

**Registre de Commerce et des Sociétés**

Numéro RCS : B71499

Référence de dépôt : L220051046

Déposé et enregistré le 23/03/2022

UXRQYAP20220128T16134801\_003

RCSL Nr. : B71499

Matricule : 1999 2411 166

eCDF entry date : 10/02/2022

**BALANCE SHEET****Financial year from** <sup>01</sup> 01/01/2021 **to** <sup>02</sup> 31/12/2021 (in <sup>03</sup> EUR )

F.T.A. COMMUNICATION TECHNOLOGIES S.A.R.L.

17, route de Luxembourg

L-6182 Gonderange

**ASSETS**

	Reference(s)	Current year	Previous year
<b>A. Subscribed capital unpaid</b>	1101 _____	101 _____	102 _____
I. Subscribed capital not called	1103 _____	103 _____	104 _____
II. Subscribed capital called but unpaid	1105 _____	105 _____	106 _____
<b>B. Formation expenses</b>	1107 _____	107 _____	108 _____
<b>C. Fixed assets</b>	1109 _____	109 <u>1.815.342,72</u>	110 <u>2.094.356,27</u>
I. Intangible assets	1111 _____	111 <u>1.481.431,78</u>	112 <u>1.816.677,16</u>
1. Costs of development	1113 _____ <u>3</u>	113 <u>1.451.432,19</u>	114 <u>1.779.568,22</u>
2. Concessions, patents, licences, trade marks and similar rights and assets, if they were	1115 _____ <u>3</u>	115 <u>29.999,59</u>	116 <u>37.108,94</u>
a) acquired for valuable consideration and need not be shown under C.I.3	1117 _____ <u>3</u>	117 <u>29.999,59</u>	118 <u>37.108,94</u>
b) created by the undertaking itself	1119 _____	119 _____	120 _____
3. Goodwill, to the extent that it was acquired for valuable consideration	1121 _____	121 _____	122 _____
4. Payments on account and intangible assets under development	1123 _____	123 _____	124 _____
II. Tangible assets	1125 _____ <u>4</u>	125 <u>112.010,94</u>	126 <u>55.779,11</u>
1. Land and buildings	1127 _____	127 <u>3.356,00</u>	128 _____
2. Plant and machinery	1129 _____	129 _____	130 _____

The notes in the annex form an integral part of the annual accounts

	Reference(s)	Current year	Previous year
3. Other fixtures and fittings, tools and equipment	1131	131 108.654,94	132 55.779,11
4. Payments on account and tangible assets in the course of construction	1133	133	134
<b>III. Financial assets</b>	1135	135 221.900,00	136 221.900,00
1. Shares in affiliated undertakings	1137 5	137 220.000,00	138 220.000,00
2. Loans to affiliated undertakings	1139	139	140
3. Participating interests	1141	141	142
4. Loans to undertakings with which the undertaking is linked by virtue of participating interests	1143	143	144
5. Investments held as fixed assets	1145	145	146
6. Other loans	1147	147 1.900,00	148 1.900,00
<b>D. Current assets</b>	1151	151 10.521.982,92	152 8.412.274,32
<b>I. Stocks</b>	1153	153 1.192.830,97	154 1.125.200,97
1. Raw materials and consumables	1155	155	156
2. Work in progress	1157	157	158
3. Finished goods and goods for resale	1159	159 1.192.830,97	160 1.125.200,97
4. Payments on account	1161	161	162
<b>II. Debtors</b>	1163	163 3.754.347,50	164 4.476.710,36
1. Trade debtors	1165	165 2.022.204,06	166 2.510.358,51
a) becoming due and payable within one year	1167	167 2.022.204,06	168 2.510.358,51
b) becoming due and payable after more than one year	1169	169	170
2. Amounts owed by affiliated undertakings	1171	171 1.277.929,31	172 1.282.823,86
a) becoming due and payable within one year	1173	173 1.277.929,31	174 1.282.823,86
b) becoming due and payable after more than one year	1175	175	176
3. Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests	1177 6	177	178
a) becoming due and payable within one year	1179 6	179	180
b) becoming due and payable after more than one year	1181	181	182
4. Other debtors	1183 7	183 454.214,13	184 683.527,99
a) becoming due and payable within one year	1185 7	185 454.214,13	186 683.527,99
b) becoming due and payable after more than one year	1187	187	188

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	Reference(s)	Current year	Previous year
III. Investments	1189 _____	189 _____	190 _____
1. Shares in affiliated undertakings	1191 _____	191 _____	192 _____
2. Own shares	1209 _____	209 _____	210 _____
3. Other investments	1195 _____	195 _____	196 _____
IV. Cash at bank and in hand	1197 _____	197 <u>5.574.804,45</u>	198 <u>2.810.362,99</u>
<b>E. Prepayments</b>	1199 _____	199 _____	200 <u>94.743,42</u>
<b>TOTAL (ASSETS)</b>		201 <u>12.337.325,64</u>	202 <u>10.601.374,01</u>

**CAPITAL, RESERVES AND LIABILITIES**

	Reference(s)	Current year	Previous year
<b>A. Capital and reserves</b>			
	1301	7.944.442,38	7.489.214,60
I. Subscribed capital	1303 8	2.875.350,00	2.875.350,00
II. Share premium account	1305	1.092.287,90	1.092.287,90
III. Revaluation reserve	1307		
IV. Reserves	1309 9-10	1.167.048,02	1.102.307,41
1. Legal reserve	1311 10	287.535,00	287.535,00
2. Reserve for own shares	1313		
3. Reserves provided for by the articles of association	1315		
4. Other reserves, including the fair value reserve	1429	879.513,02	814.772,41
a) other available reserves	1431	75.938,02	11.197,41
b) other non available reserves	1433 10	803.575,00	803.575,00
V. Profit or loss brought forward	1319 10	2.354.528,68	2.354.528,68
VI. Profit or loss for the financial year	1321 10	455.227,78	64.740,61
VII. Interim dividends	1323		
VIII. Capital investment subsidies	1325		
<b>B. Provisions</b>	1331	356.512,00	120.909,00
1. Provisions for pensions and similar obligations	1333		
2. Provisions for taxation	1335		
3. Other provisions	1337	356.512,00	120.909,00
<b>C. Creditors</b>	1435	3.922.816,34	2.665.194,82
1. Debenture loans	1437		
a) Convertible loans	1439		
i) becoming due and payable within one year	1441		
ii) becoming due and payable after more than one year	1443		
b) Non convertible loans	1445		
i) becoming due and payable within one year	1447		
ii) becoming due and payable after more than one year	1449		
2. Amounts owed to credit institutions	1355		
a) becoming due and payable within one year	1357		
b) becoming due and payable after more than one year	1359		

	Reference(s)		Current year		Previous year
3. Payments received on account of orders in so far as they are not shown separately as deductions from stocks	1361	361	<u>162.555,56</u>	362	<u>87.240,61</u>
a) becoming due and payable within one year	1363	363	<u>162.555,56</u>	364	<u>87.240,61</u>
b) becoming due and payable after more than one year	1365	365		366	
4. Trade creditors	1367	367	<u>1.055.178,19</u>	368	<u>629.902,54</u>
a) becoming due and payable within one year	1369	369	<u>1.055.178,19</u>	370	<u>629.902,54</u>
b) becoming due and payable after more than one year	1371	371		372	
5. Bills of exchange payable	1373	373		374	<u>17.100,00</u>
a) becoming due and payable within one year	1375	375		376	<u>17.100,00</u>
b) becoming due and payable after more than one year	1377	377		378	
6. Amounts owed to affiliated undertakings	1379	379	<u>2.519.828,71</u>	380	<u>1.853.424,85</u>
a) becoming due and payable within one year	1381	381	<u>2.519.828,71</u>	382	<u>1.853.424,85</u>
b) becoming due and payable after more than one year	1383	383		384	
7. Amounts owed to undertakings with which the undertaking is linked by virtue of participating interests	1385	385		386	
a) becoming due and payable within one year	1387	387		388	
b) becoming due and payable after more than one year	1389	389		390	
8. Other creditors	1451	451	<u>185.253,88</u>	452	<u>77.526,82</u>
a) Tax authorities	1393	393	<u>149.379,99</u>	394	<u>40.964,22</u>
b) Social security authorities	1395	395	<u>30.841,76</u>	396	<u>35.801,06</u>
c) Other creditors	1397	397	<u>5.032,13</u>	398	<u>761,54</u>
i) becoming due and payable within one year	1399	399	<u>5.032,13</u>	400	<u>761,54</u>
ii) becoming due and payable after more than one year	1401	401		402	
<b>D. Deferred income</b>	1403	403	<u>113.554,92</u>	404	<u>326.055,59</u>
<b>TOTAL (CAPITAL, RESERVES AND LIABILITIES)</b>		405	<u>12.337.325,64</u>	406	<u>10.601.374,01</u>

**Registre de Commerce et des Sociétés**

Numéro RCS : B71499

Référence de dépôt : L220051046

Déposé le 23/03/2022

**FTA COMMUNICATION TECHNOLOGIES SARL**  
Société à Responsabilité Limitée

B 71.499

17, Route de Luxembourg - L-6182 GONDERANGE

**ANNUAL ACCOUNTS  
AS AT DECEMBER 31, 2021  
AND THE REPORT OF THE REVISEUR  
D'ENTREPRISES AGREE**

Paid-in-capital : EUR 2.875.350,00



**MOORE**

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## MANAGEMENT REPORT

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## MANAGEMENT REPORT

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The Board of Managers of F.T.A Communication Technologies S.à r.l. (the "Company") presents the Company's annual accounts for the year ended December 31st, 2021.

This management report accompanies the information provided in the annual accounts, prepared in accordance with the accounting principles and in line with legal and regulatory requirements relating to Luxembourg.

### OVERVIEW OF ACTIVITIES

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The Company was incorporated on September 6th, 1999 and organized under the laws of Luxembourg as a "Société à responsabilité limitée" for an unlimited period.

The Company is a leading global supplier of satellite reception and video streaming solutions for the satellite TV markets. Operating under its Inverto™ brand name, the Company develops a broad array of technologies and offer best-in-class solutions that cover the entire reception chain from the dish and the LNB through signal distribution, decoding/transcoding and on-premises or in-home streaming. The Company has a broad portfolio of high performance and cost-effective satellite dish antennas, single and multi-feed dCSS and universal LNBs and Multiswitches, professional satellite signal metering and monitoring products as well as transcoding and streaming appliances supplied to leading satellite pay-TV operators worldwide. The Company delivers innovation for the real world with technologies and solutions that make satellite TV installations and service delivery simpler, more reliable, cost efficient and future proof. It operates multiple product development centers and manufacturing sites as well as a customer support service in all its major markets.

Leveraging on its strong R&D team and its own unique software capabilities, the Company maintains a strong competitive advantage and offers a unique one-stop-shop solution for satellite pay TV operators across the world.

The Company continues to operate as an autonomous entity with an independent strategy that is formed and executed by its senior management team, within the context of the ShengYang Group, its major shareholder. In 2021, continuing on a trend initiated earlier, we have undergone a steep acceleration of the economies of scale and other potential synergies within the Group with the development and launch of the entire range of LNBs by the SY Group, and the opening of a second LNB factory nearer Shenzhen to further optimize production costs.

Despite the numerous market disruption which we will review below, the company saw a return to growth in 2021: we experienced a +44% growth when compared to 2020, admittedly a very difficult year. This result allowed a catch-up effect to sales level not experienced since 2018, and very close to 2017 levels.

- As indicated in last year's Management report, our key focus was put behind securing operators' business and this strategy paid off. The key driver of FTA's growth in 2021 has been a strong push on sales to Operators and in particular a reinforcement of our contractual relationship with an operator of South Africa. As a result, the traditional 50/50 distribution between Operator Sales and Distribution Sales has shifted toward 66/33. Sales to operators in India as well as Serbia also maintained strong levels and contributed to the company's renewed growth.
- Long-term agreements with our key operators should mitigate the still-existing risk of seasonality of operators sales (year on vs year off). Another element is compounding the complexity of the situation: component costs increase, and the ensuing inflation is endangering the most sensitive key markets. FTA transferred the main cost-increases over to customers, whether Operators or

Distributors, without major negative reactions thus far as people are aware this is a global trend and FTA is not acting in isolation.

- Distribution: Covid-related country specific measures have negatively impacted our Distribution sales which is very Central-European centric. Our key customers started the year with high inventories due to our 2020 YE push, then suffered slowdowns of their commercial activities on and off through the year, making forecasting and long-term commitments very hazardous. We therefore suffered on this front and will reinforce our approach of this market segment in 2022.
- The launch of our Acoustics product range has not yet met the expected results and still is the object of management push for 2022. Retail in our target market has been disrupted by supply-chain difficulties which explains the sole attention of buyers to procuring existing products and not experimenting with new suppliers. Additionally, structural reorganization and consolidation in the market are resulting in fewer opportunities. We believe that by expanding the range to additional acoustics products beyond earphones, as well as proposing a wider price-range portfolio of products to meet buyers' demands, we will be in a better position to engage successfully in 2022.

#### FINANCIAL AND OPERATIONAL RESULTS

	2021	2020
	EUR '000	EUR '000
Total assets	12,337	10,601
Capital and reserves	7,944	7,489
Gross Income	17,196	12,218
Gross Margin	3,019	2,437
Profit of the financial year	455	65

#### PLANNED DEVELOPMENTS

FTA will focus in the coming months on implementing management's strategy of diversification and establishing a 3-pillars approach for the business to rest on:

1. In the ODU segment, the primary development goal will be a further consolidation of our position as leader in the LNB business with a sharp increase of the Operators business, and within this segment, of the smart LNB portion of our business (higher per-unit price making it more desirable). The expertise of our R&D department enabled us to meet the specific demand for a smart-connected LNB for a Middle East prospect which should open a brand-new market for FTA in 2022. Additionally, changes have been made to enforce the "one dish behind every LNB" motto and thereby grow sales exponentially due to the relative selling price of LNBs to dishes
2. In the Acoustics OEM market: establish FTA as a key-sourcing partner within the Electronics Goods ecosystem by expanding both the product portfolio and the prospect/leads to all companies involved in Acoustics. Based on initial successes in our first two test markets, a further definition of a pan-European market penetration will be made, and resources adjusted accordingly. This initiative is to become over the next 3 years the second pillar of FTA's growth strategy.
3. In the Distribution segment, FTA is now able to offer a complete range of RF over Fiber products to the market, which will come as a value-add margin-generating complement to increase our Distribution sales. Primary markets are in Europe, but tailored solutions will also be targeting the

African, Indian and Latin American markets. Long the exclusive hunting ground of a single vendor, this market has the potential to represent a solid third pillar to FTA business to rest upon and ensure diversification of revenue, thereby enabling not only growth but also a stabilization of revenues.

Through these and other initiatives still under development, the Company's ambition is to diversify our product range and distribution channels in order to reduce our market exposure, ensure revenue growth and increase profitability.

#### ACTIVITIES IN THE FIELD OF RESEARCH AND DEVELOPMENT

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The Company continues to support ambitious innovative product development either internally and through partnerships with third parties such as:

**Industrialisation:**

- i. CW DMDU, a connected smart LNB programmable over-the-air
- ii. Newly upgraded Multiswitches (adding Quattro/Wideband switch and improving Terrestrial gain variation)
- iii. UniFiber range of transmitters and receivers

**Product upgrades:**

- iv. New entry-level cost-optimized Pro range to regain competitiveness in the developing-world markets
- v. Ongoing cost-optimization of the smart-LNBs

**New products/Product range expansion:**

- i. DAB radios + sound bars
- ii. DMDU Programmers
- iii. Country/operator specific UniFiber amplifiers and receivers

**R&D projects:**

- i. Ongoing: aircscreen Live : live streaming as well as fast file transfer over satellite. The solution consists of a streaming server and dedicated receivers and is addressing multiple applications such as eLearning

The Company R&D is financially supported by a government grant, for the period from January 2020 to March 2022, representing 22% of the expenses linked to the development of SmartRiser project. In 2021 about 1'300 hours were spent (excluding consultant hours) in this project.

#### FINANCIAL RISK MANAGEMENT

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By applying principles of precaution to its business practices, the Company is not exposed to credit risk and interests risk.

Furthermore, by operating mostly in USD for both its procurement as well as its receivables, the impact of these externalities on the Company's operation is reduced.

#### BRANCHES

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The Company has no branches.

#### OWN SHARES

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During the year under review, the company did not own directly or indirectly own shares.

#### SUBSEQUENT EVENTS

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No important event, having a material impact on the Company and on the future development of the Company, happened after the closing of the annual accounts.

Activities in 2021 were severely impacted by the global shortages of chipsets, global tendency toward components cost increases and supply-chain disruption. These trends are expected to also impact business throughout 2022

Gonderange, February, 4<sup>th</sup> 2022.

**REPORT OF THE *RÉVISEUR D'ENTREPRISES AGRÉÉ***

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**MOORE Audit S.A.**

5, rue de Turî  
L-3378 Livange

T +352 26 26 84 1

F +352 26 26 84 99

E [mail@moore-audit.lu](mailto:mail@moore-audit.lu)

[www.moore-audit.lu](http://www.moore-audit.lu)

To the Partners of  
**F.T.A. Communication Technologies S.à r.l.**  
Société à responsabilité limitée  
17, route de Luxembourg  
L-6182 Gonderange

Livange, 04.02.2022

## REPORT OF THE REVISEUR D'ENTREPRISES AGREE

### Report on the Audit of the Annual Accounts

#### Opinion

We have audited the annual accounts of F.T.A. Communication Technologies S.à r.l., which comprise the balance sheet as at December 31, 2021, and the profit and loss account for the year then ended, and notes to the annual accounts, including a summary of significant accounting policies.

In our opinion, the accompanying annual accounts present fairly, in all material respects, the financial position of the Company as at December 31, 2021, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts.

#### Basis for Opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession ("Law of 23 July 2016") and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" (CSSF). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the « Responsibilities of the "Réviseur d'Entreprises Agréé" for the Audit of the annual accounts » section of our report. We are also independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the annual accounts, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Other information**

The Board of Managers is responsible for the other information. The other information comprises the information stated in the management report but does not include the annual accounts and our report of the "Réviseur d'Entreprises Agréé" thereon.

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

In connection with our audit of the annual accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual accounts 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 this fact. We have nothing to report in this regard.

**Responsibility of the Board of Managers for the Annual Accounts**

The Board of Managers is responsible for the preparation and fair presentation of these annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts, and for such internal control as the Board of Managers determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the Board of Managers 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 the Board of Managers either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

## **Responsibilities of the “Réviseur d’Entreprises Agréé” for the Audit of the Annual Accounts**

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the “Réviseur d’Entreprises Agréé” that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF 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 annual accounts.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts, 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 the Board of Managers.
- Conclude on the appropriateness of Board of Managers’ 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 report of the “Réviseur d’Entreprises Agréé” to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of report of the “Réviseur d’Entreprises Agréé”. 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 annual accounts, including the disclosures, and whether the annual accounts 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**

The management report is consistent with the annual accounts and has been prepared in accordance with applicable legal requirements.

**MOORE Audit S.A.**

A handwritten signature in blue ink, appearing to be 'R. Loschetter', written over a vertical line.

Raphael LOSCHETTER  
*Réviseur d'Entreprises Agréé*

**NOTES TO THE ANNUAL ACCOUNTS**

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## 1. NOTE – GENERAL INFORMATION

FTA COMMUNICATION TECHNOLOGIES S.à r.l. (hereafter the “Company” or “FTA”) was incorporated on September 6<sup>th</sup>, 1999 and is organized under the laws of Luxembourg as a limited liability company (société à responsabilité limitée) for an unlimited year.

The company transferred its registered office on 6 august 2020 from L-6368 Wecker, 8 Duchscherstross to L-6182 Gonderange, 17 route de Luxembourg.

The registered office of the Company is established in L-6182 Gonderange, 17, route de Luxembourg

The Company’s financial year starts on January, 1<sup>st</sup> and ends on December, 31<sup>st</sup> of each year.

The activity of the company consists in the development, marketing, sales and distribution of reception and streaming products for Digital Video Broadcast (“DVB”) and Internet Protocol (“IP”) television services.

In accordance with the legal provisions in Title II of the Law of December 19, 2002, these annual accounts were presented on a non-consolidated basis for the approval of the shareholders during the Annual General Meeting.

Based on the criteria defined by the Article 1711-4 of the Title XVII of the amended law of August 10, 1915, the Company is exempt from the obligation to draw up and to publish consolidated accounts and a consolidated management report for the financial 2021 ended on December 31.

## 2. NOTE – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Basis of preparation

These annual accounts have been prepared in accordance with the amended Law of December 19<sup>th</sup>, 2002 on the register of commerce and companies and on the accounting and annual accounts of undertakings.

Accounting policies and valuation rules are, besides the ones laid down by the Law, determined and applied by the Management of FTA.

The preparation of annual accounts requires the use of certain critical accounting estimates. It also requires the Management to exercise their judgment in the process of applying the accounting policies. Changes in assumptions may have a significant impact on the annual accounts in the year in which the assumptions changed. Management believes that the underlying assumptions are appropriate and that the annual accounts therefore present the financial position and results fairly.

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities in the next financial year. Estimates and judgments are continually evaluated and are based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

## 2. NOTE – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.1.1 Comparatives

The company has made reclassifications of certain accounts in the balance sheet of 2020 for the purpose of comparability.

The balance sheet captions concerned are as follows : D. II. 1 a) Trade debtors becoming due and payable within one year, and C. 4 a) Trade creditors becoming due and payable within one year.

## 2.2 Significant accounting policies

The main valuation rules applied by the Company are the following:

### 2.2.1 Foreign currency translation

Transactions expressed in currencies other than Euro are translated into Euro at the exchange rate effective at the time of the transaction.

Fixed assets expressed in currencies other than Euro are translated into Euro at the exchange rate effective at the time of the transaction. At the balance sheet date, these assets remain translated at historic exchange rates.

Cash at bank is translated at the exchange rate effective at the balance sheet date. Exchange losses and gains are recorded in the profit and loss account of the year.

Other assets and liabilities are translated separately respectively at the lower or at the higher of the value converted at the historic exchange rate or the value determined on the basis of the exchange rates effective at the balance sheet date. The unrealized exchange losses are recorded in the profit and loss account. The realized exchange gains are recorded in the profit and loss account at the moment of their realization.

Income and charges expressed in another currency than EUR are translated in EUR at the exchange rate prevailing at the transaction date. Exchange rate losses resulting from exchange rate differences between the transaction and the settlement date are accounted for in the profit and loss account of the year.

### 2.2.2. Intangible fixed assets

Intangible assets are valued at purchase price including the expenses incidental thereto, less cumulated depreciation amounts written off and value adjustments. Value adjustments are booked following the straight-line method over the estimated economic life of the assets. Development costs are written off within a maximum of five years.

### 2.2.3. Tangible fixed assets

Tangible fixed assets are valued at purchase price including the expenses incidental thereto. They are depreciated over their estimated useful economic lives. Where the Company considers that a tangible fixed asset has suffered a durable depreciation in value, an additional write-down is recorded to reflect this loss. These value adjustments are not continued if the reasons for which the value adjustments were made ceased to apply.

## 2. NOTE – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.2.4. Financial fixed assets

Shares in affiliated undertakings and loans to these undertakings are valued at purchase price/nominal value (loans and claims) including the expenses incidental thereto. In case of a durable depreciation in value according to the opinion of the Management, value adjustments are made in respect of financial fixed assets, so that they are valued at the lower figure to be attributed to them at the balance sheet date. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

### 2.2.5. Inventories

Inventories of finished goods and merchandises are accounted at purchase price and are valued on the basis of the FIFO (First In – First Out) method or on the estimated net realizable value if deemed lower. Value adjustments for slow-moving and obsolete items, as well as for market risks, are included in the profit and loss account.

### 2.2.6. Debtors

Debtors are recorded at their nominal value. Value adjustments are recorded for doubtful debtors when their recovery is compromised.

### 2.2.7. Capital investment subsidies

Until the financial year 2013, the grants received from the Luxembourg government related to the financing of intangible assets have been recorded under "Capital and Reserves" at their initial value. They are written off using the same method and over the same year as the related assets. As from the financial year 2014, these grants have been recorded directly into the P&L.

### 2.2.8. Gross profit

Based on the option given to medium sized companies by article 47 of the amended law of December 19th, 2002 related to annual accounts, the Company presents its turnover, its change in stock of finished goods and in work in progress, its consumption of goods for resale, raw materials and consumables and its other external charges together in one single caption named "Gross result" in the profit and loss account.

In turn, the net turnover comprises the amounts derived from the sale of products and the provision of services falling within the Company's ordinary activities, after deduction of the sales rebates and value added tax and taxes directly linked to the turnover.

### 2.2.9. Prepayments and accrued income

This asset item includes expenditure incurred during the financial year but relating to a subsequent financial year.

## 2. NOTE – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.2.10. Provisions

At the end of each year provisions are recorded to cover all foreseeable liabilities and charges.

Provisions relating to previous years are regularly reviewed and released if the reasons for which the provisions were recorded have ceased to apply.

### 2.2.11. Debts

Debts are included in the liabilities of the balance sheet at their nominal value or applicable to their redemption value.

### 2.2.12. Accruals and deferred income

This liability item includes income received during the financial year but relating to a subsequent financial year.

## 3. NOTE – INTANGIBLE FIXED ASSETS

	Costs of research and development EUR 31.12.2021	Costs of research and development EUR 31.12.2020
<b>Gross book value - opening balance</b>	<b>5.158.313,42</b>	<b>4.680.381,46</b>
Additions for the year	237.478,16	549.469,00
Disposals for the year	- 48.448,39	- 71.537,04
<b>Gross book value - closing balance</b>	<b>5.347.343,19</b>	<b>5.158.313,42</b>
<b>Accumulated value adjustment - opening balance</b>	<b>3.378.745,20</b>	<b>2.967.621,32</b>
Allocations for the year	565.614,19	482.660,92
Reversal for the year	- 48.448,39	- 71.537,04
<b>Accumulated value adjustment - closing balance</b>	<b>3.895.911,00</b>	<b>3.378.745,20</b>
<b>Net book value - closing balance</b>	<b>1.451.432,19</b>	<b>1.779.568,22</b>

In continuance of the assetization plan started in 2017 and carried through in 2019, 2020 and 2021, the costs directly related to the re-design of existing products and/or development of new products incurred in 2021 have been assetized for a total amount of EUR 237'478.

Airscreen Mobile was developed in conjunction with and for Philippines-based Broadcaster ABS-CBN. Upon learning that their Broadcast license was not renewed and that the company shut down its DTT services. A write-off has been done for the amount of EUR 48'448.

Hereafter is an overview of the costs taken into consideration in FY 2021:

### 3. NOTE – INTANGIBLE FIXED ASSETS (CONTINUED)

During the Year 2021, the following projects have been initiated and their costs assetized on a pro-rata tempore basis based on inception date:

- Satwatch monitoring device development
- UniFiber line of products
- AirScreen Tality: development of a Hospitality headend solution
- Airtel Smart Connect

The movements of the year for the other intangible assets are as follows:

	Concessions, patents, licences, trademarks and similar rights and assets EUR 31.12.2021	Concessions, patents, licences, trademarks and similar rights and assets EUR 31.12.2020
<b>Gross book value - opening balance</b>	<b>185.149,26</b>	<b>140.455,03</b>
Additions for the year	8.689,65	44.694,23
<b>Gross book value - closing balance</b>	<b>193.838,91</b>	<b>185.149,26</b>
<b>Accumulated value adjustment - opening balance</b>	<b>148.040,32</b>	<b>133.228,40</b>
Allocations for the year	15.799,00	14.811,92
<b>Accumulated value adjustment - closing balance</b>	<b>163.839,32</b>	<b>148.040,32</b>
<b>Net book value - closing balance</b>	<b>29.999,59</b>	<b>37.108,94</b>

### 4. NOTE – TANGIBLE FIXED ASSETS

The movements for the year are as follows:

	Other fixtures and fittings, tools and equipment EUR 31.12.2021	Other fixtures and fittings, tools and equipment EUR 31.12.2020
<b>Gross book value - opening balance</b>	<b>223.968,36</b>	<b>184.622,64</b>
Additions for the year	94.596,67	39.345,72
Disposal for the year		
<b>Gross book value - closing balance</b>	<b>318.565,03</b>	<b>223.968,36</b>
<b>Accumulated value adjustment - opening balance</b>	<b>168.209,25</b>	<b>150.696,71</b>
Allocations for the year	38.344,84	17.512,54
Reversal for the year		
<b>Accumulated value adjustment - closing balance</b>	<b>206.554,09</b>	<b>168.209,25</b>
<b>Net book value - closing balance</b>	<b>112.010,94</b>	<b>55.759,11</b>

## 5. NOTE – FINANCIAL FIXED ASSETS

The movements for the year are as follows:

	Shares in affiliated undertakings EUR 31.12.2021	Shares in affiliated undertakings EUR 31.12.2020
Gross book value - opening balance	220.000,00	220.000,00
Gross book value - Closing balance	220.000,00	220.000,00
Net book value - closing balance	220.000,00	220.000,00

The undertakings in which the Company holds at least 20% as of December 31<sup>st</sup>, 2021, in their share capital are:

Name of the undertaking	Register office	Ownership	Last balance sheet date	Total equity (EUR) *	Net result for the year (EUR)
Inverto Digital Labs Sarl	Luxembourg	100%	31/12/2021	36.921,13	-1.717,75
Digital Media Licencing Sarl	Luxembourg	100%	31/12/2021	265.432,88	47.081,25

\* including net result for the year

## 6. NOTE – AMOUNTS OWED BY AFFILIATED UNDERTAKINGS

As of December 31, 2021 this caption is mainly represented by three loans granted to related parties for an amount of EUR 1'177'929.31 (2020 : EUR 1'164'815.90)  
These loans bear interests.

## 7. NOTE – OTHER RECEIVABLES

The other receivables mainly encompass payment in advance of taxes to the Administration des Contributions Directes for an amount of EUR 132'692.00 (2020 : EUR 314'955.48) and VAT receivable for EUR 265'788.5 (2020 : EUR 175'474.58)

## 8. NOTE – SUBSCRIBED CAPITAL

The subscribed share capital amounts to EUR 2.875.350,00 and is divided into 19.830 share-quotas fully paid-up with a nominal value of EUR 145 each.

## 9. NOTE – RESERVES

### Legal reserve

In accordance with the commercial law, the Company is required to allocate to the legal reserve a minimum of 5% of the annual profit until such reserve equals 10 % of the share capital. This reserve may not be distributed.

### IF reserve

The Company is allowed to book a special reserve based on article 174bis LIR4. This reserve shall amount to five times the annual net worth tax in order to be deductible from the corporate income tax under the condition that this reserve is not distributed for five years subsequent to the year in which the deduction was made.

## 10. NOTE – MOVEMENTS FOR THE YEAR ON THE «RESERVES AND PROFIT BROUGHT FORWARD»

The movements for the year are as follows:

In EUR	Legal reserve	IF reserve	Other reserve	Profit brought forward	Profit for the financial year
<b>As at January 1st, 2021</b>	<b>287.535,00</b>	<b>803.575,00</b>	<b>11.197,41</b>	<b>2.354.528,68</b>	<b>64.740,71</b>
Movements for the year :					
- Allocation of previous year's profit or loss			64.740,71		- 64.740,71
- Profit or loss for the year					455.227,78
<b>As at December 31st, 2021</b>	<b>287.535,00</b>	<b>803.575,00</b>	<b>75.938,12</b>	<b>2.354.528,68</b>	<b>455.227,78</b>

## 11. NOTE – TAXATION

The Company is subject to all the taxes relevant to commercial companies in Luxembourg.

The company has been assessed in 2021 for the year 2019 by the tax authorities for income tax, communal tax and net wealth tax.

## 12. NOTE – GROSS PROFIT

A breakdown of the gross profit by category of activity and into geographical markets is omitted because of its sensitive nature.

## 13. NOTE – STAFF COSTS

The Company employed on average 20 employees during the financial year 2021 (2020: 20).

#### 14. NOTE – EMOLUMENTS GRANTED TO THE MEMBERS OF THE ADMINISTRATIVE, MANAGERIAL AND SUPERVISORY BODIES AND COMMITMENTS IN RESPECT OF RETIREMENT PENSIONS FOR FORMER MEMBERS OF THOSE BODIES

None of the members of the management and supervisory boards of the Company have received any remuneration for their supervising function. Management remuneration is not disclosed as it could designate the individual person.

#### 15. NOTE – ADVANCES AND LOANS GRANTED TO THE MEMBERS OF THE MANAGEMENT AND SUPERVISORY BODIES

None of the members of the management and supervisory boards of the Company have received any advances and loans.

#### 16. NOTE – RELATED PARTIES TRANSACTIONS

During the year, there was no significant related-party transaction not concluded at the normal market conditions.

#### 17. NOTE – OFF-BALANCE SHEET

The financial commitments of the Company are as follows:

	<b>31.12.2021</b>	<b>31.12.2020</b>
	<b>EUR</b>	<b>EUR</b>
Leasing (cars)	40,851,28	64,490,29
Guarantee	121,026.21	132,638.63
<b>Total</b>	<b>161,877.49</b>	<b>197,128.92</b>

#### 18. NOTE – SUBSEQUENT EVENTS

No important event, having a material impact on the Company and on the future development of the Company, happened after the closing of the financial accounts.

Activities in 2021 were severely impacted by the global shortages of chipsets, global tendency toward components cost increases and supply-chain disruption. These trends are expected to also impact business throughout 2022.



**MOORE**

5, rue de Turi - L-3378 Livange

R.C.S. Luxembourg B 165 462

Téléphone: +352 26 26 84 - 1 Téléfax: 26 26 84 99

E-Mail: [mail@moore-audit.lu](mailto:mail@moore-audit.lu)