negotiation and establishment of an operational lease will be granted recorded value for the leased fixed asset and recognized as an expense on a linear basis over the life of the lease as depreciation. Variable rent will be recognized as income during the earning period.

## 20. PENSIONS

	<u>2020</u>	<u>2019</u>
	<b>NOK000</b>	<b>NOK000</b>
Net defined benefit asset	(12,971)	(1,819)
Pension plan from Palantir AS	349	207
Management supplementary pension plan	2,702	2,449
	<b><u>(9,919)</u></b>	<b><u>837</u></b>

Marlink AS is under obligation to have an occupational pension plan pursuant to the Mandatory Occupational Pensions Act. The company has a mandatory occupational pension plan that meets the legislative requirements.

Marlink AS is a member of a defined benefit-based pension plan, Telenor Pensjonskasse. This plan ceased accepting new members in 2006. A collective contribution plan was established that year for new hires at Marlink AS and employees who on 01.07.2006 voluntarily chose to switch from the defined-benefit plan at Telenor Pensjonskasse to the defined-contribution plan. 187 employees at the company were covered by the pension plan as at 31.12.2020. 23 employees are also part of the defined-benefits plan.



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## 20. Pensions *Continued*

Marlink AS is a member of the Confederation of Norwegian Enterprise NHO, and is part of the Common plan for Contractual Pension (new AFP), which is considered a defined-benefit multi-enterprise plan. The plan's administrator cannot calculate Marlink AS' share of assets and liabilities as at 31.12.2020, and the plan therefore will be recorded to the accounts as a defined-contribution plan. When closing down the old AFP plan, the plan was under funded and the member companies must cover this through continued contribution of premiums during the next three years. The company's share of annual pensions linked to the old AFP plan will be recorded in the accounts in full on the withdrawal date.

The K2013 risk table is used for death and life expectancy, while the risk table for disability for the main scheme is based on KU, Storebrand's more comprehensive disability tariff.

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the statement of financial :

### Change in defined benefit obligation

	<u>2020</u>	<u>2019</u>
	<u>NOK000</u>	<u>NOK000</u>
<b>Defined benefit obligation at 1 January</b>	<b>119,261</b>	<b>109,865</b>
Current service cost	3,831	3,941
Interest expense	2,362	2,833
Cash flows		
a. Benefit payments from plan assets	(2,144)	(1,818)
b. Benefit payments from employer	(40)	(39)
Remeasurements		
a. Effect of changes in financial assumptions	(978)	6,916
b. Effect of experience adjustments	(12,293)	(2,438)
<b>Defined benefit obligation at 31 December</b>	<b><u>109,999</u></b>	<b><u>119,261</u></b>

### Change in fair value of plan assets

	<u>2020</u>	<u>2019</u>
	<u>NOK000</u>	<u>NOK000</u>
<b>Fair value of plan assets at 1 January</b>	<b>121,080</b>	<b>107,769</b>
Interest income	2,462	2,867
Cash flows		
a. Total employer contributions		
(i) Employer contributions	3,298	5,807
(ii) Employer direct benefit payments	40	39
b. Benefit payments from plan assets	(2,144)	(1,818)
c. Benefit payments from employer	(40)	(39)
Return on plan assets (excluding interest income)	(1,727)	6,454
<b>Fair value of plan assets at end of year</b>	<b><u>122,969</u></b>	<b><u>121,080</u></b>



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## 20. Pensions *Continued*

### Amounts recognized in the statement of financial position

	2020	2019
	NOK000	NOK000
Defined benefit obligation	109,999	119,261
Fair value of plan assets	122,969	121,080
<b>Net defined benefit liability (asset)</b>	<b>(12,970)</b>	<b>(1,819)</b>

### Components of defined benefit cost

	2020	2019
	NOK000	NOK000
Current service cost	3,831	3,941
Net interest cost		
a. Interest expense on DBO	2,362	2,833
b. Interest (income) on plan assets	(2,462)	(2,867)
<b>Defined benefit cost included in P&amp;L</b>	<b>3,731</b>	<b>3,907</b>
Remeasurements (recognized in other comprehensive income)		
a. Effect of changes in financial assumptions	(978)	6,916
b. Effect of experience adjustments	(12,293)	(2,438)
c. (Return) on plan assets (excluding interest income)	1,727	(6,454)
<b>Total remeasurements included in OCI</b>	<b>(11,544)</b>	<b>(1,976)</b>
<b>Total defined benefit cost recognized in P&amp;L and OCI</b>	<b>(7,813)</b>	<b>1,931</b>

### Net defined benefit liability (asset) reconciliation

	2020	2019
	NOK000	NOK000
Net defined benefit liability (asset)	(1,819)	2,096
Defined benefit cost included in P&L	3,731	3,907
Total remeasurements included in OCI	(11,544)	(1,976)
Cash flows		
a. Employer contributions	(3,298)	(5,807)
b. Employer direct benefit payments	(40)	(39)
<b>Net defined benefit liability (asset) as of end of year</b>	<b>(12,971)</b>	<b>(1,819)</b>

### Defined benefit obligation

	2020	2019
	NOK000	NOK000
Defined benefit obligation by participant status		
a. Actives	72,059	88,535
b. Retirees	37,940	30,726
<b>Total</b>	<b>109,999</b>	<b>119,261</b>



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## 20. Pensions *Continued*

	<u>2020</u>	<u>2019</u>
	NOK000	NOK000
Fair value of plan assets		
Assets held by insurance company	122,969	121,080
<b>Total</b>	<b><u>122,969</u></b>	<b><u>121,080</u></b>
Actual return on plan assets	735	9,322

The principal assumptions used in determining pension and post-employment medical benefit obligations for the Company's plans are shown below:

	<u>2020</u>	<u>2019</u>
<i>Weighted-average assumptions to determine defined benefit obligation</i>		
Discount rate	1.50%	2.00%
Duration (in years)	15.99	17.02
<i>Weighted-average assumptions to determine defined benefit cost</i>		
Discount rate	2.00%	2.60%

A quantitative sensitivity analysis for significant assumptions as at 31 December is, as shown below:

	<u>2020</u>	<u>2019</u>
<i>Present value of defined benefit obligation</i>		
Discount rate - 25 basis points	114,520	124,963
Discount rate + 25 basis points	105,736	114,349
<i>% impact on the defined benefit obligation</i>		
Discount rate - 25 basis points	4.11%	4.78%
Discount rate + 25 basis points	-3.88%	-4.12%
<i>Change in the defined benefit obligation</i>		
Discount rate - 25 basis points	4,521	5,702
Discount rate + 25 basis points	(4,263)	(4,912)
<i>Weighted average duration of defined benefit obligation (in years)</i>		
Discount rate - 25 basis points	16.46	17.53
Discount rate + 25 basis points	15.52	16.50



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## 20. Pensions Continued

### Membership statistics

	2020	2019
Actives		
a. Number	23	29
b. Total annual pensionable pay	19,135	24,371
c. Average annual pensionable pay	832	840
d. Average age	57.42	57.01
e. Average past service	26.65	25.74
Retirees		
a. Number	32	30
b. Average annual pension	68.00	61.89
c. Average age	71.12	70.30

## 21. COMMITMENTS AND CONTINGENCIES

	2021	2022	2023	2024	2025	After 2025
	NOK000	NOK000	NOK000	NOK000	NOK000	NOK000
Purchase of satellite and network capacity	79,000	44,841	25,771	6,437	391	-
Bank guarantee	1,312	3,019			10,581	16,012
Rent obligation	15,068	8,399	3,615	1,587	535	238
<b>Total contractual obligations</b>	<b>95,380</b>	<b>56,259</b>	<b>29,386</b>	<b>8,024</b>	<b>11,507</b>	<b>16,250</b>



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## 22. RELATED PARTY DISCLOSURES

Note 5 provides information about the Company's subsidiaries. The following tables provide the total amount of transactions that have been entered into with related parties for the relevant financial year.

### Trade receivables and payables

		Sales to related parties	Purchases from related parties	Amount owed by related parties	Amounts owed to related parties
		NOK000	NOK000	NOK000	NOK000
Marlink SAS	2020	425,677	253,761	-	9,510
	2019	484,675	248,487	(30,068)	(1,532)
Marlink GmbH	2020	138,798	29,773	17,146	336
	2019	84,797	20,500	20,971	10,490
Marlink BV	2020	7,110	134,088	-	1,212
	2019	27,892	150,130	(11,142)	517
Marlink Events SAS	2020	12,727	1,742	8,408	1,916
	2019	7,947	1,996	11,239	2,470
Makto Sarl	2020	4,277	13,886	4,096	-
	2019	4,177	12,269	(49)	-
Marlink Participacoes LTDA	2020	3,256	-	11,349	-
	2019	1,741	(8)	8,520	-
Marlink Servicios de Comunicacoes Ltda	2020	(1,686)	5,004	4,358	2,454
	2019	3,954	7,211	6,967	5,519
Marlink CG Ltd	2020	144,675	1,303	12,810	1,289
	2019	118,826	26	11,464	-
Marlink Ltd	2020	395	10,347	1	885
	2019	335	8,079	21	830
OmniAccess S.L	2020	242	1,477	751	154
	2019	1,279	1,340	708	316
Marlink SA	2020	59,339	28,739	157	82
	2019	55,356	18,989	10,541	5,824
Marlink Communications FZ	2020	-	22,390	-	17,402
	2019	-	26,085	-	11,260
Marlink KK	2020	1	11,272	1	2,679
	2019	-	14,529	-	1,438
Marlink Telemar Pte Ltd	2020	67,797	31,245	-	518
	2019	51,614	37,742	8,760	2,613
Marlink Inc	2020	148,955	62,068	448	49
	2019	135,133	57,934	33,302	16,369
Marlink SRO	2020	14	63,760	-	8,723
	2019	3	57,725	(116)	29,115
Marlink Tanzania Ltd	2020	-	-	5,507	-
	2019	329	-	(727)	-
Compagnia Generale Telemar SpA	2020	54,860	238	18,169	-
	2019	51,570	287	19,495	(12)
Telemar UK Ltd	2020	12,016	-	11,984	-
	2019	12,988	-	11,903	-



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## 22. Related party disclosures *Continued*

Telemar USA LLC	2020	(17)	-	-	1
	2019	114	-	16	-
Telemar Funkelektronik GmbH	2020	88	-	-	-
	2019	10	-	-	-
Telemar China Ltd	2020	861	5,427	249	1,496
	2019	801	3,578	94	764
Telemar GmbH	2020	12	-	-	-
	2019	65,292	3,845	959	531
Telemar Norge A/S	2020	0	-	130	-
	2019	244	-	254	-
Telemar Hong Kong Ltd	2020	-	4,022	5,528	6,074
	2019	1,789	3,728	5,681	3,257
Marlink AB	2020	17,554	1,670	3,722	-
	2019	15,666	2,687	2,658	330
Telemar AB	2020	(57)	-	-	222
	2019	92	-	(6)	-
Telemar Oy AB	2020	8,543	(63)	1,575	-
	2019	5,940	-	1,072	-
	<b>2020</b>	<b>1,105,436</b>	<b>682,149</b>	<b>106,390</b>	<b>55,003</b>
	<b>2019</b>	<b>1,132,565</b>	<b>677,161</b>	<b>112,516</b>	<b>90,099</b>

## Loans

	2020		2019	
	Amount owed by related parties	Amounts owed to related parties	Amount owed by related parties	Amounts owed to related parties
	NOK000	NOK000	NOK000	NOK000
Marlink SA	103,924	-	-	-
Toruk AS	318,596	-	-	49,374
OmniAccess SL	-	-	-	-
Marlink SpA	31,342	9,132	104,446	-
Marlink Tanzania Ltd	-	-	-	-
Palantir AS	-	-	-	-
	<b>453,863</b>	<b>9,132</b>	<b>104,446</b>	<b>49,374</b>



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## 22. Related party disclosures *Continued*

### Current accounts

	2020	2020	2019	2019
	Amount owed by related parties	Amounts owed to related parties	Amount owed by related parties	Amounts owed to related parties
	NOK000	NOK000	NOK000	NOK000
Marlink Mexico	4,153		53	-
Marlink BV	-	72,863	-	18,516
Marlink SpA	682	-	-	-
Marlink CG Ltd	3,753	-	929	-
Marlink s.r.o.	-	103,535	-	78,322
Marlink Ltd	-	9,945	-	6,382
Marlink Inc	-	65,831	-	58,097
Marlink SA	-	184,558	-	-
Marlink GmbH	-	13,487	-	28,608
Marlink SAS	124,039	-	52,992	-
Marlink Holding SAS	-	90,918	-	16,808
Toruk AS	998,228		581,587	-
Marlink Telemar Pte Ltd	-	34,865	-	27,269
Marlink AB	-	55,367	-	31,197
Telemar AB	-		-	4,019
Telemar Hong Kong Ltd	2,769			
	<b>1,133,624</b>	<b>631,368</b>	<b>635,561</b>	<b>269,217</b>

	Currency	Rate
Marlink Mexico	NOK	Nibor 1M + 2,125% (Floor 0%)
Marlink BV	€	Euribor 1M + 2,125% (Floor 0%)
Marlink SpA	€	Euribor 1M + 2,125% (Floor 0%)
Marlink CG Ltd	€	Euribor 1M + 2,125% (Floor 0%)
Marlink s.r.o.	\$	Libor 1M USD + 2,125% (Floor 0%)
	€	Euribor 1M + 2,125% (Floor 0%)
Marlink Ltd	€	Euribor 1M + 2,125% (Floor 0%)
	£	Libor 1M USD + 2,125% (Floor 0%)
	\$	Libor 1M USD + 2,125% (Floor 0%)
Marlink Inc	\$	Libor 1M USD + 2,125% (Floor 0%)
Marlink SA	\$	Libor 1M USD + 2,125% (Floor 0%)
Marlink GmbH	\$	Libor 1M USD + 2,125% (Floor 0%)
Marlink SAS	\$	Libor 1M USD + 2,125% (Floor 0%)
Marlink Holding SAS	\$	Libor 1M USD + 2,125% (Floor 0%)
Toruk AS	\$	Libor 1M USD + 2,125% (Floor 0%)
Marlink Telemar Pte Ltd	\$	Libor 1M USD + 2,125% (Floor 0%)
Marlink AB	SEK	Stibor 1M + 2,125% (Floor 0%)
Telemar AB	SEK	Stibor 1M + 2,125% (Floor 0%)
Compagnia Generale Telemar SpA	\$	Libor USD 1M (floor @ 0,5%) + 2,75%



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## 23. CORONAVIRUS DESEASE 2020

COVID-19 epidemy continued to spread globally in 2020. The epidemy was considered as a 2020 event and the accounts as of December 31, 2020 included all value adjustment, provisions and accruals, made necessary as a result of COVID-19's impacts on the Company's financial performance and financial position as of 31/12/2020. COVID-19's impacts on the Company's operations were limited in 2020 and until the date of issuance of this report. They mostly consisted in lower revenues with Cruise customers (down 50% as compared to 2019 revenues), driving overall revenues down 2% year on year. Satisfactory collections in 2020 however enabled to decrease trade receivables year on year. Future developments of COVID-19 are not known to date. Should the disease continue to spread in 2021, it could have impacts in the following areas:

- i) lower revenues, if a slowdown of global trade did occur or if sports events were delayed or cancelled,
- ii) higher trade receivables, should customers face temporary cash issues.

The Company is monitoring the consequences of COVID-19 and will take all necessary measures to limit such consequences in 2021.

## 24. EVENTS AFTER THE REPORTING PERIOD

New information after the reporting period regarding the company's financial position on the reporting date is taken into consideration in the accounts. Events after the reporting date that do not affect the company's financial position on the reporting date, but which will affect the company's financial position in the future, are disclosed if they are of significance.

### Tax inspection

Marlink AS is subject to a tax inspection covering the years 2019 and 2020. This inspection was notified by letter dated 21 March 2021. Answers have been provided to the tax administration on 4 June 2021. Provided data are still in review by the tax administration. At this stage, the Company cannot estimate the tax effect of this inspection.

### GMDSS Investigation

On January 12, 2021, an affiliate of the Company received a grand jury subpoena issued by the U.S. District Court for the District of Columbia. The subpoena sought records related to certain invoices issued by Marlink, associated with certain North Korean entities. In response to the subpoena, the Company identified certain transactions related to access by North Korean vessels to the Global Maritime Distress and Safety System (GMDSS).

As such, the Company had no direct contracts with any North Korean parties. The subject transactions generated less than K\$62 revenues. The Company is cooperating with the investigation. The Company has engaged specialized US lawyers to handle the case. The Company believes that the matter should be resolved within calendar 2021. The company does not believe that any settlement will have a material effect on its financial conditions, or on the results of our operations. Through discussions with our Senior and Second Lien lenders, the Company has established in February 2019 that this investigation does not constitute an event of default, as defined in our credit facilities with those lenders. The group has obtained a waiver from the lenders in that respect.

On July 12, 2021, in recognition of the Company's cooperation with the investigation, the U.S. Attorney's office stated in writing that it did not intend to pursue any enforcement action against the Company, and that the Company could now be considered a witness, and not a subject or target of the investigation.



Statsautoriserte revisorer  
Ernst & Young AS

Dronning Eufemias gate 6, NO-0191 Oslo  
Postboks 1156 Sentrum, NO-0107 Oslo

Foretaksregisteret: NO 976 389 387 MVA  
Tlf: +47 24 00 24 00

www.ey.no  
Medlemmer av Den norske revisorforening

## INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Marlink AS

### Report on the audit of the financial statements

#### Opinion

We have audited the financial statements of Marlink AS, which comprise the statement of financial position as at 31 December 2020, the statement of comprehensive income and statements of cash flows and changes in equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Company as at 31 December 2020 and its financial performance and cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

#### 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 in accordance with the ethical requirements that are relevant to our audit of the financial statements in Norway, and we have fulfilled our ethical responsibilities as required by law and regulations. We have also complied with our other ethical obligations 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.

#### Other information

Other information consists of the information included in the Company's annual report other than the financial statements and our auditor's report thereon. The Board of Directors and Chief Executive Officer (management) are responsible for the other information. Our opinion on the audit of 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 management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, 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 ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.



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## 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 International Standards on Auditing (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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with law, regulations and generally accepted auditing principles 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, 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 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'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 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.

We communicate with those charged with governance 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.

## 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 concerning the financial statements and the going concern assumption, and proposal for the 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 ensure that the Company's accounting information is properly recorded and documented as required by law and bookkeeping standards and practices accepted in Norway.

Independent auditor's report - Marlink AS

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Penneo Dokumentnøkkel: J2PQ7-EQKCA-L2AXS-HOL51-EQW8-DZMMQ



Oslo, 6 September 2021  
ERNST & YOUNG AS

*The auditor's report is signed electronically*

Tore Sørli  
State Authorised Public Accountant (Norway)

Penneo Dokumentnøkkel: J2PQ7-EQKCA-L2AXS-HOL51-EQIW8-DZMMQ

Independent auditor's report - Marlink AS

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## Tore Sørli

Statsautorisert revisor

På vegne av: Ernst and Young AS

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