

**20
21**

**ANNUAL
REPORT**



KSAT 
KONGSBERG
KONGSBERG SATELLITE SERVICES

President's Message



Rolf Skatteboe
President

A strong operational focus to ensure service deliveries to all our customers, a dedicated, unified commercial team and last but not least strengthened and unified service development -the restructuring we did in the beginning of 2021 is starting to take effect. We have focused our activities and we are creating world leading products as baseline for our services. A record number of 1 million passes was supported. 39 LEOP supports with a total of 85 different missions indicates the leading position of our ground station services. More than 10.000 users have signed up and are using the Norwegian International Climate and Forest Initiative (NICFI) satellite data program that we have developed together with our partners.

The strong focus on service development has continued. The KSAT DevOps team and KSATlite team are implementing next generation systems enabling edge computing and cloud interfacing of all our antenna systems. Working with cloud-based solutions and systems that are increasingly sw based are inevitable. The KSAT development team is taking a leading role automizing ground station operations. It is interesting to note that 5% of the 47.000 passes provided on the KSATlite network in December was automatically recovered after automatic detection of anomalies.

“Man must rise above the Earth – to the top of the atmosphere and beyond – for only then will he fully understand the world in which he lives.”
Socrates ca. 450 B.C.



The pandemic did effect us for the most part of 2021. I am pleased that KSAT made it through the year with no major impacts on our operations and deliveries. Thanks to the dedication of our staff combined with a strong focus on infection prevention and control, there were no disruptions in our operations due to COVID. I'm therefore particularly pleased to report that we installed and operationalized a total of 65 antenna systems in 2021. Out of which 30 was installed at our Svalbard station alone and we have the first optical ground station in place in Greece.

Compliance and sustainability have always been important for us at KSAT. What we do matters in the international quest to save the environment. Our rainforest monitoring program (NICFI) is one example, our effort towards next generation maritime services is another. In 2021 we increased our effort to develop new services to combat illegal fisheries. We are combining new sensors and AI based techniques in new services that can monitor and hopefully prevent illegal, unreported and unregulated (IUU) fishing through an effective dark target identification service. Globally the market for maritime surveillance is increasing as the number of satellites with adequate sensors are increasing. Through our combined effort we have been addressing that market and strengthened our position.

We are living in a dynamic world and the landscape is constantly changing. I believe in strong partnerships and innovative approaches. As I see it this is becoming increasingly important in the years to come. A global world is becoming more unified, and we'll have to work together to develop sustainable, unified services. Strategic partnerships and long-term involvement is crucial to achieve this. Sustainable operations and services is a pre-requisite for mission success.

We Connect Space and Earth. It is not about the number of antennas alone. It is about integrated services with a customer focus. With a strong attention to our environmental footprint and commitment to the UN sustainability goals, we will continue to offer services for the better good of the planet. Space based information is an indispensable tool for climate and environmental monitoring and control. We'll continue to focus on those, and we'll support satellite missions through an integrated architecture, serving the entire value chain where Connecting Space and Earth is a key component.



Going Green



KSAT has delivered Ground Station as a Service (GSaaS) since 1968 and has an unprecedented history and experience in satellite data reception and control. The antenna park at Tromsø Satellite station has grown significantly since the start.

KSAT has increased its global footprint and more than 260 antennas are today located at the company's 26 locations worldwide.

Even though our operations don't produce a large carbon footprint, we want to be in the forefront developing sustainable operations in the "green and digital" shift.

Elaborate models can be applied to determine the carbon footprint of a given activity. Manufacturing of antennas and related equipment causes carbon emission,

so does shipping and transportation. We believe there are opportunities to reduce our operational emissions, particularly with regard to antenna construction and operation, through shifting from air freight to sea freight for 85% emissions savings in transport. Furthermore, carbon-intensive materials such as concrete, steel & aluminum represent nearly 15% of Green House Gas (GHG) emissions, and are heavily used in antenna pads and structures and thus have opportunities for recycled or composite alternatives to reduce consumption.

Ground station operation requires energy. At our facilities at Svalbard and in Antarctica it's coal based and diesel-based energy. However, in Tromsø our electricity is based on hydro-power and is as green as it can get, for the time being.

At Svalbard the annual power consumption is 4 230 MWh, all produced by the towns coal-fueled power plant. Recent studies have shown alternative energy sources can be used even in the Arctic and in Antarctica. An efficient, modern solar cell panel does not need direct sun light, it produces power even using ambient indirect light.

In addition, a snow-covered surface has an even higher potential than from a snow free terrain. In 2021 we initiated a pilot project where we installed solar cells on some of our radoms to determine the energy production. A total of 25 solar panels with a designed capacity of 2876 kWh/year was installed and the production is measured.

However, at an Arctic location where the daylight is gone for four months of the year, hybrid solutions are needed.

We are therefore also testing small windmills capable of producing significant amount of power in parallel. The windmills are designed for Arctic operation and are not the types that causes interference on the satellite operation. Furthermore, hydrogen-based solution will be investigated as will the potential impact a large solar array park may have on the operations. In particular will reflection and interference be analyzed.

Storage of energy is a challenge when you are basing the production on alternative sources like sun and wind. Battery capacity is not sufficient, and alternatives means like using hot water reservoirs has to be investigated as well.



At our station in Antarctica (TrollSat) the situation is even more challenging. A total of 520 000 liters of fuel is consumed every year to run the generators producing 1 236 000 kWh. Out of this 120 000 liters is used for transportation of diesel fuel from the Ice shelf to the station. It is obvious that every kWh produced by alternative means has a great impact on cost of operation and the carbon footprint. In the coming season solar cells will be installed in antarctica as well as a demonstrator.

Ground stations in the Arctic cannot be entirely run on alternative, non-fossil fuel. The dark period of the year and redundancies in case of emergencies must be covered with traditional means. However, implanting alternatives as to the largest extent possible will reduce the carbon footprint and be a first step towards «Going Green».

Reaching for the Moon and Beyond

Throughout history, humankind has been fascinated by the Moon and the way it connects us. With the last Apollo missions in 1972, half a century has passed, but the moon is once again in focus.

Building from the Google Lunar XPRIZE, government agencies and commercial companies alike are putting forth inspiring missions to reach for such heights once again. Innovative new technologies are enabling exploration of cis-lunar space, the lunar surface, and beyond. At such distances, reliable communication solutions are essential for mission success. KSAT is the global leader in reliable communications – we connect space and earth.

Between now and 2030, up to 140 missions are expected to launch to destinations above 30,000 km and within 2,000,000 km, including to the lunar surface. Each of these ambitious missions needs ground station communications. NASA and other government agencies have relied on their own ground station resources for many years, but that is changing. Today we see huge opportunities for commercial ground solutions and we are already winning contracts to support these new missions.

KSAT is excited to support the Intuitive Machines lunar lander as part of NASA's Commercial Lunar Payload Services (CLPS).

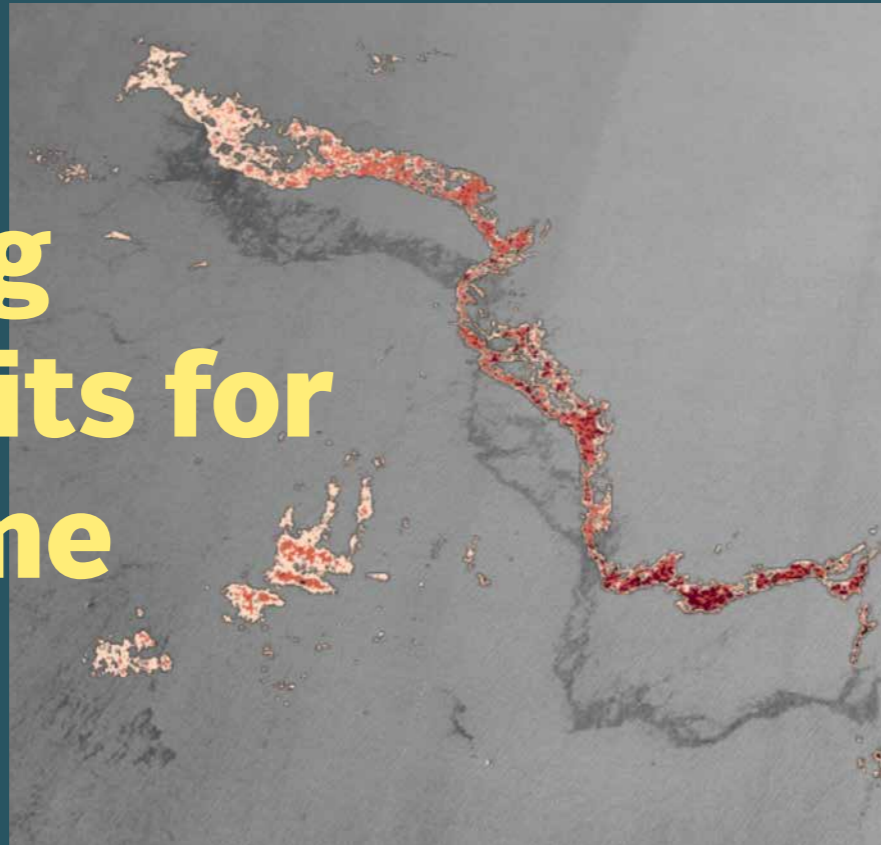
CLPS has a pool of providers developing capabilities for lunar missions, addressing challenges such as in-situ resource utilization (ISRU), power, and advanced communication systems. KSAT is also part of ESA's lunar initiatives such as Moonlight, which aims to provide sustainable lunar data-relay services. We are proud to be part of enabling an ambitious vision, sustainable human presence on the lunar surface and a robust cislunar economy.

KSAT is enhancing our network to serve this growing market. First, we are enabling streamlined access to the world's largest multi-mission space communication network via common machine-to-machine interfaces, including KSAT owned and partner ground stations, as well as other communication nodes. Next, we are deploying purpose-built antennas to serve the demanding needs of lunar missions. These large 18-meter+ antennas are designed for compatibility with NASA's Near Space Network (NSN) requirements. Being a current provider for the NSN, along with the demand from our customers and growing mission pipeline, drives us to continue investing in the expansion of our ground

network to address market needs. We have the KSAT Global Hosting Team already engaged in finding optimum locations for these KSAT-owned antennas.

KSAT is leading the industry, leveraging our world class expertise in satellite communications and creating a commercial unified solution for lunar missions. Our vision is a hardware agnostic, customer-oriented network. Whether it be RF or optical communication links performed from an astronomical body or a relay satellite, we will integrate these capabilities to offer turn-key solutions. From launch and LEOP, through lunar transfer, lunar landing, and even return to Earth our lunar network solution is designed for a sustainable future and market growth. We are here to help connect humanity with further inspiration from a common vision for lunar exploration.

Pushing the limits for Maritime Safety



Oil spill detected in SAR and OPTICAL satellite data. The relative thickness has been calculated from the SAR image (displayed in red) and is layered over the optical Sentinel-2 detection. (Contains modified Copernicus data 2021)

In 2021 KSAT provided image acquisition, processing and analysis based on 2766 SAR scenes to The European Maritime Safety Agency EMSA within 30 minutes after image acquisition. This accounted for more than one third of all EO services provided by EMSA to its users.

Satellite based maritime oil spill detection was pioneered by KSAT in the mid-1990s. In the early 2000s the oil spill detection service was expanded both with the number of satellites and larger geographical coverage.

KSAT has been responsible for the operational oil spill detection in Norwegian Water since the initial research cooperation between KSAT, FFI and the Norwegian environment agency.

The European Parliament and the Council adopted in 2005 a directive in response to pollution caused by marine vessels. The directive established penalties, including criminal offenses, for the improper dumping of ship waste. EMSA was tasked to work with European nations to implement efficient and common technical solutions that could enforce the directive.

The process led to the establishment of the European-wide CleanSeaNet (CSN) service in 2007. It was made available to all member states as well as authorities in EU and EFTA.

The first CSN service was an oil slick and vessel detection service based on Synthetic Aperture Radar (SAR) satellites with efficient capabilities to detect, track and monitor maritime oil spills in European waters.

Later EMSA became the entrusted entity responsible for implementing the Copernicus Maritime Surveillance (CMS) service under a delegation agreement with the European Commission. The CMS service provides satellite images and value-added services to support a better understanding and improved monitoring of human activity at sea for a range of applications.

Examples of services offered by EMSA and operationally performed by KSAT include:

- Border and customs control monitoring to Frontex (The European Border and Coast Guard Agency)
- Fisheries control to ECFA (The European Fisheries Control Agency)
- Ice monitoring to support safe navigation for vessels operating in the Arctic.

EMSA and KSAT is also providing maritime surveillance support to international organizations globally in consultation with and based on the approval of DG-GROW and the European External Action Service (EEAS).

Since the start, the CSN and CMS services organized by EMSA, have relied on service provisioning from KSAT. EMSA has played an important role as the coordinating entity in procurement of Earth Observation (EO) services, procurement of satellite imagery licenses, by fusing complementary sources of information and as a link between the service providers and end-users of the services.

Through competitive procurement of the operational analysis services, EMSA has been an important driver for the services

by pushing the boundaries with regards to delivery times and satellite utilization.

The KSAT oil spill and vessel detection services have through a continuous technical development, evolved into extremely efficient state-of-the-art-EO analysis services provided both to EMSA and offered commercially on a global scale.

The KSAT SAR-based services offered to EMSA have been ranked as the number 1 technical solution in all the competitive tenders from EMSA since the start of the CSN in 2007.

Our EO services draw on the largest and best-positioned network of satellite ground stations in the world, through which imagery of any point on the globe can be acquired and delivered in Near Real-Time (NRT).

With unique capabilities to regularly monitor very large areas through both clouds and darkness, satellite-based SAR has proven to be an extremely efficient sensor to detect oil slicks, vessels and ice. As a multi-mission provider, KSAT is able to capture and process imagery in-house from all the SAR satellites suitable for maritime Earth Observation services.

The services provided by KSAT to EMSA, are based on semi-automatic service production chain handled 24/7/365 by expert analysts. This semi-automatic approach has over many years proven to give the best trade-off between efficiency and quality.

KSAT continues to push the evolution of the EO based services by leveraging the vast experience and data archives to develop even more efficient and precise AI/ML based algorithms to detect, track and classify oil slicks and vessels.

January:

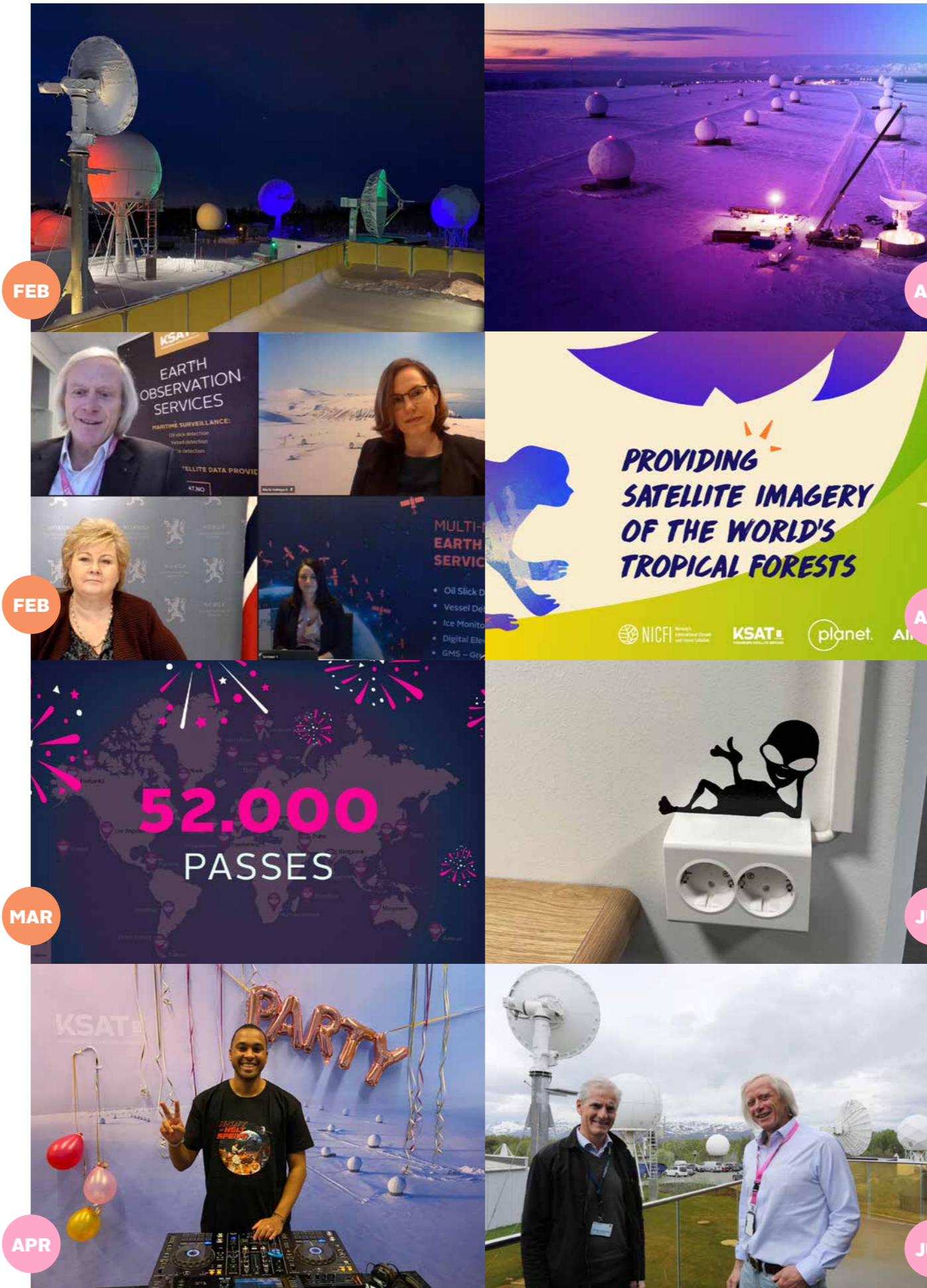
- Troll Activity: TR10 completed (KSATlite Ka-band system for JPSS).
- PA11 infrastructure ready in Punta Arenas – antenna installation to start.
- Oil detection services to UK MCA is operational.
- Agreement in principle with European Space Agency for use of their antennas for lunar communications.

February:

- Digital meeting with the Norwegian prime minister, Erna Solberg, about the ground-breaking NICFI Satellite data program lead by KSAT.
- Successful LEOP support for IQPS second SAR Mission.
- Antennas illuminated to celebrate The Sami National Day.
- Transporter-1 launch success, 15 different satellites supported on KSAT Ground Network. Cooperation between KSAT max & lite-teams.

March:

- All-time high 52 000 passes in March.
- Axelspace and KSAT expand their partnership.
- KSAT to support the EUMETSAT EARS System.
- KSAT supporting women in Space industry with conference scholarships.



April:

- Celebration with NASA. Antenna no 100 installed at our Svalbard ground station!
- KSAT is hosting Oslo Tropical Forest forum Webinar introducing the unique NICFI satellite data program.
- KSAT's first ever digital party in Teams, celebrating the one billion milestone!
- Contract with ADNOC and delivery of optical data.
- TESAT and KSAT will offer ground-breaking optical downlink aaS.

May:

- KSAT releases EOPORT cloud platform for customers requiring near real-time Earth Observation information.
- KSAT part of the selected consortium for ESA's Moonlight initiative.
- KSAT expanding the smallsat network adding 34 antennas in 2021.
- TESAT and KSAT will offer ground-breaking optical downlink a-a-service.

June:

- KSAT using satellite data and Machine Learning to detect icebergs to improve safety in the Arctic.
- KSAT to support Intuitive Machines' missions to the moon.
- Oil spill detected in Sri Lanka by KSAT.
- Ap-leader and now prime minister, Jonas Gahr Støre visited KSAT HQ to learn more of what we do.
- Invaded by aliens at our HQ in Tromsø.

July:

- Applying Deep Learning to combat maritime crime and increase safety for arctic mariners.
- Global Forest Watch webinar hosted by KSAT and our partner Planet.
- New KSATlite Ka-band antenna operational in our Antarctic Troll station.
- 40 of the 88 small satellites launched on the Transporter-2 rideshare mission June 30, were supported post-launch by KSAT.

August:

- KSAT attending the 36th Space Symposium in Colorado.
- KSAT continue to support Stoke Nature Center in Utah, and their effort to educate young people on nature and good stewardship.
- KSAT Svalbard Station featured in the New York Times.
- KSAT selected as a ground station provider to the NOAA SWFO program.
- Significant increase of KSATlite services. More than 1 100 passes a day.
- Agreement about Optical Nucleus network with ESA and DLR.

September:

- KSAT is proud to be a founding board member of the DIFI Consortium, working towards an interoperable Digital-IF solution.
- Explorers in the Greenland ice sheets navigated safely with updated satellite images from KSAT.
- KSAT selected as the Smallsat enabler of the year, by Commercial SmallSat Spectrum Management Association.
- The KSAT Nuuk antennas are operational.
- KSAT partner with the city of Tromsø to promote establishment of a National Center for Earth Observation.



SEP



OKT



SEP



NOV



NOV



DES



NOV



DES

October:

- KSAT partners with Safran to investigate multiple-mission and multiple-beam active electronically scanning antenna ground stations.
- One year celebration of the NICFI Satellite Data Program, who aims to fight deforestation of the tropical forests with providing access to free satellite imagery.
- KSAT employees from all of our offices joining the annual Pink-ribbon race in support of Breast Cancer awareness month.
- KSAT attending IAC Dubai, presenting our ground network and Earth Observation Services.
- Sony CSL successfully sent signals to the KSAT commercial optical ground station in Greece.
- Supported four large oil spills.

November:

- Our Antarctica team landed at Troll ground station, ready to build 6 new antennas this short Antarctic summer season.
- NanoAvionics and KSAT partner to enable end-to-end mission operations solutions.
- KSAT takes a leading role in development of a new and integrated European optical ground station network.
- KSAT Supporting Girl Tech Fest – an event dedicated to rise interest in science and technology for young girls.

December:

- Sidus Space selected KSAT to be the sole provider of ground stations services for their LizzieSat constellation.
- KSAT and GHGSAT agreement on ground station services and use of greenhouse emissions data.
- KSAT re-affirms the partnership with Microsoft's Orbital platform.
- KSAT supported NASA sounding Rocket and the successful launch of CREX-2.
- Christmas magic took place in our antenna park, where a Norwegian classic Christmas movie was shown for 300 people.
- Visit by the Indian Ambassador regarding KSAT-ISRO cooperation.

Annual Report 2021

About KSAT

Kongsberg Satellite Services AS (KSAT) supplies services for the operation of and acquisition of data from satellites, as well as for the applications of satellite-based information in global services.

KSAT has four wholly owned subsidiaries, KSAT Global, CSGSI (Canadian Satellite Ground Station Inuvik), a Canadian company, CSGSP (Chilean Satellite Ground Station Punta Arenas), a Chilean company and KSAT Inc., a US company. In addition, KSAT has activities at permanent establishments in several countries. Financial statement are consolidated numbers for the KSAT Group. KSAT Global owns the infrastructure at KSAT ground stations outside Norway.

KSAT is a world leader in its markets and has two business segments. Satellite Operations Services (SOP) comprise about 81% of revenues, while services based on satellite information, Earth Observation (EO), accounts for the remainder. KSAT activities comprise operation of ground stations for communication with satellites, reception and processing of earth-observation data in near real-time, and services associated with operative use of these data. KSAT focuses especially on marine applications.

KSAT headquarters are in Tromsø. KSAT operates 25 ground stations in various countries. Operations are controlled at the Tromsø Network Operations Center (TNOC), which is affiliated with group headquarters. KSAT has local offices in Svalbard, Oslo, Stockholm, and Denver.

During the year, the KSAT staff expanded by 59 to 295 employees at the end of 2021.

KSAT is owned 50/50 by Space Norway AS, a State-owned enterprise (SOE) of the Ministry of Trade, Industries, and Fisheries, and by Kongsberg Defence & Aerospace AS (KDA), part of the Kongsberg Group ASA.

Status

KSAT is the world's largest supplier of services for controlling and acquiring data from polar-orbit satellites. The year 2021 has also been marked by the ongoing Covid-19 pandemic. KSAT operations has

run without service disruption through the pandemic. With customers located worldwide, travel restrictions have affected the way we work. However, expanded use of virtual channels has given us good arenas for connecting with customers and partners. Through 2021, travel restrictions have also been challenging for planning and execution of technical maintenance and building new capacity throughout our network. KSAT has nevertheless continued to build extensive new capacity, as well as carried out planned and delayed maintenance through 2021, especially in the second half of the year. Antenna capacity increased in 2021, and by the end of the year, KSAT operated around 260 antennas and conducted 75,000 satellite contacts per month. KSAT supplies ground station services to the ESA/EU funded Galileo and Copernicus satellite systems. Around 82% of group revenues is outside Norway. Initiatives in the small satellite market have achieved good results. KSAT routinely delivers operative, near real-time maritime products relevant for ship, iceberg, and oil spill detection. Throughout 2021, KSAT has provided high-resolution satellite data for monitoring the world's rainforest through a contract with the Ministry of Climate and Environment. Surveillance of illegal fishing is an area of potential growth. KSAT has also launched new initiatives in 2021 with designing ground network for lunar relay satellites.

KSAT continues with a strong growth in both revenues and profit in 2021 compared to the previous year. Group revenues were MNOK 1,232, compared to MNOK 1,034 in 2020, an increase of about 19%. Parent company revenues were MNOK 1,201 compared to MNOK 1,015 in 2020, an increase of about 18%. Order Income was MNOK 1,277 in 2021. Sound and unique infrastructure (pole-to-pole), greater demand for services, and an effective organization are among the reasons for the positive development.

KSAT has long-term contracts with most leading space agencies as well as with key commercial actors. This stable client base ensures long-term operational capability. Consequently, KSAT can focus on continued growth, innovative improvements, and establishing new business segments.

Activities focus on expansion of the ground network with more ground stations, and the establishment of global, multi-mission, near real-time monitoring. KSAT's international leading position builds on its long operating experience, technical expertise, and cost-effective infrastructure, combined with unique geographic locations. Moreover, KSAT draws upon 20 years of experience in developing and supplying satellite-based services focused on maritime applications.

Work continues to improve the accessibility of data. KSAT now is the world's only company with internal processing capabilities for all operational radar satellites. KSAT seeks innovative solutions for establishing new services, focusing on the High North in general and on environmental monitoring in particular. KSAT cooperates with UnoSat, the United Nations satellite agency, and contributes to the use of satellite data in disaster and emergency aid activities.

KSAT has an active focus of the UN Sustainable Development goals, with specific follow-up of four goals: (9) Industry, Innovation and infrastructure, (13) Climate Action, (14) Life Below Water, and (15) Life on Land.

Financial risk

An appreciable part of KSAT's revenue is in US Dollars (USD) and Euro (EUR), which incurs exposure to exchange risk in ordinary business activities. The group aim for a minimal risk exposure, so that contracts is hedged against fluctuations in exchange rate through forward currency exchange contracts. KSAT has little interest risk, because the greater part of group debt is non-interest bearing, as well as because it has a corporate account arrangement that incurs only net interest for the group. This gives the group ample liquidity and freedom of action.

KSAT evaluates the credit rating of each new client and takes precautions if necessary. The credit risk is small for KSAT's largest clients. Clients and suppliers are evaluated to ensure that all activities comply with relevant rules for business ethics, anti-corruption, and general social responsibility.

Operational risk

KSAT is a service provider that depends on operational satellites and other technological equipment to download and process data from satellites. Failed launches, orbiting satellite malfunctions, or faults in KSAT antennas and other facilities may affect development. Operational income from TrollSat in Antarctica is particularly vulnerable to equipment breakdown and the like.

Business risk

Business risk is associated with changes in the primary market, escalating competition, and complete access to data from various satellites.

Continued operation

Continued operation is a presupposition for the Annual Accounts.

Evaluation of cash flow

In the cash flow analysis, cash and cash equivalents are entered as the net of bank deposits and short-term debt to credit institutions in that these accounts are included in the corporate accounting system.

In 2021, the net cash flow from operational activities was MNOK 312, compared to MNOK 678 last year. For the parent company, net cash flow from operational activities in 2021 was MNOK 276, compared to MNOK 664 last year. The difference between the cash flow from operational activities and operating profit is mainly due to ordinary depreciations and reduced accounts payable. Net cash flow from operational activities was abnormally high in 2020 due to receiving significant advances from customers in 2020.

In 2021, total group investments amounted to MNOK 457. Of that total, MNOK 290 were investments in antenna systems and relates equipment, which contributes to increased ground network capacity. MNOK 167 is property investments, which is mainly related to the establishment of a new office space at the head office in Tromsø. Parent company investments amounted to MNOK 362 in 2021, of which MNOK 198 was investments in antenna systems and MNOK 164 property investments.

Net cash and cash equivalents of the group decreased by MNOK 270 in 2021.

The parent company net cash and cash equivalents decreased by MNOK 295 in 2021.

Group cash and cash equivalents were MNOK 151 as of 31.12.21.

Group cash flow and liquidity are assessed as strong, despite a negative group working capital with MNOK 217,5 (MNOK -22,5), as KSAT has not utilized the available construction loan of MNOK 150 for investments in the new office building. The long-term loan will be executed upon completion of the building in Q1 2022. The group has a solid equity ratio of 59% (54%).

Cash and cash equivalents for the parent company amounted to NOK 230 as of 31.12.21. The parent company cash flow and liquidity are assessed as strong, despite a negative working capital of 252,9 (87,6). The parent company has a solid equity ratio of 57% (55%).

Research and development

Nearly 5% of annual revenues is invested in development of new services and technological solutions. Research and development costs are expensed in the profit and loss statement as incurred.

Future development

Demand for KSAT services is good, and growth is anticipated in all business sectors.

KSAT aims to secure existing and new data sources as well as to expand access to its own and other ground stations.

The Board anticipates continued KSAT growth. Focus will be on diversifying activities, globalizing services, and supporting maritime monitoring in the high north. Competition is increasingly keen, and there's price pressure in the market

Sustainability and ESG

KSAT shall represent a sustainable development with balance between economic results, value creation and environmental, social and governance (ESG) aspects. Sustainability and ESG are integrated into

KSAT's strategy processes. KSAT strive to support the UN Sustainable Development goals to help achieve a sustainable planet by 2030. KSAT has selected 4 Sustainability Development goals where we believe the company can contribute the most. The goals shall reflect KSAT as a responsible company; a respectful workplace with focus on human rights, corporate social responsibility, protection of the environment and technological innovation. Among other things, the group contributes to acquiring satellite-based earth observation data that is important for meteorology, resource monitoring and climate research in general.

KSAT emphasizes that values and ethical guidelines must be an integral part of the business. The employees and partners must have high ethical standards and comply with applicable regulations.

KSAT has, and will continue to have, a focus on anti-corruption and social responsibility. KSAT always strive to comply with applicable laws and regulations where business is conducted.

Reference is also made to the company's annual report on corporate social responsibility (CSR), available at ksat.no.

Climate and the environment

KSAT is actively working to establish alternative green solutions energy, particularly at the ground stations on Svalbard and Troll. These are the principal places where group environmental impact may be reduced the most. In 2021, KSAT has, among other things, installed solar panels at the ground station on Svalbard, which is now being tested.

No reported incidents related to environmental pollution in 2021.

Work environment

In 2021, the Working Environment Committee (AMU) held two meetings, of which corporate health services attended one. AMU consists of representatives of daytime workers and of shift workers in Tromsø and on Svalbard. It has 3 representatives from the management and 4 from the employees, of which 1 has observer status.

The AMU in KSAT deems the working environment to be safe, sound, and ensured. One workplace accident with minor personal injury was registered in 2021. The injury did not result in sick leave, but the employee's work was adapted for a few days. Sick leave amounted to 1,8%, of which 1.3% was short-term and 0.5% long-term.

Gender equality and discrimination

KSAT actively works to promote equality and prevent discrimination. The KSAT personnel policy aims to ensure equal possibilities and rights, and to hinder discrimination based on ethnic background, national origin, sexual preference, skin color, language, religion, beliefs, age, or gender.

The headquarters offices are facilitated to support people with disabilities.

KSAT management comprises of six men and one woman. The Board consists of one female and eight male directors. The employees have three representatives on the Board. The Board and management are aware of the expectations and measures for furthering gender equality within the company and on the Board. KSAT wishes to be seen as an attractive workplace and hence aim for arrangements that increase the proportion of women in technical positions as within management. By the end of 2021, 24,4% of KSAT employees were women, against 23% at the end of 2020. The proportion of women in part-time or temporary positions were 45% in 2021, against 27% in 2020. KSAT has a low share of part-time employees, so the gender-proportion naturally fluctuates. Of totally 426 weeks parental leave in 2021, against 187 weeks in 2020, 42% (74%) are used by men and 58% (26%) are used by women.

Mapping of gender equality and involuntary part-time work was carried out in 2021 and is presented in the company's annual report on corporate social responsibility (CSR), available at ksat.no.

Corporate Governance

KSAT is constantly working to improve systems and reporting processes to ensure a high level of transparency and to meet new reporting requirements.

Statement of Annual Accounts

The Board believes that the financial statement satisfactorily describes the group position at the end of the year. Financial position and liquidity of the group are strong, and the Board considers the group's equity to be satisfactory.

The Board is unaware of any situations not included in the financial statement that may affect the appraisal of the group's position.

Allocation of profit in the parent company

In 2021, the group profit after tax was TNOK 274,183. The parent company 2021 result showed a profit after tax of TNOK 274,277.

The Board recommends the following allocation of profit for KSAT AS:

	TNOK
Dividend to owners	130,000
To other equity	144,277
Total allocation of profit	274,277

Tromsø,
31 December 2021

25 May 2022

The Board of Directors of Kongsberg Satellite Services AS

Asbjørn Birkeland <i>Chairman</i>	Eirik Lie <i>Deputy chairman</i>
Even Aas <i>Board Member</i>	Tore Olaf Rimmereid <i>Board Member</i>
Harald Aarø <i>Board Member</i>	Knut Myrvang <i>Board Member</i>
Vidar Tyldum <i>Board Member</i>	Gøril Bjørkmo <i>Board Member</i>
Ole-Johan Mikalsen <i>Board Member</i>	Rolf Skatteboe <i>President</i>

Numbers and figures

INCOME STATEMENT 1 JANUARY–31 DECEMBER

	1000 NOK	1000 NOK	Exch. rate 8,82 1000 USD	Exch. rate 8,82 1000 USD
	2021	2020	2021	2020
Operating revenue	1 232 423	1 033 917	139 740	117 232
Raw materials and consumables	248 147	155 248	28 136	17 603
Personnel expenses	279 572	232 763	31 700	26 392
Other operating expenses	229 407	222 311	26 012	25 207
Depreciations	137 595	118 320	15 601	13 416
Operating profit	337 702	305 276	38 291	34 614
Net financial items	(4 845)	(5 010)	(549)	(568)
Earnings before tax	332 857	279 679	37 741	31 712
Tax expense	58 674	51 998	6 653	5 896
Net profit for the year	274 183	227 681	31 089	25 816

STATEMENT OF CASH FLOW

	1000 NOK	1000 NOK	Exch. rate 8,82 1000 USD	Exch. rate 8,82 1000 USD
	2021	2020	2021	2020
Earnings before tax	332 857	300 266	37 741	34 046
Taxes paid	(59 682)	(51 892)	(6 767)	(5 884)
Profit/loss sale of fixed assets	-100	1999	(11)	227
Depreciation and amortisation	137 595	116 321	15 601	13 189
Change in accounts payable/receivables	(7 623)	(6 908)	(864)	(783)
Change in pension plan liabilities	2 882	739	327	84
Change in other accrual items	(94 428)	317 424	(10 707)	35 992
Net cash flow from operations	311 501	677 949	35 320	76 870
Sale of tangible fixed assets	232	741	26	84
Payments for acquisition of fixed assets	(456 999)	(252 428)	(51 817)	(28 622)
Loan to Group Company	0	0	0	0
Paid dividend	(125 000)	(110 000)	(14 173)	(12 473)
Cash and cash equivalents at 1 January	421 128	104 867	47 750	11 890
Cash and cash equivalents at 31 December	150 862	421 128	17 106	47 750

BALANCE SHEET AT 31 DECEMBER

	1000 NOK	1000 NOK	Exch. rate 8,82 1000 USD	Exch. rate 8,82 1000 USD
	2021	2020	2021	2020
Assets				
Deferred tax asset	30 938	29 423	3 508	3 336
Operating Assets	1 351 305	1 031 290	153 220	116 934
Financial Fixed assets	56 093	29 306	6 360	3 323
Total fixed assets	1 438 336	1 090 019	163 088	123 593
Receivables	386 927	383 298	43 872	43 461
Bank deposits and cash equivalents	150 862	421 128	17 106	47 750
Total current assets	537 789	804 427	60 978	91 211
Total assets	1 976 125	1 894 446	224 066	214 804

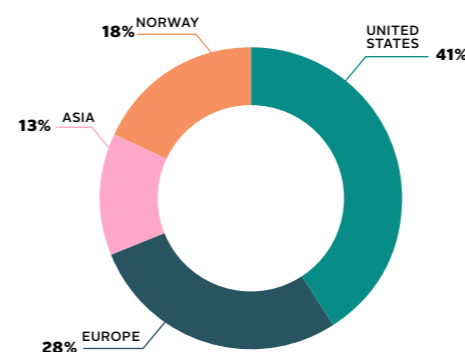
BALANCE SHEET AT 31 DECEMBER

	1000 NOK	1000 NOK	Exch. rate 8,82 1000 USD	Exch. rate 8,82 1000 USD
	2021	2020	2021	2020
Equity and Liabilities				
Share capital	2 000	2 000	227	227
Other equity	1 170 574	1 028 624	132 727	116 632
Total equity	1 172 574	1 030 624	132 954	116 859
Other long-term liabilities	41 736	36 936	4 732	4 188
Other short term liabilities	761 815	826 885	86 379	93 758
Total liabilities	803 551	863 822	91 112	97 946
Total equity and liabilities	1 976 125	1 894 446	224 066	214 804

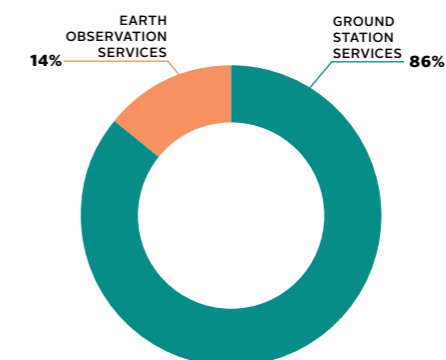
SHAREHOLDERS 31 DECEMBER 2021

Kongsberg Defence and Aerospace AS	50 %
Space Norway AS	50 %
	100 %

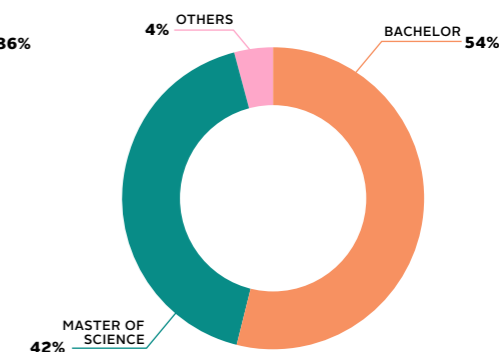
REVENUE GEOGRAPHICAL DISTRIBUTION 2021



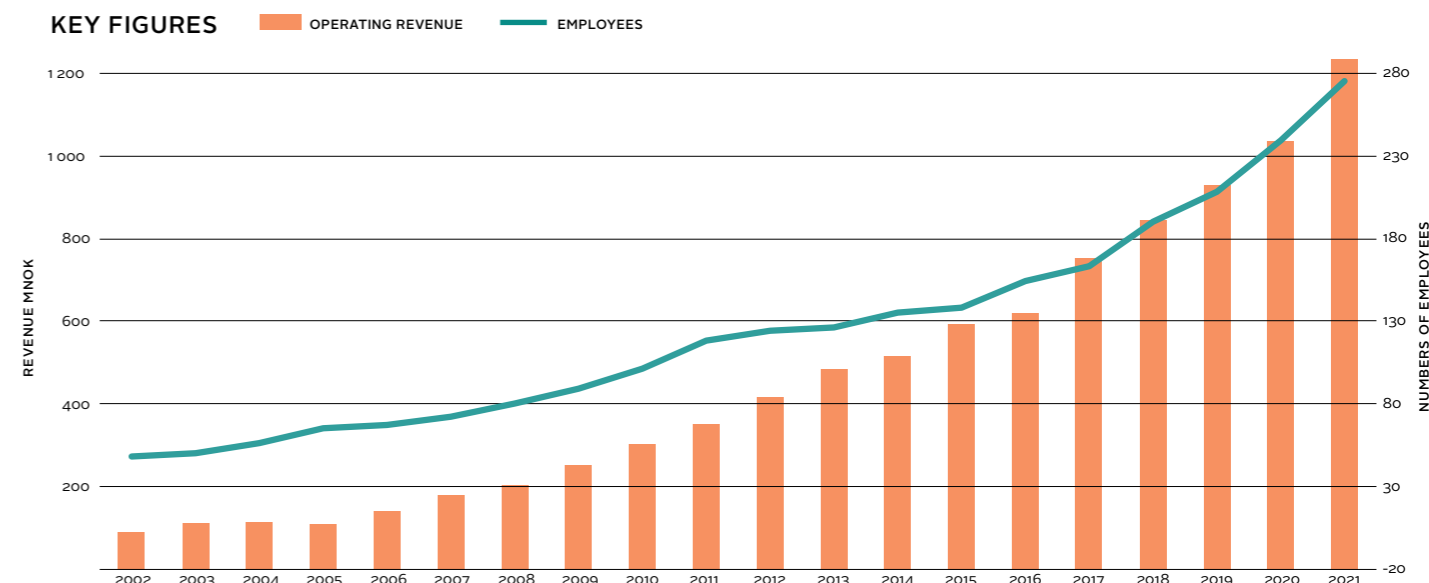
REVENUE DISTRIBUTION BUSINESS AREAS 2021



EMPLOYEES BY LEVEL OF EDUCATION 2020



KEY FIGURES



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