

Annual Report 2023

SPACE  
NORWAY





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# Introduction

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# The CEO's Summary of 2023

2023 has been a year characterised by geopolitical unrest and events that have caused many to view the nation's security in a new light. This also involves the need for secure space infrastructure under national control. With its mandate, Space Norway is an important contributor to underpinning national security, as we develop and manage space services for use by public undertakings and society at large.





For the Group, and for me as CEO of the company, 2023 has also been unusually eventful and exciting. In addition to personally succeeding Jostein Rønneberg as CEO in June, we finalised with the long-prepared acquisition of Telenor Satellite. This means that the largest satellite-operating environment in Norway has merged with the leading satellite development environment in Norway.

It is difficult to rank milestones in a company by importance, but it is safe to classify the acquisition of Telenor Satellite as the biggest event in 2023 – perhaps even in the company’s history to date. The transaction is the result of work that has spanned several years. With Telenor Satellite on board, we are now Norway’s leading satellite operator.

I see great opportunities for the company, going forward. The satellite industry is not only important in facing national and international challenges, but also a catalyst for innovation and economic growth. With our combined financial and operational strength, we will continue to develop new satellite services for society and contribute to a strengthened national space industry.

## The acquisition of Telenor Satellite

The share purchase agreement with Telenor AMP was signed in July, and the application for equity financing to fund the acquisition of Telenor Satellite was sent to our owner in August. The Norwegian Government approved this request in November and in December the Storting considered and approved our request. On 4 January 2024, the transaction was completed and ownership was transferred. Behind this transaction are several years of discussions, negotiations and analytical work.



Space Norway's employees being informed about the acquisition of Telenor Satellite.

Photo: Space Norway

The acquisition makes the Space Norway Group the largest and leading satellite environment in Norway and we are now an important satellite operator in Europe. The purchase bolsters Norway’s satellite services capabilities and it facilitates growth and the realisation of new satellite projects. A strong Norwegian satellite operator will also mean significant opportunities for the Norwegian space industry.

I am very pleased to hear that there is enthusiasm about the merger in both companies so far in the process. Both sides are simply looking forward to working and getting things done together. This ensures a robustness to further develop both Telenor Satellite and the Group. It ensures optimal conditions when we carry out the integration work throughout 2024 and 2025.

At the same time, there is considerable work ahead of us in the coming years. Two cultures will be merged, and we will work as one group. It is essential to protect the strengths of each company, prioritise development, and incorporate the best aspects of both organisations. This is a significant undertaking, and we are optimally positioned for success.



We look forward to embarking on this work together with our new colleagues.

## Satellite programs under development

### ASBM

The programme for broadband in the Arctic, the Arctic Satellite Broadband Mission (ASBM), is rapidly approaching completion. The year 2023 has been characterised by the fact that our two large satellites have undergone extensive testing, and we are now in the very final phase of these tests. For the ground segment, a number of tests and simulations have also been carried out. I am also pleased that in 2023 we concluded important agreements on landing rights for communication to Canada.

The entire organisation is preparing for the final stage of preparations before the planned launch in the summer of 2024. This will be a very significant milestone in the Group's history – something we are all looking forward to.

### MicroSAR

In the summer of 2023, Space Norway carried out a Preliminary Design Review of the platform for the MicroSAR test and demo satellite. The design of the satellite platform was completed just before Christmas. Oxford Space Systems has built a full-fledged engineering model of the radar antenna and carried out successful tests. Eidel and WideNorth have also made great strides in delivering ground-breaking payloads for MicroSAR. Qualification models have been completed and functionally tested. Space Norway has developed an advanced

simulation tool that provides the company with valuable information on how the MicroSAR capacity can best be utilised. On the ground, the development of the operational concept for the satellite system continues in close collaboration with Kongsberg Satellite Services (KSAT).

### VDES – VHF Data Exchange System

We have seen good progress in the company's VDES activities throughout 2023. A number of projects have been executed for the European Space Agency (ESA) based on our payloads and in collaboration with the Norwegian space industry. Both the ESA and the Norwegian Space Agency have signalled a continuation of these activities. It is our hope that the VDES activities will serve as a catalyst for innovation for small satellite projects in the future.

### ADIS – Application Development Infrastructure in Space

In February 2023, our Board of Directors decided to implement the ADIS project. Space Norway's strategy describes an ambition to consolidate and develop our position within the development and realisation of space-based services. The primary purpose of this project is research and development. Through the ADIS satellite, Space Norway will realise a strategic opportunity for research, innovation and development in space. This infrastructure will be available for in-house development projects and to others who require access to satellite infrastructure for their projects.

The satellite will have an advanced Software Defined Radio (SDR) and a VDES payload on board. What is unique about the project is that the SDR payload can be reprogrammed throughout the lifetime of the satellite. Thus, it can be used by different customers in different periods.





«It is difficult to rank milestones in a company by importance, but it is safe to classify the acquisition of Telenor Satellite as the biggest event in 2023 – perhaps even in the company’s history to date. »

←  
CEO Dag H. Stølan (left) and Svein Olav Munkeby, Chairman of The Board.  
Photo: Statsat



It is too expensive to acquire one's own space-based infrastructure. It is also complicated and time-consuming. Through ADIS, individual development projects will gain access to space-based infrastructure as a service. It will be much faster and less costly to purchase this service from Space Norway than to invest in and launch a separate satellite. At the same time, this will be infrastructure that Space Norway owns and which is under national control.

### **AOS – Arctic Ocean Surveillance**

AOS is an initiative undertaken by the Norwegian Space Agency (NRS) in collaboration with the ESA.

Eidel and Kongsberg Defence and Aerospace (KDA) will build AOS satellites on behalf of the Norwegian Space Agency. The companies are currently each carrying out a phase A study where the AOS concept is being developed. The next phase of the project is phase B. Thereafter, the construction of the satellites will commence. Space Norway has entered into an agreement with Eidel, where we assist them as advisers throughout the project.

The ESA's and the Norwegian Space Agency's overall approach to AOS is that the satellites are to be assembled and tested in Norway. The satellites' functionality will be demonstrated during the first year following the launch. This means that the AOS project as such will conclude one year after the launch. If the project is successful, it will naturally be sensible to further utilize the capacity nationally throughout the satellite's lifespan.

When the Norwegian authorities make funds available for satellite projects, and we can contribute to the development of the Norwegian space industry, it is important that we get involved and assume a role in the programme. A number of formalities still remain before the project can be said to be properly under way. However, we see great opportunities for this undertaking, going forward.

### **Infrastructure in operation and under development**

#### **Kongsberg Satellite Services – KSAT**

Our ownership of 50 per cent of the shares in KSAT is a strategically important part of the Group. We have chosen to add important activities to the company, including the operation of ASBM and close collaboration on the development of the MicroSAR programme. KSAT has continued its strong growth as a company with the satellite station in Svalbard. The station is the company's largest and most important in an international network of downloading stations.

#### **The Svalbard fibre-optic connection**

In June 2023, a planned and successful repair of the damage to one of the fibre-optic connections to Svalbard was carried out. The expected technical lifetime of the existing fibre-optic connections is until the end of 2028. That is why we have commenced the important work on a renewal.

At the same time as the plans for a renewal to Svalbard, the Norwegian Armed Forces have approached us to assess a fibre-optic connection between Jan Mayen and the mainland. Therefore, we have developed a technical solution where both needs are met.



Preliminary assessments indicate that such a joint solution will offer significant cost savings compared with separate solutions for the needs relating to Jan Mayen and Svalbard. If the plans for cables to Jan Mayen and Svalbard are to be realized, we are dependent on additional equity from the Ministry of Trade, Industry and Fisheries. The prerequisite for this is a decision in the Norwegian Parliament. Only then can Space Norway enter into binding contracts with suppliers. Since we can only lay cables during the summer months so far north due to weather conditions, the timing of the actual cable laying will depend on if and when we receive the additional equity. Space Norway considers it critically important to lay fiber cables so that the new cable to Svalbard is operational before the expected technical lifespan of the current cables expires in 2028.

### **The employee survey**

2023 was the first time we carried out a comprehensive employee survey. We are very satisfied with the results, and the most important finding is that there is considerable job satisfaction in the enterprise. Nothing is more important than having satisfied people in the organisation.

There is no enterprise that does not have a potential for further development, and the survey informed us that we need to work on improving information about the company's strategy, especially to our youngest employees. We also received feedback with requests for improvements in the salary conditions among our youngest employees. We believe this was corrected in this year's wage bargaining. The last point of improvement was that our employees in Tromsø find that their premises are cramped. Improvements are being made in this regard.

Going forward, we need to further develop what we are good at. We shall continue to be an enterprise where people are satisfied, where they feel that they are developing personally, and we shall be an attractive workplace in Norway's most exciting industry.

### **The Norwegian space industry**

The Norwegian space industry is bustling with higher levels of activity than ever before. On November 2nd, we participated in the opening of Andøya Spaceport. Andøya Spaceport is set to become the first operative spaceport for satellites in Europe when Isar Aerospace carries out its first launch with the Spectrum launch vehicle.

The new launch port will be an important launch site for Earth observation and ocean monitoring satellites, and an operative Andøya will help solve a bottleneck in the European space industry. This means that we gain superior and competitive access to space from Norwegian soil.

In addition, the level of activity is otherwise high in the Norwegian space industry. We also envision that a larger and more robust Space Norway will make a positive contribution to the Norwegian supplier industry in the sector.



## Finally

In June, I took the helm of a well-established company that has managed to distinguish itself as a leader in innovation and development. I consider it an important task to ensure that this will continue to shape our culture, going forward.

Our ambition is to further develop the Norwegian space industry as Norway's leading satellite environment. We have been in the business for many years. We know the industry and the technology, and we have a clear mandate from our owner, the Norwegian Ministry of Trade, Industry and Fisheries. This gives us the opportunity to further the development of new satellites and space systems in a national context.

We deliver tomorrow's space systems for the needs of Norwegian society.

**Dag H. Stølan**  
CEO

From the staff meeting where everyone at Space Norway was informed about the upcoming acquisition of Telenor Satellite.

Photo: Space Norway

Space Norway



# Key figures for the group\*

↑ 7 696 593

Total assets

↑ 3 998 581

Equity

↓ −19 %

Operating margin

↑ 58

Employees\*\*

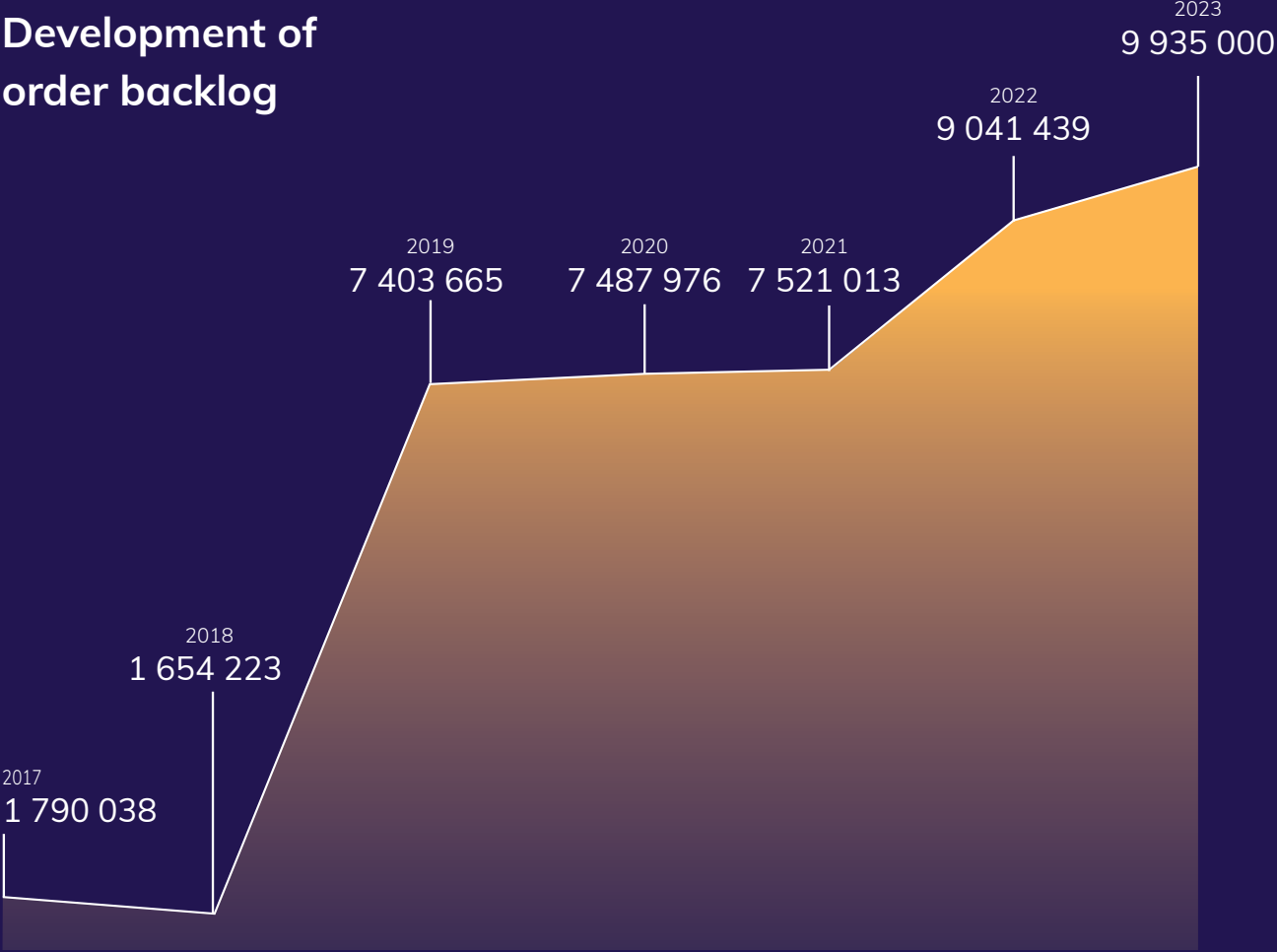
↓ 225 757

EBITDA

↓ −239 506

Post-tax profit/loss

## Development of order backlog



\* All numbers in NOK 1000  
\*\* Employees including KSAT: 337

## Companies in the group

**STATSAT**  
Statsat AS

100 % ownership

**HEOSAT**  
Space Norway  
HEOSAT AS

100 % ownership

**KSAT**  
Kongsberg Satellite  
Services AS

50 % ownership

Key figures for the group*	2019	2020	2021	2022	2023
Total operating income	513 684	547 383	654 088	885 900	1 045 738
EBITDA	178 754	168 674	155 648	233 918	225 757
Operating profit/loss	111 900	97 553	73 456	131 058	− 199 581
Post-tax profit/loss	109 675	185 744	16 498	65 542	− 239 506
EBITDA margin	35 %	31 %	24 %	26 %	22 %
Operating margin	22 %	18 %	11 %	15 %	−19 %
Earnings per share	42,2	71,4	6,3	25,2	− 92
Return on equity	19 %	23 %	1 %	5 %	− 6 %
Order backlog	7 403 665	7 487 976	7 521 013	9 041 439	9 935 000

\* All numbers in NOK 1000



Key figures for the group, financial position*	2019	2020	2021	2022	2023
Total non-current assets	1 298 910	2 536 003	3 330 918	3 716 580	3 927 904
Of which work-in-progress (WIP)	697 665	1 802 389	2 432 084	2 795 634	2 839 022
Current assets	547 291	959 120	997 766	1 122 070	3 768 688
<b>Total assets</b>	<b>1 846 200</b>	<b>3 495 124</b>	<b>4 328 683</b>	<b>4 838 650</b>	<b>7 696 593</b>
<b>Total equity</b>	<b>639 978</b>	<b>980 012</b>	<b>1 308 572</b>	<b>1 376 105</b>	<b>3 998 581</b>
Investments for the year	834 849	1 308 214	877 107	488 521	568 487
<b>Equity ratio (%)</b>	<b>35 %</b>	<b>28 %</b>	<b>30 %</b>	<b>28 %</b>	<b>52 %</b>

Note related to key figures from the income statement and balance sheet: Key figures for 2019 to 2022 are based on the audited consolidated financial statements. The financial figures for 2018 have been adjusted to the current consolidation principle to show historical development. The company financial statements for 2018 are audited, but the pro forma adjusted financial figures presented in the tables are not audited.

Selected key figures and KPIs*	2019	2020	2021	2022	2023
Uptime, fibre-optic connection	99,995 %	100 %	100 %	100 %	100 %
Uptime, AIS	96,1 %	98,7 %	97,5 %	98,8 %	96,4 %
Uptime, Troll	100 %	100 %	100 %	100 %	100 %
Operating assets per employee	30 341	49 155	62 185	60 586	49 421
Operating expenses as a percentage of operating assets	10,3 %	8,2 %	4,8 %	5,7 %	4,3 %
Sickness absence rate (%)	2,32 %	2,01 %	1,4 %	2,3 %	–
<b>Number of employees (closing balance)</b>	<b>27</b>	<b>39</b>	<b>42</b>	<b>48</b>	<b>58</b>

Note related to the table with selected key figures: Key figures are for Space Norway and subsidiaries where the group has controlling influence. Jointly controlled entity, KSAT, is not included.

\* All figuers in NOK 1000

# Definitions

- EBITDA: Earnings before interest, taxes, depreciation and amortisation
- EBITDA margin: EBITDA / revenues
- Operating margin: operating profit / revenues
- Earnings per share:: Net income / number of shares in parent company
- Return on equity: Net income / average book equity
- Ordrereserve: orders based on contracts entered into that have not been effected at the time of reporting. For the group, the gross profit method is also applied as a basis for calculating the order backlog so that it includes 50 per cent of the order backlog in the joint venture KSAT. For contracts in foreign currency, conversion to Norwegian kroner is based on the exchange rate as of 31 December. Equity ratio: book equity December 31st / total assets December 31st.
- Equity ratio: booked equity 31.12 / total assets 31.12
- Fixed assets per employee: (book value of fixed assets – financial fixed assets) / number of employees at the end of the year.
- Operating expenses in per cent of fixed assets: operating expenses excluding depreciation and write-downs in per cent of the book value of fixed assets at the end of the year

## Like hand in glove – the acquisition of Telenor Satellite

The idea of acquiring Telenor Satellite has matured over time in Space Norway. There is no doubt that former CEO Jostein Rønneberg has long considered this to be the right path, not only for Space Norway, but also for Telenor Satellite and for the Norwegian space industry.



↑ Some of the antennae at  
Nittedal Teleport outside  
of Oslo.

Photo: Telenor Satellite



Telenor Satellite is a major European provider of satellite-based data communication and television broadcasting services. The company operates with a hybrid infrastructure consisting of satellites, antenna parks, and cable-based fiber networks.

The company supplies satellite services in Europe, the Middle East and North Africa, and currently owns and operates three satellites (THOR 5, 6 and 7). In addition, the company shares capacity on Intelsat's satellite 10-02 / THOR 10-02. All satellites are geostationary and are operated from Telenor Satellite's 1°West position.

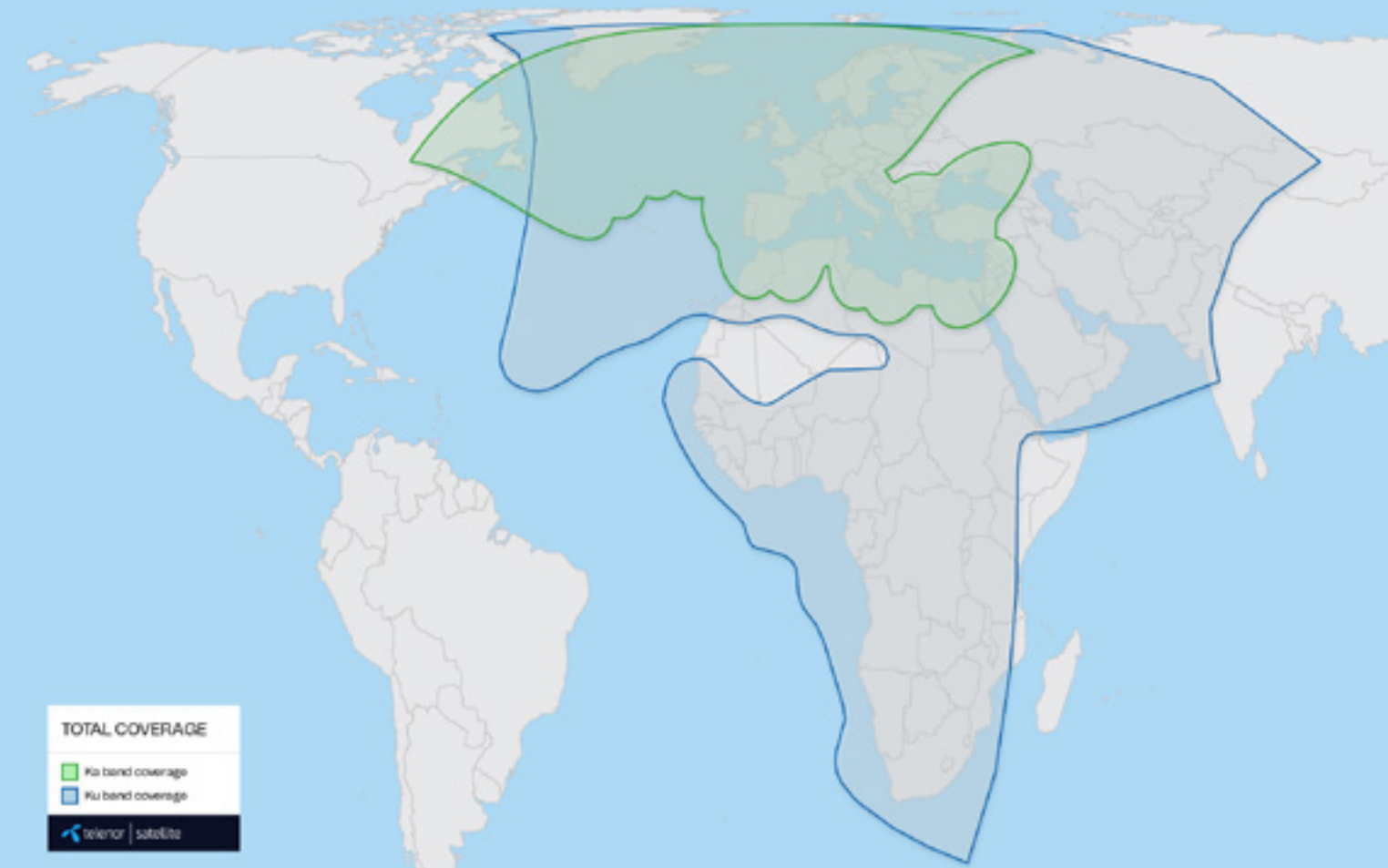
Telenor Satellite also owns the Nittedal Teleport located north of Oslo. This teleport is among the largest in Northern Europe. From here, the company operates all its services from a 24/7 manned operations center.

The Eurofiber network connects broadcasters to Nittedal Teleport. This provides a robust supply of high-quality video transmissions via satellite. Network points of presence (POPs) are located in major media and data hubs in Oslo, Copenhagen, Stockholm, Helsinki, London, Frankfurt, and Amsterdam.



← Former CEO Jostein Rønneberg played a vital role in the acquisition of Telenor Satellite.

Photo: Nina Holtan / ninaholtan.no



↑ The illustration shows the combined coverage area for Telenor Satellite's satellites, divided into Ka- and Ku-bands.

Illustration: Telenor Satellite

Since its establishment in 1995, Telenor Satellite has been the owner and operator of the Telenor Group's satellite fleet. The enterprise comprises the strategically important geostationary orbital location 1°West, with associated frequency rights, well-positioned for future growth in data services in a growing market.

Telenor Satellite is a well-run and highly profitable company, with good cash flow. However, there is also a need for reinvestment in the satellite fleet. Satellite operations currently fall beyond the strategic core activities of the Telenor Group, whereas they constitute a core aspect of Space Norway's activities. Telenor Satellite's expertise and experience, organisation, satellites and the station in Nittedal will contribute to bolstering the Group's efforts, going forward.

Both companies have strong professional environments, but are relatively small. Both organisations are undertaking major projects, where both breadth and depth in the environment are crucial. Together, the two companies will have the capacity to accomplish more, innovate further, and efficiently meet Norway's needs, all while maintaining cost-effectiveness and Norwegian control. In this sense, the two companies fit together like hand in glove.

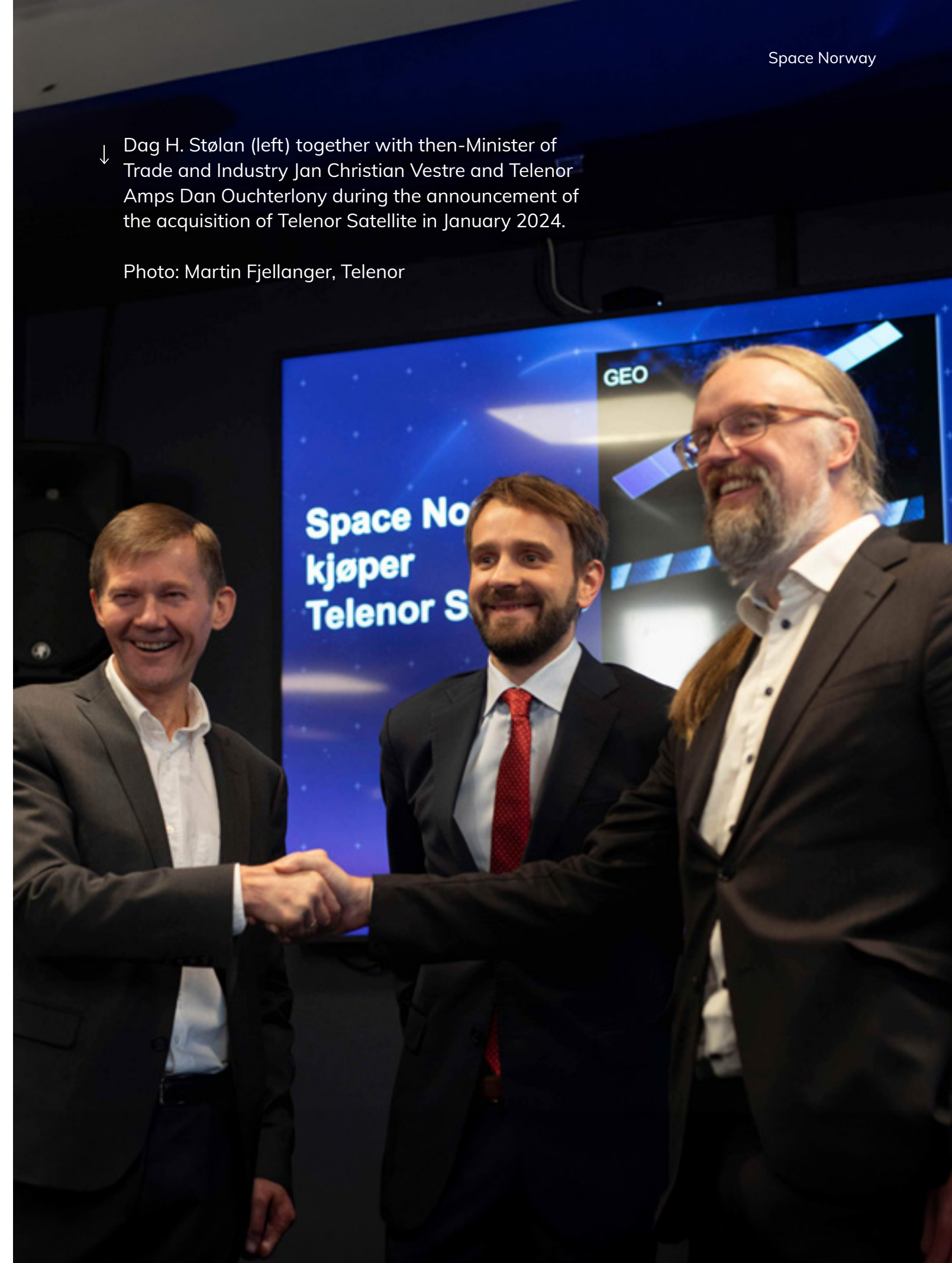
### The work behind the acquisition

The parties have been in discussions for some time, and the actual negotiations began in the spring of 2022. Throughout this process, the parties have gradually developed greater trust in one another, step by step.

Such an acquisition is a major transaction that involves a comprehensive due diligence process with skilled, external advisers at both companies.

↓ Dag H. Stølan (left) together with then-Minister of Trade and Industry Jan Christian Vestre and Telenor Amps Dan Ouchterlony during the announcement of the acquisition of Telenor Satellite in January 2024.

Photo: Martin Fjellanger, Telenor





After the parties agreed on a market price, the process of securing funding began.

## The process

In a meeting on 28 June, Space Norway's Board of Directors decided that an agreement could be entered into with Telenor Networks Holding AS (private limited liability company) for the purchase of all the shares in Telenor Satellite AS. In the agreement that was signed in July, a reservation was included that Space Norway receive the necessary equity financing from the Norwegian State, as the owner of the company. In a meeting in August, Space Norway's Board of Directors decided to submit a request to the company's owner, the Norwegian Ministry of Trade, Industry and Fisheries, for equity financing. The formal application to the Ministry was submitted on 23 August.

After the specialist department in the Ministry, with the support of external advisers, recommended that the Norwegian Government approve the request, the Government decided in November to bring the matter to the Storting for a final and formal decision on equity financing. In December, the Storting considered and approved the matter as part of the final budget bill.

## The announcement

On Wednesday 15 November, both Space Norway and Telenor Satellite held internal general staff meetings where the news of the acquisition was shared with their respective employees.

On Thursday 16 November, Space Norway convened a press

conference on the premises of the Norwegian Space Agency. In attendance were Norwegian Minister of Trade and Industry, Jan Christian Vestre, Dan Ouchterlony from Telenor Amp, Dag H. Stølan from Space Norway, the press and spectators. There, it was announced that the Norwegian Government had approved the requested equity. In practice, this meant that the transaction was a done deal, even if the decision was subject to approval in the Storting.

From the stage, the Minister of Trade and Industry stated the following:

«The Norwegian Government will propose to the Storting that Space Norway be granted equity financing to fund the purchase of Telenor Satellite. The acquisition will allow us to obtain a large Norwegian satellite operator which, in conjunction with a growing Norwegian space industry, can strengthen Norway as a space nation. At the same time, the acquisition ensures that Norway, at a time of increasing geopolitical unrest, retains control of satellites vital to critical societal functions and which are strategically important for Norway.»

The session ended with Vestre, Stølan and Ouchterlony holding one-on-one interviews with the media, and the event resulted in widespread media coverage, both nationally and internationally.

## Closing

The official date of the merger of the two companies was 4 January 2024. The Closing Memorandum was signed on this date and the two

companies formally became one group. This concluded the relatively lengthy process of finalising the acquisition.

## The future

From an organisational standpoint, significant tasks lie ahead, and it is post-merger when the companies truly embark on their work. From the takeover at the turn of the year, a process will be initiated with a view to new satellite projects and further development of the business activities in Telenor Satellite. Both companies' projects and operative functions will continue as before.

During the analysis work prior to the acquisition, a review was carried out of the two companies' operations and common support functions. On this basis, various workflows have been established for the integration process. These workflows are to ensure that working methods and projects in the merger continue in a good manner.

Two cultures become one – and that is a big task. It is a task we approach with humility, energy and positivity. The integration work will characterise the company in the coming years, so it is good to know there is a strong collective desire to achieve things together, evident in both Telenor Satellite and Space Norway.

The largest and leading satellite environment in Norway is further developed, and the country's satellite capabilities are bolstered. The merger facilitates the further development of technology and service providers in Norway. Together with Telenor Satellite, Space Norway reinforces the foundation for growth and continued advancement for both companies, as well as for the Norwegian space industry.

↓ Dag H. Stølan signs the final documents for Space Norway's acquisition of Telenor Satellite.

Photo: Space Norway





# Satellite-based broadband in the Arctic

Satellite communication requires that the ground terminals have a clear view of the satellite they are communicating with. Space Norway is now establishing the world's first dedicated, Arctic, satellite-based broadband capacity. By utilising a highly elliptical orbit over the Arctic, we achieve continuous coverage north of the Arctic Circle with just two satellites.



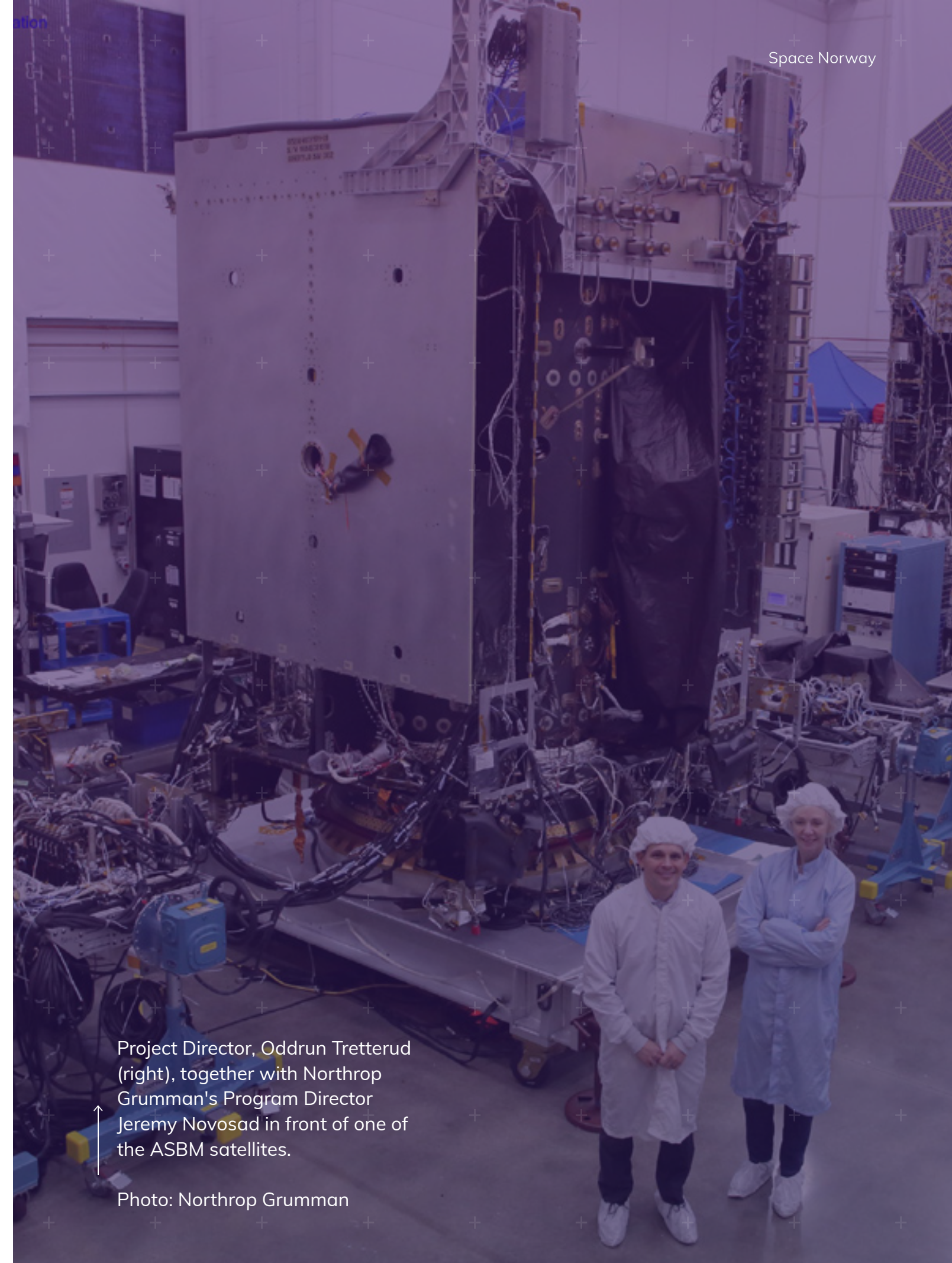


Space Norway is collaborating with the Norwegian Armed Forces, the global satellite operator Viasat and the U.S. Space Force on the construction of these satellites.

## Satellite constellation for broadband in the Arctic

For the authorities in Norway and other Arctic countries, good broadband communication in the Arctic is absolutely essential. This particularly applies to Norway, where up to 80 per cent of all maritime traffic in the Arctic occurs in the Norwegian economic zone or where Norway has search and rescue responsibility. There is also considerable commercial flight activity over the Arctic. Several transatlantic flights and flight routes cross the polar region. Many states are ramping up activity in the Arctic, and the geopolitical and environmental significance of the area is growing.

The implementation of the Arctic Satellite Broadband Mission (ASBM) programme was approved in 2019. Already in the same year, the U.S. company Northrop Grumman commenced work on building the satellites. Space Norway will own and operate the satellite system and is responsible for system specification, design, procurement and programme management. The investment framework for the programme is approximately USD 450 million (approximately NOK 4.7 billion). ASBM is the biggest satellite programme carried out in Norway to date. The programme is fully funded by a combination of equity, bank loans and advance payments from our partners.



Project Director, Oddrun Tretterud (right), together with Northrop Grumman's Program Director Jeremy Novosad in front of one of the ASBM satellites.


Photo: Northrop Grumman



The two satellites will be launched by SpaceX on a Falcon 9 rocket from the west coast of the U.S. in summer 2024, and will be operational in late autumn, the same year. Each satellite will provide broadband coverage over the Arctic for up to ten hours per orbit. Jointly, the two satellites will provide continuous broadband north of 65th parallel north. The guaranteed lifetime is 15 years, but the satellites will have enough fuel for at least another five years of service.

The satellites carry payloads from Viasat, the U.S. Space Force and the Norwegian Armed Forces. In addition, there is a radiation monitor built by the Norwegian company Ideas. The radiation monitor will map the radiation environment in the unique orbit in which the satellites will travel. The radiation data will be used by the European Commission to calculate what protection must be built into important future European navigation satellites.

Kongsberg Satellite Services (KSAT) has been commissioned to build the ground segment for the programme. Three new nine-metre antennas are ready in northern Norway for communication with the satellites, and three corresponding antennas are under construction in southern Norway. Together with KSAT, Space Norway has also built two new satellite operations centres.



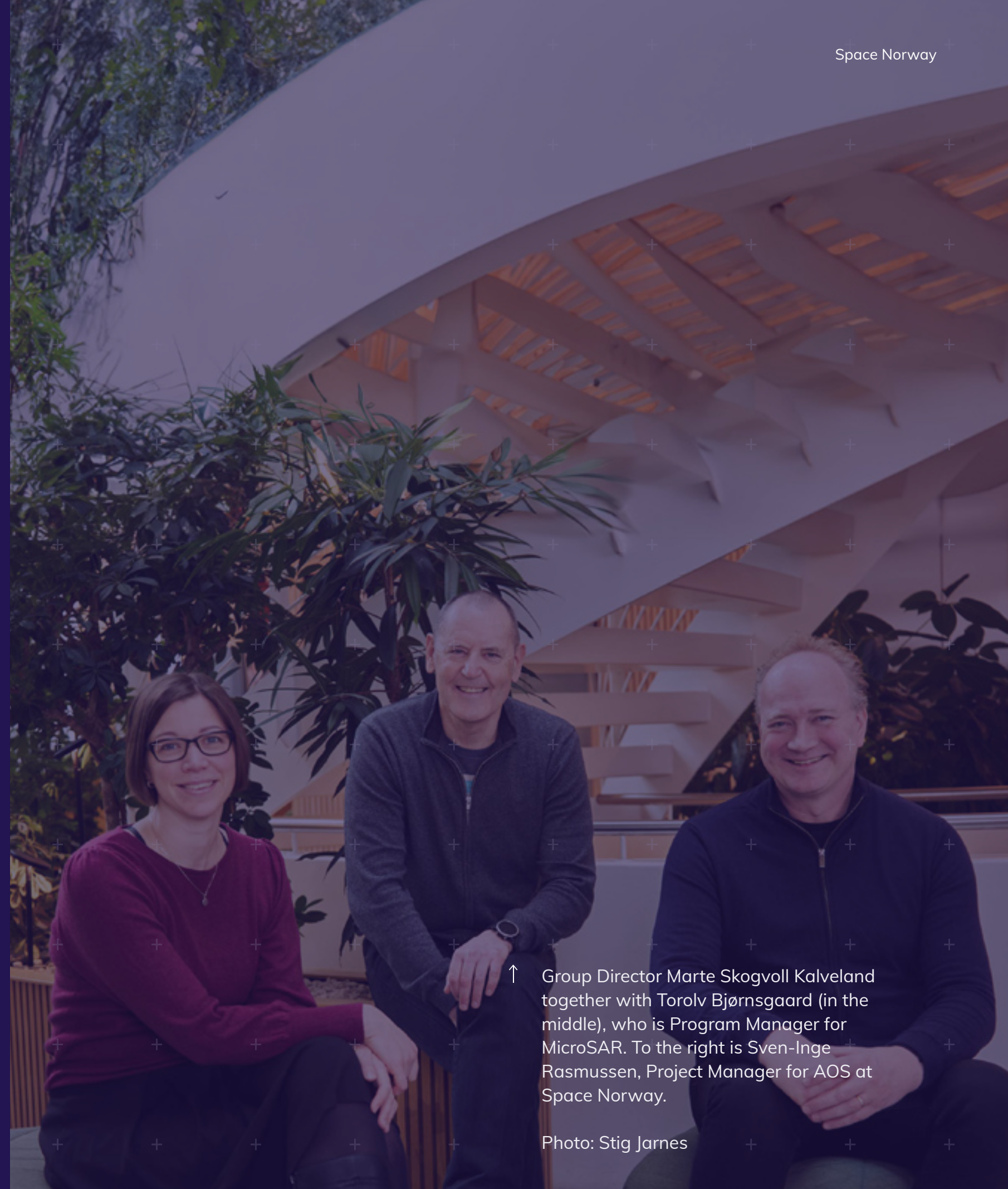
A close-up of the satellite's enormous solar panels. In total, the satellites have a wingspan of 27 meters.

Photo: Northrop Grumman



# MicroSAR – radar satellites for maritime surveillance

Following the signing of supplier and partner contracts in 2022, the construction of the first satellite in a planned constellation of radar satellites is well under way. Over the course of 2023, a Preliminary Design Review was carried out of the satellite platform by Surrey Satellite Technology Ltd (SSTL). SSTL will also integrate the payloads on board the satellite.



↑ Group Director Marte Skogvoll Kalveland together with Torolv Bjørnsgaard (in the middle), who is Program Manager for MicroSAR. To the right is Sven-Inge Rasmussen, Project Manager for AOS at Space Norway.



The design of the satellite platform has been completed by SSTL. Extensive tests of the unfolding of the radar antenna have now been carried out by Oxford Space Systems (OSS). The testing is necessary to ensure good performance and reduce the risk of errors when the antenna reflector unfolds in space.

MicroSAR is a project with great significance for the development of Norwegian technology and the space industry. The construction of the payloads, which is carried out by the Norwegian suppliers WideNorth, EIDEL and the Norwegian Defence Research Establishment (FFI), has progressed, albeit with some delays.

There has been good progress in establishing a concept for ground operations for MicroSAR. The work has been carried out in close collaboration with Kongsberg Satellite Services (KSAT) and the Norwegian Armed Forces. The ground system is now being developed by KSAT in Tromsø. KSAT will, on behalf of Space Norway, operate the satellite and distribute products from the system to customers.

The project has experienced some delays, and we are now planning the launch of the first satellite with SpaceX through what is known as a rideshare (multiple satellites being launched using the same launch vehicle) in the first half of 2026.

Space Norway has commenced the planning of a constellation of MicroSAR satellites. With such a capacity in place, it becomes possible to detect vessels regardless of weather and lighting conditions across large ocean areas – more or less continuously and independent of AIS.

MicroSAR will be under national control and ensure Norway an important capacity for monitoring our vast ocean areas. The estimated cost framework for the development and construction of the first satellite is approximately 500 million kroner. As the primary customer, the Armed Forces is an important partner in the development of the project.



Illustration of a MicroSAR satellite in orbit.

Illustration: Surrey Satellite Technology Ltd

# Innovation and development

The ambition of the innovation and development (I&U) activity in Space Norway is to develop the space systems of tomorrow. We are doing this in dialogue with users and in collaboration with leading national and international technology suppliers. Important guiding forces are social benefit, sustainability and long-term profitability. Our objective is to maintain the competitiveness of existing business activities while at the same time creating the basis for new business opportunities



↑ From left: Lars Løge, Carl Einar Hellenes, Anton Bolstad, and Gara Quintana Díaz work with innovation and development at Space Norway.

Photo: Stig Jarnes



Over time, we have established a competence environment that has broad system knowledge, industrial procurement expertise and the ability to implement regulatory requirements. In 2023, the I&U department grew from 11 to 13 employees, expanded its collaboration with established technology partners and entered into contracts with new business partners. The department works closely with the Statsat team. It also works closely with the business areas on technical matters and business development.

We have enhanced our customer and user relations through technology demonstrations and dialogue regarding new concepts. Our self-developed system for operating small satellites has given us the opportunity to quickly pilot solutions, services and adaptations. Space Norway's system experts have also been brought on board as technical advisors on several national projects where we have identified an opportunity to contribute and create value in the future together with customers and partners.

The Norwegian Space Agency's participation in the voluntary ESA<sup>1</sup> programmes has also in 2023 been an important contributor to our I&U activities, both financially and in terms of expertise. This applies to Space Norway and to our national technology partners Eidel, Kongsberg Discovery Seatex, WideNorth and Comrod. Moreover, this has been important for our international collaboration opportunities (including with Sternula, EMSA and others).

## ADIS – Application Development Infrastructure in Space

The establishment of the ADIS project represents a major boost to the company's I&U efforts. Through ADIS, Space Norway will be able to offer individual development projects access to space-based infrastructure as a service. Our goal is that it should be faster and less costly to purchase this service from Space Norway than to invest in and launch a separate satellite. At the same time, ADIS will be infrastructure that Space Norway owns and which is under national control.

Through the ADIS satellite, Space Norway will establish a highly flexible platform for R&D<sup>2</sup>, innovation and business development. This infrastructure will be an important platform for Space Norway's own I&U activities.

The project was approved by the Board of Directors in February 2023 and has made good progress. The launch of the ADIS satellite into LEO orbit<sup>3</sup> (500-600 km) is planned for mid-2025. The satellite platform is delivered by OHB Sweden.

The satellite will support a very large frequency range through a Software Defined Radio provided by WideNorth. Among other things, it will be used to demonstrate Internet of Things (IoT) services. We have entered into a contract with the ESA to support an international process that will regulate access to frequencies for such services. ADIS will also be equipped with a VDES<sup>4</sup> payload supplied by Kongsberg Discovery Seatex.

<sup>1</sup>ESA = The European Space Agency

<sup>2</sup>R&D = Research & Development

<sup>3</sup>LEO = Low orbit

<sup>4</sup>VDES = VHF Data Exchange System

## VDES – VHF Data Exchange System

In the long term, VDES is expected to emerge as the successor to AIS. The system provides narrowband communication and improves maritime safety. It is promoted by the international and national maritime safety authorities. A growing number of maritime nations are planning to establish ground-based and/or satellite-based infrastructure.

Through a number of ESA contracts, in cooperation and with support from the Norwegian Space Agency, Space Norway has been at the cutting edge of satellite-based VDES internationally. Following the successful launch of the Norwegian Space Agency's NorSat-TD satellite in April 2023, we own and operate VDES payloads on two NorSat satellites. These payloads have been developed by our partner Kongsberg Discovery Seatex. They have formed the basis for piloting and demonstration of a number of services.

In 2023, we concluded an ESA-funded project where, together with Kongsberg Discovery Seatex, the European Maritime Safety Agency (EMSA) and the Norwegian Coastal Administration, we demonstrated three maritime services over satellite VDES. Both EMSA and the Norwegian Coastal Administration wish to participate in further VDES testing and new service demonstrations.

The VDES investment has been important for our ability to develop services for small satellites.

↓ Illustration of ADIS.





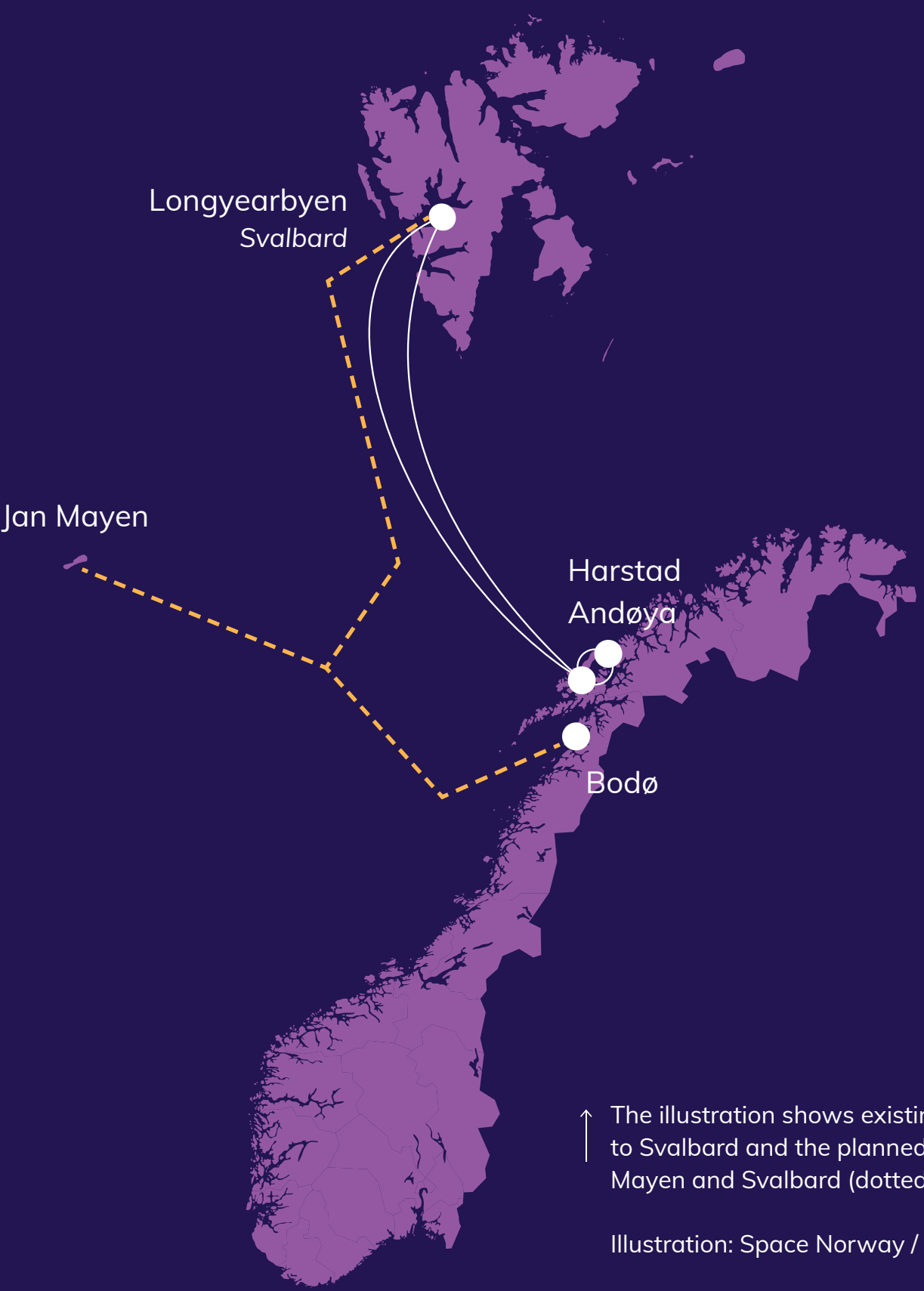
A good example of this is the recently completed ESA project ICING. In this project, Space Norway and Kongsberg Discovery Seatex demonstrated a backup solution for navigation in the event that GPS becomes unusable due to jamming. As the first in the world, we developed a solution based on the VDES standard. It provides a positional accuracy of one km with just one satellite in orbit. Through another ESA contract, we established a quality monitoring system which will be highly beneficial for our own system development and for other users of the systems.

We are seeing a growing interest from international actors seeking to collaborate on the development of VDES. Several of these actors wish to lease satellite capacity for testing and development purposes. Both the ESA and the Norwegian Space Agency have signalled their continued support for our VDES activities. With another VDES payload on board our upcoming ADIS satellite, we will be able to continue to be a driving force for VDES en route to commercialisation



# New subsea fibre-optic connections to Svalbard and Jan Mayen

The current subsea fibre-optic cables to Svalbard, which have been operational since 2004, are approaching the end of their expected 25-year lifetime. Therefore, it is necessary to consider a new subsea fibre-optic cable to Svalbard, which should be ready by 2028. At the same time, the Norwegian Armed Forces require a fibre-optic connection to Jan Mayen. Laying cables to Jan Mayen and Svalbard simultaneously is highly advantageous, saving both time and money.



↑ The illustration shows existing fiber cables to Svalbard and the planned cable to Jan Mayen and Svalbard (dotted line).

Illustration: Space Norway / Stem Agency



Since Space Norway owns and operates the current fibre-optic connection to Svalbard, it is natural that we consider the possibilities for a renewal and a new connection. Therefore, we have established a project to explore whether this can be realised on market terms.

The Norwegian Armed Forces has requested that Space Norway establish a high-speed fibre-optic connection to Jan Mayen in connection with the construction of a new station building on the island. The building is scheduled for completion in 2027.

This project contributes to Norwegian assertion of sovereignty both on Jan Mayen and Svalbard, will maintain critical electronic communications infrastructure to Svalbard and improve communication possibilities in the High North.

A prerequisite for the project is a market basis for the fibre-optic cable.

The Norwegian Armed Forces will lease data transmission capacity on market terms for the cable's 25-year lifetime. Likewise, wholesale customers on Svalbard will be offered agreements with Space Norway, also on market terms. For the Svalbard component of the connection, the new cable and the current cables will form part of a redundancy system, as long as the current cables are functioning.

The advantage of establishing a subsea fibre-optic connection between the mainland and Jan Mayen and Svalbard, respectively, in one joint operation is that the work becomes more cost-effective and offers other major synergistic benefits. This will benefit customers both on Jan Mayen and Svalbard, including in terms of reduced lease costs.

Space Norway plans to apply for equity financing from its owner, the Norwegian Ministry of Trade, Industry and Fisheries, which requires political consideration in the Norwegian Government and the Storting (Norwegian Parliament). Thereafter, we can enter into the necessary contracts with suppliers over the course of 2024 and 2025. The goal is for a new subsea fibre-optic connection to be operational to both Svalbard and Jan Mayen in 2028.

### Essential for activities in Svalbard

The current fibre-optic connection consists of two geographically separated cables that connect Longyearbyen with the mainland. The distance of approximately 1,400 km roughly corresponds to the distance between Oslo and Paris. The cables are buried as deep as two meters into the seabed in selected areas. This protects the cables against fish trawling or the anchoring of ships. The expected technical lifetime of the cables is set at 25 years, i.e., the year 2028.

The operating history of the Svalbard connection has been very good, with few serious incidents that have led to interruptions in the connection. In the period 2018–2023, Space Norway carried out a significant security upgrade of the connection.

In January 2022, one of the fibre-optic cables was damaged west of Spitsbergen without interrupting communication from Svalbard to the mainland. The severing caused the redundancy in the system to be down for two weeks until a temporary repair was carried out. Despite the damage and subsequent repairs, the connection between Svalbard and the mainland was never down. The fibre cable was fully repaired in 2023.

Today, the fibre-optic connection constitutes critical societal infrastructure, and provides the Svalbard community with modern electronic communication services. These services are necessary to maintain and develop civil society.

Major national and international values and important societal functions depend on the functioning of the Svalbard fibre-optic connection. Information that is downloaded to Platåberget and distributed via the fibre-optic connection is important for a number of societal functions such as weather forecasting services, monitoring of maritime traffic, environmental monitoring, preparation of ice maps for the Arctic and communication services in the critical phase of rocket launches. The connection is also an important input factor in KSAT's contribution to Europe's navigation satellite system, Galileo<sup>5</sup>.

Space Norway sells transmission capacity at the wholesale level to a small number of providers. These providers use the capacity to offer services in the end-user market.

Users of the fibre-optic connection include:

<sup>5</sup>Galileo is a system for satellite navigation established by the European Union and the European Space Agency. The system is intended as an alternative to the military and U.S. controlled Global Positioning System (GPS) and the Russian GLONASS.



↓ Senior Engineer Jens Olav Frorud participated in the cable search in 2022 and is currently involved in the project for new cables to Jan Mayen and Svalbard.

Photo: Space Norway



- Civil society, in general
- The coastal radio service
- Norsk helsenett (Norwegian state-owned enterprise responsible for providing secure digital communication services to the healthcare sector)
- Avinor
- The governor of Svalbard (including the police and SAR<sup>6</sup> resources)
- The local government in Longyearbyen
- The Norwegian coastal administration with services for maritime safety
- Eumetsat<sup>7</sup>
- NASA
- NOAA
- Galileo
- Iridium
- ESA
- The Norwegian Mapping Authority
- University and research environments, including UNIS, the Nansen Centre and the Norwegian Polar Institute

<sup>6</sup>SAR stands for Search and Rescue Services.

<sup>7</sup>EUMETSAT is the European Organisation for the Exploitation of Meteorological Satellites



↑ The population of Longyearbyen and the rest of Svalbard is dependent on the fiber cable to the mainland.

Photo: Space Norway



# Statsat AS – operation of Norwegian small satellites

At the end of 2023, Statsat has operative responsibility for four small satellites in Low-Earth Orbit (LEO). The first two satellites that Statsat assumed responsibility for in 2015 are AISSat-1 and -2. At the end of 2023, Statsat has operational responsibility for four small satellites in Low-Earth Orbit (LEO). Two previous satellites, AISSat-1 and AISSat-2, have been retired after significantly exceeding their expected operational lifetimes. The two non-operational satellites are expected to re-enter the Earth's atmosphere and burn up within 10 to 15 years.

NorSat-TD.  
Illustration: Norsk Romsenter





The other satellites' primary function is to deliver AIS messages from ships to shore. Together with its shore stations, the Norwegian Coastal Administration thereby receives a complete overview of maritime traffic in Norwegian waters and in the northern Atlantic Ocean up to the North Pole. The Norwegian Space Agency owns these satellites.

All four operative satellites also have other payloads that Statsat fully or partially operates. The newest satellite, NorSat-TD, which was launched in April 2023, is particularly resource-intensive. It has seven different payloads with different owners and users. These payloads are required to undergo various testing, which requires time and effort.

NorSat-TD is the first satellite under Statsat's control that has a small propulsion engine for smaller orbital manoeuvring. This engine will be tested in 2024. It will be the first time that Statsat carries out orbital manoeuvring. Statsat's Space Situational Awareness (SSA) team calculates satellite trajectories both before and after test launches.

The operation is carried out from Skøyen, Oslo and uses antenna stations in Vardø and on Svalbard. The antenna facility in Vardø is owned by the Norwegian Coastal Administration.

In terms of revenue, 2023 was Statsat's best year so far, with approximately NOK 13 million in earnings. This represents an increase of almost 20 per cent over the previous year and provides a return on equity of around 8 per cent. As a government-controlled entity for in-house provisioning of satellite services, the company has a long-term average target of 4 per cent return on equity. For 2024, turnover is expected to be more in line with 2022, i.e. around NOK 11 million.



↑ During the launch of Norsat-TD.  
Photo: Statsat

# Kongsberg Satellite Services, jointly controlled entity

Kongsberg Satellite Services (KSAT) is a jointly controlled entity owned 50/50 by Space Norway and Kongsberg Defence and Aerospace, a division of the publicly traded Kongsberg Gruppen ASA. KSAT provides services related to the operation and reception of data from satellites. The company also supplies satellite-based information in global services





KSAT is a world leader in its markets. The company has two main business areas: ground station services (GN), which is the company’s largest business area, and earth observation services (EO) based on satellite information. KSAT’s operations include running ground stations for communication with satellites, operating satellites in polar orbits, receiving and processing data in near real-time, and providing services related to the operational use of such data. KSAT particularly prioritizes marine applications.

The company is headquartered in Tromsø and operates 27 ground stations in various countries. The operations are managed from the Tromsø Network Operations Center (TNOC), which is affiliated with the headquarters. KSAT has branch offices in Svalbard, Oslo, Stockholm, and Denver. Additionally, the group conducts business with permanent establishments in several countries. KSAT had an average of 357 employees in 2023.

KSAT, including its subsidiaries, showed strong growth in both revenue and profit compared to last year’s financial statements. Revenue in 2023 was NOK 1.9 billion compared to NOK 1.471 billion in 2022, an increase of approximately 29 per cent. Of the revenue, 87 per cent was from customers outside Norway. The venture into the small satellite market has yielded good results, and KSAT Lite has become important for the group’s overall business.

Throughout 2023, KSAT delivered high-resolution satellite data for monitoring the world’s rainforests through a contract with the Ministry of Climate and Environment. In 2023, KSAT continued to develop the ground network for supporting lunar relay satellites. The order intake

was NOK 3.2 million in 2023. KSAT has long-term contracts with most of the world’s leading space organizations in addition to key commercial players. KSAT’s leading international position is based on extensive operational experience, technical expertise, and cost-effective infrastructure with unique geographical locations. This is combined with over 20 years of experience in developing and delivering satellite-based services with an emphasis on maritime applications. The customer base is stable, and the operational perspective is long-term. This allows the business to prioritize continued growth, innovative improvements, and the establishment of new business areas. Key figures for the last two financial years are shown in the table below.<sup>13</sup>

Kongsberg Satellite Services AS, group	2023	2022
Operating revenues	1 900 306	1 471 425
EBIDTA	624 228	561 446
Operating result	415 779	382 551
Net result after tax	338 396	320 591
Total fixed assets	1 873 734	1 616 885
Total current assets	855 246	793 255
Total assets	2 728 980	2 410 140
Total equity	1 801 501	1 457 145
Total liabilities	927 479	952 994
Order backlog	-	-
Average number of employees	357	300

Tall i 1000 norske kroner unntatt antall årsverk.

<sup>13</sup>The operations of KSAT are consolidated into Space Norway using the gross method.

# This is Space Norway

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# Value Chain for Satellite-Based Services

↑ From Svalbard.  
Photo: Space Norway

### Value Chain for Satellite-Based Services

A range of important and critical societal functions depend on information from satellites. Examples include navigation, communication, and broadband in areas without terrestrial networks, dissemination of emergency messages, television broadcasts, rescue services, weather forecasts, surveillance of land and ocean, and military purposes. In 2022, the consulting firm Euroconsult estimated the global value of the satellite industry to be USD 464 billion, an increase of 8 per cent from the previous year. Euroconsult projects the space industry to grow to USD 737 billion by 2032, with an annual growth rate of 5 per cent. In “The Space Economy Report 2022,” Euroconsult presents the space industry value chain as shown to the right.<sup>8</sup>

Space Norway’s role is to manage and develop strategic space infrastructure to serve important Norwegian societal needs. In the value chain above, Space Norway is a satellite operator. This part of the value chain is characterized by large and complex development projects, long-term customer contracts, significant capital investment, and a relatively low return on average capital employed (ROACE). Space Norway provides infrastructure services at the wholesale level to a limited number of major customers, who in turn serve a wide range of end customers. Through the jointly controlled subsidiary KSAT, the group is also represented in the ground segment and downstream information processing and product delivery sectors. KSAT is the world’s largest provider of ground station services for communicating with, controlling, and downloading data from satellites in polar orbits.

<sup>8</sup>Euroconsult, “The Space Economy Report 2022, 9th Edition”





## The Importance of the Space Industry to Norwegian Society

Norway was an early adopter of satellite and space technology, partly due to its unique geographical location and specific user needs. Maritime safety and ocean surveillance were particularly important user needs. In 1974, Norway acquired the first domestic satellite system in Western Europe. Norway became the second country to establish satellite television broadcasting and was for a long time the leading country in Europe within maritime satellite communications. Following the establishment of the Norwegian Exclusive Economic Zone in 1977, Norway also became a pioneer in utilizing radar satellites to search for ships and oil spills through clouds and in the dark.

The strategic importance of space-based infrastructure is increasing. One key reason is its importance for the exercise of sovereignty and the ability to provide critical services. As a result of developments and changes in the space sector, the Norwegian Government published an updated strategic space policy review in 2019<sup>9</sup>. The previous space policy review was released in 2013<sup>10</sup>.

In the report, the Government emphasizes that Norwegian public investment in space is a tool for leveraging Norwegian interests. The review defines the following four goals for Norwegian space activities:

1. Promoting profitable businesses, growth, and employment
2. Meeting important societal and user needs
3. Ensuring satisfactory security for important space infrastructure
4. Securing Norwegian foreign, security, and defense policy interests in space activities and outer space

<sup>9</sup> Meld. St. 10 2019–2020

<sup>10</sup> Meld. St. 32 2012–2013



Society's dependence on electronic communications infrastructure, including satellite-based communications, is increasing. The Space Review states that space infrastructure is playing an increasingly important role in safeguarding basic national functions, and potential interruptions in this infrastructure may therefore have serious consequences.

The strategic importance of the space sector is expected to increase in the future. Norway must be able to identify its own user needs, develop solutions, and control infrastructure of particularly wide-ranging national importance. The review emphasizes that the space industry itself represents a strategic competence base for safeguarding critical functions for the nation.

The importance of national ownership and control of space infrastructure is recognized in most countries. The COVID-19 pandemic and the actions of some nations to secure scarce goods in times of crisis serve as a reminder that the importance of national control is often not evident until a crisis occurs. The ASBM programme under the auspices of Space Norway is highlighted in the Space Review as an example of national self-sufficiency.



«The fact that the Norwegian Government chooses to publish a new strategic review now is due to the current rapid development in the space sector, the strategic importance of space and satellite-based services for Norwegian society, and the strategic importance of space for the Armed Forces, civilian life, and future value creation.»<sup>9</sup>



# Space Norway's Strategic Priorities

Space Norway is 100 per cent owned by the Norwegian Ministry of Trade, Industry and Fisheries (NFD) and represents a key part of the Norwegian Government's activities and assets in the space sector. Space Norway's assets and operations include technology and infrastructure in areas where the Norwegian Government has a need for control and supervision. As part of the control mechanisms, the company is subject to the Norwegian Security Act. The Norwegian Government prioritizes achieving the most cost-effective operations as the owner of Space Norway. The company is financed entirely through its own income and does not receive grants from the Norwegian Government.



CEO Dag H. Stølan during the Spaceport conference 2023.  
Photo: Space Norway



The state ownership<sup>1</sup> report emphasizes the purpose of the Norwegian Government's ownership:

«The company's purpose is to manage and further develop security-critical and cost-effective space-related infrastructure that meets important Norwegian societal needs.»

The group's vision is: "We deliver tomorrow's space systems for Norwegian societal needs." Space systems are defined as platforms and infrastructure working together in space. The company's overall strategic priorities are based on the Government's defined purpose and are briefly discussed below.

## Establish and Develop Strategic Space-Related Infrastructure

The group's mandate is to provide services for important Norwegian civilian and military functions. The group's success requires both comprehensive technological insight and a good understanding of future user requirements and Norwegian political priorities. The space industry is experiencing increased activity and is characterized by a high degree of innovation. A good understanding of tomorrow's technology is consequently required to make the right investment decisions today.

In the coming years, a significant increase in the number of active satellites is expected, especially small satellites in low Earth orbit (LEO). Rights to, and use of, frequencies for satellite communication are limited

<sup>11</sup> Meld. St. 8 2019–2020

<sup>12</sup> LEO is Low Earth Orbit

Illustration of NorSat-3:  
Norwegian Space Agency





resources. The strategic value of existing satellite systems with allocated frequency rights is expected to increase in the coming years. In light of this, frequency coordination becomes an increasingly important and time-consuming discipline.

## Cross-Sectoral Partnerships

Norwegian users of space-related services cover a wide range of civilian and military entities. Development of single-purpose satellites is often discouragingly expensive. Space Norway's expertise and its national and international relations enable the development of tailored "dual/multi-use" solutions by joining needs from different users on a single platform. This can represent significant savings in terms of reduced investment (CAPEX) per user/function. In this regard, the ASBM programme serves as a good example. In this programme Space Norway has combined commercial broadband with military payloads for the US Space Force and the Norwegian Armed Forces. Without Space Norway's facilitation of this partnership, the Arctic broadband capabilities would be significantly more expensive for the users of the system.

## Properly Managed Space-Related Infrastructure

Satellite services are used in many critical societal functions such as rescue services, communications, navigation, defense, earth observation, and surveillance. Interruptions or loss of satellite services could have major consequences for life and health and could also lead to extensive economic losses. The strategic importance of outer space in the implementation of security policies is increasing. In this respect, Norway has a particular

responsibility in the High North. Space Norway is responsible for space infrastructure that supports long-term bilateral Norwegian obligations. Furthermore, Space Norway's activities are subject to the Norwegian Security Act and the Norwegian Electronic Communications Act. This requires high standards within security and risk management capabilities. The group's expertise related to strategic matters, risk assessment, and security measures is high and expected to further grow in the future.

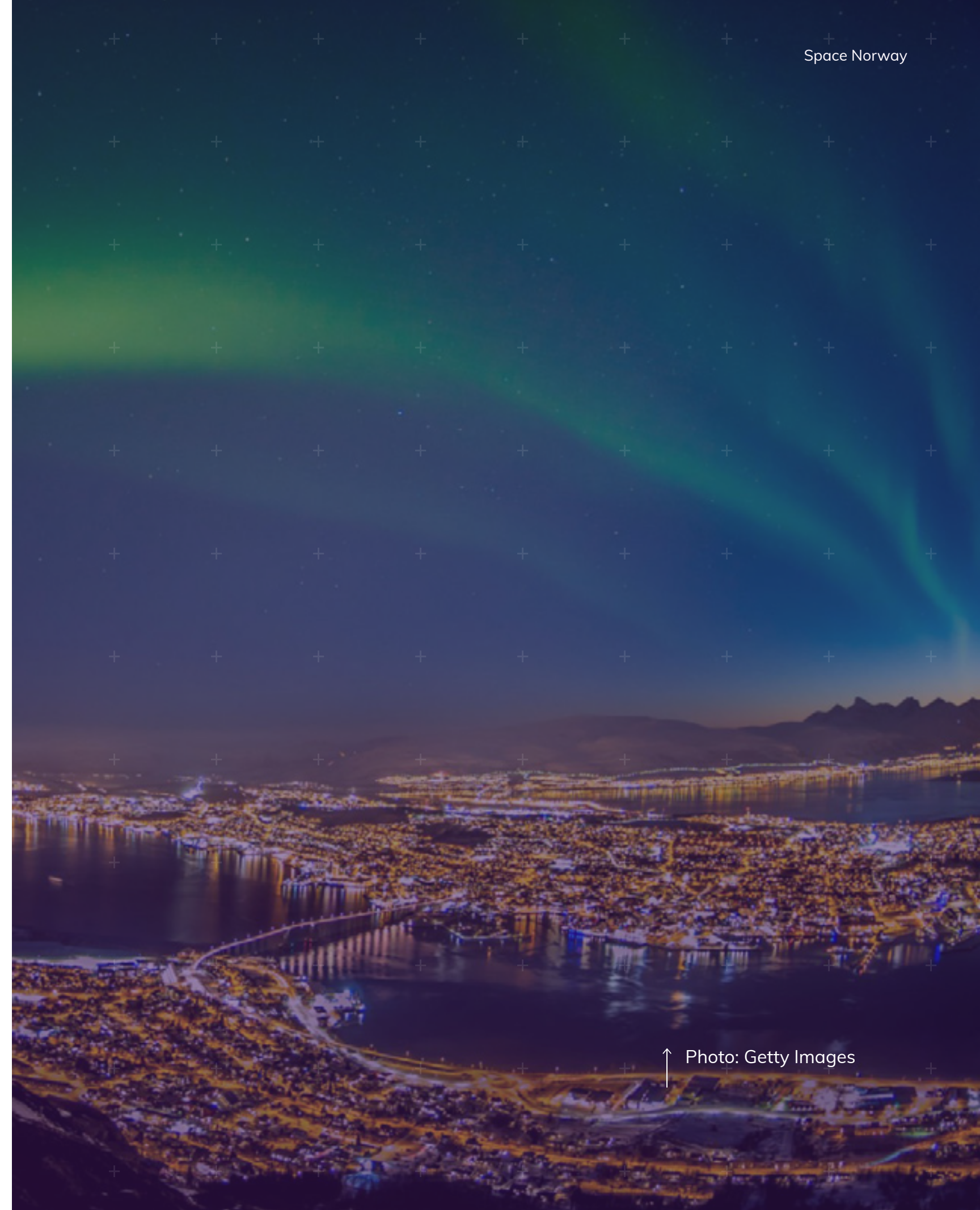
## Efficient Operations

The space industry in general is characterized by the need for large investments and a highly skilled workforce. A high level of expertise is a prerequisite for the ability to develop new solutions. Space Norway is growing, with the ASBM programme representing a significant growth boost. Continuous streamlining of the organization is a priority, and gradually increasing efficiency is expected as the group continues to grow. Access to equity and debt for financing new programs will be of key importance in achieving the group's strategic goals.

## Contributing to the Development of Norwegian Technology and Space Industry

The national space review emphasizes the strategic importance of space and satellite-based services for Norwegian society at large, for future value creation, as well as for military purposes. Priorities are to secure Norwegian foreign, security, and defense policy interests in space. Space Norway is responsible for contributing to the fulfillment of the objectives of the national Space Strategy, such as ensuring

adequate security of important space infrastructure, delivering solutions that meet societal and user needs, and contracting qualified Norwegian subcontractors to promote growth for the national space industry. Through the ASBM and MicroSAR programs, orders for over NOK 705 million have been made with Norwegian technology companies. Furthermore, these programs attract highly skilled employees who constantly develop their competence. The programs contribute to national self-sufficiency and provide strategic capabilities under Norwegian control. In the ASBM program, Space Norway has entered into a significant agreement with KSAT for establishing and operating the ground segment of the program. This alone creates 13 new jobs in Tromsø.



↑ Photo: Getty Images

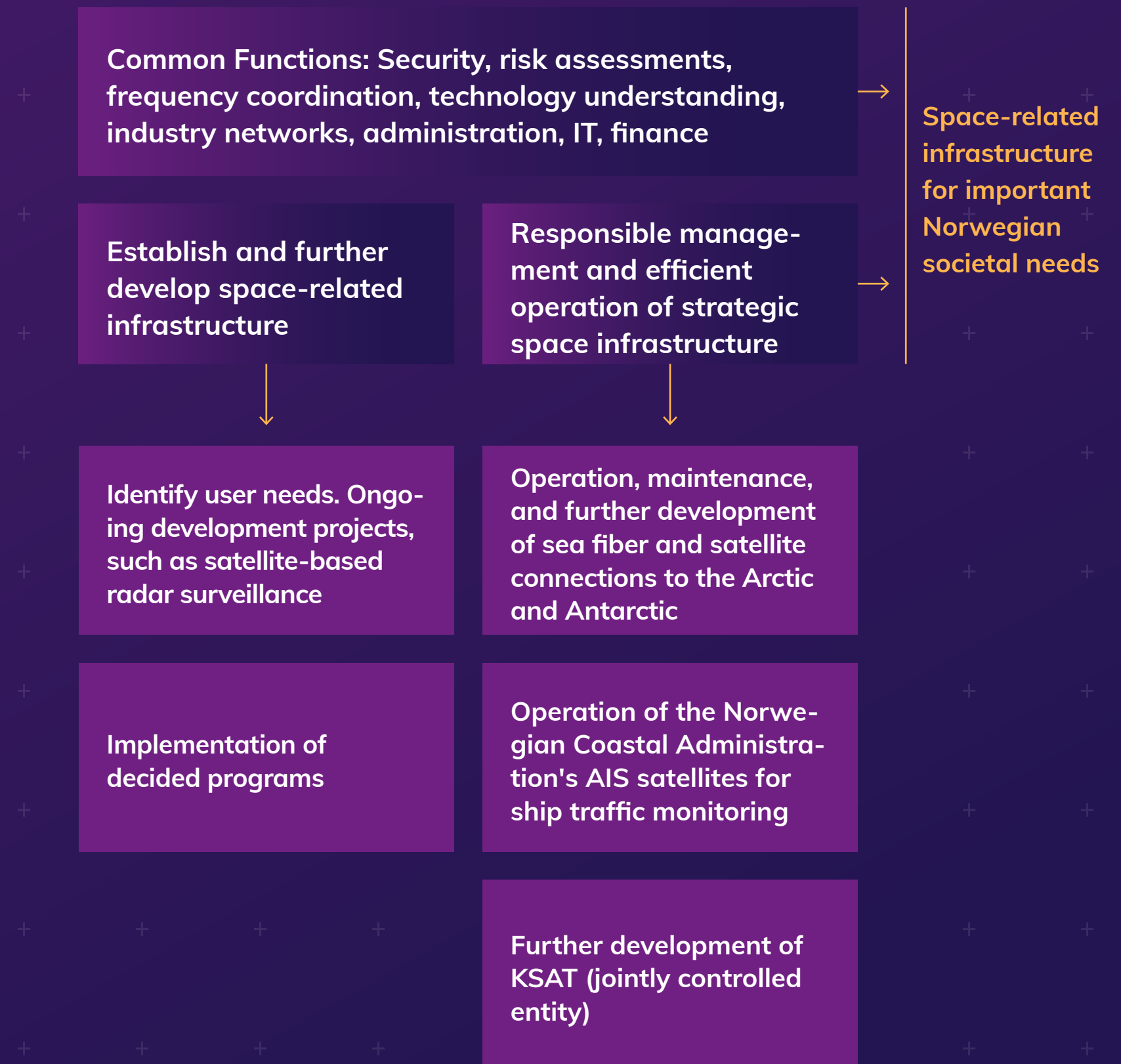


# Business Areas

The activity level of Space Norway has increased significantly in recent years, in line with the realization of several important space programs and projects. Activities and resource utilization at the overarching level are divided into two main categories:

1. Establishment and further development of new infrastructure, and
2. Responsible management and operation of space-related infrastructure.

The group's main activities at the end of 2023 are illustrated in the figure to the right.



# Board and Management

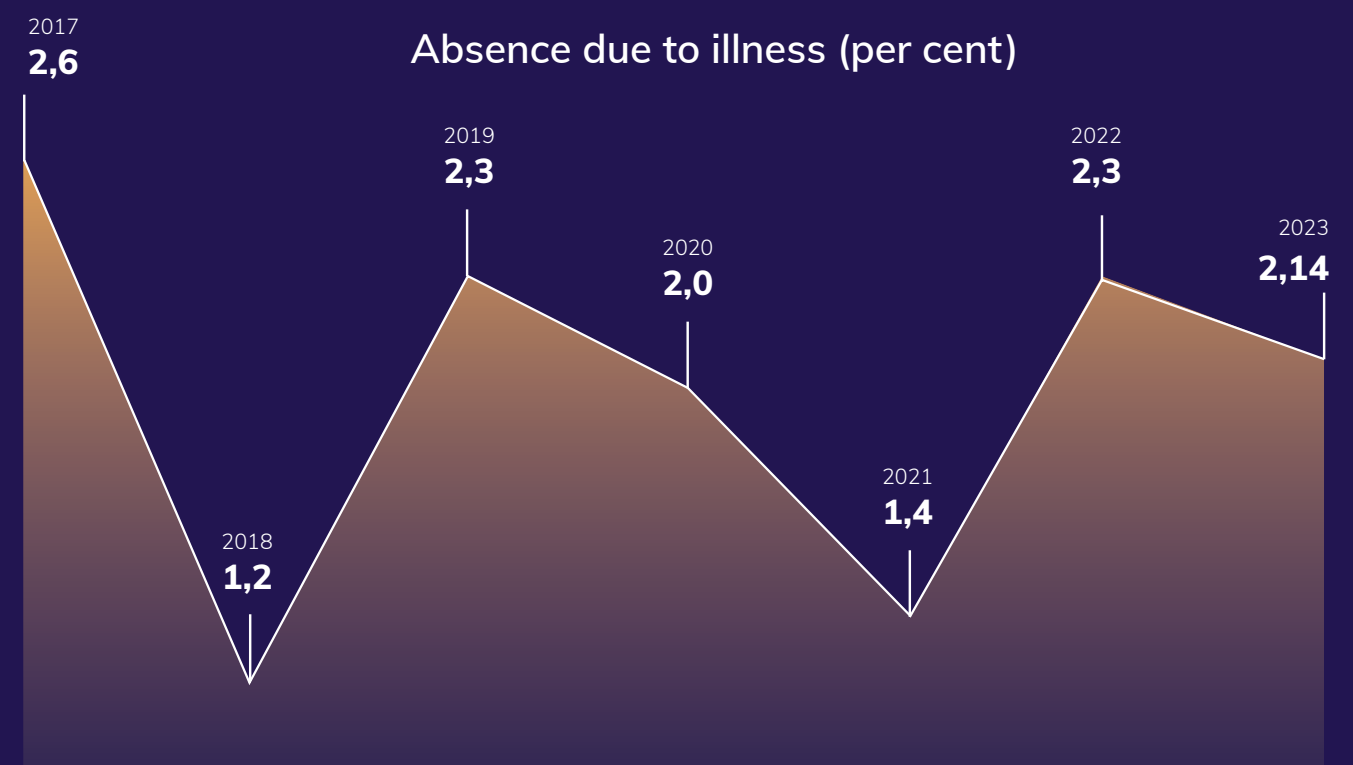
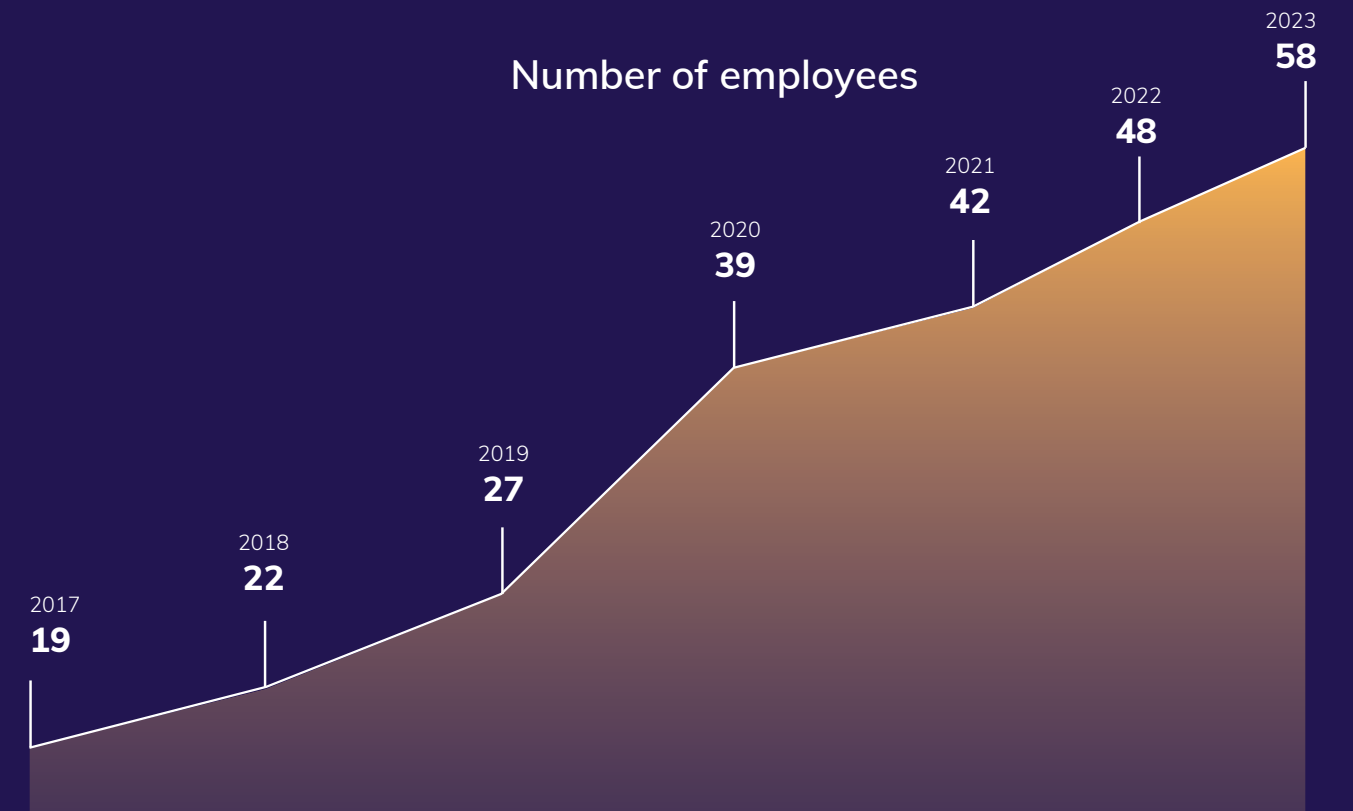
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## Organization

Space Norway is in a phase characterized by growth and development of the organization. The decision in 2019 to implement the ASBM program was an important milestone and involves growth and change of the organization. Resource needs related to project management, technical expertise, security, establishment of an operational organization, financing, and reporting, as well as administrative functions, are increasing significantly. Effective and secure operation of infrastructure within the space industry requires industry experience and specialized expertise in a niche area. Space Norway places great emphasis on developing a positive and evolving organization as a basis for attracting and retaining skilled resources.

Space Norway considers it important to increase the proportion of women in the company and the industry in general. The company has a policy to strive for gender balance when recruiting new employees where the competence of the applicants is equal. Space Norway, together with its wholly-owned subsidiaries, had a total of 58 employees at the end of 2023. In the jointly controlled entity KSAT, there was an average of 357 employees in 2023. Absence due to illness was low in 2023, with 2.14 per cent in Space Norway with wholly-owned subsidiaries. The absenteeism rate in KSAT was a total of 2.6 per cent in 2023, of which short-term absenteeism was 2 per cent and long-term absenteeism was 0.6 per cent.



Figures for Space Norway including wholly-owned subsidiaries.







# Space Norway's management

In 2023, Space Norway appointed a new CEO, Dag H. Stølan. At the same time, organizational changes were implemented to reflect the company's new strategy



**Dag H. Stølan**  
CEO, Space Norway AS



**Gro Undrum**  
CFO and Director of  
Administrator



**Marte Skogvoll Kalveland**  
Group Director Earth Observation  
and Maritime Safety



**Rune Jensen**  
Group Director Sub Sea  
Cables



**Kjell-Ove Orderud Skare**  
Program Director, Space  
Norway Heosat AS



**Hans Christian Guren**  
Group Director Innovation  
and Development



**Torstein Losnedahl**  
Head of Legal



**Ivar Spydevold**  
CEO, Statsat AS

# Board of Directors



Svein Olav

Munkeby

Chairman of the Board

b. 1967

Master of Management (NTNU) /

Global Management (INSEAD)

**Munkeby** has extensive experience in the IT, telecom, and energy industries. Over the last 25 years, he has held various leadership positions at NTE, Statkraft, Telenor, Bravida, and Glen Dimplex Group. Currently, Munkeby is the Group Director at NTE and the CEO of NTE Marked. Additionally, he is the Chairman of the Board at the K-Lund Group and holds board positions at NTE Telekom, NTE Elektro, Hark Technologies, Sensortech, and the Renewable Energy Cluster. Munkeby has previously been a board member and head of the innovation committee at the Research Centre for Zero Emission Neighbourhoods in Smart Cities (ZEN) and at the seed fund Proventure. Munkeby holds a Master of Management degree from NTNU with a specialization in strategy, business development, and innovation management. He also has executive education from INSEAD. In addition, Munkeby has an engineering education and an economics education from NTNU.



Tore Olaf

Rimmereid

Member of the Board

b. 1962

Certified Financial Analyst and Economist

Norwegian School of Economics

**Rimmereid** is currently the Project Director at Hafslund Eco. He has previously been the CEO of E-CO Energi, Deputy CEO of Hafslund E-CO, and the Administration and Finance Director at NRK. He has also held senior positions in banking and finance, including CFO at the SpareBank1 Group and Bank Manager at Kreditkassen (now part of Nordea). Rimmereid was a member/ deputy chairman of the board at DNB from 2007 to 2020. He currently holds several other board positions.

Photo: Nina Holtan | [ninaholtan.no](https://ninaholtan.no)



# Board of Directors



**Ann-Kari  
Heier**

Member of the Board  
b. 1966

Certified Engineer NTNU, Technical Cybernetics

**Heier** is the Executive Vice President at Arendals Fossekompagni ASA. She has more than 30 years of experience in the industry and from international research institutions such as CERN and ESA. She has practical experience in development work and leading technically and commercially demanding projects. Over the last 15 years, Ann-Kari has held various top leadership roles in the supplier industry for the maritime and offshore sectors. Heier is also a board member of NHO Agder and Maritimt Forum Sør.



**Siri  
Løvlund**

Member of the Board  
b. 1978

Certified Engineer NTNU, Electronics and Telecommunication

**Løvlund** works as the CEO of Nordix Data AS, a wholly-owned subsidiary of Telenor Norge AS. She has more than 15 years of experience in the satellite and telecom industries. Løvlund has extensive experience with Telenor and has worked on large international projects across the Telenor group, both in technology and innovation. She also served as COO at Norsk Helsenett before returning to the Telenor system as CEO of Nordix Data AS. Løvlund has previously been a board member of Telenor Svalbard AS.

Photo: Nina Holtan | ninaholtan.no

# Board of Directors



**Morten Haga  
Lunde**

Member of the Board  
b. 1960

**Lieutenant General (Ret.)**

**Haga Lunde** has been affiliated with the Norwegian Shipowners' Association/Emergency Preparedness Department as a Special Advisor since August 2021. From January 2016 to November 2020, Lunde was Head of the Norwegian Intelligence Service. He was also Head of the Norwegian Joint Headquarters in Bodø from 2013 to 2016. Lunde has 41 years of service in the Royal Norwegian Air Force and various joint staffs in the Armed Forces. This includes serving as the Head of Department of Operations and Emergency Preparedness in the Ministry of Defence / Defence Staff. Lunde's flight operational background includes the P-3 Orion surveillance aircraft, C-130 Hercules, and Sea King rescue helicopter.



**Per Atle  
Våland**

Member of the Board  
representing the employees  
b. 1964

**Certified Engineer**

**Våland** is a specialist in radar and electronic warfare and has contributed to the development of numerous radar systems. Våland has extensive experience with complex projects both nationally and internationally. For over 30 years, he has held leadership roles in technical development and business development and has also served as a managing director. Våland is currently the technical manager for the MicroSAR program. Våland holds a Master of Engineering degree from the Norwegian Institute of Technology (now NTNU).

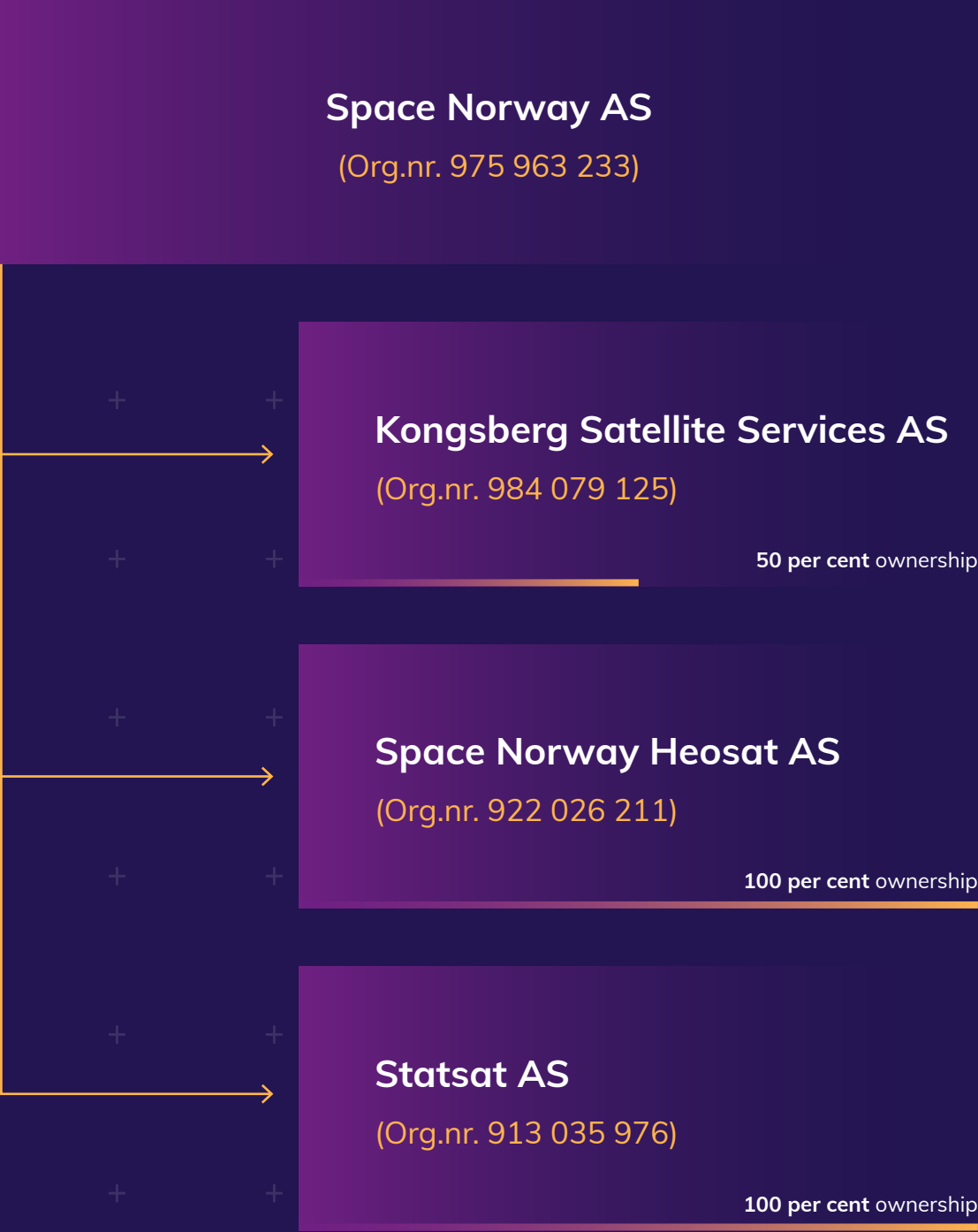
Photo: Nina Holtan | [ninaholtan.no](http://ninaholtan.no)





# Board of Directors’ Report for 2023

The Group consists of the parent company Space Norway AS and the wholly owned subsidiaries Statsat AS and Space Norway HEOSAT AS (HEOSAT). In addition, there is a 50 per cent ownership interest in the joint venture Kongsberg Satellite Services AS (KSAT). KSAT is consolidated into the Group based on the gross method.





The parent company, Space Norway AS, is 100 per cent owned by the Norwegian Ministry of Trade, Industry and Fisheries. The company is a sectoral policy company, the objective of which is to develop and operate space-related infrastructure to meet national user needs and contribute to value creation based on space activities in Norway. The company identifies and develops new opportunities and projects with a long-term horizon, and cooperates with other national communications and space actors. The High North is the key geographical focus area. The company does not receive funding from the Norwegian National Budget, and is to be run on a commercial basis.

### Business areas and market

Space Norway AS owns and is responsible for the fibre-optic connection between mainland Norway and Svalbard. In addition to transmitting satellite data to customers worldwide, the fibre-optic system is the main connection between Svalbard and the outside world. The Svalbard fibre-optic connection became operational in January 2004. The fibre-optic connection has triggered important space-related economic development and benefitted the Svalbard community.

Space Norway has also implemented measures in 2023 to reduce the vulnerability of the Svalbard fibre-optic connection. The company has maintained close contact with relevant Norwegian authorities. Income is based on wholesale sales of transmission capacity. The fibre-optic connection has fixed, long-term customers.

Following the severing of Segment 1 west of Svalbard on 7 January 2022, a temporary repair was carried out by establishing a power source in Longyearbyen. Final repairs were completed in June 2023.

In 2011, Space Norway entered into an agreement with Telenor Satellite Broadcasting to lease capacity on one of the transponders on the Thor 7 satellite. The transponder and an antenna were designed at the company's initiative to address the need for cost-effective data transmission from the Troll research station in Antarctica to Norway. The satellite was launched in 2015 and has a lifetime of about 15 years. The capacity is further leased to KSAT.

The subsidiary Statsat AS is responsible for the operation and development of small satellites for government purposes. The activities are primarily related to operation and renewal of the Norwegian Coastal Administration's AIS satellites. Assignments are reviewed annually. There are plans for maintenance and further operation in accordance with contracts with clients.

The subsidiary HEOSAT was registered in 2019 and is a project company for the establishment of broadband in the Arctic with two satellites in Highly Elliptical Orbit (HEO) with an accompanying ground segment. The capacity has been pre-sold in its entirety to the Norwegian Armed Forces, the U.S. Space Force and Inmarsat.

The programme is fully funded through a combination of advances, bank loans and equity. The satellites are under construction at Northrop Grumman in the U.S. and are expected to launch in the summer of 2024. In the period leading up to launch, costs related to development and construction of the satellites will continue to be incurred. The order backlog for HEOSAT is USD 624 million. Annual estimated revenue when the satellites are operative is USD 41.7 million.

KSAT is a joint venture owned 50/50 by Space Norway AS and Kongsberg Defence & Aerospace AS. KSAT is the world’s largest provider of services for satellite control and data reception in polar orbits. At year-end 2023, KSAT was operating approximately 350 antennas and conducted approximately 1,000,000 satellite contacts throughout the year. KSAT provides services to, among others, Galileo and Copernicus, which are important ESA/EU-funded programmes.

KSAT has delivered good growth and results over a long period of time. The turnover in 2023 was NOK 1,900 million (2022: 1,471 million). In 2023, 87 per cent of turnover derived from customers outside Norway. The order inflow in 2023 was NOK 3,282 million. Operating income before depreciation, and amortisation (EBITDA) was NOK 623 million (2022: NOK 561 million). A good and unique infrastructure (pole-to-pole, with stations both in Svalbard and at the Troll research station in Antarctica), a growing need for satellite services and an efficient organisation are among the reasons for this positive development.

Goals and performance indicators

In line with the Group’s strategy, we have established performance parameters to better follow up important parameters for operations and development:

Efficient operation			
Long-term goal	Indicators	Target 2023	Result 2023
Correct level of cost development	Operating costs (excl. depreciation) as a percentage of the book value of operating assets	Lower than the previous year	4.3 % in 2023 compared to 6.87 % in 2022

Sector Policy Achievement			
Long-term goal	Indicators	Target 2023	Result 2023
Developing tomorrow’s space systems	Growth in order backlog	Better than 5%	30 %
Maritime surveillance, security, and preparedness	Uptime – AIS satellites	>98 %	96,40 %
Secure communication to Svalbard	Uptime – Svalbard	>99,995 %	100 %
Contribute to value development in KSAT	Profitable growth	>6 %	8,70 %
Strong security focus and national control	Space systems meet all relevant security requirements	100 %	No deviations

The Board of Directors is pleased with the results of the performance indicators for 2023.



## Result and financial position

The Group's turnover in 2023 was NOK 1,045 million. This represents an increase compared with NOK 886 million in 2022. The growth is mainly due to a good development in KSAT. The Group's operating profit (EBITDA) was NOK -200 million, compared with NOK 234 million the previous year.

Net income and expenses from financial items represent NOK -1.3 million on a Group basis, compared with NOK -32.9 million in 2022. The change compared with 2022 is largely due to currency fluctuations. Advances are denominated in US dollars (USD) to match investments in US dollars, but as the accounts are settled in Norwegian kroner, currency fluctuations will affect the Group's net financial items.

Profit/loss before tax was a loss of NOK 201 million in 2023, down from a profit of NOK 98.2 million in 2022. This is due to the impairment of fixed assets amounting to NOK 307 million in the subsidiary HEOSAT. The impairment is primarily due to delay costs, increased insurance premiums, and higher inflation. Tax has been expensed at NOK 39 million. The Group's profit/loss after tax was a loss of NOK 240 million, down from NOK 65.5 million in 2022.

At year-end 2023, total assets in the Group amounted to NOK 7,694 million, an increase from NOK 4,839 million at the end of 2022. The main reason for the increase is funds for the acquisition of Telenor Satellite (paid-in equity). At the same time, we have written down assets by NOK 307 million in the subsidiary HEOSAT related to the construction of the company's two satellites. Assets under construction are recorded at NOK 2.8 billion at the end of 2023, which is at the same level as in 2022. The KSAT joint venture represents NOK 1,364 million of the consolidated balance sheet at year-end 2023.

The Group's current assets represented NOK 3,769 million at year-end 2023, an increase from NOK 1,122 million in 2022. NOK 2,360 million of this amount is tied up for the purchase of the shares in Telenor Satellite.

Total equity at year-end 2023 was NOK 3,999 million. This represents an increase from NOK 1,376 million at year-end 2022. The equity ratio at year-end 2023 was 52 per cent, up from 28.4 per cent in 2022. The Group's debts as per 31 December 2023 were NOK 3,698 million, NOK 2,894 million of which is linked to the subsidiary HEOSAT. Long-term debt in HEOSAT at year-end 2023 consists of bank loans (NOK 468 million) and advances from customers (NOK 2,426 million).

Net cash flow from operating activities was NOK 173 million in 2023 compared with NOK 76 million in 2022. Cash flow from investment activities was NOK 475 billion in 2023 compared with NOK 612 billion in 2022. The main reason for the reduction is lower payments related to the construction of satellites in the subsidiary HEOSAT. Cash flow from financing activities was NOK 3,065 billion in 2023. The net change in the Group's cash position was an increase of NOK 2,764 million in 2023, and cash and cash equivalents totalled NOK 3,421 million at year-end 2023.

The ASBM investment programme in the subsidiary HEOSAT will represent substantial cash expenditures also in 2024. There is no basis for dividends from the parent company during this investment phase. A large part of the Group's liquid assets is tied up in payment of committed contracts in HEOSAT and the acquisition of Telenor Satellite.

The Board of Directors considers the liquidity to be satisfactory.

## Space Norway AS is the parent company of the Group

The parent company's profit/loss after tax for 2023 was a loss of NOK 389 million after the write-down of shares amounting to NOK 350 million in the subsidiary HEOSAT. The year's loss is offset against equity. After the allocation, the total equity for the parent company will amount to NOK 3,134 million, corresponding to an equity ratio of 85 per cent. In accordance with Section 3-3 of the Norwegian Accounting Act, it is confirmed that the financial statements have been prepared under the going concern assumption.

The Board of Directors finds the results to be satisfactory. The Board of Directors is of the opinion that the annual accounts provide a true picture of the company's and the Group's assets and liabilities, financial position and profits at the end of the year.

## Tax policy

The company and its wholly owned subsidiaries conduct all their operations in Norway and operate in accordance with Norwegian tax legislation and rules. In connection with the implementation of the ASBM programme, Space Norway HEOSAT AS will have limited activity in the USA.

KSAT has activities in multiple locations around the world. The main activity is subject to Norwegian tax legislation, while activities in other parts of the world adhere to local tax legislation.

## Innovation and development

An important part of the Group's mandate is the further development of security-critical space-related infrastructure. Continuous efforts are made

to identify, assess, and develop new projects that are relevant to Norwegian user needs.

We work closely with the European Space Agency (ESA) and Norwegian technology companies on the development and testing of satellite-based solutions for ocean surveillance, maritime safety and emergency preparedness. These activities contribute to further building expertise both within the company and with our business partners.

Application Development In Space (ADIS) is primarily a strategic instrument for R&D and application and business development. The ADIS Project commenced in 2023 and is based on a concept developed by Space Norway. The system will constitute a unique capability under national control. It will also contribute to strategic positioning in relation to the most important national user environments. The project is important in order to further develop the relations we have with key Norwegian government stakeholders. The ADIS Project strongly supports several focus areas in Space Norway's strategy.

Through ADIS, Space Norway will realise strategic infrastructure for research, innovation and development in space. The infrastructure will be available for in-house development projects and to others who require access to satellite infrastructure for their projects.

## Employees

In line with the Board of Directors' plans, Space Norway AS has in 2023 continued the development of the organisation and management group



and obtained additional expertise to safeguard existing commitments and develop new space-related infrastructure projects.

At year-end 2023, Space Norway AS, including wholly owned subsidiaries, had 58 employees. KSAT had an average of 357 employees in 2023. The proportion of women in KSAT was 26 per cent; 19 per cent in the rest of the Group. The Group's management team consists of four men and two women. The rate of absence due to illness in 2023 was 2.6 per cent for KSAT and 2.14 per cent for the remaining companies.

Other staff resources are contracted on a consultancy basis. Salary levels at Space Norway AS are not market leading, but are competitive. The company seeks to meet the requirement for gender equality for new recruitments.

## Risk management and internal control

The Group prioritises controlling risk in activities and projects, and no new projects or activities are implemented without the risk being assessed and, in particular, the financial consequences being reviewed. Internal controls have been established in all routines and processes where the division of labour and clear responsibilities and authority are key.

The basis for good and systematic risk management is a sound assessment and understanding of the risk factors affecting the Group. The Board of Directors and management therefore prioritise an updated and comprehensive overview of relevant risk factors.

Some of the most important risk factors for the Group and the industry are discussed below.

### Market risk

The market for the services provided by the Group is characterised by long and relatively predictable contracts. All capacity on the ASBM programme has been pre-sold to reliable customers. At year-end 2022, the order backlog in the subsidiary HEOSAT represented USD 624 million. The ASBM programme is expected to be operational from early 2024. At year-end 2022, the joint venture KSAT, had a satisfactory order backlog.

### Risk of operational disruptions

The Group has delivery obligations to its customers, and any operational disruptions can lead to losses and additional costs related to repairs. For the fibre-optic connection to Svalbard, the Group has a commitment to restore the connection in case of any failure. In this connection, a guarantee consortium has been established with key users. This guarantee consortium regulates the customers' financial contributions related to any repairs in the event of disruptions. In 2023, an emergency agreement was entered into with Alcatel/APMA.

The ASBM programme is scheduled to become operational from early 2024. There are risks associated with aspects including launch, performance, or project delays. Insurance has been taken out to cover the launch and the first year in orbit.

## Project risk

The Group emphasises assessing and controlling risk in its implemented activities and projects. The ASBM programme is the Group's largest project and represents risks related to financial, technical and operational matters, in addition to progress. Regular financial, technical and legal audits are carried out under the auspices of the Norwegian Ministry of Trade, Industry and Fisheries, using external advisors. As at the turn of the year 2022/2023, there was a 18-month delay in the ASBM programme, in part due to residual effects of the COVID-19 pandemic.

## IT security, data breaches and sabotage

Threats to IT systems are a growing challenge for both businesses and the public sector. The operational capability of the Group is highly dependent on the uninterrupted operation of various IT systems. Any disruptions resulting from accidents, errors, sabotage, or deliberate hacking of systems can lead to operational interruptions, loss of information, reputation damage, and significant adverse financial consequences. The Group's activities within technology and critical infrastructure security necessitate particular attentiveness to this area. Our IT supplier, Intility, along with our security consultants from Mnemonic, place a strong emphasis on security, and security checks are carried out regularly.

## Anti-corruption and whistleblowing

The Group has zero tolerance for corruption and has established rules and guidelines for ethics and anti-corruption. The rules are reviewed with employees at least twice a year, and a separate whistleblowing procedure has been established. However, such routines and practices are not a guarantee that individuals in the Group will at all times follow

the requirements and guidelines incumbent on the Group. If individuals violate laws, ethical requirements and other rules, this may lead, however, to losses and liability for the Group.

## Currency risk

The business is exposed to fluctuations in exchange rates, primarily the exchange rates of the Norwegian krone to the U.S. dollar (USD) and the euro (EUR). The Group's policy is to currency hedge significant contracts. Revenue and costs or investments in the ASBM programme are mainly based in USD. The exception is the contracts for the construction and operation of the ground segment in Norway, which are in NOK. Investments in USD are currency hedged during the construction period. Currency hedging has not yet been established for the operating phase. Advance payments received from customers in the ASBM programme are in USD. Our accounts are prepared in NOK, and the exchange rate between NOK/USD will have an accounting currency effect. ESA projects (EUR) and future operating income related to the ASBM programme (USD) are not currency hedged. The joint venture KSAT receives a large part of its revenue in USD and EUR and is therefore exposed to currency risk. KSAT safeguards its contractual income streams through futures contracts.

## Interest rate risk

With the exception of the subsidiary HEOSAT, the Group has little interest-bearing debt. The subsidiary HEOSAT has established a loan facility of up to USD 100 million. This is withdrawn in line with investments in the programme. At year-end 2023, the loan facility had been drawn upon in part and according to plan. Of this facility, 75 per cent is secured at a fixed interest rate and 25 per cent at a variable interest rate.



The company also has a short-term credit facility of USD 10 million.

The joint venture KSAT has a net positive cash position.

### Liquidity risk

Space Norway is the parent company of the Group. A significant part of the Group's profits and cash flow are created in subsidiaries and joint ventures. The parent company's liquidity supply is therefore based on income in the parent company as well as group contributions or dividends from subsidiaries and joint ventures in the Group. In 2019, the Norwegian Government decided to provide up to USD 101 million in paid-in equity in connection with the ASBM programme. The capital has been provided in full over the course of 2023. The ASBM programme is fully funded by a combination of equity, bank loans and advance payments from customers.

### Credit risk

The Group's customers represent a mixture of public and large private business groups. Historically, losses on receivables have been low.

### Resource risk

The Group possesses a high level of expertise, but resources are scarce. This means that Space Norway is at all times dependent on utilising resources across the organisation where they are needed the most. Employees have experienced a prolonged heavy workload. In case of illness or key personnel leaving the Group, vulnerabilities arise. To some extent, this is compensated for by hiring external resources.

## Health, safety and environment

Space Norway shall be an attractive workplace with a diverse and inclusive working environment characterised by honesty, respect, courage, openness and interaction. The company wishes to strengthen diversity, including by recruiting more women to achieve a better gender balance.

The Group is located in modern and functional premises in Skøyen, Oslo and a good working environment has been established. There have been no injuries or accidents.

The Group's activities have a limited impact on the external environment. We are working to keep this level of impact low.

We will be launching two ASBM satellites. In this context, a comprehensive analysis was carried out in the autumn of 2021 regarding end-of-life handling. The two ASBM satellites will be launched in the summer of 2024 and have an expected lifetime of 15 years. Following the end of their lifetime, there is reserve fuel for a final manoeuvre to place the satellites in what is known as a graveyard orbit. The satellites will remain there for at least 100 years. The previous plan of placing the satellites in a lower orbit, where they would re-enter the atmosphere after a few years to burn up, carries a significant risk of uncontrolled debris falling to Earth.

We have selected SpaceX for the launch of the satellites. SpaceX uses rockets that can be reused, thereby benefitting the environment in the form of lower emissions.

Our development of VDES services, in particular, but also other in-house satellite-based services under development, will contribute to more efficient search and rescue processes, as well as provide more efficient routing and navigation for ships.

The company has established guidelines and routines to prevent corruption and other ethically adverse events. In 2023, the company did not have any cases or warnings related to corruption or other ethically censurable matters.

The Group had no accidents in 2023.

The rate of absence due to illness in 2023 was 2.14 per cent. In 2023, four meetings of the Working Environment Committee were held. The Committee is required to meet at least twice a year.

Meetings are held regularly between management and the employees' trade union (Tekna). The management is supportive of the employees' trade union membership.

## Shareholder relations

The share capital consists of 2,600,000 shares, each with a nominal value of NOK 38. All shares are owned by the Norwegian Ministry of Trade, Industry and Fisheries. The company's Articles of Association were most recently updated in December 2023.

## The Board of Directors

At year-end, the Board of Directors consists of six members. There is one alternate member as the employee representative. 12 board meetings have been held. The Board of Directors' work is based on adopted board instructions. The most significant matters decided by the Board include the company's strategy, goal and performance management, budget and accounting with subsequent budget control, significant investment matters, and development projects, as well as authorisations for the administration. Other matters reviewed by the Board primarily include status reports on significant areas as well as risk assessments.

The Board of Directors adheres to the Norwegian Code of Practice for Corporate Governance. Board members are elected for two-year terms.

In 2023, work has particularly been carried out on the strategic development and assessment of the purchase of Telenor Satellite. Similarly, work has been carried out on topics pertaining to sustainability and assessments based on the Norwegian Transparency Act. Further information can be found on the company's website: [www.spacenorway.no](http://www.spacenorway.no). The website also contains the company's statement on equality and guidelines for executive pay.

Instructions have been issued for the Board of Directors and the CEO's instructions were updated in June 2023 with an emphasis on a clear division of responsibilities and tasks. The Board evaluates its work and expertise annually.



Liability insurance has been taken out in the Group with a nominal value of NOK 50 million, applicable to the board members and the management team in each of the three companies (Space Norway and the two wholly owned subsidiaries). The insurance is valid worldwide.

Financial prospects

Based on the above comments, the company’s and Group’s market, credit, and financial risks are regarded as moderate.

The Board of Directors believes that the company and Group are well positioned for the future. 2023 was a weak financial year for the company and the Group due to the write-down of non-current assets. A somewhat better year is expected in 2024.

Events occurring after the balance sheet date

The company has entered into an agreement to acquire all shares in Telenor Satellite AS for NOK 2,360,000,000 effective from 4 January 2024. The parent company’s equity was strengthened by the same amount at the General Meeting on 22 December 2023.

List of Signatures Page 1/1

4.1 SPN-S(24)20 hovedvedlegg Mor og konsern regnskap 2023.pdf

Name	Method	Signed at
Stølan, Dag Hugo	BANKID	2024-05-31 14:08 GMT+02
Løvlund, Siri	BANKID	2024-05-31 14:07 GMT+02
Våland, Per Atle	BANKID	2024-05-31 12:40 GMT+02
Lunde, Morten Haga	BANKID	2024-05-31 12:37 GMT+02
Rimmereid, Tore Olaf	BANKID	2024-05-31 12:25 GMT+02
Heier, Ann-Kari Amundsen	BANKID	2024-06-01 14:57 GMT+02
Munkeby, Svein Olav	BANKID	2024-05-31 14:46 GMT+02



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External reference: 76BF6D6BA4A04316BA1797C0712B28AA

Confidential, Undrum, Gro, 07.06.2024 08:50:51

# Group and company accounts including financial notes

The group consists of the parent company Space Norway AS and the wholly owned subsidiaries Statsat AS and Space Norway HEOSAT AS (HEOSAT), as well as a 50 per cent ownership of Kongsberg Satellite Services AS (KSAT). KSAT is consolidated into the group based on the gross method.



↑ Dag H. Stølan (right) next to the then Minister of Trade and Industry, Jan Christian Vestre, during the announcement of the Telenor Satellite acquisition



Income statement

Space Norway AS			
Operating income and operating expenses	Note	2023	2022
Sales revenue	1,2,3	82 713 833	85 588 651
Other operating income	1,2	44 815 092	33 716 651
<b>Total operating income</b>		<b>127 528 925</b>	<b>119 305 302</b>
Cost of goods		18 938 364	17 040 453
Salaries and payroll costs	4	55 354 984	43 617 148
Depreciation	7	14 069 277	13 374 902
Write-down of fixed assets		0	0
Other operating expenses	4, 10	104 833 514	94 771 849
<b>Total operating expenses</b>		<b>193 196 139</b>	<b>168 804 351</b>
<b>Operating profit/loss</b>		<b>-65 667 214</b>	<b>-49 499 049</b>
<b>Financial income and financial expenses</b>			
Income from investments in shares in other companies	8	20 000 000	65 000 000
Income from subsidiaries		0	0
Other interest income		25 629 227	1 103 213
Other financial income	5	0	6 301 216
Other interest expenses	5,12	5 994 771	6 838 023
Write-down of financial assets	8	350 000 000	0
Other financial expenses	5,12	12 777 794	9 611 726
Net financial items		<b>-323 143 338</b>	<b>55 954 681</b>
<b>Ordinary result before tax expenses</b>		<b>-388 810 553</b>	<b>6 455 632</b>
Tax expenses on ordinary result	6	0	0
<b>Ordinary result</b>		<b>-388 810 553</b>	<b>6 455 632</b>
<b>Transfers</b>			
Transferred from/to other equity	11	-388 810 553	6 455 632
<b>Total transfers</b>		<b>-388 810 553</b>	<b>6 455 632</b>

Space Norway Group			
Operating income and operating expenses	Note	2023	2022
Sales revenue	1,2,3	1 038 605 258	818 552 176
Other operating income	1,2	7 132 824	67 347 755
<b>Total operating income</b>		<b>1 045 738 082</b>	<b>885 899 931</b>
Cost of goods		261 766 065	196 294 575
Salaries and payroll costs	4	278 823 158	235 231 374
Depreciation	7	118 338 650	102 859 424
Write-down of fixed assets		307 000 000	0
Other operating expenses	4, 10	279 391 810	220 456 068
<b>Total operating expenses</b>		<b>1 245 319 683</b>	<b>754 841 441</b>
<b>Operating profit/loss</b>		<b>-199 581 600</b>	<b>131 058 490</b>
<b>Financial income and financial expenses</b>			
Income from investments in shares in other companies	8	0	0
Income from subsidiaries		0	0
Other interest income		56 415 221	6 516 569
Other financial income	5	14 249 000	24 481 216
Other interest expenses	5,12	48 667 994	32 822 831
Write-down of financial assets	8	0	0
Other financial expenses	5,12	23 250 300	31 029 001
Net financial items		<b>-1 254 073</b>	<b>-32 854 047</b>
<b>Ordinary result before tax expenses</b>		<b>-200 835 673</b>	<b>98 204 443</b>
Tax expenses on ordinary result	6	38 671 000	32 662 007
<b>Ordinary result</b>		<b>-239 506 673</b>	<b>65 542 436</b>
<b>Transfers</b>			
Transferred from/to other equity	11	-239 506 673	65 542 436
<b>Total transfers</b>		<b>-239 506 673</b>	<b>65 542 436</b>

Balance sheet

Space Norway AS			
Assets	Note	12/31/2023	12/31/2022
<b>Non-current assets</b>			
<i>Intangible assets</i>			
Deferred tax assets	6	0	0
Total intangible assets		0	0
<b>Fixed assets</b>			
Movable property, fixtures and other equipment	7	324 013	140 382
Land, buildings and other real estate	7	2 155 052	2 794 728
Machinery and plants	7	74 549 564	73 685 980
Assets under construction	7	217 525 673	60 872 765
Total fixed assets		294 554 301	137 493 854
<b>Financial non-current assets</b>			
Shares in other companies	8	526 053 356	476 203 824
Deposits	14	0	22 421 368
Other long-term receivables	13	23 291 000	0
Total financial non-assets		549 344 356	498 625 192
Total non-current assets		843 898 657	636 119 046
<b>Current assets</b>			
<i>Receivables</i>			
Accounts receivable		16 368 491	10 281 795
Other short-term receivables		69 339 203	164 919 682
Total receivables		85 707 694	175 201 477
<b>Investments</b>			
Bank deposits, cash, etc.	9	2 742 486 349	154 039 216
Total current assets		2 828 194 043	329 240 693
Total assets		3 672 092 700	965 359 739

Space Norway Group			
Assets	Note	12/31/2023	12/31/2022
<b>Non-current assets</b>			
<i>Intangible assets</i>			
Deferred tax assets	6	26 403 184	20 560 684
Total intangible assets		34 021 684	20 560 684
<b>Fixed assets</b>			
Movable property, fixtures and other equipment	7	34 688 752	26 188 224
Land, buildings and other real estate	7	184 874 052	163 527 700
Machinery and plants	7	691 066 564	618 871 480
Assets under construction	7	2 839 022 857	2 795 633 906
Total fixed assets		3 749 652 224	3 604 221 310
<b>Financial non-current assets</b>			
Shares in other companies	8	400 000	400 000
Deposits	14	31 562 696	22 421 368
Other long-term receivables	13	112 268 328	68 976 362
Total financial non-assets		144 231 024	91 797 730
Total non-current assets		3 927 904 932	3 716 579 724
<b>Current assets</b>			
<i>Receivables</i>			
Accounts receivable		94 712 672	137 480 529
Other short-term receivables		253 445 395	327 695 263
Total receivables		348 158 067	465 175 792
<b>Investments</b>			
Bank deposits, cash, etc.	9	3 420 530 624	656 894 545
Total current assets		3 768 688 691	1 122 070 337
Total assets		7 696 593 623	4 838 650 060



## Balance sheet continues

Space Norway AS			
Equity and liabilities	Note	12/31/2023	12/31/2022
<b>Paid-in equity</b>			
Share capital		99 300 000	49 400 000
Premium	10	869 918 284	420 814 584
Adopted, not registered capital increase		2 360 000 000	0
<b>Total paid-in equity</b>		<b>3 329 218 284</b>	<b>470 214 584</b>
<b>Retained earnings</b>			
Other equity	10	–195 517 912	193 292 641
<b>Total retained earnings</b>		<b>–195 517 912</b>	<b>193 292 641</b>
<b>Total equity</b>	<b>10</b>	<b>3 133 700 372</b>	<b>663 507 225</b>
<b>Liabilities</b>			
Provisions for liabilities		4 000 000	4 000 000
<b>Other long-term liabilities</b>			
Liabilities to credit institutions	11	0	0
<b>Advances from customers</b>	<b>12</b>	<b>399 372 261</b>	<b>203 986 029</b>
<b>Total other long-term liabilities</b>		<b>403 372 261</b>	<b>207 986 029</b>
<b>Short-term liabilities</b>			
Liabilities to credit institutions			
Accounts payable	9	57 154 832	9 888 127
Public taxes and charges payable		4 456 329	1 083 004
Other short-term liabilities	9	21 531 124	19 882 303
Intra-Group liabilities	9	51 877 784	63 013 052
Tax payable		0	0
<b>Total short-term liabilities</b>		<b>135 020 069</b>	<b>93 866 487</b>
<b>Total liabilities</b>		<b>538 392 330</b>	<b>301 852 516</b>
<b>Total equity and liabilities</b>		<b>3 672 092 700</b>	<b>965 359 739</b>
Guarantee provisions	13	61 020 000	50 000 000

Space Norway Group			
Equity and liabilities	Note	12/31/2023	12/31/2022
<b>Paid-in equity</b>			
Share capital		99 300 000	49 400 000
Premium	10	869 918 284	420 814 584
Adopted, not registered capital increase		2 360 000 000	0
<b>Total paid-in equity</b>		<b>3 329 218 284</b>	<b>470 214 584</b>
<b>Retained earnings</b>			
Other equity	10	669 362 819	905 889 992
<b>Total retained earnings</b>		<b>669 362 819</b>	<b>905 889 992</b>
<b>Total equity</b>	<b>10</b>	<b>3 998 581 103</b>	<b>1 376 104 576</b>
<b>Liabilities</b>			
Provisions for liabilities		28 092 500	29 775 500
<b>Other long-term liabilities</b>			
Liabilities to credit institutions	11	535 430 400	520 935 800
<b>Advances from customers</b>	<b>12</b>	<b>2 713 248 492</b>	<b>2 533 766 352</b>
<b>Total other long-term liabilities</b>		<b>3 276 771 392</b>	<b>3 084 477 652</b>
<b>Short-term liabilities</b>			
Liabilities to credit institutions		15 996 000	0
Accounts payable	9	114 616 938	29 210 491
Public taxes and charges payable		10 165 059	15 575 656
Other short-term liabilities	9	240 641 132	296 874 187
Intra-Group liabilities	9	0	0
Tax payable		39 823 000	36 407 500
<b>Total short-term liabilities</b>		<b>421 242 129</b>	<b>378 067 834</b>
<b>Total liabilities</b>		<b>3 698 013 521</b>	<b>3 462 545 486</b>
<b>Total equity and liabilities</b>		<b>7 696 594 624</b>	<b>4 838 650 060</b>
Guarantee provisions	13	61 020 000	50 000 000

\*Comparative figures as of 31 December 2020 have been restated. See Note 14 for more information.

Cash Flow Analysis

Cash Flows from Operating Activities	Space Norway AS		Space Norway Group	
	2023	2022	2023	2022
Profit before tax	- 388 810 553	6 455 632	- 200 835 673	98 204 443
- Taxes paid during the period	-	-	- 36 407 500	- 29 072 888
+ Ordinary depreciation	14 069 277	13 374 902	118 338 650	102 859 424
+ Impairment of fixed assets	-	-	307 000 000	-
+/- Change in accounts receivable	- 6 086 696	4 700 977	42 767 857	- 73 121 946
+/- Change in accounts payable	23 759 769	- 389 085	61 899 514	- 8 438 208
+/- Effect of exchange rate changes	-	-	14 494 600	47 743 400
+/- Items classified as investment or financing activities	350 000 000	-	-	-
+/- Change in other accruals	11 132 562	- 23 045 113	- 133 684 026	- 62 018 057
<b>Net cash flow from operating activities</b>	<b>4 064 359</b>	<b>1 097 313</b>	<b>173 573 421</b>	<b>76 156 168</b>
<b>Cash Flows from Investing Activities:</b>				
Payments for the purchase of property, plant, and equipment	- 147 622 788	61 007 365	- 544 980 406	- 510 706 323
Payments for the purchase of intangible assets	-	-	- 7 928 500	-
Payments for capital contributions in subsidiaries	- 400 000 000	-	-	-
Proceeds from the sale of other investments	77 615 633	-	100 756 164	-
Payments for the purchase of other investments	-	- 100 756 164	- 23 140 532	- 101 131 164
<b>Net cash flow from investing activities</b>	<b>- 470 007 155</b>	<b>- 161 763 529</b>	<b>- 475 293 274</b>	<b>- 611 837 487</b>

Cash Flows from Financing Activities	Space Norway AS		Space Norway Group	
	2023	2022	2023	2022
Proceeds from new long-term debt	-	-	-	67 500 000
Payments for the repayment of long-term debt	-	-	- 5 000 000	-
Change in financial prepayments for projects	195 386 232	85 601 788	195 386 232	377 192 576
Proceeds from new short-term debt	-	-	15 966 000	-
Payments for the repayment of short-term debt	-	- 313 178 400	-	-
Proceeds from equity through capital contributions	2 859 003 700	-	2 859 003 700	-
<b>Net cash flow from financing activities</b>	<b>3 054 389 932</b>	<b>- 227 576 612</b>	<b>3 065 355 932</b>	<b>444 692 576</b>
Net Change in Cash and Cash Equivalents	2 588 447 136	- 388 242 828	2 763 636 080	- 90 988 743
<b>+ Cash and cash equivalents at the beginning of the period</b>	<b>154 039 216</b>	<b>542 282 045</b>	<b>656 894 545</b>	<b>747 883 286</b>
<b>= Cash and cash equivalents at the end of the period</b>	<b>2 742 486 349</b>	<b>154 039 216</b>	<b>3 420 530 624</b>	<b>656 894 545</b>



Board of Directors, Space Norway

Admincontrol

List of Signatures Page 1/1

4.1 SPN-S(24)20 hovedvedlegg Mor og konsern regnskap 2023.pdf

Name	Method	Signed at
Stølan, Dag Hugo	BANKID	2024-05-31 14:08 GMT+02
Løvlund, Siri	BANKID	2024-05-31 14:07 GMT+02
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Lunde, Morten Haga	BANKID	2024-05-31 12:37 GMT+02
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Space Norway

The illustration shows the resolution of images from MicroSAR.

Photo: Surrey Satellite Technology Ltd

## Note 1 Accounting principles

### Basis for consolidation

The Group consists of:

- Space Norway AS – parent company
- StatSat AS – 100 per cent owned subsidiary
- Space Norway Heosat AS – 100 per cent owned subsidiary
- KSAT – 50 per cent owned joint venture

The Group accounts have been prepared as if the Group were one economic entity. Intra-Group transactions and balances are eliminated. The Group accounts have been prepared in accordance with uniform principles in that the subsidiaries adhere to the same accounting principles as the parent company. Subsidiaries and joint venture are recognised according to the cost method in the financial statements of Space Norway AS. StatSat AS and Space Norway Heosat AS are consolidated in their entirety, while KSAT AS is recognised using the gross method in the Group accounts.

### Basic principles

The annual accounts and Group accounts comprise the income statement, balance sheet, cash flow statement and notes. The financial statements have been prepared in accordance with the Norwegian Accounting Act and Generally Accepted Accounting Principles in Norway applicable as at 31 December 2022.

The annual accounts and Group Accounts are based on the basic principles of historical cost, comparability, going concern assumption, congruence and the precautionary principle. Transactions are recognised at the value of the consideration at the time of the transaction. Income is recognised in the income statement when it is earned, and costs are compared with earned income. The accounting principles are elaborated on below. When actual figures are not available at the time of presentation of the financial statements, Generally Accepted Accounting Principles require the management to calculate the best possible estimate for use in the income statement and balance sheet. Discrepancies may occur between estimated and actual figures.

In accordance with the Generally Accepted Accounting Principles, there are some exceptions to the general valuation rules. These exceptions are remarked upon in the respective notes. By applying accounting policies and presenting transactions and other matters, emphasis is placed on economic realities rather than mere legal formalities. Probable and quantifiable contingent losses are recognised as an expense.

### Revenue Recognition Timing

Revenue is recognised when it is earned. Prepayments for services that may be delivered over several years are accrued over the period when the service is considered delivered. Expenses are matched with and expensed at the same time as the revenues to which the expenses can be attributed. Expenses that cannot be directly attributed to revenues are expensed as they are incurred. Received grants are recognised as income in the same period as the cost the grant is intended to cover. In cases where the grant is intended to cover an investment, the capitalised amount is reduced by the corresponding grant.



### Fixed assets

Fixed assets are recognised in the balance sheet at acquisition cost, less accumulated depreciation and write-downs. Expenses associated with normal maintenance and repairs are expensed as incurred. Expenses pertaining to major replacements and renewals that increase the useful life of the assets are capitalised. Assets that are replaced are recognised as an expense. A fixed asset is considered to non-current if it has a defined useful life in addition to a significant cost price.

### Assets under construction

Assets under construction are recorded on the balance sheet under property, plant, and equipment at acquisition cost minus any impairments. In connection with development projects, the acquisition cost is assessed against expected future cash flows. Costs that are not considered to contribute to varying values are expensed. Financing expenses are expensed on an ongoing basis. In areas where antennas are placed, there is a future obligation to dismantle the equipment, remove it, and restore the area to its original condition before the installation. Provisions for estimated future expenses related to this are made annually under provisions for liabilities.

### Depreciations

Ordinary depreciations are calculated on a straight-line basis over the useful life of the assets. The starting point is historical cost price. Corresponding principles are applied to intangible assets. Depreciations are classified as ordinary operating expenses.

### Prepaid Expenses and Long-term Receivables

Prepaid expenses and long-term receivables where the settlement date

is more than one year from the payment date are classified as long-term receivables and are valued at acquisition cost. Long-term receivables do not accrue interest

### Customer Advances

Advance payments from customers for services intended to be delivered more than one year after the payment date are classified as long-term liabilities. The expected revenue recognition of advances for the next year is also presented as long-term liabilities. The advances received do not bear interest and are not considered to be paid for financing purposes. Therefore, no imputed interest is calculated on these advances.

### Classification and Valuation of Current Assets and Short-term Liabilities

Current assets and short-term liabilities typically include items due for payment within one year from the balance sheet date. Other assets are fixed assets or long-term liabilities. Current assets are valued at the lower of acquisition cost and fair value. Short-term liabilities are recorded at nominal value at the transaction date.

### Subsidiaries, Associates, and Joint Ventures

Subsidiaries, associates, and joint ventures are valued using the cost method in the company's financial statements. The investment is measured at the acquisition cost of the shares unless an impairment has been necessary. Impairments are made to fair value when the decrease in value is due to reasons that are not expected to be temporary. Impairments are considered necessary in accordance with good accounting practices. Impairments are reversed when the basis for the impairment is no longer present. Dividends and group contributions from subsidiaries are

recognised as income in the same year they are allocated in the donor’s accounts. If the dividend or group contribution exceeds the share of earned results during the ownership period, the excess part is considered a repayment of paid-in capital. The recorded value of the investment in the parent company’s balance sheet is then reduced. Dividends from associates and joint ventures are recognised in the parent company in the year the dividend decision is made (the payment year).

Currency

Purchases and sales in foreign currency are translated into Norwegian kroner at the exchange rate on the transaction date. Receivables and liabilities in foreign currencies are translated into Norwegian kroner at the closing rate at the end of the financial year. Exchange rate differences are recognised in the income statement as other financial income/expense.

Deferred tax and tax expenses

Deferred tax is calculated on the basis of temporary differences between accounting and tax values at the end of the financial year. A nominal tax rate is applied in the calculation. Positive and negative differences are offset against each other within the same period of time. Certain items are nevertheless assessed separately, including present values of acquisitions and pension liabilities. Deferred tax assets arise if there are temporary differences that give rise to future tax deductions. This year’s tax expense consists of changes in deferred tax and deferred tax assets in conjunction with tax payable for the income year adjusted for errors in previous years’ calculations.

Cash flow statement

The cash flow statement has been prepared using the indirect method. Cash and cash equivalents comprise cash, bank deposits and other

short-term liquid investments that are readily convertible to known cash amounts with a negligible currency risk and with a maturity date of less than three months from the acquisition date.

Note 2 Geographical distribution of sales revenue

	Parent company	Group
Norway	127 528 925	222 627 582
Europe excl. Norway	0	224 506 000
Asia	0	471 860 000
America	0	119 246 500
Others	0	7 498 000
Total sales revenue	127 528 925	1 045 738 082

Note 3 Accrued contract revenue

Accrued contract revenue for ongoing projects with continuous delivery is recorded gross as other receivables (earned but not invoiced revenue) and other short-term liabilities (unearned but invoiced revenue). For the group, other receivables as of 31 December 2023 are NOK 107,961 thousand, and other short-term liabilities are NOK 98,297 thousand. In the group, earned but not invoiced revenue and advance invoices related to long-term manufacturing contracts are netted with the corresponding accounts receivable. The netting amounts to a total of NOK 4,693 thousand, of which NOK 99,503 thousand is customer advances, and NOK 49,481 thousand is earned but not invoiced. In connection with the ASBM project, the group has received a total advance for satellite services and a partial delivery of antennas with the associated ground foundation. The recognised revenue amount in 2023 is NOK 8.7 million. The recognised amount is recorded as a reduction of the long-term advance related to the ASBM project.



Note 4 Salaries and fees

Salary and payroll expenses consist of the following items	Parent company		Group	
	2023	2022	2023	2022
Salaries	34 464 525	227 648 812	30 500 954	105 262 189
Employer’s national insurance contributions, incl. pensions	7 166 958	25 776 877	5 201 131	17 659 383
Pension costs	3 144 015	19 699 038	5 343 499	20 202 984
Other salary and payroll expenses	10 579 486	24 933 856	5 343 499	20 202 984
Change in inventory of assets under construction	–	–19 235 425	–	–
Total salary and payroll expenses	55 354 984	278 823 158	43 617 148	235 231 374
Number of employees as at 31.12				
Number of employees in Group incl. all employees in KSAT	40	415	33	348

Salary and payroll expenses in Space Norway HEOSAT AS are capitalised as assets under construction.

	CEO	Board of Directors
Salaries/remuneration*	1 783 149	1 305 000
Pension premiums	6 122	–
Other remuneration	4 392	–

\*There has been a change of CEO during the year, and the salary is apportioned between the two based on the number of months they held the position.

The Space Norway Group adheres to a moderate salary policy.

Space Norway has an agreement with Storebrand regarding a mandatory occupational pension scheme for all company employees in the companyand the Group.

Auditors’ fees	2022		2023	
	Parent company	Group	Parent company	Group
Ordinary audit	300 000	485 000	627 712	1 621 713
Technical assistance with accounting	97 456	148 974	486 600	486 600
Advice on taxes and charges in KSAT	–	1 026 000	445 305	2 624 754
Other assistance	90 388	261 934	38 095	101 595
Total	487 844	1 921 908	1 597 713	4 834 662

No loans or security have been provided to the CEO, board members or other related entities.

The company is under no obligation to provide senior executives, board members or the Chair of the Board with special remuneration upon termination or change of employment or office.

The company has no agreements on bonuses, profit-sharing or options for the Board of Directors or senior executives.

The company has no obligation to grant the Board of Directors options or rights that entitle employees or employee representatives to subscribe to, purchase or sell shares.

The Board of Directors has issued a separate declaration on executive compensation.

	Salary and Board remuneration	Other benefits	Contributory pension scheme	Loan/note
Chair of the Board	365 000 NOK			
Board Member	188 000 NOK			
CEO	1 630 148 NOK	4 392 NOK	146 733 NOK	Commuter agreement
Group Chief Financial Officer	1 436 576 NOK	7 967 NOK	146 733 NOK	
Group Director, Strategic Fibre-Optic Cable	510 417 NOK	2 494 NOK	142 514 NOK	
Group Director of Innovation and Development	791 667 NOK	2 652 NOK	142 514 NOK	
Programme Director ASBM	1 435 576 NOK	4 392 NOK	146 733 NOK	
Group Director, Earth Observation	454 167 NOK	1 464 NOK	142 514 NOK	
Group Legal Counsel	1 414 880 NOK	4 392 NOK	146 733 NOK	
Member of Group management and/or Board of Directors 2022	Salary and Board remuneration	Other benefits	Contributory pension scheme	Loan/note
Chair of the Board	350 000		0	0
CEO	1 630 148	60 000	110 585	0
Manager, Infrastructure	1 295 715		110 585	Commuter agreement
Chief Financial Officer	1 354 063	1 474	110 585	0

Overview of salaries, variable salaries and other benefits paid to Group management in 2022.



Note 5 Financial income and financial expenses

	Parent company		Group	
	2023	2022	2023	2022
Foreign exchange gains	–	6 301 216	14 249 000	24 481 216
Group contributions recognised in the financial statements	–	–	–	–
Dividend	20 000 000	65 000 000		
Other financial income	25 629 227	1 103 213	56 415 221	6 516 569
<b>Total financial income</b>	<b>45 629 227</b>	<b>72 404 429</b>	<b>70 664 221</b>	<b>30 997 785</b>
Foreign exchange losses	12 777 794	9 611 726	23 250 300	31 014 967
Impairment of shares	350 000 000	–	–	–
Other financial expenses	5 994 771	6 838 023	48 667 995	32 822 831
<b>Total financial expenses</b>	<b>368 772 565</b>	<b>16 449 749</b>	<b>71 918 295</b>	<b>63 837 798</b>
<b>Net financial items</b>	<b>-323 143 338</b>	<b>55 954 680</b>	<b>-1 254 074</b>	<b>-32 840 013</b>

## Note 6 Tax expense

Tax payable — Parent company	2023	2022
Ordinary result before tax expenses	-388 810 553	6 455 632
Permanent differences	320 577 985	-51 709 146
Change in temporary differences	-864 370	6 102 261
Group contribution, paid/received	0	0
To (+) / utilisation of (-) loss carried forward	0	0
<b>Basis for calculation of tax payable</b>	<b>0</b>	<b>-39 151 253</b>
Tax payable on basis before Group contributions	0	0
Effect of Group contributions	0	0
<b>Tax payable on net profit/loss for the year (16-22 per cent)</b>	<b>0</b>	<b>0</b>
<b>The tax expense for the year is as follows:</b>		
Tax payable on net profit/loss for the year	0	0
Change in deferred tax assets	0	0
Taxes pertaining to previous years	0	0
<b>Total tax expense for the year</b>	<b>0</b>	<b>0</b>
<b>Basis for deferred tax assets, differences to be reconciled:</b>		
Non-current assets	2 294 566	-30 857 898
Gain/loss account	91 942	114 927
Other receivables	0	0
Accounting provisions for liabilities	-4 000 000	-4 000 000
Financial instruments	0	0
Net pension assets (liability) recognised in the balance sheet	0	0
Losses carried forward	-301 692 618	-232 595 683
Basis for deferred tax assets	-303 306 110	-267 338 654
Differences not included in temporary differences	303 306 110	267 338 654
Basis for calculation of deferred tax assets	0	0
<b>Recognised deferred tax assets as at 31 December</b>	<b>0</b>	<b>0</b>

Tax payable — Group	2023	2022
Ordinary result before tax expenses	-200 835 673	98 204 443
Permanent differences	3 591 563	5 234 125
Change in temporary differences	318 258 029	20 655 814
Group contribution, paid/received	0	0
To (+) / utilisation of (-) loss carried forward	- 152 448	-56 129
<b>Basis for calculation of tax payable</b>	<b>120 861 472</b>	<b>124 038 253</b>
Tax payable on basis before Group contributions	39 823 000	36 407 500
Effect of Group contributions	0	0
<b>Tax payable on net profit/loss for the year (16-22 per cent)</b>	<b>39 823 000</b>	<b>36 407 500</b>
<b>The tax expense for the year is as follows:</b>		
Tax payable on net profit/loss for the year	44 513 500	36 407 500
Change in deferred tax assets	-5 842 500	-3 744 492
Taxes pertaining to previous years	0	-1 000
<b>Total tax expense for the year</b>	<b>38 671 000</b>	<b>32 662 008</b>
<b>Basis for deferred tax assets, differences to be reconciled:</b>		
Non-current assets	-376 761 195	-87 209 971
Gain/loss account	-743 558	-930 073
Other receivables	-4 185 000	-2 550 000
Accounting provisions for liabilities	-27 871 000	-27 268 000
Financial instruments	144 000	-1 160 500
Net pension assets (liability) recognised in the balance sheet	-221,500	-2 507 000
Losses carried forward	-381 735 683	-277 823 623
Basis for deferred tax assets	-791 373 937	-399 449 167
Differences not included in temporary differences	690 240 437	291 841 048
Basis for calculation of deferred tax assets	-101 133 500	-107 608 119
<b>Recognised deferred tax assets as at 31 December</b>	<b>-26 403 184</b>	<b>-20 560 684</b>

Parts of the Group's operations are carried out on Svalbard and are taxed at the current tax rate of 16 per cent. When calculating deferred tax assets in the balance sheet, a reduced tax rate has been applied for fixed assets and other balance sheet items that are directly related to activities on Svalbard.



## Note 7 Fixed assets

Parent company	Machinery and equipment	Buildings and land	Inventory/ office equipment	Assets under construction	TOTAL
Acquisition costs as at 1 January.	295 407 505	4 194 464	1 103 232	60 872 765	361 577 966
Additions this year	14 333 053	0	143 763	156 652 908	171 129 724
Disposal of acquisition costs	0		0		0
Total acquisition cost as at 31 December	309 740 558	4 194 464	1 246 996	217 525 673	532 707 691
Total depreciation and write-downs as at 31 December	235 190 995	2 039 412	922 983		238 153 389
<b>Book value as at 31 December 2023</b>	<b>74 549 564</b>	<b>2 155 052</b>	<b>324 013</b>	<b>217 525 673</b>	<b>294 554 301</b>
Ordinary depreciation for the year	13 469 469	72 840	526 968	0	14 069 277
Depreciation period, ordinary depreciation	25 år	25 år	5 år	Ingen avskrivning	
Depreciation schedule	Linær	Linær	Linær		

Group:	Intangible assets	Machinery and equipment	Buildings and land	Inventory/ office equipment	Assets under construction	TOTAL
Acquisition costs as at 1 January	0	1 289 652 505	217 330 964	98 254 669	2 795 633 906	4 400 872 044
Additions this year	7 928 500	161 704 053	33 547 500	22 846 838	350 388 951	576 415 842
Disposal of acquisition costs	0	0	0	0	0	0
Total acquisition costs as at 31 December	7 928 500	1 451 356 558	250 878 464	121 101 508	3 146 022 857	4 977 287 887
Accumulated translation differences	0	1 235 000	47 000	–147 000	0	1 135 000
Total depreciation and write-downs as at 31 December	310 000	760 289 995	66 004 412	86 265 756	307 000 000	1 221 152 162
<b>Book value as at 31 December 2023</b>	<b>7 618 500</b>	<b>691 066 564</b>	<b>184 874 052</b>	<b>34 688 752</b>	<b>2 839 022 857</b>	<b>3 757 270 724</b>
Ordinary depreciation for the year	310 000	92 422 969	12 010 340	13 539 968	0	117 973 277
Write-downs for the year	0	0	0	0	307 000 000	307 000 000
Depreciation period, ordinary depreciation	10 år	15–25 år	20–50 år	5–10 år	Ingen avskrivning	
Depreciation schedule	Linær	Linær	Linær	Linær		

Write-down of non-current assets

In 2023, a write-down of fixed assets in the subsidiary HEOSAT of NOK 307 million was recognised due to delays, inflation and increased insurance costs. The recoverable amount is determined by calculating the value in use through the discounting of expected future cash flows over the assumed useful life of the satellites. In the calculation of the value in use, management has used several scenarios and selected the most likely one.

The assessment unit is the subsidiary as a whole, as all assets and liabilities are tied to the same project and the same incoming cash flows.

The economic life is estimated to be 15 years after the launch, which is expected in the autumn of 2024. The required rate of return is calculated based on the weighted average cost of capital (WACC) of ten per cent. Incoming cash flows related to the project are in US dollars (USD) and are converted to Norwegian kroner at the exchange rate on the balance sheet date.

Note 8 Shares in other companies

Parent company: Subsidiaries and associated companies	Registered office:	Total number of employees shares	Number of shares	Nominal value per share	Voting share and ownership percentage	Book value 31.12.2023
StatSat AS	Oslo	1000	1000	1 000	100 %	2 000 000
Space Norway Heosat AS	Oslo	100	100	503 000	100 %	521 311 824
Ksat AS	Tromsø	2 000 000	1 000 000	1	50 %	2 892 000
Total investments in shares in other companies						526 203 824

In 2023, NOK 20 million was recognised as income in the parent company related to dividends from KSAT.

The parent company’s shares in the subsidiary HEOSAT have been written down by NOK 350 million as a result of the write-down of fixed assets in the company (cf. Note 7).

Note 9 Restricted Funds

Of total bank deposits, NOK 2 395 899 are withheld taxes payable in the parent company and NOK 11 024 694 in the Group.



Note 10 Transactions and balances with related entities

The parent company is a related entity to all the companies in the Space Norway Group:

- Space Norway AS (parent company)
- Statsat AS (subsidiary))
- Space Norway HEOSAT AS (subsidiary))
- Kongsberg Sattelite Service AS (50 per cent owned by Space Norway AS)

In the Group accounts, 50 per cent of balances and transactions with KSAT are eliminated.

Parent company		
Accounts receivable and other current receivables	2023	2022
KSAT	182 895	179 996
StatSat	2 246 955	788 972
Heosat	13 703 672	6 767 921
Total	16 133 522	7 736 889
Accounts payable and other short-term liabilities	2023	2022
KSAT	59 077 784	7 200 000
StatSat	–	–
Heosat	–	7 466 003
Total	59 077 784	70 479 055
Transactions	2023	2022
Income from Group companies	44 939 637	10 281 799
Purchases from Group companies	25 429 021	–

For the Group, the non-consolidated share of KSAT is considered a related party. The following amounts are gross consolidated at 50 percent in the Group before any elimination entries.

	2023	2022
Revenue	950 153	735 713
Cost of goods sold	240 605	138 576
Payroll expenses	218 736	172 272
Depreciation	104 215	89 448
Other operating expenses	178 709	144 142
Financial income	18 074	19 158
Financial expenses	18 094	17 486
Tax expense	38 671	32 652
Intangible assets	33 988	20 527
Property, plant, and equipment	883 208	764 426
Financial fixed assets	19 672	23 490
Receivables	312 595	321 122
Bank deposits, cash, etc.	115 028	75 506
Equity	875 751	717 127
Provisions for liabilities	24 093	25 776
Liabilities to credit institutions	62 500	67 500
Short-term liabilities to credit institutions	20 996	5 000
Accounts payable	54 680	15 648
Payable taxes	39 823	36 408
Accrued public charges	13 185	11 856
Dividend	25 000	20 000
Other short-term liabilities	248 464	294 310

## Note 11 Equity

The share capital amounts to NOK 99.3 million divided into 2,600,000 shares. All with a nominal value of NOK 38..

### Ownership interest

The Norwegian Ministry of Trade, Industry and Fisheries owns all the shares in the company and holds 100 per cent voting rights.

Parent company	Share capital	Premium	Other equity	Adopted, not registered capital increase	Total equity
Equity as at 1 January 2023	49 400 000	420 814 584	193 292 641		663 507 225
Contributions in kind	49 900 000	449 103 700			499 003 700
Capital contribution in cash				2 360 000 000	2 360 000 000
Annual profit/loss			-388 810 553		-388 810 553
Equity as at 31 December 2023	99 300 000	869 918 284	-195 517 912	2 360 000 000	3 133 700 372

Group	Share capital	Premium	Other equity	Adopted, not registered capital increase	Total equity
Equity as at 1 January 2023	49 400 000	420 814 584	905 889 992		1 376 104 576
Translation difference			658 500		658 500
Errors from previous years			2 321 000		2 321 000
Contributions in kind	49 900 000	449 103 700			499 003 700
Capital contribution in cash				2 360 000 000	2 360 000 000
Annual profit/loss			-239 506 673		-239 506 673
Equity as at 31 December 2023	99 300 000	869 918 284	669 362 819	2 360 000 000	3 998 581 103



Note 12 Currency loan

In 2021, Space Norway Heosat AS entered into a loan agreement for a loan facility in the amount USD 110,000,000. At year-end 2023, USD 46,000,000 of this credit had been utilised. The loan matures in more than five years. The debt has been converted into Norwegian kroner at the exchange rate on the balance sheet date, which resulted in an unrealised foreign exchange loss of NOK 14,494,600 .

The current loan is a construction loan and will be converted into a long-term loan once the satellites are operational. The loan has conditions related to debt servicing capability. The loan is secured by an interest rate swap agreement.

Note 13 Financing of fibre-optic cable, ASBM and MicroSAR

Financial advances for projects relate to the following ongoing projects as at 31 December

Parent company	2023	2022
Fibre-optic cable	88 772 261	103 986 029
MicroSAR	310 600 000	100 000 000
Sum	399 372 261	203 986 029

Group	2023	2022
Fibre-optic cable	88 772 261	103 986 029
MicroSAR	310 600 000	100 000 000
ASBM	2 313 876 232	2 329 780 323
Sum	2 713 248 492	2 533 766 352

Financing of the fibre-optic cable

The long-term debt is to the Norwegian Space Agency in connection with the investment in a fibre-optic cable between Svalbard and the mainland. Together with the Norwegian Space Agency, the company has undertaken to supply satellite data to NOAA and NASA over a 25-year period. The receivables from NOAA and NASA as a result of this service were sold to the American financial service provider Hannon Armstrong. This provided Norsk Romsenter Eiendom AS with the basis for a loan to invest in the fibre-optic connection. The loan from Hannon Armstrong has been repaid. The amount in this item now represents the parent company’s and the Group’s remaining obligations in relation to NOAA and NASA.

The cable’s operation has been secured with a guarantee consortium comprised of stakeholders and customers. In connection with the disruption in segment 1 in January 2022, a repair was carried out in the summer of 2023. The guarantee amount was then utilised. The parent company has maintained its provisions, going forward.

Financing of ASBM

The long-term debt at year-end 2023 for ASBM consists of prepayments from customers for the provision of services. This will be utilised from the time the satellite system becomes operational.

Financing of MicroSAR

The long-term debt at year-end 2023 for MicroSAR consists of prepayments from customers for the provision of services. This will be utilised from the time the satellite system becomes operational.

### Prepayments for ASBM

Long-term receivables of NOK millions in the Group consist of prepayments to KSAT for the construction of antennas and the provision of services in the ASBM Project. This will be utilised from the time the satellite system becomes operational.

### Note 14 Deposits/guarantees

The parent company has provided a guarantee and paid a deposit totalling USD 6 million to FCC for market access in the United States of America. If the project that the market access is intended to cover is not realised, the deposit/guarantee paid will be considered a loss for the company.

### Note 15: Events occurring after the balance sheet date

The company has entered into an agreement to acquire all shares in Telenor Satellite AS effective from 4 January 2024 for NOK 2,360,000,000 million. The parent company's equity was strengthened by the same amount at the General Meeting on 22 December 2023.

↑ NorSat-1 and 2 in orbit over Norway. The satellites are microsatellites that weigh only 16 kg and measure 20x20x40 cm, excluding antennas and solar panels. NorSat-2 is the world's first satellite with a payload for VDES communication.

Illustration: Space Norway, T. Abrahamsen



# Auditor's report



↑ Illustration: Northrop Grumman



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Internet www.kpmg.no  
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Til generalforsamlingen i Space Norway AS

## Uavhengig revisors beretning

### Konklusjon

Vi har revidert årsregnskapet for Space Norway AS, som består av:

- selskapsregnskapet, som består av balanse per 31. desember 2023, resultatregnskap og kontantstrømoppstilling for regnskapsåret avsluttet per denne datoen og noter til årsregnskapet, herunder et sammendrag av viktige regnskapsprinsipper, og
- konsernregnskapet, som består av balanse per 31. desember 2023, resultatregnskap og kontantstrømoppstilling for regnskapsåret avsluttet per denne datoen og noter til årsregnskapet, herunder et sammendrag av viktige regnskapsprinsipper.

Etter vår mening

- oppfyller årsregnskapet gjeldende lovkrav,
- gir selskapsregnskapet et rettviseende bilde av selskapets finansielle stilling per 31. desember 2023 og av dets resultater og kontantstrømmer for regnskapsåret avsluttet per denne datoen i samsvar med regnskapslovens regler og god regnskapsskikk i Norge, og
- gir konsernregnskapet et rettviseende bilde av konsernets finansielle stilling per 31. desember 2023 og av dets resultater og kontantstrømmer for regnskapsåret avsluttet per denne datoen i samsvar med regnskapslovens regler og god regnskapsskikk i Norge.

### Grunnlag for konklusjonen

Vi har gjennomført revisjonen i samsvar med International Standards on Auditing (ISA-ene). Våre oppgaver og plikter i henhold til disse standardene er beskrevet nedenfor under *Revisors oppgaver og plikter ved revisjonen av årsregnskapet*. Vi er uavhengige av selskapet og konsernet i samsvar med kravene i relevante lover og forskrifter i Norge og International Code of Ethics for Professional Accountants (inkludert internasjonale uavhengighetsstandarder) utstedt av International Ethics Standards Board for Accountants (IESBA-reglene), og vi har overholdt våre øvrige etiske forpliktelser i samsvar med disse kravene. Innhentet revisjonsbevis er etter vår vurdering tilstrekkelig og hensiktsmessig som grunnlag for vår konklusjon.

### Øvrig informasjon

Styret og daglig leder (ledelsen) er ansvarlige for informasjonen i årsberetningen. Øvrig informasjon omfatter informasjon i årsrapporten bortsett fra årsregnskapet og den tilhørende revisjonsberetningen. Vår konklusjon om årsregnskapet ovenfor dekker ikke informasjonen i årsberetningen.

I forbindelse med revisjonen av årsregnskapet er det vår oppgave å lese årsberetningen. Formålet er å vurdere hvorvidt det foreligger vesentlig inkonsistens mellom årsberetningen og årsregnskapet og den kunnskap vi har opparbeidet oss under revisjonen av årsregnskapet, eller hvorvidt informasjon i årsberetningen ellers fremstår som vesentlig feil. Vi har plikt til å rapportere dersom årsberetningen fremstår som vesentlig feil. Vi har ingenting å rapportere i så henseende.

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Årendal  
Bergen  
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Elverum  
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Mo i Rana  
Molde  
Sandnessjøen  
Stavanger  
Stord  
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Tromsø  
Trondheim  
Tynset  
Ullensaker  
Ålesund

Statssatiserte revisorer - medlemmer av Den norske Revisorforening

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Basert på kunnskapen vi har opparbeidet oss i revisjonen, mener vi at årsberetningen

- er konsistent med årsregnskapet og
- inneholder de opplysninger som skal gis i henhold til gjeldende lovkrav.

### Ledelsens ansvar for årsregnskapet

Ledelsen er ansvarlig for å utarbeide årsregnskapet og for at det gir et rettviseende bilde i samsvar med regnskapslovens regler og god regnskapsskikk i Norge. Ledelsen er også ansvarlig for slik intern kontroll som den finner nødvendig for å kunne utarbeide et årsregnskap som ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller utilsiktede feil.

Ved utarbeidelsen av årsregnskapet er ledelsen ansvarlig for å ta standpunkt til selskapets og konsernets evne til fortsatt drift og opplyse om forhold av betydning for fortsatt drift. Forutsetningen om fortsatt drift skal legges til grunn for årsregnskapet så lenge det ikke er sannsynlig at virksomheten vil bli avviklet.

### Revisors oppgaver og plikter ved revisjonen av årsregnskapet

Vårt mål er å oppnå betryggende sikkerhet for at årsregnskapet som helhet ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller utilsiktede feil, og å avgi en revisjonsberetning som inneholder vår konklusjon. Betryggende sikkerhet er en høy grad av sikkerhet, men ingen garanti for at en revisjon utført i samsvar med ISA-ene, alltid vil avdekke vesentlig feilinformasjon. Feilinformasjon kan oppstå som følge av misligheter eller utilsiktede feil. Feilinformasjon er å anse som vesentlig dersom den enkeltvis eller samlet med rimelighet kan forventes å påvirke de økonomiske beslutningene som brukerne foretar på grunnlag av årsregnskapet.

Som del av en revisjon i samsvar med ISA-ene, utøver vi profesjonelt skjønn og utviser profesjonell skepsis gjennom hele revisjonen. I tillegg:

- identifiserer og vurderer vi risikoen for vesentlig feilinformasjon i regnskapet, enten det skyldes misligheter eller utilsiktede feil. Vi utformer og gjennomfører revisjonshandlinger for å håndtere slike risikoer, og innhenter revisjonsbevis som er tilstrekkelig og hensiktsmessig som grunnlag for vår konklusjon. Risikoen for at vesentlig feilinformasjon som følge av misligheter ikke blir avdekket, er høyere enn for feilinformasjon som skyldes utilsiktede feil, siden misligheter kan innebære samarbeid, forfalskning, bevisste utelatelser, uriktige fremstillinger eller overstyring av internkontroll.
- opparbeider vi oss en forståelse av intern kontroll som er relevant for revisjonen, for å utforme revisjonshandlinger som er hensiktsmessige etter omstendighetene, men ikke for å gi uttrykk for en mening om effektiviteten av selskapets og konsernets interne kontroll.

- evaluerer vi om de anvendte regnskapsprinsippene er hensiktsmessige og om regnskapsestimatene og tilhørende noteopplysninger utarbeidet av ledelsen er rimelige.

- konkluderer vi på om ledelsens bruk av fortsatt drift-forutsetningen er hensiktsmessig, og, basert på innhentede revisjonsbevis, hvorvidt det foreligger vesentlig usikkerhet knyttet til hendelser eller forhold som kan skape tvil av betydning om selskapets og konsernets evne til fortsatt drift. Dersom vi konkluderer med at det eksisterer vesentlig usikkerhet, kreves det at vi i revisjonsberetningen henleder oppmerksomheten på tilleggsopplysningene i årsregnskapet, eller, dersom slike tilleggsopplysninger ikke er tilstrekkelige, at vi modifiserer vår konklusjon. Våre konklusjoner er basert på revisjonsbevis innhentet frem til datoen for revisjonsberetningen. Etterfølgende hendelser eller forhold kan imidlertid medføre at selskapet og konsernet ikke kan fortsette driften.

- evaluerer vi den samlede presentasjonen, strukturen og innholdet i årsregnskapet, inkludert tilleggsopplysningene, og hvorvidt årsregnskapet gir uttrykk for de underliggende transaksjonene og hendelsene på en måte som gir et rettviseende bilde.
- inhenter vi tilstrekkelig og hensiktsmessig revisjonsbevis vedrørende den finansielle informasjonen til enhetene eller forretningsområdene i konsernet for å kunne gi uttrykk for en mening om konsernregnskapet. Vi er ansvarlige for å lede, følge opp og gjennomføre konsernrevisjonen. Vi har eneansvar for vår konklusjon om konsernregnskapet.

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Vi kommuniserer med styret blant annet om det planlagte innholdet i og tidspunkt for revisjonsarbeidet og eventuelle vesentlige funn i revisjonen, herunder vesentlige svakheter i intern kontroll som vi avdekker gjennom revisjonen.

Oslo  
KPMG AS

Øivind Karlsen  
Statsautorisert revisor  
(elektronisk signert)



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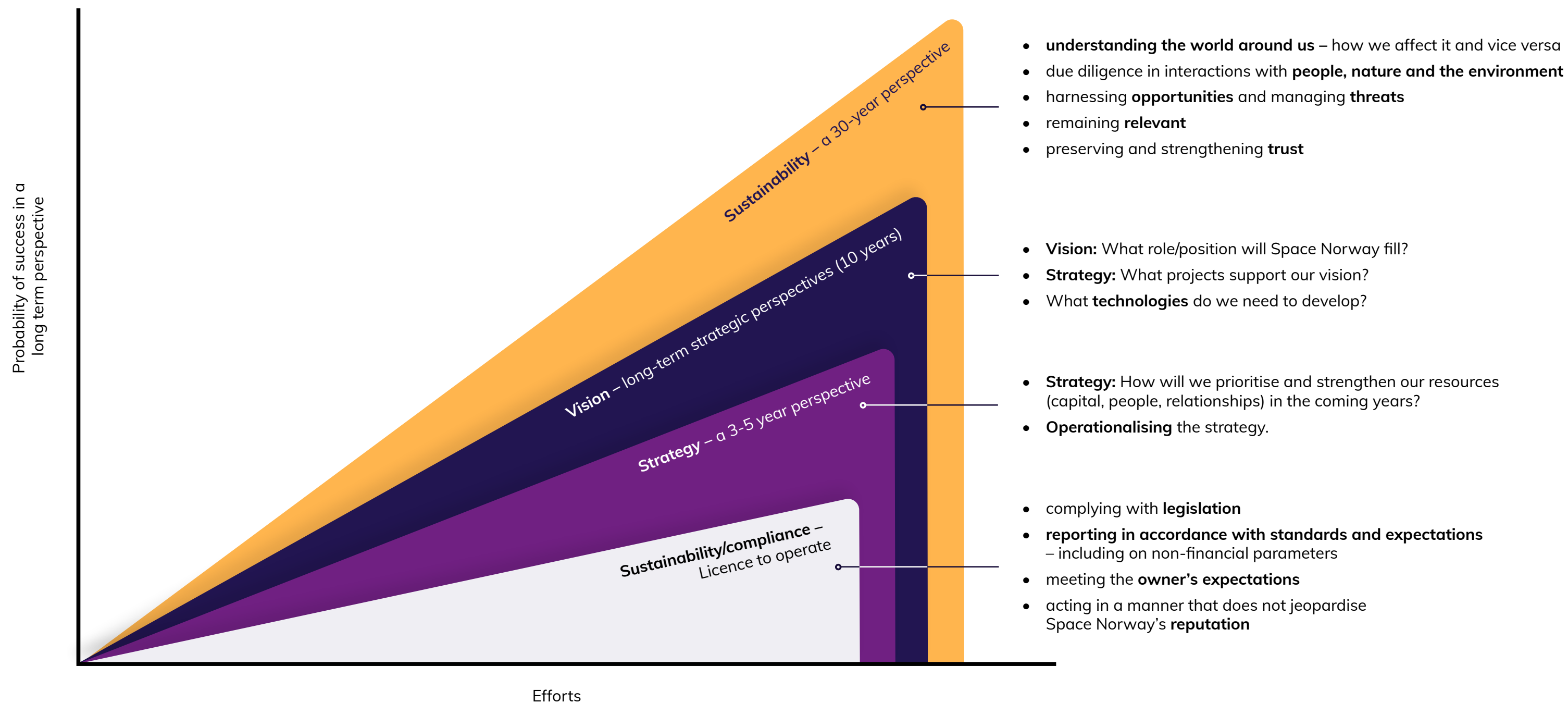
# A sustainable business

Space Norway manages and further develops safety-critical space-related infrastructure that meets important Norwegian societal needs. We emphasise due care and consideration in our interactions with society, people, nature and the environment. As part of our sustainability efforts, we seek to develop robust solutions to keep vital societal functions running even in challenging times. Thus, sustainability is key to our strategic efforts.





# Strategy and sustainability are interdependent



We are undertaking a double materiality assessment that will strengthen our ability to work effectively and purposefully on the most significant sustainability perspectives, cf. the section on main priorities for our sustainability efforts in 2024, below.

In 2020, Space Norway defined the following five of the 17 UN Sustainable Development Goals (SDGs) as priority areas for sustainability:



In the section below, we take a closer look at how we support the SDGs. A goal can be supported under multiple thematic areas.

Structure and responsibility

For Space Norway, it is important that our sustainability efforts are embedded throughout our organisation. Due diligence is incorporated into policy and exercised daily throughout the organisation. We have a distinct safety culture in which employees are regularly instructed and drilled on a safety first mindset.

The Board of Directors and management are concerned with and involved in the company’s sustainability efforts.

Main priorities for sustainability efforts in 2024

Space Norway is experiencing strong growth, both organically and through the acquisition of Telenor Satellite. There is a need to substantially elevate the Group’s sustainability efforts in order to meet the expectations set for a company of this size. If the Storting (Norwegian Parliament) adopts the new Corporate Sustainability Reporting Directive (CSRD), which is expected to be up for consideration in the spring session, this will likely have implications for Space Norway.

The Directive entails a significant expansion of the scope of the reporting obligation and obliged entities. The EU’s aim with the CSRD is to ensure that sustainability information is of the same quality as financial reporting. This is done through specific and mandatory reporting requirements, as well as assurance certification of the information to ensure good qualitative and quantitative information.

Fiscal year 2024	Fiscal year 2025	Fiscal year 2026
<p>Publicly traded enterprises, banks, insurance and mortgage companies that have:</p> <ul style="list-style-type: none"><li>at least 500 full-time equivalents and</li><li>sales revenue &gt; NOK 550 million or</li><li>balance sheet &gt; NOK 275 million</li></ul>	<p>Large enterprises/groups that meet at least two out of three criteria:</p> <ul style="list-style-type: none"><li>at least 250 full-time equivalents</li><li>sales revenue &gt; NOK 550 million</li><li>balance sheet &gt; NOK 275 million</li></ul>	<p>Small publicly traded companies, non-complex credit institutions and certain insurance companies that meet two out of three criteria:</p> <ul style="list-style-type: none"><li>at least 10 full-time equivalents</li><li>sales revenue &gt; NOK 10 million</li><li>balance sheet &gt; NOK 5 million</li></ul>

Space Norway belongs to this group.



This means that from the 2025 financial year we will be subject to the new legislation and our reporting on this matter will be subject to audit. A key aspect of the new Directive is a double materiality assessment that will define priorities for further work. A double materiality assessment involves analysing how sustainability affects the company’s development, results and position (financial materiality). In addition, we are to analyse the company’s impact on sustainability (sustainable materiality). We will use the results of the assessment to prioritise what is reported in the sustainability report. In the next steps, the results of the assessment influence how Space Norway must work to continuously maintain and/or improve identified target numbers. This ensures that the report reflects the most significant sustainability challenges and opportunities for the company.

The company will conduct assessments and identify systems, procedures, policies and parameters that must be in place by the end of 2024. This will be the most important aspect of our sustainability work this year. We have engaged KPMG, which is supporting our competence enhancement, framework and calibration of our efforts.

We consider it crucial that Space Norway conduct the assessments in-house to ensure ownership of the results.

Greenhouse gas emissions (CO2 equivalents kg)	2023	2022	2021
Scope 1 (Direct emissions from own operations)	0	0	0
Scope 2 (Emissions from the purchase of energy for own use)	49 229	16 500	16 000
Energy for office buildings + endpoint cables	49 229	16 500	16 000
Scope 3 (Indirect emissions from purchased goods and services)	1 002 700	23 000	7 000
Flights	66 550	23 000	7 000
Cable-laying vessels (chartered)	936 150		

Climate and the environment

Our greenhouse gas emissions

We have made updated calculations in accordance with the GHG Protocol<sup>19</sup> for 2023 (does not include Telenor Satellite AS, which will only be consolidated as of 4 January 2024).

In 2023, Space Norway leased a cable-laying vessel to repair the Svalbard cable. This represents the majority of this year’s emissions. In addition, the company had a significant increase in travel activity. The increased emissions in Scope 2 in the above table is mainly due to the fact that the lessor of the office buildings did not purchase Guarantees of Origin in 2023.

Our emission targets

One year ago, the following targets were set for Space Norway’s emissions: “For 2025, 2030 and 2050, our Scope 3 goal is to remain at 2023 levels.”

<sup>19</sup>Green House Gas Protocol

This goal was set at a time when Space Norway's emissions mainly came from travel and office premises. Going forward, this will constitute a small share of the company's footprint after the operationalisation of ASBM and the acquisition of Telenor Satellite.

In light of this, the double materiality analysis, and a strategic review of the entire group, it is likely that the group's objectives for next year will be adjusted and/or expanded. It may still be appropriate to have a goal for the company's travel activities, but as part of a larger whole. Therefore, we have chosen to exclude the emissions from the cable laying vessel to provide a measure of travel activities. The basis for the measurement will be 67 tonnes of CO2.

The reason for setting 2023 as the 'benchmark' is that the preceding years, the period 2020/2022, were not normal years in terms of travel activities due to the pandemic. In 2019, the company was significantly smaller and had correspondingly lower activity. We are mindful of the necessity of the trips that are made, but we depend on maintaining a certain level of travel, among other things, related to the monitoring of the production and construction of satellites.

## Our impact on nature and ecosystems

### Subsea fibre-optic cables

Space Norway develops and operates subsea fibre-optic cable systems. Our subsea fibre-optic cables are geographically located in Norwegian areas of interest in the north. These are vulnerable areas, and we are committed to minimising our impact on marine ecosystems.

For existing solutions, it is a matter of normal operations monitoring, upgrades, maintenance and security measures. New projects involve the following measures:

- conducting necessary analyses before projects are implemented
  - identifying sensitive terrestrial and marine habitats
- planning routes and landing
  - avoiding areas with high levels of biodiversity
  - avoiding areas with particularly sensitive ecosystems
  - selecting a route that minimises risk of damage (and thereby impact)
- planning for project execution that takes into account people, nature and the environment
  - planning to ensure environmentally sensitive execution (e.g., avoiding breeding season when building along the coast)
  - requirements pertaining to suppliers
- cooperating with authorities and stakeholders
  - complying with regulatory requirements
  - cooperating with research institutions to strengthen the information base
- planning for a comprehensive life cycle for the components of the intervention, including assessing the need for and accommodating
  - restoring any encroachment on nature to the way it was before the intervention was made
  - end-of-life cleanup
  - recycling of materials, whenever possible



## Satellites

Space Norway develops, establishes, owns and operates satellite systems. Space is becoming overpopulated by satellites. The biggest challenge is in the Low Earth Orbit segment, which affects all parties with ambitions to position themselves there in the future. This is a global problem that must first and foremost be solved by way of international regulations. However, there are already steps market participants can take to limit their footprint.

For Space Norway, designs limiting the risk of space debris and that provide durability and flexibility will be the primary measure in this respect. This will result in fewer, more robust satellites that are more expensive but have a longer lifetime. Our satellites will have requirements pertaining to propulsion and the possibility of control that enhance both collision avoidance capabilities and the possibility of leaving orbit and burning up in the atmosphere following the natural demise of the satellite.



## Our work support the following UN SDG goals:



### Goal 5: Gender Equality

- fair wage levels
- equal opportunities
- number of women in senior executive positions
- wage statistics
- appraisal interviews
- organisational hierarchy



### Goal 8: Decent Work and Economic Growth

- disseminating internal ethics and anti-corruption rules to employees
- applying our Supplier Code of Conduct (SCC) to all major contracts
- offering internships, summer jobs and master's thesis cooperation at Space Norway
- number of annual reviews at general staff meetings
- share of contracts exceeding NOK 10 million in procurements where an SCC is signed as part of the contract
- number of internships, summer jobs and master's theses per year



### Goal 9: Industry, Innovation and Infrastructure

- promoting space-based infrastructure that will be more sustainable than existing solutions
- describing our activities related to sustainable space-based infrastructure in relevant forums and publications



### Goal 12: Responsible Consumption and Production

- developing flexible and robust, multi-purpose satellite systems with the longest possible lifetime, thus reducing consumption.

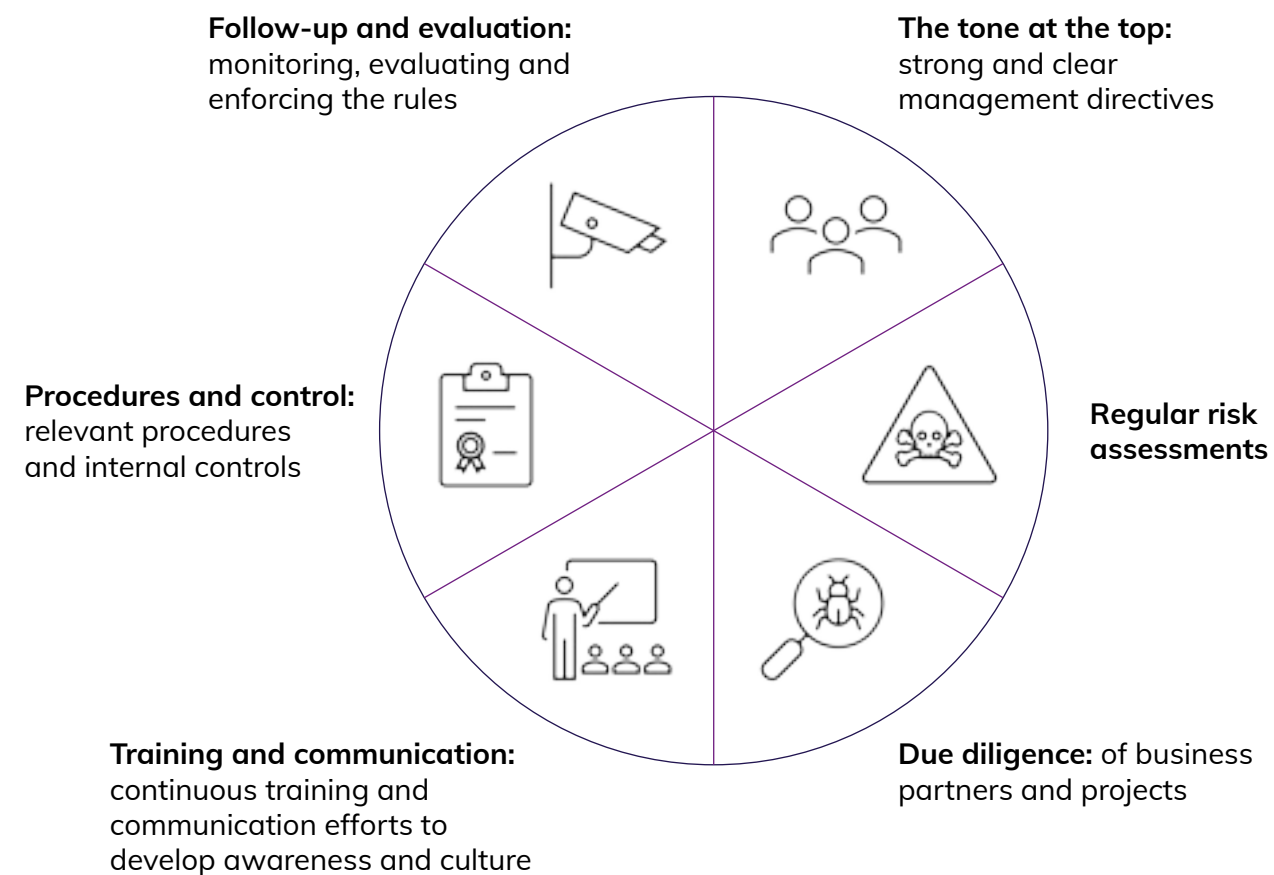


### Goal 14: Life Below Water

- developing future-oriented solutions (e.g., Internet of Things (IoT)) for satellites that can assist in mapping and monitoring resources at sea
- describing our activities related to mapping and monitoring in relevant forums and publications
- minimising the impact of subsea fibre-optic cable operations on marine ecosystems



# Compliance



## Legislative compliance

Space Norway's compliance programme is about ensuring legislative compliance. The programme includes various training and communication measures that are regularly updated to reflect new risk elements identified through risk assessments. The programme addresses the tone at the top, implementation of risk assessments, due diligence, training and communication, procedures and control, as well as follow-up and evaluation. The programme is adapted to the company's size and operations, including with regard to the number of suppliers, customers and geographical presence. Now that the company is growing in complexity and scale, there is a need to make adjustments to the programme. A thorough revision will be carried out in 2024.

## Third-party risk management – statement on the Norwegian Transparency Act

Space Norway carries out due diligence in accordance with the OECD Guidelines for Multinational Enterprises.<sup>20</sup> Due diligence assessments are carried out in connection with direct and indirect purchases. The assessments are performed in accordance with the company's established procedure. This procedure is intended to ensure that the company meets the requirements for conducting and accounting for due diligence, and it ensures that we fulfil our duty of disclosure pursuant to the Transparency Act.

The procedure requires that a risk classification must be made for all suppliers that annually generate sales of NOK 1,000,000 or more to us. A classification must also be made if a supplier does not meet the

<sup>20</sup> Organisation for Economic Co-operation and Development (see also [OECD – Store norske leksikon \(snl.no\)](#)).

threshold for sales, but is strategically important for Space Norway. The risk assessment includes criteria related to geographical location, industry, our relationship and insight and the size of the contract.

Upon introducing the procedure, a risk classification of our existing suppliers was carried out. A supplier's risk classification determines the further follow-up. Based on risk assessment and prioritisation or materiality assessments, we will consider specific measures to halt, prevent and mitigate adverse impact or harm. We review risk classifications once a year, and assess and classify new suppliers before entering into contractual relationships.

Practices and measures are brought before the CEO and the Board of Directors of the company at least once a year.

Space Norway is in the process of conducting an in-depth assessment of our supply chains. This work will help us identify more accurate risks of human rights and labour rights violations on the part of our suppliers and in their supply chains. This will enable us to ask the right questions and set requirements. We plan to expand the procedure once these efforts have become more established.

During 2024, we will also keep records of all supplier meetings.

In addition to Space Norway's own operations, due diligence assessments also include the activities of our subsidiaries. The exception to this is Kongsberg Satellite Services (KSAT), which is a jointly controlled company (50 per cent owned by Space Norway).





# Equality report



## Space Norway AS – Equality report for 2023

The Space Norway Group comprises the parent company Space Norway AS and the 100 per cent owned subsidiaries Space Norway HEOSAT AS and Statsat AS. In addition, the Group comprises a 50 per cent ownership stake in Kongsberg Satellite Services AS (KSAT)

In the remainder of this report, the conditions for the parent company and the 100 per cent owned subsidiaries are applied and referred to as the company or Group.

With regard to the 50 per cent owned subsidiary KSAT, reference is made to KSAT's own report.

Space Norway's employees have a high level of education and expertise both in general and in the space industry and telecommunications.

The human resources in the Group consist predominantly of men. This is due to the industry traditionally being male dominated. There have been few female applicants with the necessary qualifications and experience in response to our new job postings. During the year, we increased the proportion of women by adding a female manager to the management team, meaning that we now have two women in the Group management and one female project manager.

Management is conscious of ensuring equal treatment of employees, irrespective of gender, sexual orientation, origin etc. Salary differences arise from the fact that we have more senior men of a higher age and

with more seniority. Several of the female employees are younger and have less seniority. We have an individual remuneration system outside of salary structures that sets specific salary levels. Therefore, there may be specific, objective reasons for salary differences, such as performance, competitive starting salaries, our desire to attract particular expertise etc.

In our daily operations, we focus on specific tasks and work together to address challenges regardless of gender representation.

Management emphasises that tasks should be carried out in a good working environment and gives high priority to well-being

### Employees and Remuneration

As at 31 December 2023, Space Norway has 58 employees. The average annual salary is NOK 1,079,000.





In 2023, we had three part-time employees, including one temporary employee.

The management team was expanded from 1 July and consists of four men and two women.

The average salary in the management team, excluding the salary of the CEO, is NOK 1,427,000 as at 31 December 2023. Excluding the CEO's salary, which is somewhat higher than the rest of the team, there is no difference in salary conditions between men and women.

For the 11 other women, responsibility, experience, and expertise are the determining factors with regard to salary level. Among them, there is one senior engineer with significant responsibilities and extensive experience, as well as three relatively recently graduated engineers.

For further assessment of remuneration, we have examined the following groups:

- Project managers and managers
- Technical specialists
- Senior engineers
- Engineers

### Project managers and managers

Managers have a technical professional responsibility and project managers are responsible for the progress and execution of tasks in a defined project with an approved cost range and a schedule. This group has an average salary of NOK 1,221,000. There is one woman in the project manager group.

### Technical specialists

Support functions with specialised knowledge in disciplines such as legal affairs, regulatory affairs, economics etc. The technical specialists have an average salary of NOK 1,296,000.

### Senior engineers

Engineers with long (more than 10 years) and extensive experience from multiple disciplines in the industry have an average salary of NOK 1,262,000.

### Engineers

Engineers with 0-10 years of experience have an average salary of NOK 744,000.

When we compare the group of engineers, women have lower salaries than men. This is primarily because the women have less experience and are more recent graduates. When compared based on experience, there is no difference in salary between women and men in the engineer group.

Space Norway is bound by the basic agreement entered into with Tekna (which is the trade union with the most members in our Group). General wage settlements are negotiated annually with Tekna. The management then evaluates remuneration based on comments from Tekna and the year's wage discussions between managers and employees. Collaborative meetings with Tekna are held at least four times a year. Tekna has raised topics and commented on discussions in several important areas beyond the actual wage settlement, e.g.:

- employment contracts for overtime work
- remote work (home office) policy
- pension scheme
- employee surveys

Meetings of the Working Environment Committee (AMU) are held four times a year. Prioritised topics have been working environment and well-being, matters raised by Tekna and the follow-up of safety inspections.

## Utilisation of parental leave

In 2023, two men have been on paternity leave. We adhere to government guidelines for salary and leave of absence approvals, and both employees were granted the aforementioned leave.

## Benefits and bonuses

This year there has been a change of CEO. In the first half of the year, the CEO had a fixed mileage allowance of a limited scope. The current CEO receives a commuting allowance according to government guidelines and as per a specially considered and individual agreement. The company has no other bonus schemes or additional benefits.

## Equality efforts

Our equality goals are reflected in the company's strategy, procedures, and routines. We have developed a separate reporting procedure to prevent harassment and gender-based violence. During annual employee reviews, employees are encouraged to raise any concerns or dissatisfaction related to equality, harassment matters, or other issues. Considerations for equality and non-discrimination are also incorporated into our overall personnel policies. We review our ethical guidelines with all employees twice a year.

In our processes for new hires, competence is always the main recruitment criterion, followed by the requirement that an applicant must be able to obtain security clearance, authorisation, and communicate in the company's working language, Norwegian. We operate in an industry where there have traditionally been few women. However, this is gradually changing. When filling a vacancy, we shall always (cf. our guidelines) invite female applicants for an interview if they possess the competence that meets our needs.



In 2023, we did not have any employees with special needs or disabilities. Therefore, no specific adaptations were made to the physical premises. However, we do have accessible lavatories and door-free access in one part of the premises. This ensures that we can accommodate any applicants with physical disabilities.

Our employees have access to a shared cafeteria within the building. Gluten-free food is available in the cafeteria, and agreements can be made to consider the dietary restrictions of persons with particular allergies.

## Diversity

The majority of our employees are of Norwegian descent. However, we do have some employees with different cultural backgrounds. Our working language is Norwegian, and it is a requirement that employees are fluent in spoken Norwegian.

## Sick leave

The rate of absence due to illness in 2023 was 2.14 per cent. 0.07 per cent constitutes long-term absence. Women have a slightly higher rate of absence than men.

## The work ahead

Our strategy contains a clearly stated goal of achieving equality. With each job vacancy announcement, we strive to move closer to achieving this goal within the parameters for competence, requirements for security clearance, etc.

In 2023, an employee survey was carried out to obtain more specific feedback from our employees on working environment, job satisfaction, workload etc. The survey showed that our employees have a high level of job satisfaction, a high degree of loyalty and enjoy a good relationship with their manager. In particular, three specific areas of improvement emerged from the survey:

- remuneration for younger, relatively recent graduates
- information about the company's strategy, especially in relation to younger employees
- location and lack of space at the Tromsø office

All these issues have been addressed and measures have been taken. We will conduct a new employee survey in 2024



## Risks/Elements preventing full equality in the workplace

- Few female applicants apply for our announced vacancies.
- Women are in the minority in terms of relevant education and experience.
- Several of our positions require some business travel, which may, at times, be particularly challenging for employees with small children.
- Due to the nature of work assignments, we require that our employees obtain a security clearance and authorisation. This can make it challenging to hire persons with a foreign national background.
- Our working language is Norwegian, and applicants must be able to speak and write Norwegian fluently.

## Measures to promote increased equality

- We will continue to give special consideration to female applicants for future vacancies.
- We have initiated a collaboration with Norwegian universities that have relevant programmes for our needs (space science and telecom). We provide information about the company, work tasks and future opportunities at student and job fairs.
- To the extent possible, we seek to adapt working conditions for employees with small children.

From Svalbard.  
↓ Photo: Space Norway





# Guidelines for determining the salary and other remuneration for senior executives

## Guidelines for determining the salary and other remuneration for senior executives

These guidelines have been prepared by the Board of Directors of Space Norway AS in accordance with the company's articles of association § 8, cf. §6-16a and the accompanying regulations, as well as in accordance with the Government Guidelines for Executive Compensation in Companies with State Ownership (issued by the Norwegian Ministry of Trade, Industry, and Fisheries on 12 December 2022) and the expectations expressed in Report to the Storting No. 6 (2022-2023) State Direct Ownership in Companies - A Greener and More Active State Ownership.

These guidelines are subject to approval by the General Meeting. The Board of Directors' guidelines shall be presented to the General Meeting at least every fourth year and in the event of any "significant change."

Senior executives in the Group include the CEO and five employees in the following roles:

- Group Director of Strategic Fibre-Optic Connection
- Group CFO
- Group Director of Innovation and Development
- Group Director of Earth Observation and Maritime Safety
- Group Director of Satellite Communication, currently CEO
- Group Legal Counsel

The above roles and board members are jointly referred to as Senior Executives.

Remuneration paid to board members is determined by the General Meeting.

Space Norway's continued growth and profitability depend on motivated employees and good managers. Individual salaries should be perceived as predictable and fair. Salaries shall contribute to motivating sustainable development and generating good returns over time. Space Norway has a uniform compensation policy aimed at promoting results and making us a great workplace. We are not to be the highest paying employer and shall practice moderation in wage settlements. Our compensation policy is approved by the Board of Directors.

Remuneration to the CEO is determined by the Board of Directors within the frameworks established in these guidelines. Remuneration of other senior executives is determined by the CEO in consultation with the Chair of the Board.

The compensation package for senior executives at Space Norway consists of a fixed salary, pension benefits, and other allowances or payments in kind. The main element of remuneration is a fixed salary.

The company practices a three-month notice period. This applies to all employees.



Normally, the company does not practice severance pay or compensation in connection with termination. In cases where specific agreements for severance pay upon termination are made by the company, the agreed severance pay and salary during the notice period shall not exceed a total of 12 months' salary. Severance pay is normally reduced on a one-to-one basis if the senior executive, during the severance pay period, accepts a new position, assumes new paid positions of trust, or earns income from business activities in which said person is an active owner.

Upon termination, further salary payments cease, as do the company's contributions to the individual's pension and insurance plans.

### **Main principles for determining compensation schemes for senior executives**

The salary level at Space Norway AS should not be leading but competitive. Consideration for moderation shall be maintained. This entails, among other things, that the remuneration is not higher than necessary to attract and retain the desired expertise.

Compensation schemes must be designed in a manner that prevents unreasonable remuneration due to external factors beyond the control of management. The Board of Directors shall have an overview of the total value of each manager's agreed-upon compensation and also ensure that executive compensation schemes do not have adverse effects on the company or undermine the company's reputation.

Persons in executive roles shall not receive separate remuneration for board roles in 100 per cent owned subsidiaries within the same group.

The company does not practice variable or bonus-based salaries or similar arrangements.

### **Fixed salary**

Fixed salaries are determined upon commencement and are commensurate with the level of competence and responsibilities. Salaries are assessed annually in connection with wage settlements. As part of the moderation assessment in the wage settlement, differences in the remuneration paid to senior executives and other employees are taken into account. In the wage settlement, competence and responsibilities form the basis for assessing nominal salary growth for other employees. If the growth in total remuneration, or in individual remuneration components, is greater for senior executives than for other employees, either in percentage or nominal terms, the Board of Directors shall provide a specific rationale in the company's salary report (cf. requirements issued by the General Meeting).

Fixed salaries can also be adjusted in the event of changes in tasks or an expanded area of responsibility. Moderation shall also be exercised in such salary assessments and adjustments.

### **Pension benefits**

The pension terms for senior executives are on par with the terms of other employees in the company. The Group has a defined contribution pension scheme with Storebrand. The pensionable salary is capped at 12 G (basic amount in the National Insurance scheme).



### Other remuneration

The company covers mobile phone expenses and, by agreement, home internet connection. The company covers business travel and overnight accommodation according to invoice and per diem according to government rates.

The company does not provide company cars. The company has an agreement for a monthly car allowance for one employee (former CEO). Furthermore, for pre-agreed use of a personal vehicle for business purposes, the company provides reimbursement based on government rates.

In special circumstances, and by agreement, the company may reimburse employees who commute weekly over a certain distance between their primary and secondary residence near the workplace in Skøyen. Such an agreement covers travel between the primary and secondary residence at the workplace, in addition to some living expenses in accordance with acts and regulations.

### Changes and departures

The Board of Directors is responsible for preparing guidelines. In the event of changes to the guidelines, significant changes shall be described and explained. Any “significant change” in the guidelines requires consideration and approval by the General Meeting.

The Board of Directors and the CEO may depart from the guidelines in order to safeguard the company’s long-term interests and financial sustainability, or to ensure the company’s viability. Any such departure must be approved by the Board of Directors and explained in the salary report for the current fiscal year.

↓ Photo: Getty Images



# Report on salary and other remuneration for senior executives

Pursuant to Section 6-16B of the Norwegian Public Limited Liability Companies Act, the Board of Directors is required to prepare an executive remuneration report that discloses the salaries and other remuneration for senior executives.

The report ensures transparency about Space Norway AS' guidelines for salaries and other remuneration and confirms compliance by reporting actual salaries and remuneration to senior executives. Guidelines for pay and other remuneration are available on the company's website.



↑ Photo: Manuel Meurisse

Salary report

2023

Salaries 2023	Total reported remuneration	Salaries 2023	Fixed salaries
Chair of the Board	365 000 NOK	365 000 NOK	365 000 NOK
Board member	–		188 000 NOK
CEO	1 640 662 NOK	1 630 148 NOK	1 850 000 NOK
Group CFO	1 450 665 NOK	1 436 576 NOK	1 500 000 NOK
Group Director of Submarine Fibre-Optic Connection	517 282 NOK	510 417 NOK	1 400 000 NOK
Group Director of Innovation and Development	798 011 NOK	791 667 NOK	1 400 000 NOK
Group Direction of Earth Observation	457 866 NOK	454 167 NOK	1 400 000 NOK
Group Legal Counsel	1 425 394 NOK	1 414 880 NOK	1 500 000 NOK

Lønn 2023	Comments	Other remuneration
Chair of the Board		
Board member		
CEO	Pendleravtale	4 392 NOK
Group CFO		7 967 NOK
Group Director of Submarine Fibre-Optic Connection		2 494 NOK
Group Director of Innovation and Development		2 652 NOK
Group Direction of Earth Observation		1 464 NOK
Group Legal Counsel		4 392 NOK



2022

Salaries 2022	Total reported remuneration	Fixed salaries	Other remuneration
Chair of the Board	350 000 NOK	350 000 NOK	
Board member	180 000 NOK	180 000 NOK	
CEO	1 693 226 NOK	1 633 028 NOK	60 000
Group CFO	1 368 130 NOK	1 354 063 NOK	1 474
Group Director of Infrastructure and Security	1 308 273 NOK	1 295 715 NOK	Pendleravtale



The above tables display salary and remuneration received by senior executives from Space Norway AS in the past two years.

We have a new CEO who took office midway through the year. The members of the management team have been given increased responsibility, which is reflected in new salaries, and the management team has been expanded with new positions to reflect the new strategy.



Development of fixed salaries last 5 years

Development of fixed salaries as of 31.12 each year	2023	%	2022	%	2021	%	2020	%	2019
Chair of the Board	365 000 NOK	4 %	350 000 NOK	13 %	309 000 NOK	3 %	300 000 NOK	25 %	240 000 NOK
Board member	188 888 NOK	5 %	180 000 NOK	9 %	165 000 NOK	3 %	160 000 NOK	14 %	140 000 NOK
CEO	1 850 000 NOK	9 %	1 689 559 NOK	7 %	1 576 499 NOK	2 %	1 541 808 NOK	1 %	1 519 023 NOK
Group CFO	1 500 000 NOK	7 %	1 400 221 NOK	7 %	1 307 905 NOK	2 %	1 279 125 NOK	2 %	1 260 221 NOK
Group Director of Submarine Fibre-Optic Connection	1 400 000 NOK	4 %	1 345 631 NOK	8 %	1 245 799 NOK	2 %	1 218 386 NOK	2 %	1 200 380 NOK
Group Director of Innovation and Development	1 400 000 NOK								
Group Director of Earth Observation	1 400 000 NOK								
Group Legal Counsel	1 500 000 NOK								

Development last 5 years

	2023	2022	2021	2020	2019
Group's annual result	-239 506 673 NOK	65 542 436 NOK	16 498 407 NOK	104 015 243 NOK	109 674 626 NOK
Group's total personnel expenses	298 062 540 NOK	235 231 374 NOK	181 328 632 NOK	161 808 653 NOK	138 647 074 NOK
Parent and wholly owned subsidiaries	79 225 682 NOK	62 959 874 NOK	55 857 163 NOK	45 577 836 NOK	30 726 075 NOK
Number of employees, Group 50% KSAT	227	196,75	170,25	151,5	133,5
Number of employees parent company and wholly owned subsidiaries	58	45,5	42,5	42	30
Average total personnel expenses per employee, Group	1 313 051 NOK	1 195 585 NOK	1 065 073 NOK	1 068 044 NOK	1 038 555 NOK
Average total personnel expenses per employee, parent company and wholly owned subsidiaries	1 365 960 NOK	1 383 733 NOK	1 314 286 NOK	1 085 187 NOK	1 024 203 NOK
Average salary, parent company and wholly owned subsidiaries outside of Group management	1 024 209 NOK	889 661 NOK	890 726 NOK	819 660 NOK	691 892 NOK


The tables display salaries and remuneration that senior executives have received from Space Norway AS. In addition, the tables show the general development of the Group and the company over the past five years.

The parent company and wholly owned subsidiaries do not have variable salary agreements. We employ several younger, recent graduates in both the parent company and the wholly owned subsidiaries. This results in a reduction of the average salary in the Group.

According to the company's salary policy, salary levels are to be competitive, but not market leading. Total remuneration is in line with the guidelines, and moderation has been exercised in the wage settlement.


Statement by the Board of Directors

The Board of Directors has adopted the executive remuneration report for the 2023 fiscal year. The report has been prepared in accordance with Section 6-16b of the Norwegian Public Limited Liability Companies Act. The executive remuneration report will be presented at the General Meeting in June 2024.




### List of Signatures

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4.1 SPN-S(24)20 hovedvedlegg Mor og konsern regnskap 2023.pdf

Name	Method	Signed at
Stølan, Dag Hugo	BANKID	2024-05-31 14:08 GMT+02
Løvland, Siri	BANKID	2024-05-31 14:07 GMT+02
Vålønd, Per Atle	BANKID	2024-05-31 12:40 GMT+02
Lunde, Morten Haga	BANKID	2024-05-31 12:37 GMT+02
Rimmereid, Tore Olaf	BANKID	2024-05-31 12:25 GMT+02
Heier, Ann-Kari Amundsen	BANKID	2024-06-01 14:57 GMT+02
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The remuneration report shall, where relevant, provide information about:

1. The total remuneration the individual has received or is owed by virtue of their position as a senior executive during the financial year, broken down by component.
2. The proportional share of fixed and variable remuneration.
3. A description of how the total remuneration is in accordance with the guidelines, including how the remuneration contributes to the company's long-term results and how the performance criteria have been applied.
4. The annual changes in total remuneration, the company's performance, and the average salary in the company based on the number of full-time equivalents of other employees in the company, excluding senior executives, for at least the last five financial years.
5. Remuneration received from entities within the same group or corporate group.
6. Any exceptions to the decision-making process for determining the guidelines mentioned in § 4 first paragraph no. 5, or if the guidelines have been deviated from due to special circumstances as mentioned in § 4 fourth paragraph. The circumstances and which parts of the guidelines have been deviated from must be described in such cases.



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Til generalforsamlingen i Space Norway AS

## Uavhengig revisors attestasjonsuttalelse om rapport om lønn og annen godtgjørelse til ledende personer

### Konklusjon

Vi har utført et attestasjonsoppdrag for å oppnå betryggende sikkerhet for at Space Norway ASs rapport om lønn og annen godtgjørelse til ledende personer (lønnsrapporten) for regnskapsåret som ble avsluttet 31. desember 2023, er i samsvar med allmennaksjeloven § 6-16b og tilhørende forskrift.

Etter vår mening er lønnsrapporten i det alt vesentlige utarbeidet i samsvar med allmennaksjeloven § 6-16b og tilhørende forskrift.

### Styrets ansvar

Styret er ansvarlig for utarbeidelsen av lønnsrapporten og for at den inneholder de opplysninger som kreves etter allmennaksjeloven § 6-16b og tilhørende forskrift. Styret har også ansvar for slik intern kontroll som det finner nødvendig for å utarbeide en lønnsrapport som ikke inneholder vesentlig feilinformasjon, hverken som følge av misligheter eller feil.

### Vår uavhengighet og kvalitetsstyring

Vi er uavhengige av selskapet slik det kreves i lov, forskrift og International Code of Ethics for Professional Accountants (inkludert internasjonale uavhengighetsstandarder) utstedt av the International Ethics Standards Board for Accountants (IESBA-reglene), og vi har overholdt våre øvrige etiske forpliktelser i samsvar med disse kravene. Vi anvender internasjonal standard for kvalitetsstyring (ISQM) 1 Kvalitetsstyring for revisjonsforetak som utfører revisjon og forenklet revisorkontroll av regnskaper samt andre attestasjonsoppdrag og beslektede tjenester, og opprettholder et omfattende system for kvalitetskontroll inkludert dokumenterte retningslinjer og prosedyrer vedrørende etterlevelse av etiske krav, faglige standarder og gjeldende lovmessige og regulatoriske krav.

### Revisors oppgaver og plikter

Vår oppgave er å gi uttrykk for en mening om lønnsrapporten inneholder de opplysninger som kreves etter allmennaksjeloven § 6-16b og tilhørende forskrift, og at opplysningene i lønnsrapporten ikke inneholder vesentlig feilinformasjon. Vi har utført vårt arbeid i samsvar med internasjonal attestasjonsstandard (ISAE) 3000 – «Attestasjonsoppdrag som ikke er revisjon eller forenklet revisorkontroll av historisk finansiell informasjon».

Vi har gjort oss kjent med retningslinjene om fastsettelse av lønn og godtgjørelse til ledende personer som er godkjent av generalforsamlingen. Våre handlinger omfattet opparbeidelse av en forståelse av den interne kontrollen som er relevant for utarbeidelse av lønnsrapporten for å utforme kontrollhandlingene som er hensiktsmessige etter omstendighetene, men ikke for å gi uttrykk for en mening om effektiviteten av selskapets interne kontroll. Videre utførte vi kontroller av fullstendigheten

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Årstad	Hamar	Sandnessjøen	Tynset
Bergen	Haugesund	Stavanger	Ullensaker
Bodø	Kragerø	Stord	Ålesund
Drammen	Kristiansund	Straume	



og nøyaktigheten av opplysningene i lønnsrapporten, herunder om den inneholder de opplysningene som kreves etter lov og tilhørende forskrift. Vi mener at innhentet bevis er tilstrekkelig og hensiktsmessig som grunnlag for vår konklusjon.

Oslo, 11. juni 2024  
Øivind Karlsen

KPMG AS  
Statsautorisert revisor  
(elektronisk signert)



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# The History of Space Norway

Norway was an early mover in adopting space technology, primarily because of the need for maritime communication and surveillance of vast ocean areas. The Norwegian space industry has focused on developing useful space-based services and has served as an instrument for preserving Norwegian interests. Space Norway is the result of a forward-looking Norwegian Space Agency in an early phase of space exploration.



↑ Tromsø Telemetry Station 1967.

Photo: KSAT

## Milestones in the History of Space Norway

1967

Tromsø Telemetristasjon (TTS) is established by the Royal Norwegian Council for Scientific and Industrial Research to benefit from Tromsø’s favourable geographic location for the download of data from satellites in polar orbits.

1976

In the summer of 1976, Norwegian Telecom launched the satellite system under the name NORSAT. The Minister of Transport inaugurated it with a phone call to the Ekofisk oil field. It was the first satellite connected to oil installations and ship-ping fleets, opening up satellite connection from the mainland to offshore oilfields in the North Sea and to shipping fleets abroad.

1986

Nittedal earth station is commissioned and assumes the role as uplink station for NRK programming. Nittedal earth station commences full operations with transmission of Norwegian television to Svalbard and to oil production facilities in the North Sea.

1974

Norwegian Telecom (Televerket), the former Norwegian State Tele-communications Authority, decides to establish a domestic satellite system, the first of its kind in Western Europe. The petroleum industry needed a connection to its North Sea production platforms and the Norwegian authorities needed to facilitate communications to Sval-bard. The satellite system would solve both of these essential needs.

1984

Norwegian Telecom launches live broadcasts of Norwegian Broad-casting Corporation (NRK) programmes to Svalbard and the North Sea. Thereby, the undertaking becomes the second in Europe to deliver television programming by satellite. The uplink station was an experimental earth station at Norwegian Telecom’s research institute at Kjeller. Norwegian Telecom also starts its field trials for television transmissions to Svalbard sent via satellite.

1987

The Norwegian Space Agency (NRS) is established in 1987 when Norway becomes a member of the European Space Agency (ESA). TTS and its activities are incorporated into the Norwegian Space Agency in 1991.



1992

Norwegian Telecom acquires the DTH broadcasting satellite Marco Polo II from British Satellite Broadcasting Ltd. to establish 1° West as the main position (Hot Bird) targeting the Nordic countries. Norwegian Telecom thereby becomes the largest Nordic operator of satellite-based transmission services for broadcasting purposes, mainly targeting Norway. Furthermore, the undertaking emerges as a major player in active corporate communications in Northwest Europe. Moreover, Norwegian Telecom becomes one of the leading players globally for mobile services for ships and aircraft. The satellite is renamed THOR 1.

1995

The Norwegian Space Agency organises parts of its activities as limited liability companies. Tromsø Satellite Station AS is set up to manage operational activities, and Norsk Romsenter Eiendom AS (today Space Norway AS) is set up as the owner of the infrastructure.

1997

Telenor launches the THOR 2 satellite, which is positioned at 1° West. From this position, more than 110 television and radio programmes are now distributed in the Nordic countries, as well as Central and Eastern Europe.

2001

Telenor introduces its Occasional Use division, a global service for the transmission of live events.

1994

Norwegian Telecom becomes a public corporation and is responsible for all international televised broadcasting from the Lillehammer Winter Olympics. In total, nearly 800,000 minutes are broadcast from six station locations with 49 uplink stations and using 16 satellites.

1995

Norwegian Telecom becomes Telenor. The company’s satellite activities continue under the name Telenor Satellite Services.

1998

Telenor launches another satellite, THOR 3, increasing capacity at 1° West.

2002

Telenor launches all TV channels in digital format.

Telenor introduces a service platform that combines digital broadcasting (with a narrowband return channel) and VSAT services at 1° West.

2004

Telenor and Intelsat both require satellite capacity at 1° West. THOR 10-02 / IS-10-02 is launched as a collaborative project. The satellite is still operational.

2005

Space Norway finances the first antenna for satellite communication with the Troll Station in Antarctica.

2002

In 2002 Space Norway separated its Svalbard satellite infrastructure business into a new subsidiary named Satellite Services AS. This company subsequently merged with Kongsberg Gruppen's activities on Svalbard and the merged company was named Kongsberg Satellite Services (KSAT). Since its formation in 2002 KSAT has been a 50/50 joint venture between Space Norway and Kongsberg Gruppen.

2003/2004

Svalbard is in a geographically advantageous location for downloading data from satellites in polar orbits. Efficient transfer of large volumes of data to the mainland became a prerequisite for enabling further development of the Svalbard business. The Norwegian Space Agency therefore took the initiative to establish a 1,400-kilometre subsea fibreoptic cable connection between the mainland and Svalbard. Space Norway was given the assignment to establish the connection and own and operate this important infrastructure. The fibre connection became operational in January 2004 and is now a prerequisite for KSAT's activities on Svalbard as well as for the Longyearbyen community in general.

2006

Telenor enters into an agreement with Apax Partners, France for the sale of its mobile satellite services business, Telenor Satellite Services. The 1° West operations and ownership of the satellite infrastructure continue under the name Telenor Satellite Broadcasting (TSBc).

Euro-Fibre (formerly MSNW multi-service network) starts operations delivering HDTV broadcasts from major media hubs in Europe.



2008

Telenor Satellite Broadcasting's new satellite, THOR 5, is launched and positioned at 1° West. The project was Part One of a programme to relieve retiring satellites THOR 2 and THOR 3.

The IPTV platform is released following the launch of THOR 5. The satellite is still operational.

2013/2014

The company is formally given its current name, Space Norway. At the end of 2013, the ownership of Space Norway is transferred from the Norwegian Space Agency to the Norwegian Ministry of Trade, Industry and Fisheries.

2015

Telenor Satellite Broadcasting's new High Throughput Satellite (HTS), THOR 7, is launched. It is dimensioned to continue broadcast capacity. It is also equipped for growth with a specially designed payload in the datacom market for mobile and fixed VSAT terminals on the new Ka-band frequency. The satellite, which also provides a connection to the Troll Station in Antarctica, is still operational.

2016

Telenor Satellite Broadcasting changes name to Telenor Satellite to reflect the growing breadth of the company's communication services. The company has developed a strong position both in relation to the oil and gas sector and the maritime industry. The THOR 7 satellite represents a good basis for further growth in these markets. The Ka-band service for data communications is launched for commercial operation.

2009

Telenor Satellite Broadcasting acquires a new satellite, THOR 6, which has 36 transponders, 16 targeting the Nordic countries and 20 targeting Central and Eastern Europe. The satellite is still operational.

2015

Space Norway acquires a transponder on Telenor's Thor 7 satellite dedicated to a communications link with the Troll Station in Antarctica. This enables KSAT to downlink information from satellites passing across the South Pole. Space Norway worked with KSAT and Telenor Satellite in 2013/2014 to realise the dedicated communications solution onboard Telenor's Thor 7 satellite. The communications link is leased to KSAT which is the only operator able to offer communications with satellites at both the North and South Poles.

2016

KSAT and Space Norway initiate a preliminary project for the development of a new satellite-based radar system for maritime surveillance.

2018

The Norwegian Parliament approves conditional equity financing for the realisation of broadband communication in the Arctic.

2021

Northop Grumman’s Mission Extension Vehicle (MEV-2) is docked with THOR 10-02 / IS-10-02 in a ground-breaking operation. The docking with an operational satellite is a world-first, effectively increasing its lifespan by five years. The satellite is still operational.

2023

Space Norway Group enters into an agreement with Telenor to acquire Telenor Satellite.

2024

Space Norway Group acquires Telenor Satellite. Telenor Satellite continues its operations under the name of Space Norway. The MEV-2 mission is extended to allow THOR 10-02 to remain operational for several additional years.

2019

Space Norway decides to establish satellite-based broadband in the Arctic. The Arctic Satellite Broadband Mission (ASBM) is an important milestone in the company's history. With an investment framework of approximately 450 million US dollars, ASBM is the largest satellite program ever conducted in Norway. The capacity consists of two satellites in a highly elliptical orbit. This will provide broadband coverage north of the 65th parallel. The launch will take place in 2024. The satellites will be launched with a Falcon 9 rocket from SpaceX.

2022

Space Norway begins the work on building a test and demonstration satellite for radar-based maritime surveillance. The project is the result of several years of preparation, and the planned launch is in 2025.

2023

In 2023, Space Norway enters into an agreement with Telenor to purchase Telenor Satellite.



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