



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

### Enheten

Organisasjonsnummer: 920 598 951  
Organisasjonsform: Aksjeselskap  
Foretaksnavn: NET1 INTERNATIONAL HOLDINGS AS  
Forretningsadresse: Kavringen brygge 2  
0252 OSLO

### Regnskapsår

Årsregnskapets periode: 01.01.2020 - 31.12.2020

### Konsern

Mørselskap i konsern: Ja  
Konsernregnskap lagt ved: Ja

### Regnskapsregler

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

### Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Lars Erik Larsson  
Dato for fastsettelse av årsregnskapet: 29.04.2022

### Grunnlag for avgivelse

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

*Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.*

Brønnøysundregistrene, 08.05.2022



### Resultatregnskap

Beløp i: NOK	Note	2020	2019
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Operating revenue		3 532 000	7 734 000
Operating expenses			
<b>Sum inntekter</b>		<b>3 532 000</b>	<b>7 734 000</b>
<b>Kostnader</b>			
Other operating expenses	P3,P4	65 023 000	45 183 000
<b>Sum kostnader</b>		<b>65 023 000</b>	<b>45 183 000</b>
<b>Driftsresultat</b>		<b>-61 491 000</b>	<b>-37 449 000</b>
<b>Finansinntekter og finanskostnader</b>			
Renteinntekt fra foretak i samme konsern	P2	222 000	215 000
Annen renteinntekt	P3	5 000	1 628 000
Foreign exchange gain (net)	P2	4 488 000	-1 208 000
Subscription rights	P2	0	57 228 000
<b>Sum finansinntekter</b>		<b>4 715 000</b>	<b>57 863 000</b>
Write-down of shares	P2	1 456 423 000	0
Annen rentekostnad	P2	20 378 000	3 205 000
Other financial expenses	P2	19 736 000	25 000
<b>Sum finanskostnader</b>	P2	<b>1 496 537 000</b>	<b>3 230 000</b>
<b>Netto finans</b>	P2	<b>-1 491 822 000</b>	<b>54 633 000</b>
<b>Ordinært resultat før skattekostnad</b>		<b>-1 553 313 000</b>	<b>17 184 000</b>
Income tax	P2	0	-383 000
<b>Ordinært resultat etter skattekostnad</b>		<b>-1 553 313 000</b>	<b>17 567 000</b>
<b>Årsresultat</b>		<b>-1 553 313 000</b>	<b>17 567 000</b>



### Balanse

Beløp i: NOK	Note	2020	2019
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
Trademærke	P11	0	47 284 000
<b>Sum immaterielle eiendeler</b>		<b>0</b>	<b>47 284 000</b>
<b>Finansielle anleggsmidler</b>			
Investering i datterselskap	P5	0	1 336 090 000
Lån til foretak i samme konsern	P6	0	0
<b>Sum finansielle anleggsmidler</b>		<b>0</b>	<b>1 336 090 000</b>
<b>Sum anleggsmidler</b>		<b>0</b>	<b>1 383 374 000</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
<b>Fordringer</b>			
Trade receivables		0	5 268 000
Other receivables		750 000	0
Prepaid expenses and accrued income	P5	0	2 756 000
Konsernfordringer	P6	17 633 000	27 832 000
<b>Sum fordringer</b>		<b>18 383 000</b>	<b>35 856 000</b>
<b>Bankinnskudd, kontanter og lignende</b>			
Cash and cash equivalents		2 475 000	3 883 000
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>2 475 000</b>	<b>3 883 000</b>
<b>Sum omløpsmidler</b>		<b>20 858 000</b>	<b>39 739 000</b>
<b>SUM EIENDELER</b>		<b>20 858 000</b>	<b>1 423 113 000</b>

### BALANSE - EGENKAPITAL OG GJELD

#### Egenkapital

##### Innskutt egenkapital



### Balanse

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2020</b>	<b>2019</b>
Selskapskapital	P7	434 059 000	434 059 000
Overkurs		853 047 000	853 047 000
<b>Sum innskutt egenkapital</b>		<b>1 287 106 000</b>	<b>1 287 106 000</b>
<b>Opptjent egenkapital</b>			
Retained earnings			66 427 000
Udekket tap		1 486 886 000	
<b>Sum opptjent egenkapital</b>		<b>-1 486 886 000</b>	<b>66 427 000</b>
<b>Sum egenkapital</b>		<b>-199 780 000</b>	<b>1 353 533 000</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
Utsatt skatt	P8	0	0
<b>Sum avsetninger for forpliktelser</b>		<b>0</b>	<b>0</b>
<b>Annen langsiktig gjeld</b>			
Loans from shareholders	P10	210 615 000	0
<b>Sum annen langsiktig gjeld</b>		<b>210 615 000</b>	<b>0</b>
<b>Sum langsiktig gjeld</b>		<b>210 615 000</b>	<b>0</b>
<b>Kortsiktig gjeld</b>			
Leverandørgjeld		1 644 000	4 138 000
Current borrowings from shareholders	P10	0	62 275 000
Kortsiktig konserngjeld	P6	6 253 000	0
Other current liabilities		741 000	49 000
Accrued expenses and deferred income		1 385 000	3 118 000
<b>Sum kortsiktig gjeld</b>		<b>10 023 000</b>	<b>69 580 000</b>
<b>Sum gjeld</b>		<b>220 638 000</b>	<b>69 580 000</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>20 858 000</b>	<b>1 423 113 000</b>



## Konsernets resultatregnskap

Beløp i: NOK	Note	2020	2019
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Service revenue		33 473 000	35 212 000
Other operating revenue		4 734 000	12 337 000
<b>Sum inntekter</b>	5,6	<b>38 207 000</b>	<b>47 549 000</b>
<b>Kostnader</b>			
Operating expenses	7,16,1 7	323 634 000	308 176 000
Employee benefits	8	43 398 000	44 442 000
Depreciation and amortization	12,13	283 702 000	108 256 000
Nedskrivning av varige driftsmidler og immaterielle eiendeler	12,13	1 192 551 000	0
<b>Sum kostnader</b>		<b>1 843 285 000</b>	<b>460 874 000</b>
<b>Driftsresultat</b>		<b>-1 805 078 000</b>	<b>-413 325 000</b>
<b>Finansinntekter og finanskostnader</b>			
Annen renteinntekt	9	253 000	3 452 000
Currency gains, net	9	5 517 000	13 305 000
Other financial income	9	2 625 000	2 593 000
Subscription rights	9	0	57 004 000
<b>Sum finansinntekter</b>		<b>8 395 000</b>	<b>76 354 000</b>
Annen rentekostnad	10	97 049 000	34 017 000
Interest expenses, leases	10	34 547 000	50 475 000
Other financial expenses	10	8 573 000	11 240 000
<b>Sum finanskostnader</b>		<b>140 169 000</b>	<b>95 732 000</b>
<b>Netto finans</b>		<b>-131 774 000</b>	<b>-19 378 000</b>
<b>Ordinært resultat før skattekostnad</b>		<b>-1 936 852 000</b>	<b>-432 703 000</b>
Deferred taxes	11	-330 790 000	-14 066 000
<b>Ordinært resultat etter skattekostnad</b>		<b>-1 606 062 000</b>	<b>-418 637 000</b>
<b>Årsresultat</b>		<b>-1 606 062 000</b>	<b>-418 637 000</b>



## Konsernets resultatregnskap

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2020</b>	<b>2019</b>
Translation differences on foreign operations		68 585 000	38 727 000
IAS8 effect from Rights of Use		-4 467 000	0
Sum resultatkomponenter for IFRS-foretak		64 118 000	38 727 000
<b>Totalresultat</b>		<b>-1 541 944 000</b>	<b>-379 910 000</b>



## Konsernets balanse

Beløp i: NOK	Note	2020	2019
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
Frequency license	12	0	1 315 988 000
Trademark	12	0	47 285 000
Other intangible assets	12	3 268 000	10 189 000
<b>Sum immaterielle eiendeler</b>		<b>3 268 000</b>	<b>1 373 462 000</b>
<b>Varige driftsmidler</b>			
Machinery and plant	13	362 031 000	549 422 000
Other tangible assts	13	25 835 000	17 099 000
Work in progress	13	22 926 000	53 538 000
<b>Sum varige driftsmidler</b>		<b>410 792 000</b>	<b>620 059 000</b>
<b>Finansielle anleggsmidler</b>			
Other financial assets	15	36 117 000	44 934 000
<b>Sum finansielle anleggsmidler</b>		<b>36 117 000</b>	<b>44 934 000</b>
<b>Sum anleggsmidler</b>		<b>450 177 000</b>	<b>2 038 455 000</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
Inventory	16	8 266 000	11 119 000
<b>Sum varer</b>		<b>8 266 000</b>	<b>11 119 000</b>
<b>Fordringer</b>			
Trade receivables	15,17	6 958 000	13 384 000
Other receivables	15,18	22 608 000	49 814 000
Prepaid expenses and accrued income		8 625 000	341 000
Assets classified as held for sale	13	3 608 000	9 379 000
<b>Sum fordringer</b>		<b>41 799 000</b>	<b>72 918 000</b>
<b>Bankinnskudd, kontanter og lignende</b>			
Cash and cash equivalents	15,22	97 084 000	29 341 000
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>97 084 000</b>	<b>29 341 000</b>



## Konsernets balanse

Beløp i: NOK	Note	2020	2019
Sum omløpsmidler		147 149 000	113 378 000
<b>SUM EIENDELER</b>		<b>597 326 000</b>	<b>2 151 833 000</b>
<b>BALANSE - EGENKAPITAL OG GJELD</b>			
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Share capital	19	434 059 000	434 059 000
<b>Sum innskutt egenkapital</b>		<b>434 059 000</b>	<b>434 059 000</b>
<b>Opptjent egenkapital</b>			
Reserves		1 021 345 000	958 512 000
Udekket tap		2 236 209 000	630 855 000
<b>Sum opptjent egenkapital</b>		<b>-1 214 864 000</b>	<b>327 657 000</b>
<b>Sum egenkapital</b>		<b>-780 805 000</b>	<b>761 716 000</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
Pensjonsforpliktelser	23	8 849 000	7 255 000
Utsatt skatt	11	0	328 997 000
<b>Sum avsetninger for forpliktelser</b>		<b>8 849 000</b>	<b>336 252 000</b>
<b>Annen langsiktig gjeld</b>			
Ansvarlig lånekapital	15,21	210 615 000	0
Borrowings	15,21	489 610 000	324 261 000
Non-interest bearing liabilities	15,22		12 393 000
Non-current lease liabilities	24	228 654 000	415 788 000
<b>Sum annen langsiktig gjeld</b>		<b>928 879 000</b>	<b>752 442 000</b>
<b>Sum langsiktig gjeld</b>		<b>937 728 000</b>	<b>1 088 694 000</b>
<b>Kortsiktig gjeld</b>			
Borrowings	15,21	0	62 274 000
Leverandørgjeld	15	236 593 000	104 900 000
Current lease liabilities	24	30 600 000	5 592 000
Other current liabilities	15	22 704 000	14 717 000



## Konsernets balanse

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2020</b>	<b>2019</b>
Accrued expenses and contract liabilities	15,25	150 506 000	113 940 000
<b>Sum kortsiktig gjeld</b>		<b>440 403 000</b>	<b>301 423 000</b>
<b>Sum gjeld</b>		<b>1 378 131 000</b>	<b>1 390 117 000</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>597 326 000</b>	<b>2 151 833 000</b>



## Brønnøysundregistrene

### ÅRSREGNSKAP FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

Journalnummer: 2022 261807

#### Enheten

Organisasjonsnummer: 920 598 951  
Organisasjonsform: Aksjeselskap  
Foretaksnavn: NET1 INTERNATIONAL HOLDINGS AS  
Forretningsadresse: Kavringen brygge 2  
0252 OSLO

#### Regnskapsår

Årsregnskapets periode: 01.01.2020 - 31.12.2020

#### Konsern

Morselskap i konsern: Ja  
Konsernregnskap lagt ved: Ja

#### Regnskapsregler

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

#### Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Lars Erik Larsson  
Dato for fastsettelse av årsregnskapet: 29.04.2022

#### Grunnlag for avgivelse

År 2020: Årsregnskap er elektronisk innlevert.  
År 2019: Tall er hentet fra elektronisk innlevert årsregnskap fra 2020.

*Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.*

Brønnøysundregistrene, 07.05.2022



Organisasjonsnr: 920 598 951  
NET1 INTERNATIONAL HOLDINGS AS

## RESULTATREGNSKAP

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2020</b>	<b>2019</b>
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Operating revenue		3 532 000	7 734 000
Operating expenses			
<b>Sum inntekter</b>		<b>3 532 000</b>	<b>7 734 000</b>
<b>Kostnader</b>			
Other operating expenses	P3, P4	65 023 000	45 183 000
<b>Sum kostnader</b>		<b>65 023 000</b>	<b>45 183 000</b>
<b>Driftsresultat</b>		<b>-61 491 000</b>	<b>-37 449 000</b>
<b>Finansinntekter og finanskostnader</b>			
Renteinntekt fra foretak i samme konsern	P2	222 000	215 000
Annen renteinntekt	P3	5 000	1 628 000
Foreign exchange gain (net)	P2	4 488 000	-1 208 000
Subscription rights	P2	0	57 228 000
<b>Sum finansinntekter</b>		<b>4 715 000</b>	<b>57 863 000</b>
Write-down of shares	P2	1 456 423 000	0
Annen rentekostnad	P2	20 378 000	3 205 000
Other financial expenses	P2	19 736 000	25 000
<b>Sum finanskostnader</b>	<b>P2</b>	<b>1 496 537 000</b>	<b>3 230 000</b>
<b>Netto finans</b>	<b>P2</b>	<b>-1 491 822 000</b>	<b>54 633 000</b>
<b>Ordinært resultat før skattekostnad</b>		<b>-1 553 313 000</b>	<b>17 184 000</b>
Income tax	P2	0	-383 000
<b>Ordinært resultat etter skattekostnad</b>		<b>-1 553 313 000</b>	<b>17 567 000</b>
<b>Årsresultat</b>		<b>-1 553 313 000</b>	<b>17 567 000</b>



Organisasjonsnr: 920 598 951  
NET1 INTERNATIONAL HOLDINGS AS

## BALANSE

Beløp i: NOK

Note	2020	2019
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### BALANSE - EIENDELER

#### Anleggsmidler

##### Immaterielle eiendeler

Trademær	P11	0	47 284 000
<b>Sum immaterielle eiendeler</b>		<b>0</b>	<b>47 284 000</b>

##### Finansielle anleggsmidler

Investering i datterselskap	P5	0	1 336 090 000
Lån til foretak i samme konsern	P6	0	0
<b>Sum finansielle anleggsmidler</b>		<b>0</b>	<b>1 336 090 000</b>

<b>Sum anleggsmidler</b>		<b>0</b>	<b>1 383 374 000</b>
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#### Omløpsmidler

##### Varer

##### Fordringer

Trade receivables		0	5 268 000
Other receivables		750 000	0
Prepaid expenses and accrued income	P5	0	2 756 000
Konsernfordringer	P6	17 633 000	27 832 000
<b>Sum fordringer</b>		<b>18 383 000</b>	<b>35 856 000</b>

##### Bankinnskudd, kontanter og lignende

Cash and cash equivalents		2 475 000	3 883 000
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>2 475 000</b>	<b>3 883 000</b>

<b>Sum omløpsmidler</b>		<b>20 858 000</b>	<b>39 739 000</b>
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<b>SUM EIENDELER</b>		<b>20 858 000</b>	<b>1 423 113 000</b>
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### BALANSE - EGENKAPITAL OG GJELD

#### Egenkapital

##### Innskutt egenkapital

Selskapskapital	P7	434 059 000	434 059 000
Overkurs		853 047 000	853 047 000
<b>Sum innskutt egenkapital</b>		<b>1 287 106 000</b>	<b>1 287 106 000</b>

##### Opptjent egenkapital

Retained earnings			66 427 000
Udekket tap		1 486 886 000	



Sum opptjent egenkapital		-1 486 886 000	66 427 000
Sum egenkapital		-199 780 000	1 353 533 000
<b>Gjeld</b>			
Langsiktig gjeld			
Utsatt skatt	P8	0	0
Sum avsetninger for forpliktelseser		0	0
Annen langsiktig gjeld			
Loans from shareholders	P10	210 615 000	0
Sum annen langsiktig gjeld		210 615 000	0
Sum langsiktig gjeld		210 615 000	0
<b>Kortsiktig gjeld</b>			
Leverandørgjeld		1 644 000	4 138 000
Current borrowings from shareholders	P10	0	62 275 000
Kortsiktig konserngjeld	P6	6 253 000	0
Other current liabilities		741 000	49 000
Accrued expenses and deferred income		1 385 000	3 118 000
Sum kortsiktig gjeld		10 023 000	69 580 000
Sum gjeld		220 638 000	69 580 000
<b>SUM EGENKAPITAL OG GJELD</b>		<b>20 858 000</b>	<b>1 423 113 000</b>



Organisasjonsnr: 920 598 951  
NET1 INTERNATIONAL HOLDINGS AS

## KONSERNRESULTATREGNSKAP

Beløp i: NOK	Note	2020	2019
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Service revenue		33 473 000	35 212 000
Other operating revenue		4 734 000	12 337 000
<b>Sum inntekter</b>	<b>5, 6</b>	<b>38 207 000</b>	<b>47 549 000</b>
<b>Kostnader</b>			
Operating expenses	7,16,17	323 634 000	308 176 000
Employee benefits	8	43 398 000	44 442 000
Depreciation and amortization	12,13	283 702 000	108 256 000
Nedskrivning av varige driftsmidler og immaterielle eiendeler	12,13	1 192 551 000	0
<b>Sum kostnader</b>		<b>1 843 285 000</b>	<b>460 874 000</b>
<b>Driftsresultat</b>		<b>-1 805 078 000</b>	<b>-413 325 000</b>
<b>Finansinntekter og finanskostnader</b>			
Annen renteinntekt	9	253 000	3 452 000
Currency gains, net	9	5 517 000	13 305 000
Other financial income	9	2 625 000	2 593 000
Subscription rights	9	0	57 004 000
<b>Sum finansinntekter</b>		<b>8 395 000</b>	<b>76 354 000</b>
Annen rentekostnad	10	97 049 000	34 017 000
Interest expenses, leases	10	34 547 000	50 475 000
Other financial expenses	10	8 573 000	11 240 000
<b>Sum finanskostnader</b>		<b>140 169 000</b>	<b>95 732 000</b>
<b>Netto finans</b>		<b>-131 774 000</b>	<b>-19 378 000</b>
<b>Ordinært resultat før skattekostnad</b>			
Deferred taxes	11	-330 790 000	-14 066 000
<b>Ordinært resultat etter skattekostnad</b>		<b>-1 606 062 000</b>	<b>-418 637 000</b>
<b>Årsresultat</b>		<b>-1 606 062 000</b>	<b>-418 637 000</b>
Translation differences on foreign operations			
IAS8 effect from Rights of Use		68 585 000	38 727 000
Sum resultatkomponenter for IFRS-foretak		-4 467 000	0
<b>Totalresultat</b>		<b>-1 541 944 000</b>	<b>-379 910 000</b>



Organisasjonsnr: 920 598 951  
NET1 INTERNATIONAL HOLDINGS AS

## KONSERNBALANSE

Beløp i: NOK	Note	2020	2019
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
Frequency license	12	0	1 315 988 000
Trademark	12	0	47 285 000
Other intangible assets	12	3 268 000	10 189 000
<b>Sum immaterielle eiendeler</b>		<b>3 268 000</b>	<b>1 373 462 000</b>
<b>Varige driftsmidler</b>			
Machinery and plant	13	362 031 000	549 422 000
Other tangible assets	13	25 835 000	17 099 000
Work in progress	13	22 926 000	53 538 000
<b>Sum varige driftsmidler</b>		<b>410 792 000</b>	<b>620 059 000</b>
<b>Finansielle anleggsmidler</b>			
Other financial assets	15	36 117 000	44 934 000
<b>Sum finansielle anleggsmidler</b>		<b>36 117 000</b>	<b>44 934 000</b>
<b>Sum anleggsmidler</b>		<b>450 177 000</b>	<b>2 038 455 000</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
Inventory	16	8 266 000	11 119 000
<b>Sum varer</b>		<b>8 266 000</b>	<b>11 119 000</b>
<b>Fordringer</b>			
Trade receivables	15,17	6 958 000	13 384 000
Other receivables	15,18	22 608 000	49 814 000
Prepaid expenses and accrued income		8 625 000	341 000
Assets classified as held for sale	13	3 608 000	9 379 000
<b>Sum fordringer</b>		<b>41 799 000</b>	<b>72 918 000</b>
<b>Bankinnskudd, kontanter og lignende</b>			
Cash and cash equivalents	15,22	97 084 000	29 341 000
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>97 084 000</b>	<b>29 341 000</b>
<b>Sum omløpsmidler</b>		<b>147 149 000</b>	<b>113 378 000</b>
<b>SUM EIENDELER</b>		<b>597 326 000</b>	<b>2 151 833 000</b>
<b>BALANSE - EGENKAPITAL OG GJELD</b>			



<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Share capital	19	434 059 000	434 059 000
<b>Sum innskutt egenkapital</b>		<b>434 059 000</b>	<b>434 059 000</b>
<b>Opptjent egenkapital</b>			
Reserves		1 021 345 000	958 512 000
Udekket tap		2 236 209 000	630 855 000
<b>Sum opptjent egenkapital</b>		<b>-1 214 864 000</b>	<b>327 657 000</b>
<b>Sum egenkapital</b>		<b>-780 805 000</b>	<b>761 716 000</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
Pensjonsforpliktelser	23	8 849 000	7 255 000
Utsatt skatt	11	0	328 997 000
<b>Sum avsetninger for forpliktelser</b>		<b>8 849 000</b>	<b>336 252 000</b>
<b>Annen langsiktig gjeld</b>			
Ansvarlig lånekapital	15,21	210 615 000	0
Borrowings	15,21	489 610 000	324 261 000
Non-interest bearing liabilities	15,22		12 393 000
Non-current lease liabilities	24	228 654 000	415 788 000
<b>Sum annen langsiktig gjeld</b>		<b>928 879 000</b>	<b>752 442 000</b>
<b>Sum langsiktig gjeld</b>		<b>937 728 000</b>	<b>1 088 694 000</b>
<b>Kortsiktig gjeld</b>			
Borrowings	15,21	0	62 274 000
Leverandørgjeld	15	236 593 000	104 900 000
Current lease liabilities	24	30 600 000	5 592 000
Other current liabilities	15	22 704 000	14 717 000
Accrued expenses and contract liabilities	15,25	150 506 000	113 940 000
<b>Sum kortsiktig gjeld</b>		<b>440 403 000</b>	<b>301 423 000</b>
<b>Sum gjeld</b>		<b>1 378 131 000</b>	<b>1 390 117 000</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>597 326 000</b>	<b>2 151 833 000</b>



Organisasjonsnr: 920 598 951  
NET1 INTERNATIONAL HOLDINGS AS

NOTEOPPLYSNINGER - SELSKAP - alle poster oppgitt i hele tall

**Note**  
P1

## Regnskapsprinsipper

Note P1 ? Accounting principles The Company annual accounts have been prepared in accordance with IFRS as adopted by the EU and have been prepared on a going concern basis. The most significant accounting principles applied in these consolidated financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated. The Group's explanation of its accounting policies also applies to the Parent Company, see note 1 of the Group's consolidated financial statements. Critical accounting estimates and assessments in applying the group's accounting policies is mainly related to the valuation of assets; investments in subsidiaries. See also note 3 in the Group's consolidated financial statements. There may be figures and percentages that do not always add up correctly due to rounding differences. Operating expenses Purchases from other Group companies consist mainly of consultancy fees, administrative fees and audit fees, see note P3 on fees and other remuneration to auditors. Shares in subsidiaries and loans to subsidiaries The Company conducts the main part of the external debt financing in the Group and finances its operating subsidiaries with equity and loans. Shares in subsidiaries and loans provided to subsidiaries are evaluated at the lower of cost or fair value. Any impairment losses and reversal of impairment losses are classified as net gains (loss and impairment) on financial assets in the income statement. Asset impairments Impairment tests are carried out if there is indication that the carrying amount of an asset exceeds the estimated recoverable amount. The test is performed on the lowest level of fixed assets at which independent cash flows can be identified. If the carrying amount is higher than both the fair value less cost to sell and recoverable amount (net present value of future use/ownership), the asset is written down to the highest of fair value less cost to sell and the recoverable amount. Previous impairment charges are reversed in later periods if the conditions causing the write-down are no longer present. Financial Liabilities Liabilities are recognised in the balance sheet at amortised cost under IFRS 9 when these financial assets meet the corresponding criteria. Subscription rights are recognised at fair value over profit or loss. Foreign currencies Receivables and liabilities in foreign currencies are valued at the exchange rate on the balance sheet date. Currency effects are recognised through the income statement as a part of net financial items. Pensions The Company has no employees. Taxes The tax charge in the income statement includes both payable taxes for the period and changes in deferred tax. Deferred tax is calculated at relevant tax rates on the basis of the temporary differences which exist between accounting and tax values, and any carry-forward losses for tax purposes at the year-end. Tax enhancing or tax reducing temporary differences, which are reversed or may be reversed in the same period, have been eliminated. The disclosure of deferred tax benefits on net tax reducing differences which have not been eliminated, and carry-forward losses, is based on estimated future earnings. Deferred tax and tax benefits which may be shown in the balance sheet are presented net. The tax effect of group contributions given to parent or sister companies are recognised in the income statement if the amount represents distribution of prior earnings. The tax effect of group contributions given to subsidiaries is recognised net with the contribution as an additional cost of the shares. The tax effect of group contributions received from parent or sister companies is recognised net with the contribution as an



equity increase. The tax effect of group contributions received from subsidiaries are recognised in the income statement. Deferred tax is reflected at nominal value. Cash flow statement The cash flow statement has been prepared using the indirect method. This means that the result before tax is adjusted for transactions that do not result in cash payments during the period and for any income or expense associated with investing or financing cash flows.

## Note

3

Er det usikkerhet om fortsatt drift?: Ja

Liquidity and going concern Subsequent to the 2020 reporting period, the ongoing impact of the COVID-19 pandemic and other challenges in 2021 such as flood, earthquake, and volcanic eruption had a severe impact upon the operations in Indonesia. In late Q2 2021, Net1 Indonesia suspended part of its network due to technical network difficulties. On 30 November 2021 Net1 Indonesia was required to fully suspend all network services as the 450MHz telecom license was revoked by KOMINFO due to unpaid disputed historical frequency fees, even though Net1 Indonesia had successfully legally challenged and won administrative court cases in this respect. On 25 January 2022 the Commercial Court at the Central Jakarta District Court granted an application submitted by a creditor of Net1 Indonesia and ruled that Net1 Indonesia entered into a temporary Suspension of Debt Payment Obligations (?PKPU?) in order to reach a debt restructuring agreement with all of its creditors consisting of lenders, vendors and suppliers by way of an agreed plan (the ?Composition Plan?). An initial 45-day period to reach an agreement on the terms of debt restructuring in the Composition Plan has been extended by court order to 8 June 2022. The creditors may agree to extend the PKPU period up a maximum of 270 days. The lenders under the Amended Gemcorp Loan facility have chosen not to foreclose under the facility agreement, despite breach of the Financial Covenants and KPIs, and participates in the PKPU process as a secured creditor. In December 2021 and January 2022 headcount in Indonesia was reduced to a minimum to provide administrative support and critical technical network backhaul maintenance while the PKPU process is ongoing. This report is prepared under the going concern principle based on the assumption that the PKPU process and debt restructuring in Net1 Indonesia is successful, i.e., that the creditors agree to a payment plan or other arrangements, and Net1 Indonesia can resume use of its technical network to deliver Mobile Broadband services to underserved rural areas in Indonesia. Discussions are ongoing with various business partners on these terms and in respect of financing solutions. Based on the above, the Board confirms that the prerequisites for the going concern assumption exist and that the financial statements have been prepared based on a going concern basis in accordance with section 3-3a of the Norwegian Accounting Act and IAS1, p. 25-26. However, should the PKPU process not be successful, this will have severe adverse effect on the operation of Net1 Indonesia and the Group and it may not be possible to continue operations. Thus, as the financing required for the Group's operations after Q1 2022 is not finalised, there is a significant uncertainty related to the going concern assumption. In the event that the PKPU process in Indonesia reaches a successful conclusion, further financing will be necessary. There can be no assurance that such financing will be secured. If such financing is not secured the Group's liquidity, in the absence of alternative sources of funding (whether short term or long term), will fall short of the amount necessary to operate its business for the next 12 months and the Group may be in default under the Amended Gemcorp Loan. Thus, there is a significant uncertainty related to the going concern assumption. With respect to the Company, regardless of the PKPU process, real uncertainty remains on funding throughout 2022 and it may not be possible to continue its business. The Company is currently exploring one of the very last remaining options for securing funding through 2022 and if unsuccessful the Company will likely be forced to file for bankruptcy within shortly.

## Note



0

## Antall årsverk i regnskapsåret

0.00

## Note

0

## Spesifisering av resultatregnskapet

### Lønnskostnader

<u>Lønn</u>	<u>Årets</u>	<u>Fjorårets</u>
	0.00	0.00
<u>Folketrygdavgift</u>	<u>Årets</u>	<u>Fjorårets</u>
	0.00	0.00
<u>Pensjonskostnader</u>	<u>Årets</u>	<u>Fjorårets</u>
	0.00	0.00
<u>Andre ytelser</u>	<u>Årets</u>	<u>Fjorårets</u>
	0.00	0.00
<u>Sum lønnskostnader</u>	<u>Årets</u>	<u>Fjorårets</u>
	0.00	0.00

### Mer om årsverk og lønn

None of the senior executives are employed by the Group. All remunerations are consulting fees, paid to the individuals or associated companies, and apply in their role as such and the costs are included in Operating Expenses. The Board consisted of 5 persons during 2020. No separate board fee has been paid to the Board members. Please refer to note 27 for more information.

## Note

### Ekstraordinære inntekter og kostnader

<u>Sum</u>	<u>Beløp</u>
------------	--------------

## Note

P11

### Varige driftsmidler og immaterielle eiendeler

<u>Anskaffelseskost 01.01.</u>	<u>Varige driftsmidler</u>	<u>Immaterielle eiend.</u>
	0.00	49174000.00
<u>Tilgang i året</u>	<u>Varige driftsmidler</u>	<u>Immaterielle eiend.</u>
	0.00	0.00
<u>Avgang i året</u>	<u>Varige driftsmidler</u>	<u>Immaterielle eiend.</u>
	0.00	0.00
<u>Anskaffelseskost 31.12.</u>	<u>Varige driftsmidler</u>	<u>Immaterielle eiend.</u>
	0.00	47285000.00



<u>Samlede av-/nedskrivn.</u>	<u>Varige driftsmidler</u>	<u>Immaterielle eiend.</u>
	0.00	-49174000.00
<u>Balanseført verdi 31.12.</u>	<u>Varige driftsmidler</u>	<u>Immaterielle eiend.</u>
	0.00	0.00
<u>Årets av-/nedskrivn.</u>	<u>Varige driftsmidler</u>	<u>Immaterielle eiend.</u>
	0.00	-47280000.00
<u>Økonomisk levetid</u>		<u>Immaterielle eiend.</u>
		8

Anskaffelseskost - balanseførte lånekostnader, egentilvirkede anleggsmidler

Goodwill spesifisert for hvert enkelt virksomhetskjøp

Avskrivningsplan for goodwill som er lenger enn fem år - begrunnelse

Mer om varige driftsmidler/immaterielle eiendeler

Konsernregnskap

Morselskapet sitt navn

Forretningskontor for morselskapet

Begrunnelse for at datterselskap er utelatt fra konsolideringen

Konsern, tilknyttet selskap m.v. - fordringer og gjeld

Fordringer

<u>Samlet beløp - foretak i samme konsern</u>	<u>Årets</u>	<u>Fjorårets</u>
	17633000.00	27822000.00
<u>Samlet beløp - tilknyttet selskap</u>	<u>Årets</u>	<u>Fjorårets</u>
		2688000.00
<u>Samlet beløp - foretak i samme konsern</u>	<u>Årets</u>	<u>Fjorårets</u>

Kortsiktig gjeld

<u>Samlet beløp - foretak i samme konsern</u>	<u>Årets</u>	<u>Fjorårets</u>
	6253000.00	0.00
<u>Samlet beløp - felles kontrollert virksomhet</u>	<u>Årets</u>	<u>Fjorårets</u>
<u>Pantstillelse</u>		<u>Beløp</u>



## Note

<u>Beholdning av egne aksjer</u>	<u>Antall</u>	<u>Pålydende</u>	<u>Andel av aksjek.</u>
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## Erverv

Endringer i beholdning av aksjer i løpet av regnskapsåret

## Avhendelse

Endringer i beholdning av aksjer i løpet av regnskapsåret

## Samvirkeforetak

Vedtektsbestemmelser/årsmøtevedtak/forslag til vedtak om medlemskapskonti

## Mer om aksjer

## Note

## Gjeld

Gjeld som forfaller til betaling mer enn fem år etter regnskapsårets slutt  
210615000.00

Gjeld sikret ved pant eller lignende sikkerhet i eiendeler

Balanseført verdi av de pantsatte eiendeler

Summen av garantiforpliktelser som ikke er regnskapsført

Garantiforpliktelser som er sikret ved pant

## Mer om gjeld

## Note

Lån og sikkerhetsstillelse til medlemmer

Er det gitt lån eller sikkerhetsstillelse til ledende personer: Nei

Opplysninger om:

Medlemmer av:

Mer om lån og sikkerhetsstillelse



Organisasjonsnr: 920 598 951  
NET1 INTERNATIONAL HOLDINGS AS

NOTEOPPLYSNINGER - KONSERN - alle poster oppgitt i hele tall

**Note**

1

**Regnskapsprinsipper**

Please refer to the accounting policies (page 21) in the annual report attached.

**Note**

3

Er det usikkerhet om fortsatt drift?: Ja

Subsequent to the 2020 reporting period, the ongoing impact of the COVID-19 pandemic and other challenges in 2021 such as flood, earthquake, and volcanic eruption had a severe impact upon the operations in Indonesia. In late Q2 2021, Net1 Indonesia suspended part of its network due to technical network difficulties. On 30 November 2021 Net1 Indonesia was required to fully suspend all network services as the 450MHz telecom license was revoked by KOMINFO due to unpaid disputed historical frequency fees, even though Net1 Indonesia had successfully legally challenged and won administrative court cases in this respect. On 25 January 2022 the Commercial Court at the Central Jakarta District Court granted an application submitted by a creditor of Net1 Indonesia and ruled that Net1 Indonesia entered into a temporary Suspension of Debt Payment Obligations (?PKPU?) in order to reach a debt restructuring agreement with all of its creditors consisting of lenders, vendors and suppliers by way of an agreed plan (the ?Composition Plan?). An initial 45-day period to reach an agreement on the terms of debt restructuring in the Composition Plan has been extended by court order to 8 June 2022. The creditors may agree to extend the PKPU period up a maximum of 270 days. The lenders under the Amended Gemcorp Loan facility have chosen not to foreclose under the facility agreement, despite breach of the Financial Covenants and KPIs, and participates in the PKPU process as a secured creditor. In December 2021 and January 2022 headcount in Indonesia was reduced to a minimum to provide administrative support and critical technical network backhaul maintenance while the PKPU process is ongoing. This report is prepared under the going concern principle based on the assumption that the PKPU process and debt restructuring in Net1 Indonesia is successful, i.e., that the creditors agree to a payment plan or other arrangements, and Net1 Indonesia can resume use of its technical network to deliver Mobile Broadband services to underserved rural areas in Indonesia. Discussions are ongoing with various business partners on these terms and in respect of financing solutions. Based on the above, the Board confirms that the prerequisites for the going concern assumption exist and that the financial statements have been prepared based on a going concern basis in accordance with section 3-3a of the Norwegian Accounting Act and IAS1, p. 25-26. However, should the PKPU process not be successful, this will have severe adverse effect on the operation of Net1 Indonesia and the Group and it may not be possible to continue operations. Thus, as the financing required for the Group's operations after Q1 2022 is not finalised, there is a significant uncertainty related to the going concern assumption. In the event that the PKPU process in Indonesia reaches a successful conclusion, further



financing will be necessary. There can be no assurance that such financing will be secured. If such financing is not secured the Group's liquidity, in the absence of alternative sources of funding (whether short term or long term), will fall short of the amount necessary to operate its business for the next 12 months and the Group may be in default under the Amended Gemcorp Loan. Thus, there is a significant uncertainty related to the going concern assumption. With respect to the Company, regardless of the PKPU process, real uncertainty remains on funding throughout 2022 and it may not be possible to continue its business. The Company is currently exploring one of the very last remaining options for securing funding through 2022 and if unsuccessful the Company will likely be forced to file for bankruptcy within shortly.

**Note**  
8

**Antall årsverk i regnskapsåret**  
157.00

**Note**  
8

#### Spesifisering av resultatregnskapet

##### Lønnskostnader

<u>Lønn</u>	<u>Årets</u>	<u>Fjorårets</u>
	-35021000.00	-35824000.00
<u>Folketrygdavgift</u>	<u>Årets</u>	<u>Fjorårets</u>
	-1533000.00	-1364000.00
<u>Pensjonskostnader</u>	<u>Årets</u>	<u>Fjorårets</u>
	-1019000.00	-1434000.00
<u>Andre ytelser</u>	<u>Årets</u>	<u>Fjorårets</u>
	-5823000.00	-5819000.00
<u>Sum lønnskostnader</u>	<u>Årets</u>	<u>Fjorårets</u>
	-3398000.00	-44442000.00

##### Mer om årsverk og lønn

The average number of employees represents the operation of Net1 Indonesia only. The holdings companies, including the Group Parent, Net1 International Holdings AS, has contracted staff only. None of the senior executives are employed by the Group. All remunerations are consulting fees, paid to the individuals or associated companies, and apply in their role as such and the costs are included in Operating Expenses. The Board consisted of 5 persons during 2020. No separate board fee has been paid to the Board members. Please refer to note 27 for more information.

**Note**

##### Ekstraordinære inntekter og kostnader

<u>Sum</u>	<u>Beløp</u>
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**Note**  
13



## Varige driftsmidler og immaterielle eiendeler

<u>Anskaffelseskost 01.01.</u>	<u>Varige driftsmidler</u>	<u>Immaterielle eiend.</u>
	696520000.00	1511474000.00
<u>Tilgang i året</u>	<u>Varige driftsmidler</u>	<u>Immaterielle eiend.</u>
		562000.00
<u>Anskaffelseskost 31.12.</u>	<u>Varige driftsmidler</u>	<u>Immaterielle eiend.</u>
	581189000.00	1453808000.00
<u>Samlede av-/nedskrivn.</u>	<u>Varige driftsmidler</u>	<u>Immaterielle eiend.</u>
	-170397000.00	-1450540000.00
<u>Balanseført verdi 31.12.</u>	<u>Varige driftsmidler</u>	<u>Immaterielle eiend.</u>
	410792000.00	3268000.00
<u>Årets av-/nedskrivn.</u>	<u>Varige driftsmidler</u>	<u>Immaterielle eiend.</u>
	-214225000.00	-1357821000.00
<u>Økonomisk levetid</u>		<u>Immaterielle eiend.</u>
		5

Anskaffelseskost - balanseførte lånekostnader, egentilvirkede anleggsmidler

Goodwill spesifisert for hvert enkelt virksomhetskjøp

Avskrivningsplan for goodwill som er lenger enn fem år - begrunnelse

Mer om varige driftsmidler/immaterielle eiendeler

1. Tangible assets include IFRS16 effects from leases 2. Numbers have currency translation effect in them Please refer to notes 12 and 13 in the annual report attached for detailed information.

Note

14

Konsern, tilknyttet selskap m.v.

Investering som regnskapsføres etter egenkapitalmetoden

Konsernregnskap

Morselskapet sitt navn

Forretningskontor for morselskapet

Begrunnelse for at datterselskap er utelatt fra konsolideringen

Konsern, tilknyttet selskap m.v. - fordringer og gjeld



## Fordringer

<u>Samlet beløp - tilknyttet selskap</u>	<u>Årets</u>	<u>Fjorårets</u>
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<u>Samlet beløp - foretak i samme konsern</u>	<u>Årets</u>	<u>Fjorårets</u>
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## Kortsiktig gjeld

<u>Samlet beløp - foretak i samme konsern</u>	<u>Årets</u>	<u>Fjorårets</u>
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<u>Samlet beløp - felles kontrollert virksomhet</u>	<u>Årets</u>	<u>Fjorårets</u>
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<u>Pantstillelse</u>		<u>Beløp</u>
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## Note

Virkelig verdi og resultatført verdiendr. i perioden, finansielle instrumenter

<u>Sum</u>	<u>Virk. Verdi</u>	<u>Verdiendring</u>
	0.00	0.00

Mer om finansielle instrumenter

Beskrivelse av finansielle derivater

## Note

<u>Beholdning av egne aksjer</u>	<u>Antall</u>	<u>Pålydende</u>	<u>Andel av aksjek.</u>
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Erverv

Endringer i beholdning av aksjer i løpet av regnskapsåret

Avhendelse

Endringer i beholdning av aksjer i løpet av regnskapsåret

Samvirkeforetak

Vedtektsbestemmelser/årsmøtevedtak/forslag til vedtak om medlemskapskonti

Mer om aksjer

## Note

21

## Gjeld

Gjeld som forfaller til betaling mer enn fem år etter regnskapsårets slutt



306318000.00

Gjeld sikret ved pant eller lignende sikkerhet i eiendeler  
515929000.00

Balanseført verdi av de pantsatte eiendeler  
0.00

Summen av garantiforpliktelser som ikke er regnskapsført

Garantiforpliktelser som er sikret ved pant

Mer om gjeld

Note

Lån og sikkerhetsstillelse til medlemmer  
Er det gitt lån eller sikkerhetsstillelse til ledende personer: Nei

Opplysninger om: Medlemmer av:

Mer om lån og sikkerhetsstillelse



# Net1 International Holdings AS

Annual report 2020



Net1 International Holdings AS  
Annual report 2020

Report of the board of directors

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Net1 International Holdings AS  
Annual report 2020

Report of the board of directors

## REPORT OF THE BOARD OF DIRECTORS

### The operations

Net1 International Holdings AS (the 'Company') is a holding company with its shares listed on the Oslo OTC in Norway. The shares are listed under the ticker symbol 'NET1'.

At the end of the 2020 reporting period, the Company was the direct and indirect shareholder of subsidiaries in the Netherlands, Indonesia, the Philippines and Brazil (the 'Group'). The Group operated in Indonesia and the Philippines under the Net1 brand. The products offered principally related to prepaid wireless broadband services ('Mobile Broadband') to consumers, businesses and government entities.

The Group is an emerging markets operator focussed on rolling out 4G LTE wireless data networks in underserved regions, leveraging on the long reach of the 450MHz low band spectrum, which is a good platform for large countries with diffused populations and topographies. The aim is to deliver Mobile Broadband services at the lowest possible cost while simultaneously creating future-proof networks with room for growth.

### Significant events after the 2020 reporting period

Subsequent to the end of the 2020 reporting period, the COVID-19 pandemic and other challenges have had a severe impact on the Group's operations.

In Indonesia, all network services were suspended in Q4 2021 following the revocation of the 450MHz telecom license by KOMINFO due to unpaid disputed historical frequency fees, even though Net1 Indonesia previously had successfully legally challenged and won administrative court cases in this respect. In Q1 2022, following a ruling by the Commercial Court at the Central Jakarta District Court, Net1 Indonesia entered into a restructuring by way of a temporary Suspension of Debt Payment Obligations ('PKPU') in order to reach a debt restructuring agreement with its creditors by no later than Q4 2022. Headcount in Indonesia has been reduced to a minimum to provide administrative support and critical technical network backhaul maintenance while the PKPU process is ongoing.

The Group's network operations in the Philippines were divested in Q2 2021, and the Group's non-operational holdings in Brazil were liquidated or changed to dormant status in Q1 2022.

### The report

This report is prepared by the board of directors of the Company (the 'Board').

This report is prepared under the going concern principle based on the assumption that the PKPU process and debt restructuring in Indonesia is successful, i.e. that the creditors agree to a payment plan or other arrangements, and Net1 Indonesia can resume use of its technical network to deliver Mobile Broadband services to underserved rural areas in Indonesia. Discussions are ongoing with various business partners on these terms and in respect of financing solutions.

Should the PKPU process in Indonesia not be successful, this will have a severe adverse effect on the operations of Net1 Indonesia and for the group as a whole and it will not be possible to continue operations.

With respect to the Company, regardless of the PKPU process, real uncertainty remains on funding throughout 2022 and it may not be possible to continue its business. The Company is currently exploring one of the very last remaining options for securing funding through 2022 and if unsuccessful the Company will likely be forced to file for bankruptcy within shortly.



Net1 International Holdings AS  
Annual report 2020

Report of the board of directors

## 2020 Review of the Group

### Net1 Indonesia

The Group's main investment is the Indonesian subsidiary PT Net Satu Indonesia ('Net1 Indonesia'). The focus of Net1 Indonesia is to deliver wireless internet access and voice services to consumers and businesses across Indonesia.

Net1 Indonesia started the deployment of its 4G LTE network in late 2017 with a focus on areas where no or limited internet access alternatives are available.

The COVID-19 pandemic in 2020 had a severe impact upon mobility in Indonesia once restrictions and security measures were put in place. Consequently, buildout of the Net1 Indonesia network and expansion of the business was heavily impacted.

The Board took measures to address these challenges to adopt a more focussed business strategy. In H2 2020 Net1 Indonesia lowered targets and expectations, while also renegotiating and increasing an existing USD 40 million loan facility to USD 75 million and prepared a revised business plan in conjunction with third party technical advisors and Net1 Indonesia's lenders. A strategy to re-deploy sites from heavily competitive areas to less competitive areas resulted in a lower number of sites, though restrictions arising from the COVID-19 pandemic delayed the project. At year-end 2020 the network comprised 430 active sites.

Despite these initiatives, the COVID-19 pandemic and the restrictions and security measures in Indonesia had a profound impact upon roll-out plans and business development in 2020. The refinancing process was successful and added USD 20 million to the business in Q4 2020, but there was little possibility to leverage the increased facility in order to grow the network and add customers by the end of the financial year. Gross revenues for the year 2020 decreased to IDR 59 billion, from IDR 76 billion for the year 2019, which was below agreed targets, and operational expenditures remained high as the fee for the spectrum licence was in itself higher than annual turnover.

### Net1 Philippines

The Group invested in its Philippines subsidiary Broadband Everywhere Corporation, ('Net1 Philippines') by way of a joint venture partnership with a local conglomerate, Citadel Holdings, Inc. ('Citadel'). Net1 Philippines held licences to operate on 2x5MHz in the 450MHz frequency band, 20MHz in the 3.5GHz band, and 200MHz in the 26GHz band.

Difficulties with the operational plans of Net1 Philippines, and the severe impact of restrictions and security measures in the Philippines related to the COVID-19 pandemic, resulted in Net1 Philippines suspending its network in 2020.

### Financing developments

The Group entered into loans with Gemcorp Capital LLP ('Gemcorp') and two of its shareholders, Rasmussengruppen AS ('Rasmussengruppen') and Sampoerna Agri Resources Pte Ltd ('Sampoerna').

In November 2020 the Group announced that Mobile Internet Holdings B.V. ('MIH'), a subsidiary of the Company which holds the shares in Net1 Indonesia, had successfully re-financed an existing USD 40 million (~NOK 350 million) term loan facility agreement with Gemcorp as arranger, adding further USD 35 million (~NOK 280 million) to the facility (the 'Amended Gemcorp Loan').

USD 20 million (~NOK 160 million) of the Amended Gemcorp Loan was drawn down in November 2020. A further USD 7.5 million was scheduled for drawdown in May 2021, and the remaining USD 7.5 million was scheduled for drawdown in Q4 2021.

The Amended Gemcorp Loan carries a coupon of 3 months LIBOR plus 6.5% mandatory cash interest and 4% PIK interest, accumulating until paid from excessive cash. The amortisation schedule of the existing USD 40 million term loan facility was aligned with the further USD 35 million added to the facility under the Amended Gemcorp Loan, which retained the existing amortisation over a 5-year period but commencing in March 2023 with a final maturity date in March 2027.



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The Amended Gemcorp Loan is secured by the assets of Net1 Indonesia, share pledges over the shares in MIH, share pledges over the shares in Net1 International Holdings B.V. and Net1 Indonesia Holdings B.V. (intermediate companies which hold directly and indirectly the shares in Net1 Indonesia and MIH), and guarantees from MIH, Net1 Indonesia Holdings B.V. and Net1 International Holdings B.V.

The Amended Gemcorp Loan contains financial covenants and tests of key performance indicators (the 'Financial Covenants and KPIs').

The Amended Gemcorp Loan also contains a change of control provision which is triggered if Rasmussengruppen (or their affiliates) or Sampoerna (or their affiliates) cease to hold, together or individually, at least 50.1% of the share capital of the Company at any time, as well as other terms and conditions customary for this type of financing arrangement.

With respect to funding from the Company's shareholders, short-term loans from Rasmussengruppen and Sampoerna in September 2019 of NOK 50 million and IDR 21 billion respectively (~NOK 12.3 million) were amended and extended in 2020 to long-term loans (the 'Amended Bridge Loans').

The Amended Bridge Loans now mature in June 2027, have no interest or amortisation requirements during the term, and carry interest of 17.5% per annum compounded on quarterly basis.

The total outstanding debt under the Amended Bridge Loans, arising from further drawdowns in 2020 and capitalized interest, amounted at year-end 2020 to NOK 211 million, made up of NOK 158 million and IDR 87 billion (~NOK 53 million) from Rasmussengruppen and Sampoerna respectively.



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## 2020 Financial review

### Turnover, expenses and profit

The Group reported consolidated service revenues of NOK 33 (NOK 35) million and other revenue of NOK 5 (NOK 12) million. Operating expenses, including personnel costs and depreciations, amortisations and write-downs amounted to NOK -1,843 (NOK 461) million, the NOK 1,152 million write-down of the spectrum license being the most significant item. The operating result for the period ended at NOK -1,805 (NOK -413) million.

### Investments

The Group's acquisition of non-current assets during the reporting period amounted to NOK 18 (NOK 512) million (of which NOK 436 million in 2019 was due to the effect of IFRS16 implementation) on a consolidated basis. The investments are mainly related to the network build-out project in Indonesia, both in respect of existing and new sites, as well as backbone systems and radio access network expansion.

### Cash flows

The cash flow from operating activities for the reporting period was NOK -178 (NOK -491) million. Cash flows from investing activities and financing activities were NOK -18 (NOK 2) million and NOK 269 (NOK 513) million respectively. The Amended Gemcorp Loan, which successfully re-financed the existing USD 40 million (~NOK 350 million) term loan facility agreement by adding further USD 35 million (~NOK 280 million) to the facility, concluded in November 2020. USD 20 million of the USD 35 million were drawn down directly.

### Financial position

The total assets of the Group were NOK 638 (NOK 2,152) million at the end of the 2020 period, of which total non-current assets were NOK 491 (NOK 2,038) million. Total equity ended at negative NOK -740 (NOK 762) million. The Group's cash position ended at NOK 97 (NOK 29) million.

Key changes to the financial position during 2020 were as follows:

- USD 20 million (~NOK 160 million) of the Amended Gemcorp Loan drawn down in November 2020;
- Further drawdowns in 2020 and capitalized interest under the Amended Bridge Loans amounting to NOK 211 million at year-end 2020, made up of NOK 158 million and IDR 87 billion (~NOK 53 million) from Rasmussengruppen and Sampoerna respectively.
- Write-down of the frequency license to zero. Up to 30 November 2021, the Group held considerable values in the 450 MHz spectrum licence in Indonesia. Due to the unpaid BHP fees and the difficulties in deploying the business plan in late 2020 and of 2021, there was an underlying uncertainty of its value. As per October 2021, its value was assessed to USD 87 million through both DCF and alternative valuation methods, which would have implied a significant write-down, however given the later unfortunate events management has decided to fully write-down the license asset as per 31 December 2020 already.
- Renewed assessment of useful life of lease assets (rights-of-use) reflected as higher depreciations and lower asset and lease liability values; and

The Amended Gemcorp Loan has a final maturity date of March 2027. It carries a coupon of 3 months LIBOR plus 6.5% mandatory cash interest and 4% PIK interest, accumulating until paid from excessive cash.

The Amended Bridge Loans with Rasmussengruppen and Sampoerna have a final maturity date of June 2027. They carry a coupon of 17.5% per annum, compounded on quarterly basis, and have no amortisation or interest payment requirements, such that the full amount is due on maturity.



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## Significant events after the 2020 reporting period

### Net1 Indonesia

The Net1 Indonesia CEO Andri Panatra resigned from the role in January 2021 due to unforeseen family issues. The CTO Serge Arbogast was appointed as interim CEO of Net1 Indonesia, still on this position.

In January 2021 Indonesia suffered three natural disasters from flood, earthquake, and volcanic eruption.

The implications of the COVID-19 pandemic, the re-financing by way of the Amended Gemcorp loan toward the end of the 2020 financial year, and the natural disasters in Indonesia in early 2021, heavily affected the implementation of the Net1 Indonesia business plan. Consequently, an equity raise scheduled by the Company for Q1 2021, which was a condition to further drawdown under the Amended Gemcorp Loan, was unable to proceed. In Q2 2021 the equity funding requirement under the Amended Gemcorp Loan was waived by the lenders. The Company's shareholders Rasmussengruppen and Sampoerna subsequently funded a further amount of USD 2.5 million by way of an additional tranche under the Amended Bridge Loans, and Net1 Indonesia was able to proceed with the second draw down of USD 7.5 million under the Amended Gemcorp Loan.

In Q2 2021 the Indonesian government took an adverse approach to Net1 Indonesia in respect of its use of microwave spectrums (communication between base stations) which resulted in a temporary shut-down of the network by Net1 Indonesia to satisfy the requirements of the relevant authorities and move forward with discussions. In late Q2 2021 Net1 Indonesia suspended part of its network due to technical network difficulties. On 30 November 2021 Net1 Indonesia was required to suspend all network services, as the 450MHz telecom license was revoked by KOMINFO due to unpaid disputed historical frequency fees, even though Net1 Indonesia had successfully legally challenged and won administrative court cases in this respect.

On 25 January 2022 the Commercial Court at the Central Jakarta District Court granted an application submitted by a creditor of Net1 Indonesia and ruled that Net1 Indonesia entered into a temporary Suspension of Debt Payment Obligations ('PKPU') in order to reach a debt restructuring agreement with all of its creditors consisting of lenders, vendors and suppliers by way of an agreed plan (the 'Composition Plan'). An initial 45-day period to reach an agreement on the terms of debt restructuring in the Composition Plan has been extended by court order to 8 June 2022. The creditors may agree to extend the PKPU period up a maximum of 270 days.

In December 2021 and January 2022 headcount in Indonesia was reduced to a minimum to provide administrative support and critical technical network backhaul maintenance while the PKPU process is ongoing.

The lenders under the Amended Gemcorp Loan facility have chosen not to foreclose under the facility agreement, despite breach of the Financial Covenants and KPIs, and participate in the PKPU process as a secured creditor.

### Net1 Philippines

In May 2021, the Group successfully divested its stake in Net1 Philippines by way of a share sale to its joint-venture partner Citadel for a total purchase price by way of cash consideration of USD 15.2 million, based primarily on its spectrum holdings.

The sum of USD 0.75 million of the total purchase price was placed an escrow account until October 2021 pursuant to contractual arrangements, and the remaining USD 14.45 million was distributed from the shareholder of Net1 Philippines and selling company Net1 Philippines Holdings BV, through its immediate parent Net1 Holdings BV, to the Company.

Of the USD 14.45 million proceeds, the sum of USD 1.25 million was invested by the Company in MIH for use in the Indonesia operations, USD 1.75 million was retained by the Company for operating expenses, and USD 11.45 million was used to pre-repay part of the Amended Bridge Loans.



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The sum of USD 0.75 million was released from the escrow account in October 2021 and was distributed from Net1 Philippines Holdings BV, through its immediate parent Net1 Holdings BV, to the Company.

## Financing developments

In Q2 2021 the equity funding requirement under the Amended Gemcorp Loan was waived by the lenders, the Company's shareholders Rasmussengruppen and Sampoerna funded USD 2.5 million by way of an additional tranche under the Amended Bridge Loans, and Net1 Indonesia proceeded with the second draw down of USD 7.5 million under the Amended Gemcorp Loan.

The Amended Gemcorp Loan contains Financial Covenants and KPIs were based on the revised business plan for the Indonesian operations which, given developments in 2021, were not met.

In 2021, the Amended Bridge Loans were partially repaid with USD 11.45 million from the proceeds from the divestment of Net1 Philippines. The total outstanding debt under the Amended Bridge Loans at year-end 2021, after further drawdowns in 2021, amounted to NOK 111 million and IDR 79 billion (~NOK 49 million) from Rasmussengruppen and Sampoerna respectively.

At Q1 2022, the Group entities relating to the Philippines and Brazil have been divested or liquidated, and the Group is presently proceeding on a short-term financing basis until resolution of the PKPU process in Indonesia.

## COVID-19

The impact of the COVID-19 pandemic was severe in 2020 and continued throughout 2021. Measures taken by various governments around the world to contain the virus have affected economic activity.

The Group has taken a number of measures to monitor and prevent the effects of the COVID-19 virus in the countries it operates including safety and health measures for our employees and consultants such as social distancing and working from home.

The Group continues to follow the various policies and advice of national governments and in parallel will do our utmost to continue our operations in the best and safest way possible without jeopardizing the health of our people.

## Future developments

Net1 Indonesia is presently working with creditors in the PKPU process in Indonesia to find a way forward. In parallel, Net1 Indonesia is discussing alternative solutions to utilise its technical network to continue to deliver Mobile Broadband services to underserved rural areas in Indonesia after the conclusion of the PKPU process in 2022 and in 2023.

In the event that the PKPU process in Indonesia reaches a successful conclusion by Q4 2022, further financing will be necessary. There can be no assurance that such financing will be secured. If such financing is not secured the Group's liquidity, in the absence of alternative sources of funding (whether short term or long term), will fall short of the amount necessary to operate its business for the next 12 months and the Group may be in default under the Amended Gemcorp Loan. Thus, at the date of signing of this report, there is significant uncertainty related to the going concern assumption.

With respect to the Company, regardless of the PKPU process, real uncertainty remains on funding throughout 2022 and it may not be possible to continue its business. The Company is currently exploring one of the very last remaining options for securing funding through 2022 and if unsuccessful the Company will likely be forced to file for bankruptcy within shortly.



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## Research and development

The Group continues to invest in network infrastructure and technology, improving the customer offerings and service experience by strengthening the network performance through optimisation and improving its security and reliability.

## Corporate governance

The Company has made a strong commitment to ensure trust and through efficient decision-making and communication between the executive management team ('Management'), the Board and the shareholders and seeks to ensure that the Company complies with the requirements of section 3-3b of the Norwegian Accounting Act.

The Group's framework for corporate governance is intended to decrease business risk, maximise value and utilise the Group's resources in an efficient, sustainable manner, to the benefit of shareholders, employees and society at large. The overall objective of the Group's corporate governance policies is to meet shareholders' demands for returns on their invested capital as well as the long-term health and overall success of the business.

Corporate governance within the Company is mainly based on the Norwegian Companies Act, other applicable laws and regulations, the Company's Articles of Association and the Company's internal governance documents. Governance is also designed to support the Group's business model, where decisions are made at local level as far as possible, in the most effective manner possible.

The Annual General Meeting ('AGM'), the Board and the Chief Executive Officer ('CEO') are the main governing bodies of the Company:

- The AGM is the Company's highest decision-making authority and serves as the forum through which the Company's shareholders exercise their influence over the business;
- The Board, which is elected by the shareholders, is ultimately responsible for the strategy and the organisation of the Company and the management of its operations;
- The CEO, appointed by the Board, is responsible for handling the day-to-day management of the Company in accordance with instructions from the Board. The CEO is supported by Management.

The external auditor of the Company is appointed at the AGM.

## Corporate social responsibility

The Group defines CSR (corporate social responsibility) as achieving commercial profitability in a way that is consistent with fundamental ethical values and with respect for individuals, the environment and society.

The Group respects human and labour rights, has established good HSE (health, safety and the environment) standards, facilitates good dialogue with stakeholders and generally operates in accordance with applicable regulatory frameworks and good business practice.

At year-end 2020, the number of employees in the Group was 157 (148), of which 111 (105) were men. By Q1 2022 the number of employees in the Group had been reduced to 20 individuals in Indonesia.

The Company is a holdings company and has no employees other than contracted consultants. The Board consists of three persons, of which all are men.

The Group has zero tolerance for corruption and conducts its business according to applicable laws, while observing the highest ethical standards and without compromise to its commitment to integrity. The Group's compliance manuals set out strict guidelines on anti-bribery and corruption requirements in accordance with local, U.S. and other laws including policies concerning gifts and entertainment, business ethics, anti-money laundering. The Group has established reporting lines for compliance matters, including a whistleblowing system that serves as an interface designed to receive and handle employee reports.



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The Group's business is affected by the external environment. Our base stations are to a large extent co-located with other operators. Where the Group establishes its own base stations, the aim is to protect the environment to the greatest possible extent.

## Risks and factors of uncertainty

The Group operates in the highly competitive and regulated mobile telecommunications industry in Asia and is exposed to certain risks that could have impact on earnings or its financial position. The Group has defined risk as anything that could have a material adverse effect on the achievement its goals or activities. Risks can be threats, uncertainties or lost opportunities relating to the Group's current or future operations. The Group divides the risks into risks related to *disease outbreaks*, the *industry* in which the Group operates, risk related to the *operations* of the Group and risks related to *financial* risks of the Group.

## Risks related to disease outbreaks

The Group's operations are principally based in Indonesia, but it relies on a significant number of operational staff and third-party suppliers to run smoothly, as well as the continuous and stable supply of handsets and other equipment to our customers. As evidenced by the recent COVID-19 pandemic outbreak, disease outbreaks may cause significant disruptions to our continuing business operations, including the supply of stocks and the movement of staff and their ability to commute to their place of work.

Such restrictions and the outbreak itself could have an adverse impact on the Group's business, including the supply of both network equipment and handsets or other consumer premises, equipment, and could also impact the availability and performance of service staff with our suppliers.

Given the rapidly evolving landscape of the COVID-19 pandemic, where information, impacts and the regulatory environment can change in a matter of hours, it is extremely difficult to estimate the potential impact of pandemic outbreaks to the Group's financial results. The Group has implemented precautionary measures and protocols based on recommendations from official health authorities, such as the Norwegian Institute of Public Health (No. Folkehelseinstituttet) and the World Health Organization ('WHO'). To the extent possible, business continuity and contingency plans have been updated and implemented to mitigate any negative impact on the business from a wide-spread and longlasting disease of the Coronavirus type.

It is clear that restrictions resulting from pandemic outbreaks such as COVID-19 on movement of people, transportation of equipment and other governmental or regulatory restrictions could limit the Group's ability to meet operational and financial targets and commitments to customers. Furthermore, the general reduction in macroeconomic activity – both domestically and internationally – following the disease outbreaks could directly impact the growth and/or demand for the services the Group provides, which in turn could result in lower service revenues, and thereby have a material adverse effect on the Group's business, financial condition and results of operations.

## Industry related risks

### Economic conditions

The Group has investments in Indonesia and is accordingly influenced by the prevailing macroeconomic conditions in Indonesia, as well as global economic, financial and geopolitical conditions.

Factors relating to general economic conditions, such as consumer spending, business investment, government spending, the volatility and strength of both debt and equity markets, and inflation, all affect the profitability and financial condition of the Group's business. In a sustained economic phase of low growth and high public debt, characterised by higher unemployment, lower household income could result in customers switching to lower-cost alternatives offered by the Group's competitors. The following may significantly impact the Group's earnings and financial position: (i) a deterioration and volatility in the global and local economy, as well as the telecommunications sector; (ii) a deterioration in business and consumer confidence and employment trends; and (iii) a drop-in consumer spending. The exact nature of all the risks and uncertainties the Group faces as a



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result of the current economic conditions and economic outlook in the markets in which the Group operates cannot be predicted and many of these risks are beyond the Group's control. Any of these factors may affect the Group's ability to grow its subscriber base and the price charged to its customers and could have a material adverse effect on the Group's business, earnings and financial condition.

### **Regulatory environment**

The Group operates in a highly regulated industry. The Group's businesses are subject to regulations set by government authorities in each of the markets in which the Group operates. Changes in regulation or government policy could restrict the Group's ability to manage its operations. Regulatory authorities could amend or revoke licences, which could materially impact the Group's business performance and operational results.

### **Continued rapid technological changes**

The telecommunications industry is characterised by rapid increases in the diversity and sophistication of the technologies and services offered. As a result, the Group may face increasing competition from the application of technologies which are currently being developed, such as fifth generation mobile services ('5G'), or which may be developed in the future by the Group's existing competitors, new market entrants or telecommunications equipment firms. Future development or application of new or alternative technologies, services or standards could require significant changes to the Group's business model, the development of new products, the provision of additional services or substantial new investment. The Group cannot guarantee that it will be able to adapt its services in an adequate and timely manner in order to keep up with the rapid development in the market. If the Group fails to develop, or obtain timely access to, new technologies or equipment, or if the Group fails to obtain the necessary licenses or spectrum to provide services using these new technologies, the Group's products may be less competitive, causing the Group to lose subscribers and market share. As a consequence, the Group may need to make further investments in order to remain competitive, which would increase costs and affect profitability, which again could have a material adverse effect on the Group's business, financial condition and results of operations.

### **Actual or perceived health risks relating to electromagnetic and radio frequency emissions**

The electromagnetic signals from mobile devices and base stations have raised concerns over potential health risks. If negative campaigns around the potential effect of radio signals on health were to increase or litigation were to arise, this could lead to negative publicity, potential reduction in customer intake and usage and restrict network roll-out which could have a material adverse effect on the Group's business, earnings and financial condition.

## **Operational risks**

### **Competition from other operators**

The Group's business plan presupposes a growth in its customer base in Indonesia. The Group faces competition from other telecommunication operators in the markets in which it operates.

Competition from current market participants, potential new entrants and new products and services, may adversely affect the Group's performance.

Increased competition could lead to an increased customer churn and a decrease in customer growth rates as well as affect the prices the Group charges for its products and services any of which could have a material adverse effect on the Group's business, earnings and financial condition.

### **Future investments in maintaining, upgrading and expanding its networks**

The Group's success is dependent on its ability to continue its investments in maintaining, upgrading and expanding its telecommunication networks.

There are some factors that are outside the control of the Group that could restrict or limit the Group's ability to continue with those investments. These include the availability of new and attractive products in the market,



the ability of equipment suppliers to deliver their products in an effective and satisfactory manner and the Group's ability to negotiate with its suppliers. In the 450 MHz segment, efficient and affordable LTE450 equipment is important to be able to deliver competitive services. Failure to maintain and develop robust telecommunication networks could hinder the Group's financial and operational performance in the future, which could have a material adverse effect on the Group's business, earnings and financial condition.

Furthermore, incidents and cut-offs caused by inclement weather, power outages and failures, has led to increased attention from the authorities resulting in regulatory demands and impositions on mobile network operators securing back-up power in case of a storm or similar incident causing cut-offs in the electrical infrastructure. Such impositions may also lead to increased costs for the Group on top of maintenance fees.

The amount and timing of the Group's future capital requirements may differ materially from the current estimates due to various factors, many of which are beyond the Group's control. If the Group is awarded a new licence in the future, the Group would expect to finance the related investment requirements from operating cash flows or through debt and equity financing (or any combination thereof), which could result in a substantial cost to the Group. The type, timing and terms of any future financing will depend on the Group's cash needs and the prevailing conditions in the financial markets. The Group cannot assure that it would be able to accomplish any of these measures on a timely basis or on commercially reasonable terms, if at all. There can be no assurance that the Group will generate sufficient cash flows in the future to meet its capital expenditure needs, sustain its operations or meet its other capital requirements, which may have a material adverse effect on the Group's business, financial condition and results of operations.

In addition to investing in the Group's network, it must also continuously maintain and upgrade the existing networks and IT systems in order to allow the ongoing operations to function properly and to expand such subscriber function as the Group's subscriber base grows. In addition, the Group could be required to upgrade the functionality of the Group's networks, increase its customer service efforts, update its network management and administrative system and upgrade older systems and networks to adapt them to new technologies by regulatory obligations. Many of these tasks are not fully under the Group's control, and may be affected by, among other things, applicable regulations. If the Group fails to successfully maintain, expand or upgrade the Group's networks and IT systems, its offerings and services may become less attractive to new subscribers and the Group may lose existing subscribers to its competitors. In addition, the Group's future and ongoing network and IT systems upgrades may fail to generate a positive return on investment which may have an adverse effect on the Group's business, financial condition and results of operations. Finally, if the Group's capital expenditure exceeds the Group's projections or the Group's operating cash flow is lower than expected, the Group might be required to seek additional financing for future maintenance and upgrades, which in turn could have a material adverse effect on the Group's business, financial condition and results of operations.

Moreover, the Group may be unable to allocate sufficient managerial and operational resources to meet its needs as the Group's business grows, and the Group's current operational and financial systems and managerial controls and procedures may become inadequate, which as a result may have a material adverse effect on the Group's business, financial condition and results of operations.

#### Licence renewal risk

In order to operate its telecommunications networks and deliver its products and services to its customers, the Group is required to hold telecommunications licences issued by the governments in the markets in which it operates. The terms of the Group's licences require it to meet certain conditions established by the legislation regulating the communications industry, as well as to maintain minimum quality, service and coverage standards. If the Group fails to comply with these or other conditions of its licences or with the requirements regulating the communications industry generally, or if it does not obtain permits for the operation of equipment or the use of frequencies, the Group anticipates that it would have an opportunity to cure any non-compliance. However, the Group may not receive an anticipated grace period, and any grace period afforded to it may not be sufficient to allow the Group to cure its non-compliance. If the Group does not cure its non-compliance, any such non-compliant licence may be revoked or suspended, or the Group may be subject to fines or other administrative actions. Although the Group may have an opportunity to cure any non-compliance, there is no assurance that it would be granted any grace period or that any grace afforded to it will be sufficient



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to allow the Group to cure its non-compliance. The Group's ability to comply with these conditions is subject in certain respects to factors beyond the Group's control.

The Group's ability to maintain its licences in the future may be affected by factors outside of its control such as a government decision to revoke licences. Failure to secure licences in the future would have a significant impact on the Group's ability to continue to deliver its products and services and subsequently impact the Group's financial and operational performance.

#### **Delay in network roll out, swap and network stability**

The Group's ability to operate successfully is dependent on the Group's ability to deploy sufficient resources, complete an efficient roll-out and operate the Group's networks. The failure or breakdown of key components of the Group's networks, including hardware and software, may have a material negative effect on the Group's financial and operational performance. Although the majority of system parts are redundant, if two or more business-critical nodes fail, the network may become unstable and weak services to the end-user could lead to customers terminating their services with the Group, any of which could have a material adverse effect on the Group's business, earnings and financial condition.

#### **Relationships with suppliers**

The Group depends on a limited number of suppliers and vendors in the market, over whom the Group has no direct operational or financial control, to provide equipment and services to develop and upgrade its networks and operate its businesses. The Group's suppliers of core network, radio and access equipment may not continue to supply equipment and provide services to the Group on favourable terms, or at all, may discontinue manufacturing the necessary equipment required to operate the telecommunications networks.

The Group may experience problems such as the availability of new devices, higher than anticipated prices of new devices, and potential difficulties with new suppliers. Given that the number of 450 MHz band operators and subscribers globally is limited, the attractiveness for suppliers to supply equipment for this frequency band is limited which could lead to fewer suppliers and higher prices for equipment and devices.

The Group's reliance on third party suppliers exposes the Group to risks related to delays and/or defects in the delivery and installation of their products and services. Moreover, if any of the third parties that the Group rely on become unable to or refuse to provide equipment to the Group and/or services that the Group depends on in a timely and commercially manner, or at all, the Group may experience service interruptions or service quality problems, which may impact the Group's reputation and potentially have a material adverse effect on the Group's business, financial condition, results of operations and prospects. Also, relying on national roaming agreements and good quality from the Group's suppliers might make the Group vulnerable.

The Group cannot assure that its suppliers will continue to provide the Group with products and services on commercially attractive terms, or that the Group will be able to obtain required services or equipment in the future from the Group's current or alternative suppliers on commercially attractive terms, if at all. If the Group's key suppliers are unable to provide the Group with adequate supplies of products and services, the Group's ability to attract subscribers could be negatively affected, which in turn could have a material adverse effect on the Group's business, financial condition and results of operations.

#### **New licences auctioned by the authorities**

The authorities may hold auctions for new licences in the future which may lead to new licences being assigned to current or new competitors of the Group. Such assignment may lead to increased competition in the telecommunications market and may have a negative effect on the prices the Group is able to obtain from its customers. Assignment of new licences may also decrease the demand for the Group's services. Increased competition through assignment of new licences may therefore have a material adverse effect on the Group's financial and operational performance.

If necessary, the Group may decide to divest licences to raise additional funds and assign the licences to the buyer. The Group proceeded in this manner in 2021 with the divestment of Net1 Philippines.



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## Cyber-attacks, subscriber database piracy etc.

The Group may be exposed to database piracy, unauthorised access or other database security breaches which could result in the leakage and unauthorized dissemination of information about the Group's subscribers, including their names, addresses, home phone numbers and personal identity number, which could materially adversely impact the Group's reputation, prompt lawsuits against the Group by subscribers, lead to violations of data protection laws and adverse actions by telecommunications regulators and other authorities, lead to a loss in subscribers and hinder the Group's ability to attract new subscribers. In addition, the Group's network and IT infrastructure may be exposed to cyberattacks, computer virus attacks or acts of terrorism or vandalism. Any such attack could result in equipment failures or disruptions in the Group's operations. Any inability to operate the Group's network as a result of such events may result in significant expense and/or customer churn. These factors, individually or in the aggregate, could have a material adverse effect on the Group's business, financial condition and results of operations.

## Financial risks

Amongst *Financing risks*, during 2019, 2020 and 2021 the Group has raised significant amounts of debt and significant debt service obligations. As a result of this leverage, the Group may be required to dedicate a large portion of its cash flow from operations to service debt and fund repayments on the Group's debt, thereby reducing the availability of its cash flow to fund working capital, capital expenditures and other general corporate purposes and restrict its ability to distribute dividends. Further, the Group's substantial debt may limit the Group's flexibility in planning for, or reacting to, changes in the Group's business or the industry in which it operates, limit the Group's ability to raise equity capital, limit the ability to refinance current debt or raise additional debt and/or restrict the Group from making strategic acquisitions or exploiting business opportunities or the ability to successfully implement its business strategy.

## Interest rate risks

The Group is exposed to interest rate risks in interest bearing current and non-current liabilities. As the Amended Gemcorp Loan carries variable interest rates (LIBOR), the relatively high level of debt results in exposure to interest rate risk. See the financial statements note disclosure related to financial risks for additional information.

## Transactions with related parties

In September 2019 the Company entered into loan agreements of NOK 50 million and IDR 21 billion (~NOK 12.3 million) from Rasmussengruppen and Sampoerna respectively (the 'Bridge Loans'). The Bridge Loans were secured as a first priority pledge over the shares of Net1 Holdings B.V., a wholly owned subsidiary of the Company which was the indirect owner of the Group's shares in Net1 Philippines. The Bridge Loans had an initial expiry date of 30 April 2020. In 2020 the Bridge Loans were both extended and increased by way of the Amended Bridge Loans. The term of the Amended Bridge Loans has been revised to maturity in June 2027, there is no interest or amortisation requirements during the term, and the interest is 17.5% per annum, compounded on quarterly basis. As at year-end 2020, the total outstanding debt under the Amended Bridge Loans amounted to NOK 211 million, made up of NOK 158 million and IDR 87 billion (~NOK 53 million) from Rasmussengruppen and Sampoerna respectively.

In May 2021 the Group successfully divested its stake in Net1 Philippines by way of a share sale to its joint-venture partner Citadel for a total purchase price way of cash consideration of USD 15.2 million. The Amended Bridge Loans were partially repaid with USD 11.45 million from the proceeds from the divestment of Net1 Philippines, and the balance at year-end 2021 amounted to NOK 160 million, made up of NOK 111 million and IDR 79 billion (~NOK 49 million) from Rasmussengruppen and Sampoerna respectively.

Subsequent to the reporting period, the Amended Bridge Loans were partially repaid with proceeds from the divestment of the Philippines operation. The balance as per year-end 2021 after further draw-downs was 160 million, made up of NOK 111 million and IDR 79 billion (~NOK 49 million) from Rasmussengruppen and Sampoerna respectively.

In 2020 total consultancy fees paid to Board members amounted to NOK 3.1 million (NOK 2.9) million.



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## Personnel and organisation

At year-end 2020, the number of employees in the Group was 155 (148). By Q1 2022 the number of employees in the Group had been reduced to 20 individuals in Indonesia.

In November 2020, Amit Vithlani stepped down from his position as CEO of the Group. The position as interim CEO was assumed by the chairman of the Board, JD Fouchard.

In Q4 2021 and Q1 2022 respectively, Jan Šebor and Roger Chye stepped down from the Board with no replacements.

## Liquidity and going concern

Subsequent to the 2020 reporting period, the ongoing impact of the COVID-19 pandemic and other challenges in 2021 such as flood, earthquake and volcanic eruption had a severe impact upon the operations in Indonesia. In late Q2 2021 Net1 Indonesia suspended part of its network due to technical network difficulties. On 30 November 2021 Net1 Indonesia was required to suspend all network services, as the 450MHz telecom license was revoked by KOMINFO due to unpaid disputed historical frequency fees, even though Net1 Indonesia had successfully legally challenged and won administrative court cases in this respect.

On 25 January 2022 the Commercial Court at the Central Jakarta District Court granted an application submitted by a creditor of Net1 Indonesia and ruled that Net1 Indonesia entered into a temporary Suspension of Debt Payment Obligations ('PKPU') in order to reach a debt restructuring agreement with all of its creditors consisting of lenders, vendors and suppliers by way of an agreed plan (the 'Composition Plan'). An initial 45-day period to reach an agreement on the terms of debt restructuring in the Composition Plan has been extended by court order to 8 June 2021. The creditors may agree to extend the PKPU period up a maximum of 270 days.

The lenders under the Amended Gemcorp Loan facility have chosen not to foreclose under the facility agreement, despite breach of the Financial Covenants and KPIs, and participate in the PKPU process as a secured creditor.

In December 2021 and January 2022 headcount in Indonesia was reduced to a minimum to provide administrative support and critical technical network backhaul maintenance while the PKPU process is ongoing.

This report is prepared under the going concern principle based on the assumption that the PKPU process and debt restructuring in Indonesia is successful, i.e. that the creditors agree to a payment plan or other arrangements, and Net1 Indonesia can resume use of its technical network to deliver Mobile Broadband to underserved rural areas in Indonesia. Discussions are ongoing with various business partners on these terms and in respect of financing solutions.

Based on the above, the Board confirms that the prerequisites for the going concern assumption exist and that the financial statements have been prepared based on a going concern basis in accordance with section 3-3a of the Norwegian Accounting Act and IAS1, p. 25-26.

However, should the PKPU process not be successful, this will have severe adverse effect on the operation of Net1 Indonesia and Group and it may not be possible to continue operations. Thus, as the financing required for the Group's operations after Q1 2022 is not finalised, there is a significant uncertainty related to the going concern assumption.



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In the event that the PKPU process in Indonesia reaches a successful conclusion, further financing will be necessary. There can be no assurance that such financing will be secured. If such financing is not secured the Group's liquidity, in the absence of alternative sources of funding (whether short term or long term), will fall short of the amount necessary to operate its business for the next 12 months and the Group may be in default under the Amended Gemcorp Loan. Thus, there is a significant uncertainty related to the going concern assumption.

With respect to the Company, regardless of the PKPU process, real uncertainty remains on funding throughout 2022 and it may not be possible to continue its business. The Company is currently exploring one of the very last remaining options for securing funding through 2022 and if unsuccessful the Company will likely be forced to file for bankruptcy within shortly.

## Legal disclaimer

Certain statements in this report are forward-looking and the actual outcomes may be materially different. In addition to the factors discussed, other factors could have an impact on actual outcomes. Such factors include developments for customers, competitors, the impact of economic and market conditions, national and international legislation and regulations, fiscal regulations, fluctuations in exchange rates and interest rates and political risks.

## Proposed distribution of earnings of the Company

The Board proposes the net loss in the Company for 2020 of NOK -1,553,313 thousand to be brought forward.

Oslo, 29 April 2022

Jean Daniel Fouchard

Chairman and CEO

Trygve Lauvdal

Board member

Lars Erik Larsson

Board member



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## CONSOLIDATED FINANCIAL STATEMENTS

### CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

<i>NOK thousands</i>	<i>Note</i>	<b>2020</b>	<b>2019</b>
Service revenue		33,473	35,212
Other operating revenue		4,734	12,337
<b>Total operating revenue</b>	4, 6	<b>38,208</b>	<b>47,549</b>
Operating expenses	7, 16, 17	-323,635	-308,177
Employee benefit expenses	8	-43,398	-44,442
Depreciation, amortisation	12, 13	-283,702	-108,256
Write-downs	12, 13	-1,192,551	
<b>Total operating expenses</b>		<b>-1,843,285</b>	<b>-460,874</b>
<b>Operating result</b>		<b>-1,805,078</b>	<b>-413,325</b>
Financial income	9	8,395	63,049
Financial expenses	10	-140,169	-82,427
<b>Financial items – net</b>		<b>-131,774</b>	<b>-19,378</b>
Share of net profit from joint ventures	14	-	-
<b>Result before tax</b>		<b>-1,936,852</b>	<b>-432,703</b>
Income taxes (deferred taxes)	11	330,790	14,066
<b>Net result for the period</b>		<b>-1,606,062</b>	<b>-418,637</b>
<i>Items that may be subsequently reclassified to profit or loss:</i>			
Translation differences on foreign operations		68,585	38,728
IAS 8 effect from Rights of Use		-4,467	-
<b>Total other comprehensive income</b>		<b>64,117</b>	<b>38,728</b>
<b>Total comprehensive income for the period</b>		<b>-1,541,944</b>	<b>-379,908</b>
<i>Net result for the period attributable to:</i>			
Equity holders of the Company		-1,606,062	-418,637
Non-controlling interests		-	-
<b>Net result for the period</b>		<b>-1,606,062</b>	<b>-418,637</b>
<i>Total comprehensive income for the period attributable to:</i>			
Equity holders of the Company		-1,541,944	-379,908
Non-controlling interests		-	-
<b>Total comprehensive income for the period</b>		<b>-1,541,944</b>	<b>-379,908</b>
Earnings per share (NOK), basic and diluted	29	-3.33	-0.95



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## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

<i>NOK thousands</i>	<i>Note</i>	<b>31 Dec 2020</b>	<b>31 Dec 2019</b>
<b>ASSETS</b>			
<i>Non-current assets</i>			
<i>Intangible assets</i>			
Licences and similar rights		-	1,315,988
Trademark		-	47,285
Other intangible assets		3,268	10,189
<b>Total intangible assets</b>	12	<b>3,268</b>	<b>1,373,462</b>
<i>Tangible assets</i>			
Technical equipment		362,359	549,422
Other tangible assets		25,507	17,099
Work in progress		22,926	53,538
<b>Total tangible assets</b>	13	<b>410,792</b>	<b>620,059</b>
<i>Other non-current assets</i>			
Shares and participations in joint ventures	14	-	-
Other financial assets	15	36,117	44,934
<b>Total other non-current assets</b>		<b>36,117</b>	<b>44,934</b>
<b>Total non-current assets</b>		<b>450,177</b>	<b>2,038,455</b>
<i>Current assets</i>			
Inventory	16	8,266	11,119
Trade receivables	15, 17	6,958	13,384
Other receivables	15, 18	22,608	49,815
Prepaid expenses and accrued income		8,624	341
Assets classified as held for sale	13	3,608	9,379
<b>Total current receivables</b>		<b>50,065</b>	<b>84,037</b>
Cash and cash equivalents	15, 22	97,084	29,341
<b>Total current assets</b>		<b>147,149</b>	<b>113,378</b>
<b>TOTAL ASSETS</b>		<b>597,326</b>	<b>2,151,833</b>



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## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTD.)

<i>NOK thousands</i>	<i>Note</i>	<b>31 Dec 2020</b>	<b>31 Dec 2019</b>
<b>EQUITY</b>			
<i>Equity attributable to the owners of the Company</i>			
Share capital	19	434,059	434,059
Reserves		1,021,345	958,512
Retained earnings		-2,236,210	-630,855
<b>Total equity</b>		<b>-780,805</b>	<b>761,716</b>
<b>LIABILITIES</b>			
<i>Non-current liabilities</i>			
Borrowings – Shareholder loans	15, 21	210,615	-
Borrowings – Gemcorp Loan Facility	15, 21	489,610	324,261
Borrowings – PT Sampoerna Strategic	15, 22	-	12,394
Subscription rights	15, 20	-	-
Non-current lease liabilities	24	228,654	415,788
Deferred tax liabilities	11	-	328,997
Provisions	23	8,849	7,255
<b>Total non-current liabilities</b>		<b>937,727</b>	<b>1,088,694</b>
<i>Current liabilities</i>			
Borrowings – Shareholder loans	15, 21	-	62,275
Trade payables	15	236,593	104,900
Current lease liabilities	24	30,600	5,592
Other current liabilities	15	22,705	14,717
Accrued expenses and contract liabilities	15, 25	150,506	113,940
<b>Total current liabilities</b>		<b>440,404</b>	<b>301,423</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>597,326</b>	<b>2,151,833</b>

The Board of Net1 International Holdings AS  
Oslo, 29 April 2022

Jean Daniel Fouchard

  
Chairman and CEO

Trygve Lauvdal

  
Board member

Lars Erik Larsson

  
Board member



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## CONSOLIDATED STATEMENTS OF CHANGE IN EQUITY

NOK thousands	Attributable to shareholders of the Company				Non-controlling interests	Total Equity
	Share capital <sup>1)</sup>	Reserves	Retained earnings	Total		
<b>Opening balance</b>						
<b>1 January 2019</b>	<b>139,085</b>	<b>554,273</b>	<b>-169,856</b>	<b>523,502</b>	<b>392,014</b>	<b>915,516</b>
Net result for the period		-	-418,637	-418,637	-	<b>-418,637</b>
<i>Other comprehensive income for the period</i>						
Translation differences on foreign operations		38,728	-	38,728	-	38,728
<b>Total comprehensive income for the period</b>		<b>38,728</b>	<b>-418,637</b>	<b>-379,908</b>	<b>-</b>	<b>-379,908</b>
New share issues	217,500	-	-	217,500	-	217,500
Purchase of own shares	-5,013	-	-	-5,013	-	-5,013
Warrant cancellation	5,013	-	-	5,013	-	5,013
Effect of restructuring / change of non-controlling interest <sup>1)</sup>	77,474	356,903	-42,363	392,014	-392,014	-
Other changes <sup>2)</sup>	-	8,607	1	8,608	-	8,608
<b>Total transactions with owners, recognised directly in equity</b>	<b>294,974</b>	<b>365,510</b>	<b>-42,363</b>	<b>618,122</b>	<b>-392,014</b>	<b>226,108</b>
<b>Closing balance</b>						
<b>31 December 2019</b>	<b>434,059</b>	<b>958,512</b>	<b>-630,855</b>	<b>761,716</b>	<b>-</b>	<b>761,716</b>
Net result for the year		-	-1,606,062	-1,606,062	-	<b>-1,606,062</b>
<i>Other comprehensive income for the year</i>						
Translation differences on foreign operations		68,585	-	68,585	-	68,585
IAS 8 effect from Rights of Use <sup>3)</sup>		-4,467	-	-4,467	-	-4,467
<b>Total comprehensive income for the year</b>		<b>64,118</b>	<b>-1,606,062</b>	<b>-1,541,944</b>	<b>-</b>	<b>-1,541,944</b>
Other changes		-1,284	707	-576	-	-576
<b>Total transactions with owners, recognised directly in equity</b>	<b>-</b>	<b>-1,284</b>	<b>707</b>	<b>-576</b>	<b>-</b>	<b>-576</b>
<b>Closing balance</b>						
<b>31 December 2020</b>	<b>434,059</b>	<b>1,021,345</b>	<b>-2,236,210</b>	<b>-780,805</b>	<b>-</b>	<b>-780,805</b>

1) Please refer to note 19 for more information.

2) Relates to an increase in other comprehensive income in a subsidiary owned at 65% but consolidated at 100%.

3) Relates primarily change in assumed useful life of the network site leases, mirroring the changed assumption of useful life of the frequency license, see also note 3.



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## CONSOLIDATED STATEMENTS OF CASH FLOWS

<i>NOK thousands</i>	<i>Note</i>	<b>2020</b>	<b>2019</b>
Profit (loss) before taxes		-1,936,852	-432,703
Depreciation and amortisation of non-current assets	12, 13	283,702	108,256
Write-downs	12	1,192,551	
Change in provisions		1,596	1,878
Fair value revaluation on subscription rights		-	-57,228
Interest expense, financial leases (IFRS 16)	13	34,548	50,475
Other cash flow adjustments	30	54,902	18,887
Income tax paid		-	4
<b>Cash flows before changes in working capital</b>		<b>-369,553</b>	<b>-310,431</b>
Change in inventory		4,919	6,589
Change in current receivables		6,609	-23,854
Change in current liabilities		180,012	-170,744
<b>Cash flows from changes in working capital</b>		<b>191,569</b>	<b>-188,009</b>
<b>Cash flows from operating activities</b>		<b>-178,013</b>	<b>-498,440</b>
Investments in intangible assets	12	-562	-51,442
Investments in tangible assets	13	-17,649	-25,688
Proceeds from sale of tangible assets		-	908
Net cash flows from other financial assets <sup>1)</sup>		-10	72,686
Interest received		166	1,565
<b>Cash flows from investing activities</b>		<b>-18,056</b>	<b>-1,969</b>
Share capital increase	19	-	324,962
Borrowings	21	316,287	382,390
Loan repayments	21	-	-11,287
DSRA and Escrow <sup>2)</sup>		9,372	-44,166
Payments of financial leases (IFRS 16)	24	-22,033	-59,040
Repayments of other liabilities		-	-18,702
Interest paid, financial leases (IFRS 16)		-34,915	-45,276
<b>Cash flows from financing activities</b>		<b>268,711</b>	<b>528,880</b>
<b>Cash flow for the period</b>		<b>72,642</b>	<b>28,471</b>
Cash and cash equivalents at the beginning of the period		29,341	2,565
Exchange rate difference in cash and cash equivalents		-4,899	-1,696
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>		<b>97,084</b>	<b>29,341</b>

1) *Net cash flows from other financial assets' includes a loan repayment from Ice Group ASA for NOK 71,948 thousand*

2) *The Debt service reserve account (DSRA) and Escrow accounts have been funded in accordance with the Gemcorp loan facility*



## NOTES TO THE FINANCIAL STATEMENTS

### General information

Net1 International Holdings AS (the 'Company'), with its seat in Oslo, Norway, is a limited liability company incorporated in Norway. The Company is a holding company, with investments at the end of the 2020 reporting period in telecommunications operations in Indonesia and the Philippines. The Company's local investments are indirectly owned through fully owned holdings companies in the Netherlands (together, the 'Group').

The Company was established on 8 March 2018 and the Group was formed on 4 September 2018.

The Company has its share listed at OTC in Norway with ticker 'NET1'. The major shareholders of the Company are Rasmussengruppen AS ('Rasmussengruppen'), Norway, Sampoerna Agri Resources Pte Ltd ('Sampoerna'), Singapore, and AI Media Holdings (NMT) LLC ('Access Industries'), Delaware.

The Group's strategy is to provide mobile data and building complementary networks, operating on low frequency bands to largely provide internet access to customers in suburban and rural areas where existing internet access is poor or non-existent.

The Group's investments in Indonesia and the Philippines hold the only nationwide 4G licences for the 450 MHz bands, as well as 3.5 GHz (20 MHz) spectrum in the Philippines. The markets in these countries are both heavily populated with low fixed line internet penetration in rural areas and have topographies where low frequency bands can be particularly effective. The broad coverage of 450 MHz further provides a strong opportunity within the growing M2M/IoT space.

The Group's investment in the Philippines was divested in May 2021. At the date of signing of this report, the Group consequently holds investments in Indonesia only.

### Note 1 – Basis of preparation, new standards and significant accounting policies

The consolidated financial statements for the Group have been prepared in accordance with IFRS as adopted by the EU and have been prepared on a going concern basis. The most significant accounting principles applied in these consolidated financial statements are set out below. These policies have been consistently applied, unless otherwise stated.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires Management to make certain judgments in applying the Group's accounting policies, see note 3 Critical accounting estimates and judgements for further details.

There may be figures and percentages that do not always add up exactly due to rounding differences. All numbers are presented in NOK thousands (TNOK), unless otherwise indicated. Amounts in brackets relate to previous year if not otherwise indicated.

These consolidated financial statements have been approved for issuance by the Board of Directors on 29 April 2022.

### New and revised accounting standards and interpretations adopted as of 1 January 2020

The Group applied for the first time certain standards and amendments, which are effective for annual periods beginning on or after 1 January, 2020. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective except as noted below IFRS 9 Financial instruments – Fees in the '10 per cent' test for derecognition of financial liabilities.



## **Amendments to IFRS 3 – Definition of a business**

The amended definition of a business requires an acquisition to include an input and a substantive process that together significantly contribute to the ability to create outputs. The definition of the term 'outputs' is amended to focus on goods and services provided to customers, generating investment income and other income, and it excludes returns in the form of lower costs and other economic benefits. These amendments had no impact on the consolidated financial statements of the Group, but may impact future periods should the Group enter into any business combinations

## **Amendments to IFRS 7, IFRS 9 and IAS 39 Interest rate benchmark reform**

The amendments provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. These amendments have no impact on the consolidated financial statements of the Group.

## **Amendments to IAS 1 and IAS 8 Definition of material**

The amendments provide a new definition of material that states, 'information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity'. These amendments have no impact on the consolidated financial statements of the Group.

## **Conceptual framework for financial reporting issued on 29 March 2018**

The revised Conceptual Framework includes some new concepts, updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts. These amendments had no impact on the consolidated financial statements of the Group.

## **Amendments to IFRS 16 – COVID-19 related rent concessions**

The amendments provide relief to lessees from applying IFRS 16 guidance on lease modifications accounting for rent concessions arising as a direct consequence of the COVID-19 pandemic. This amendment had no impact on the consolidated financial statements of the Group.

## **IFRS 9 Financial instruments – Fees in the '10 per cent' test for derecognition of financial liabilities**

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendment is effective for annual reporting periods beginning on or after 1 January 2022, but has been early adopted by the company as per 31 December 2020.

## **Amendments to IFRS 7, IFRS 9 and IAS 39 Interest rate benchmark reform**

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced by an alternative nearly risk-free interest rate (RFR). The amendments include certain practical expedients. These amendments have no impact on the consolidated financial statements of the Group. The Group intends to use practical expedients in future periods if they become applicable.

## **Amendments to IFRS 16 – COVID-19 related rent concessions**

The amendments provide relief to lessees from applying IFRS 16 guidance on lease modifications accounting for rent concessions arising as a direct consequence of the COVID-19 pandemic. This amendment had no impact on the consolidated financial statements of the Group.



No other of the standards and statements that have been published by the IASB, and that are effective for annual periods beginning on or after the formation of the Company than the below listed have had any material impact on the financial statements of the Group.

## Standards issued but not yet effective

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2020 reporting periods and have not been early adopted by the Group. These standards, amendments or interpretations have not yet been evaluated by management as to whether there will be a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

In preparing the consolidated financial statements as at 31 December 2020 a number of standards and interpretations are not yet effective and neither applicable to the Group. This is a list of the new standards and amendments issued but not yet effective, and not yet adopted by the Group:

- Amendments to IAS 1 – Classification of liabilities as current or non-current:
- Reference to the Conceptual Framework – Amendments to IFRS 3
- Property, plant and equipment: Proceeds before intended use – Amendments to IAS 16
- Onerous contracts – Costs of fulfilling a contract – Amendments to IAS 37

## Significant accounting policies

### Consolidation

#### Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform to the Group's accounting policies.

### Foreign currency translation

#### Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Norwegian kroner (NOK), which is the Group's presentation currency.

#### Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income. Exchange rate gains and losses related to trade receivables and liabilities are reported on the applicable line in the statement of income and are included in operating result. Exchange rate differences related to financial assets and financial liabilities are reported as financial items in the statement of income, except exchange rate differences related to non-current debt that is part of the Group's net investment in a subsidiary.

#### Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency. Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet. Income and expenses for each income statement are translated at



average exchange rates for the reporting period. All resulting exchange differences are recognised in other comprehensive income.

### Revenue recognition

Revenues from contracts with customers primarily comprise sale of communication services and customer equipment.

When recognising the revenue, a performance obligation is identified. Revenue is recognised when control is transferred or as consumed. Delivering recurring telecom services as data and voice are services where the customer simultaneously receives and consumes the benefits of the entity's performance. This means that payment terms (postpaid or prepaid) are not relevant for the recognition over time vs point in time.

The Group determines the transaction price to be the amount of consideration which it expects to be entitled in exchange for transferring the promised goods and services to the customer, net of discounts and sales related taxes.

The allocation of revenue is based on the stand-alone selling price for each separate performance obligation in the contract with the customer, and the revenue is recognised when the service/good is delivered. The stand-alone selling price for each performance obligation is determined according to the prices that the Group would achieve by selling the same goods or services to a similar customer on a stand-alone basis. The discount is proportionally allocated to all performance obligations (distinct goods/services delivered) in the contract and recognised when the underlying performance is recognised.

The Group has no contract assets. If amounts received or receivable from a customer exceed revenue recognised for a contract, for example if the Group receives an advance payment from a customer, a contract liability is recognised. This will typically be relevant for prepaid services, where revenue is recognised based on usage.

### Operating expenses

Operating expenses comprises cost of goods sold, costs for operating the network as, site leases, transmission costs, carrier services, IT-costs, fieldwork and maintenance, retailer commissions and other customer acquisition costs, marketing and advertising, customer services and office costs. All these operating costs are expensed as incurred. Please see note 7 for more information.

### Intangible assets

#### Licences and similar rights

Separately acquired trademarks and licences are shown at historical cost less amortisation. Licences and trademarks acquired in a business combination are recognised at fair value at the acquisition date. The current licences held by the Group were in practice perpetual, with a formal renewal process every 10 years (no auction procedure) and was initially allocated a useful life of 25 years. Management has re-assessed the useful life to end at the first renewal date in November 2026 and had consequently increased the amortisation pace. They are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method.

#### Capitalised development costs

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- Management intends to complete the software product and use it;
- there is an ability to use the webpage or software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.



Costs that are directly attributable as part of the software product, including the software development employee costs, are capitalised.

Capitalised development costs are shown at historical cost less accumulated amortisation. Amortisation is commenced when the asset is ready for use. Useful lifetime is assessed based on the period of the future economic benefits. The useful lifetimes are estimated to 3-5 years and amortisations are recognised linearly over the period. Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

### Tangible assets

Tangible assets are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the profit or loss during the financial period in which they are incurred.

Each part of a tangible asset with an acquisition value that is significant in relation to the total acquisition value is depreciated separately. Constructions in progress are not depreciated until they are ready for use. Depreciation on tangible assets are made on a linear basis:

- Technical equipment	5-25 years
- Equipment and tools	5 years
- Other tangible assets	3-5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the line 'Operating expenses' in profit or loss.

### Assets held for sale

Non-current assets are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are stated at lower carrying amount and fair value less cost to sell.

An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less cost to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of de-recognition.

These assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Assets classified as held for sale are presented separately from the other assets in the statements of financial position.

### Leases

#### Right of use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or



before the commencement date less any lease incentives received. The cost of a right-of-use asset also includes an estimate of costs to be incurred by the Group in dismantling and removing the underlying leased asset (Asset Retirement Cost). Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment assessments.

#### **Lease term**

The Group's main agreement types of lease contracts to which the Group is party to are site leases and the lease of frequencies. Sites and towers usually have a lease period of 1 to 20 years. The premises are leased in a 2-5 year period. Other lease contracts have a 1-10 year period.

For base station locations contracts, although a majority of these lease contracts have exit options, either through active termination of running contracts or not calling on options to prolong the agreement, Management believes the Group has economic incentives to exercise the options to prolong the lease terms. Management believes the most relevant end date of the contracts is when the frequency licences expire. The lease period follows the assumed amortization plan of the frequency licence. As long as the Group has the frequency licenses, each of the Group can, and have significant incentive to, continue to run the business and will incur cost when changing site locations.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

#### **Lease liabilities**

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

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

The Group remeasures the lease liability upon the occurrence of certain events. Generally, the amount of remeasurement of the lease liability is recognised as an adjustment to the right-of-use asset.

The right-of-use asset is accounted for as a non-current asset in the consolidated balance sheet. The liability is recorded in 'Finance lease liabilities', broken down into current and long-term components on separate accounts.

Lease payments are broken down into interest and amortisation of the liability. The interest is distributed over the lease period so that an amount corresponding to the fixed interest amount payable on the liability reported in each period is charged to each reporting period.

#### **Short-term leases and leases of low-value assets**

The Group applies the short-term lease recognition exemption to its short-term leases, i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. The



Group also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

#### **Incremental borrowing rate**

If there is an implicit interest rate in the contracts that is readily determinable, that rate is applied. Generally, the interest rate implicit in the lease contracts is not readily determinable. The Group has assessed an incremental borrowing rate to be applied on all contracts where there is not an implicit interest rate readily determinable, to discount the present value of future lease payments. The incremental borrowing rate is the rate of interest that a lessee would have to pay to borrow over a similar term, and with similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. To determine the incremental borrowing rate, the Group is using the Effective Interest Rate related to the external borrowing with the Amended Gemcorp Loan.

#### **Variable lease payments**

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

#### **Subsequent measurement**

At each balance date the lease liability and right-of-use asset are subsequently remeasured in case of a change in lease term, assessment of a purchase option, or future lease payments.

The group remeasures the right-of-use asset using a cost model as described in IFRS 16.30 to 33. The right-of-use asset is depreciated using a straight-line method of depreciation over the lease period.

Right-of-use assets shall be tested for impairment in accordance with IAS 36 Impairment of assets. The Group defines a revenue generating unit (RGU) as a unique number identifier enabling a customer access to a product offering in the billing system (subscription). The product offerings are mobile broadband. Further, the Group separates between a subscriber and a customer. A subscriber is the end user of the RGU while the customer is the legal owner (individual or business) who has a contract with Group for the provision of products and services. A customer can have one or more RGUs. It is not possible to estimate which RGU to use to calculate value for an individual asset, as the RGU uses different assets based on geographical location. Because of this, assets are tested for impairment in total. The Group uses a discounted cash flow method to estimate future earnings from RGUs and compare this value to booked value of total assets. The Group remeasures the carrying amount of lease liabilities in accordance with IFRS 16.39 to 43.

#### **Cash flows**

There is no impact on cash flows from the accounting of leases, however the cash from operating activities in the cash flow statement will be impacted due to the increase in amortisation and depreciation from the right-of-use assets.

#### **Costs to obtain and fulfil customer contracts**

The Group can capitalise the incremental costs to obtain and to fulfil customer contracts as another non-current asset if the cost is expected to be recovered, which means that these items will be amortised as investment expenditures ('Costs to obtain and fulfil customer contracts') instead of being a direct operating expense. As the Group is currently upgrading its technology and introducing new products, the current policy is to expense as incurred as there is not yet certainty on the amortisation period.

#### **Impairment of non-financial non-current assets**

Intangible assets that have an indefinite useful life or intangible assets not ready to use are not subject to amortisation and are tested annually for impairment. Tangible and intangible non-financial assets that are subject to amortisation or depreciation are reviewed for impairment whenever events or changes in



circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). The Group uses discounted cash-flow calculations for the impairment tests.

## Financial instruments

Financial instruments are included in many balance sheet items as described below.

### Classification

The Group classifies its financial assets and liabilities in the following categories: financial assets at fair value through profit (FVTPL), and financial assets and financial liabilities at amortised cost. The classification of financial assets depends on the business model of Hold to collect or Hold to collect and sell, as well as the financial asset meeting the criteria of SPPI (cash flows consist of solely payments of principle and interest). Management determines the classification of its financial instrument at initial recognition. There are no financial assets at fair value over other comprehensive income (FVOCI).

#### *Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss are derivatives and financial assets not meeting the criteria of SPPI or designated at fair value by Management at initial classification. Currently the Group does not have any financial assets at FVTPL.

#### *Financial assets at amortised cost*

Financial assets at amortised cost are non-derivative financial assets with fixed or determinable payments meeting the SPPI criteria and that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting. These are classified as non-current assets. The Group's financial assets at amortised cost comprise 'trade receivables' and 'cash and cash equivalents' in the balance sheet and the financial instruments recorded in other receivables.

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

Currently the Group's only financial liability at FVTPL is the subscription rights. The subscription rights' liability is a financial liability that is classified as debt, not equity, as the exercise of the subscription rights is not fixed-for-fixed but a variable payment amount. The rights are measured at fair value based on a Black & Scholes valuation model that is a level 2 valuation. See also note 20 for additional information.

#### *Financial liabilities at amortised cost*

All other financial liabilities are at amortised cost and interest is determined using the effective interest rate method. These liabilities are the Group's borrowings, trade payables and the part of current liabilities related to financial instruments are classified as other financial liabilities.

## Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed profit or loss. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognised when the contractual obligations have been completed or otherwise terminated.

Financial liabilities at fair value through profit or loss are subsequent to the acquisition carried at fair value. All financial assets and financial liabilities at amortised cost are measured using the effective interest rate method.

Gains or losses arising from changes in the fair value of the 'financial liabilities at fair value through profit or loss' category are presented in profit or loss within 'Other (losses)/gains – net' in the period in which they arise and is included in net financial items as it relates to financing.



### **Offsetting financial instruments**

Financial assets and liabilities are offset, and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

### **Impairment of financial assets**

The Group assesses on a forward-looking basis the expected credit losses associated with its financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. See note 17 for additional details.

A write-down is calculated as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss. If, in a subsequent period, the amount of the impairment loss decreases, and the decrease can be related objectively to an event occurring after the impairment was recognised, the reversal of the previously recognised impairment loss is recognised in the profit or loss.

### **Joint ventures**

Joint venture is a joint arrangement whereby the partners that have joint control of the arrangement have rights to the net asset of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decision about the relevant activities require unanimous consent of the parties sharing control. The Group has one joint venture, Net1 Philippines.

Joint ventures are included in the consolidated financial statements using the equity method from the date the Group's significant influence or joint control commences until the date it ceases. The Group's share of the joint venture's profit for the financial period is shown as a separate item after the Group's operating result, on the line Share of net profit from joint ventures. The Group's share of the joint venture's changes in other comprehensive income is recorded in the Group's other comprehensive income. If the Group's share of the joint venture's losses exceeds its interest in the joint venture company, the carrying amount is written down to zero.

A write-down is calculated as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated profit or loss. If, in a subsequent period, the amount of the impairment loss decreases, and the decrease can be related objectively to an event occurring after the impairment was recognised, the reversal of the previously recognised impairment loss is recognised in the consolidated profit or loss.

The Group's investment in Net1 Philippines was written down to zero in 2018, based on the cash flows projections at hand at the time. The investment was disbursed in May 2021 for the cash consideration of USD 15.2 million, primarily based on a valuation of the spectrum holdings in the Philippines.

### **Inventory**

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

### **Trade receivables**

Trade receivables are financial instruments and represent the amount due from customers for merchandise sold or services performed in the ordinary course of business.

Trade receivables are recognised initially at the transaction price according to IFRS 15 if the credit period is less than twelve months, minus estimated credit losses calculated using lifetime expected losses.



## Cash and cash equivalents

Cash and cash equivalents in the cash flow statement include highly liquid short-term investments that can be easily converted into a known amount, are exposed to insignificant risk and have a maximum maturity of 3 months. Cash and cash equivalents in 2018 do not include any highly liquid short-term investments.

## Trade payables

Trade payables are financial instruments and represent obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Account payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

## Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest rate method.

If and when a loan contract is modified, the group's policy is to evaluate quantitative and qualitative impacts of such modifications.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Borrowings are normally classified 100% as current if in default as at reporting date. The Amended Gemcorp Loan is technically in default since second half of 2021, however given the current circumstances of the ongoing PKPU process in Indonesia and that fact that the lenders have not yet called for foreclosure it remains classified as non-current.

## Current and deferred income taxes

The tax expense for the period comprises current and deferred taxes. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income.

Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income. In such cases, the tax is also recognised in other comprehensive income.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.



## Employee benefits

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employee's services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

### *Pension obligations*

The Group has a *defined benefit plan* for employees with Net1 Indonesia. A defined benefit plan is a pension plan that is not a defined contribution plan. Typically, defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one of more factors such as age, years of service and compensation.

The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of Government Bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit or loss. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in a profit or loss as past service costs.

The defined benefit plan with Net1 Indonesia is not secured through external financing.

### *Termination benefits*

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when the Group can no longer withdraw the offer of those benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

## Cash flow statement

The Group presents the statement of cash flows using the indirect method. Cash inflows and outflows are shown separately for investing and financing activities, while operating activities include both cash and non-cash line items. Operating interests received and paid are reported as a part of operating activities. Interests paid on borrowings are included as a part of financing activities. Value added tax (VAT) and other similar taxes are regarded as collection of tax on behalf of authorities and are reported net.

## Share capital

All shares are classified as equity. Transaction costs in relation to equity transactions are recognised in equity net of tax.



## Note 2 – Financial risks

The Group's activities expose it to a variety of financial risks: market risk (currency risk, fair value interest rate risk and cash), credit risk and liquidity risk. The Group does not use derivative instruments to hedge risk exposures. The following describes the Group's estimated risk exposure and related risk management.

### Market risk

(a) *Foreign exchange risk*

Exchange rate fluctuations affect the Group's financial results through translation of the profit and loss accounts and balance sheets of foreign subsidiaries to Norwegian krone (translation exposure). The Group has debts denoted in USD, IDR and NOK (see note 21 Borrowings).

(b) *Interest rate risk relating to cash flows and fair values*

As the Group has no significant interest-bearing assets, the Group's revenues and cash flows from operating activities are substantially independent of changes in market interest rates.

The interest on the Amended Gemcorp Loan, denoted in USD, has a LIBOR component, and interest will consequently fluctuate.

See the sensitivity analysis below.

### Credit risk

Credit risk is managed on Group level, with the exception of credit risk relating to outstanding accounts receivable. Each Group company is responsible for monitoring and analysing the credit for each new customer before the standard terms of payment and delivery offered. Due to the end customer structure in Indonesia, where the majority of the customers use pre-paid subscriptions, the Group deems this risk as fairly low.

### Liquidity risk

Liquidity risk is the risk that the Group may not have sufficient liquid financial resources to meet its obligations when they fall due or would have to incur excessive costs to do so. The Group assesses, monitors and manages its liquidity needs on an ongoing basis.

The Group prepares expected cash flow forecasts for the short and long term and the level of liquid assets necessary to meet these are considered. This is generally carried out in the respective companies within the Group. Furthermore, balance sheet liquidity ratios are monitored against internal and external regulatory requirements on a monthly basis as well as against financial covenants under the Amended Gemcorp Loan.

Please see the Group's main long-term financial liabilities classified according to the time on the closing date until the contractual maturity date, in note 21 Borrowings and management's assessment of Liquidity and Going concern below.

### Capital management

The Group's target with respect to capital is to safeguard the Group's ability to continue its operations so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. With regards to the capital structure, please also see the financial covenants to the bondholders in note 21 Borrowings.

To maintain or adjust the capital structure, the Group may adjust the dividend paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Similar to other companies in the industry, the Group assesses capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total gross borrowings (including current borrowings and non-current borrowings) less cash and cash equivalents. Total capital is calculated as equity plus net debt.



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Notes to the financial statements

<i>NOK thousands</i>	<b>2020</b>	<b>2019</b>
Total gross borrowings (note 21)	700,225	386,536
Less cash and cash equivalents	-97,084	-29,341
<b>Net debt</b>	<b>603,141</b>	<b>357,195</b>
Total equity	-735,156	761,716
<b>Total capital</b>	<b>-132,015</b>	<b>1,118,911</b>
Net Debt/Total capital ratio	neg.	32%

### Sensitivity analysis

The factors below show the hypothetical effect on Group's profit, should some factors change. The calculations are hypothetical and should neither be considered as an indicator of either of these factors being more or less likely to change, nor the size of the magnitude of the change. Real changes and their effects may be larger or smaller than presented below. In addition, it is likely that the real changes will affect other items, and that actions by the Group and others, as a result of the changes, may come to affect other items.

The sensitivity analysis should therefore be interpreted with caution.

### Debt interest rates

The Group's debts, all run with fixed interest rates. The Amended Gemcorp Loan has two interest components; Mandatory Cash Interest that runs with LIBOR plus a 6.50% points margin and PIK interest that runs with 4.00%, compounded on quarterly basis. A decrease/increase of 1% point in LIBOR would have had a positive/negative effect on the Group's interest expense of approximately NOK 7 million for the year 2020. A substitute for LIBOR has not yet been arranged.

### Currency risks

Exchange rate fluctuations affect the Group's financial results through translation of the profit and loss accounts and balance sheets of foreign subsidiaries to Norwegian krone (translation exposure). The Group has external debts denoted in USD and in NOK (see note 21 Borrowings).

With regards to exposure to *translation effects* risks from operations in other currencies, the Group's main operation is in Indonesia and in the Indonesian Rupiah currency (IDR). In terms of total equity and operating result, a weakening/strengthening of 10% of the NOK versus IDR would have caused a decrease/increase in the Group's reported equity and operating result of NOK 85 million and NOK 36 million respectively.

With regards to *currency risks within debts*, The Amended Gemcorp Loan is denoted in USD and the shareholder loans (the 'Amended Bridge Loans') from Rasmussengruppen and Sampoerna are denoted in NOK and IDR respectively. Should the USD and/or IDR have strengthened towards NOK with 10% during 2020, these debts per 31 December 2020 would have increased with approximately NOK 57 million and 6 million, respectively, with the corresponding negative effect in the consolidated statement of comprehensive income.



## Note 3 – Critical accounting estimates and judgements

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

### Valuation of spectrum license in Indonesia

Up to 30 November 2021, the Group held considerable values in the 450 MHz spectrum licence in Indonesia. Management assessed and tested the book value of the license through both DCF and alternative valuation methods. Due to the unpaid BHP fees and the difficulties in deploying the business plan in late 2020 and of 2021, there was an underlying uncertainty of its value. As per October 2021, its value was assessed to USD 87 million which would have implied a significant write-down, however given the later unfortunate events management has decided to fully write-down the license asset as per 31 December 2020 already.

### Determining the lease term of contracts with renewal options

The Group determines the lease term as the noncancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Group applies judgement in evaluating whether it is reasonably certain to exercise an option to renew a lease contract, considering all relevant factors that create an economic incentive for the Group to exercise the renewal or not exercise an option to terminate. The threshold for being reasonably certain is lower than virtually certain and higher than more likely than not under IAS 37 Provision, contingent liabilities and contingent assets. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to, or not to, exercise the option to renew.

The main part of the Group's lease contracts, excluding spectrum licences, relates to the sites with the mobile networks and office property. For assessing the useful life of these assets, the Group considers factors such as technology development, business model and potential business combinations. Hence, the lease term does not affect the Group's determination of useful life of own assets or other non-removable leasehold improvements determined for the purposes of depreciation charges.

The current licences held by the Group were in practice perpetual, with a formal renewal process every 10 years (no auction procedure) and was initially allocated a useful life of 25 years. During 2020 management reassessed the useful life to end at the first renewal date in November 2026. As the leased network assets were assumed to follow the license term, the change of useful life also impacted both leased assets and lease liabilities.

Management has assessed to continue recognition of the leased network assets and liabilities, regardless of the license being revoked on 30 November 2021, as the network may be utilised under the assumption of a successful PKPU process in Indonesia.

### Valuation of non-current intangible and tangible assets

If the recoverable amount of an intangible or tangible noncurrent asset – licenses, customer relationships, property, technical equipment, equipment and tools and other tangible and intangible assets - falls below the book value, an impairment loss is recognised. The assets are tested for impairment annually. If there are indications of impairment during the year, an impairment test is prepared. A number of factors are analysed in order to assess whether there is any indication of impairment. If such indication exists, an impairment test is prepared based on management's estimate of future discounted cash flows. The estimates used to determine future cash flows and the discount rate used when calculating value in use are subject to uncertainty. Future cash flows are discounted to present value using a discount rate based on a calculation of a weighted average cost of capital ('WACC').



Management has assessed the non-current assets, other than the frequency license asset, to have consistent values given the assumption of a successful outcome of the PKPU process.

### Liquidity and going concern

Subsequent to the 2020 reporting period, the ongoing impact of the COVID-19 pandemic and other challenges in 2021 such as flood, earthquake, and volcanic eruption had a severe impact upon the operations in Indonesia. In late Q2 2021, Net1 Indonesia suspended part of its network due to technical network difficulties. On 30 November 2021 Net1 Indonesia was required to fully suspend all network services as the 450MHz telecom license was revoked by KOMINFO due to unpaid disputed historical frequency fees, even though Net1 Indonesia had successfully legally challenged and won administrative court cases in this respect.

On 25 January 2022 the Commercial Court at the Central Jakarta District Court granted an application submitted by a creditor of Net1 Indonesia and ruled that Net1 Indonesia entered into a temporary Suspension of Debt Payment Obligations ('PKPU') in order to reach a debt restructuring agreement with all of its creditors consisting of lenders, vendors and suppliers by way of an agreed plan (the 'Composition Plan'). An initial 45-day period to reach an agreement on the terms of debt restructuring in the Composition Plan has been extended by court order to 8 June 2022. The creditors may agree to extend the PKPU period up a maximum of 270 days.

The lenders under the Amended Gemcorp Loan facility have chosen not to foreclose under the facility agreement, despite breach of the Financial Covenants and KPIs, and participates in the PKPU process as a secured creditor.

In December 2021 and January 2022 headcount in Indonesia was reduced to a minimum to provide administrative support and critical technical network backhaul maintenance while the PKPU process is ongoing.

This report is prepared under the going concern principle based on the assumption that the PKPU process and debt restructuring in Net1 Indonesia is successful, i.e., that the creditors agree to a payment plan or other arrangements, and Net1 Indonesia can resume use of its technical network to deliver Mobile Broadband services to underserved rural areas in Indonesia. Discussions are ongoing with various business partners on these terms and in respect of financing solutions.

Based on the above, the Board confirms that the prerequisites for the going concern assumption exist and that the financial statements have been prepared based on a going concern basis in accordance with section 3-3a of the Norwegian Accounting Act and IAS1, p. 25-26.

However, should the PKPU process not be successful, this will have severe adverse effect on the operation of Net1 Indonesia and the Group and it may not be possible to continue operations. Thus, as the financing required for the Group's operations after Q1 2022 is not finalised, there is a significant uncertainty related to the going concern assumption.

In the event that the PKPU process in Indonesia reaches a successful conclusion, further financing will be necessary. There can be no assurance that such financing will be secured. If such financing is not secured the Group's liquidity, in the absence of alternative sources of funding (whether short term or long term), will fall short of the amount necessary to operate its business for the next 12 months and the Group may be in default under the Amended Gemcorp Loan. Thus, there is a significant uncertainty related to the going concern assumption.

With respect to the Company, regardless of the PKPU process, real uncertainty remains on funding throughout 2022 and it may not be possible to continue its business. The Company is currently exploring one of the very last remaining options for securing funding through 2022 and if unsuccessful the Company will likely be forced to file for bankruptcy within shortly.



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## Note 4 – Segment information

The segment information is reported in accordance with the reporting to Management as chief operating decision-makers and is consistent with financial information used by this body for assessing performance and allocating resources and is based on geographical location.

The Group reports only Net1 Indonesia as segment, as the operation in the Philippines is a joint venture and not consolidated. This means that the consolidated profit or loss, as a whole, in all material aspects represents the operation in Indonesia. The main customer base in Indonesia is represented by private customers on prepaid subscription basis.

The joint venture operations in the Philippines are recognised through equity pick-up. This investment was written down to zero in the 2018 year-end closing, later to be divested in May 2021.

## Note 5 – EBITDA

EBITDA (Earnings Before Interests, Taxes, Depreciations and Amortisations) is as operating result after adjustment of expenses for depreciation, amortisation and impairment losses, foreign exchange differences recognised in income pertaining to revaluation of items in the balance sheet and non-recurring items. Any effects from business combinations are not included.

## Note 6 – Revenue by type

<i>NOK thousands</i>	<b>2020</b>	<b>2019</b>
Revenue from sale of communication services	33,473	35,212
Revenue from sale of customer premises equipment	2,798	10,331
Other operational income	1,936	2,007
<b>Total revenues</b>	<b>38,208</b>	<b>47,549</b>

*Communication services revenue* consist of voice, data and Mobile Broadband subscription fees, revenues from voice (outgoing traffic) and data traffic, messaging, outbound roaming and other carrier services, wholesale and other mobile service revenues.

*Customer premises equipment revenue* is mainly related to sale of routers and accessories (antennas, batteries etc) and Smartphone handsets.

*Other operational income* includes invoice fees, breach-of-contract fees, and administration fees as billing, reminder and collection fees.

The Group determines the transaction price to be the amount of consideration which it expects to be entitled in exchange for transferring the promised goods and services to the customer, net of discounts and sales related taxes.

### Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of services over time and at a point in time in the following major service lines and geographical region:

<i>NOK thousands</i>	<b>Indonesia</b>		<b>Total revenue</b>
	<b>Service revenue</b>	<b>Other revenue</b>	
Revenue from external customer	33,473	4,734	<b>38,208</b>
Timing of revenue recognition:			
At a point in time	-	4,734	<b>4,734</b>
Over time	33,473	-	<b>33,473</b>



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2019	Indonesia		Total revenue
	Service revenue	Other revenue	
<i>NOK thousands</i>			
Revenue from external customers	35,212	12,337	47,549
<i>Timing of revenue recognition:</i>			
At a point in time	-	12,337	12,337
Over time	35,212	-	35,212

Revenues from external customers comes in all material aspects from service subscriptions.  
Other revenue consists of CPE sales and other operational revenue.

## Note 7 - Operating expenses and auditors fees

<b>Operating expenses</b>	<b>2020</b>	<b>2019</b>
Cost of goods sold	4,451	20,952
Sites and premises leases	23,992	34,370
Network costs	17,670	24,222
Repairs & maintenance	21,703	8,116
Frequency licence fees	135,423	88,287
Marketing and advertising	3,892	11,518
Commissions	9,190	15,499
Other sales costs	11,800	17,694
Trade receivables losses	6,457	3,536
Other operating expenses	89,056	83,982
<b>Total</b>	<b>323,635</b>	<b>308,177</b>
<b>Auditors' fees</b>	<b>2020</b>	<b>2019</b>
<b>PwC</b>	<b>1,847</b>	<b>2,131</b>
Audit assignment	1,786	1,416
Other assurance services	-	280
Tax advisory	62	200
Other advisory services	-	235
<b>Other elected audit firms for the Group</b>	<b>1,012</b>	<b>932</b>
Audit assignment	1,012	932
<b>Total</b>	<b>2,859</b>	<b>3,063</b>

Audit assignments involve examination of the annual accounts and the Board and the CEO, and other tasks are incumbent upon the auditor to perform. Further assurance services principally include other attestation services required by laws and regulations, attestations related to information system, audits, attestations and agreed upon procedures required by regulators and other third parties. Other advisory services include advice or other assistance resulting from observations of such review or implementation of such other tasks. All amounts are excluding VAT. The Group has not received any services from any other audit firm than PricewaterhouseCoopers.



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## Note 8 – Employees

	2020		2019	
	Total	Of which men	Total	Of which men
<b>Average number of employees by country</b>				
Indonesia	155	109	146	103
Brazil	2	2	2	2
<b>Total</b>	<b>157</b>	<b>111</b>	<b>148</b>	<b>105</b>

The average number of employees represents the operation of Net1 Indonesia only. The holdings companies, including the Group Parent, Net1 International Holdings AS, has contracted staff only.

<b>Employee benefit expenses</b>	<b>2020</b>	<b>2019</b>
Salaries and other remuneration	35,021	35,824
Social security contributions	1,533	1,364
Pensions	1,019	1,434
Post-employment benefits <sup>1)</sup> and other personnel related expenses	5,823	5,819
<b>Total</b>	<b>43,398</b>	<b>44,442</b>

<sup>1)</sup> The Group has defined employee benefits obligations in Indonesia.

<b>Fees earned – Board of directors and executive management</b>	<b>2020</b>	<b>2019</b>
	<b>Total</b>	<b>Total</b>
Board of directors	-	-
<i>Executive Management</i>		
JD Fouchard / Board chairman and Interim CEO (as from December 2020)	230	-
Amit Vithlani / Board member and CEO (to November 2020)	8,082	3,343
<b>Total</b>	<b>8,313</b>	<b>6,217</b>

None of the senior executives are employed by the Group. All remunerations are consulting fees, paid to the individuals or associated companies, and apply in their role as such and the costs are included in Operating Expenses. The Board consisted of 5 persons during 2020. No separate board fee has been paid to the Board members. Please refer to note 27 for more information.

## Note 9 – Financial income

<i>NOK thousands</i>	<b>2020</b>	<b>2019</b>
Interest income	253	3,452
Currency gains, net	5,517	13,305
Fair value revaluation of subscription rights <sup>1)</sup>	-	57,004
Other financial income	2,625	2,593
<b>Total</b>	<b>8,395</b>	<b>76,354</b>

<sup>1)</sup> Please also see note 20.

## Note 10 – Financial expenses

<i>NOK thousands</i>	<b>2020</b>	<b>2019</b>
Interest expenses, debts	-97,048	-34,018
Interest expenses, leases	-34,547	-50,475
Other financial expenses	-8,573	-11,240
<b>Total</b>	<b>-140,169</b>	<b>-95,732</b>



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## Note 11 – Taxes

<i>NOK thousands</i>	2020	2019
Current taxes	-	-
Deferred taxes	330,790	14,066
<b>Total tax</b>	<b>330,790</b>	<b>14,066</b>

<b>Reconciliation of effective tax</b>	2020	2019
Result before tax	-1,936,852	-432,703
Income tax calculated at applicable tax rate of the Company	426,107	95,195
Difference in tax rates in foreign operations <sup>1)</sup>	55,819	13,744
Tax effects from:		
- Non-taxable income and non-deductible items	12,655	-15,596
- Effect of changes in tax rates	-5,106	-
- Change in net deferred tax assets not recognized in the Financial Statements	-15,789	-6,048
- Non-capitalised unused tax losses	-142,898	-73,229
<b>Total tax</b>	<b>330,790</b>	<b>14,066</b>

1) The Group complies with applicable tax laws in Norway, the Netherlands, Indonesia and Brazil. Applicable corporate tax rates are 22% (22%) in Norway, 25% (25%) in the Netherlands, 22% (25%) in Indonesia and 34% (34%) in Brazil.

<b>Deferred taxes</b>	2020	2019
Positive changes in deferred taxes	330,790	14,066
Negative changes in deferred taxers	-	-
<b>Total deferred tax in the statement of income</b>	<b>330,790</b>	<b>14,066</b>

<b>Deferred tax liabilities</b>	2020	2019
Opening balance	-	-326,903
Changes recognised as income in the statement of income	-	14,066
Changes recognised as cost in the statement of income	-	-
Currency translation differences	-	-16,160
<b>Closing carrying amount</b>	<b>-</b>	<b>-328,997</b>
Whereof attributable to non-current assets	-	-329,381
Whereof attributable to permanent differences	-	384
<b>Net deferred taxes presented in the statement of financial positions</b>	<b>-</b>	<b>-328,997</b>

Deferred tax assets are recognised for tax loss carry forwards to the extent that it is probable that they can be utilised by future taxable profits.

The Group's tax losses carried forward expire as follows:

<i>NOK thousands</i>	2020	2019
As at 31 December 2020	-	10
As at 31 December 2021	193,772	186,499
As at 31 December 2022	286,197	274,109
As at 31 December 2023	346,251	328,348
As at 31 December 2024	371,159	330,835
AS at 31 December 2025	390,883	46,585
After more than 5 years	-	-
No expiration date	31,615	31,227
<b>Total tax losses carried forward</b>	<b>1,622,566</b>	<b>1,197,612</b>
Of which deferred tax assets have not been recognised	1,622,566	1,197,612



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## Note 12 – Intangible assets

<i>NOK thousands</i>	Licences and similar rights	Trademark	Other intangible assets <sup>1)</sup>	Total
<b>Opening carrying values 1 January 2019</b>	1,306,078	-	15,339	1,321,417
<i>Changes during the period</i>				
Investments	-	50,114	1,327	51,442
Disposals & write-downs	-	-	2	2
Amortisation	-54,729	-1,890	-7,155	-63,775
Currency translation differences	64,639	-940	676	64,375
<b>Closing carrying value</b>	9,910	47,285	-5,150	52,045
Accumulated acquisition value	1,390,128	49,174	72,171	1,511,474
Accumulated amortisation	-74,140	-1,890	-61,982	-138,012
<b>Closing carrying value 31 December 2019</b>	1,315,988	47,285	10,189	1,373,461
<i>Changes during the period</i>				
Investments	-	-	562	562
Disposals & write-downs	-	-	-	-
Amortisation	-191,560	-6,750	-7,489	-205,800
Currency translation differences	27,594	-5	7	27,595
Write-down	-1,152,021	-40,530	-	-1,152,021
<b>Closing carrying value</b>	0	0	3,268	43,798
Accumulated acquisition value	1,334,806	49,174	69,828	1,453,808
Accumulated amortisation	-251,349	-8,645	-66,559	-326,553
Accumulated write-downs	-1,083,457	-40,530	-	-1,123,987
<b>Closing carrying value 31 December 2020</b>	0	0	3,268	3,268

1) Other intangible assets mainly consist of software.

Up to 30 November 2021, the Group held considerable values in the 450 MHz spectrum licence in Indonesia. Management assessed and tested the book value of the license through both DCF and alternative valuation methods. Due to the unpaid BHP fees and the difficulties in deploying the business plan in late 2020 and of 2021, there was an underlying uncertainty of its value. As per October 2021, its value was assessed to USD 87 million which would have implied a significant write-down, however given the later unfortunate events management has decided to fully write-down the license asset as per 31 December 2020 already.



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## Note 13 – Tangible assets

<i>NOK thousands</i>	Technical equipment	Technical equipment leased <sup>1)</sup>	Other tangible assets	Other tangible assets leased <sup>1)</sup>	Work in progress	<b>Total</b>
Accumulated acquisition value	164,220	-	21,012	-	67,477	252,710
Accumulated depreciation	-29,037	-	-17,110	-	-	-46,148
<b>Opening carrying value 1 Jan 2019</b>	<b>135,183</b>	<b>-</b>	<b>3,902</b>	<b>-</b>	<b>67,477</b>	<b>206,562</b>
<i>Changes during the period</i>						
Investments	9,600	435,283	5,858	1,083	8,543	460,367
Disposals / write-downs	-5,246	-	-	-	-	-5,246
Reclassifications, net	9,653	-	8,944	-	-22,225	-3,628
Depreciation	-21,889	-19,662	-2,930	-	-	-44,481
Currency translation differences	6,500	-	243	-	-257	6,486
<b>Closing carrying value</b>	<b>133,802</b>	<b>415,621</b>	<b>12,114</b>	<b>1,083</b>	<b>-13,939</b>	<b>413,497</b>
Accumulated acquisition value	169,695	435,283	36,921	1,083	53,538	696,520
Accumulated depreciation	-35,894	-19,662	-20,905	-	-	-76,461
<b>Closing carrying value 31 Dec 2019</b>	<b>133,802</b>	<b>415,621</b>	<b>16,016</b>	<b>1,083</b>	<b>53,538</b>	<b>620,059</b>
<i>Changes during the period</i>						
Investments	2,923	8,699	428	-	5,903	17,953
IAS 8 effects	-	-100,762	-	-	-	-100,762
Disposals/write-downs/cancellations	-304	-34,157	-	-1,106	-	-35,566
Reclassifications, net	16,824	-	17,209	-	-34,033	0
Depreciation	-24,572	-45,717	-7,608	-	-	-77,897
Currency translation differences	-4,018	-6,307	-210	23	-2,482	-12,995
<b>Closing carrying value</b>	<b>124,655</b>	<b>237,377</b>	<b>25,835</b>	<b>-</b>	<b>22,926</b>	<b>410,792</b>
Accumulated acquisition value	182,093	323,107	53,063	-	22,926	581,189
Accumulated depreciation	-57,439	-85,730	-27,228	-	-	-170,397
<b>Closing carrying value 31 Dec 2020</b>	<b>124,655</b>	<b>237,377</b>	<b>25,835</b>	<b>-</b>	<b>22,926</b>	<b>410,792</b>

1) The Group is a lessee. The right-of-use assets stated have been recognised in the balance sheet as tangible fixed assets

Work in progress by 31 December 2020 consists primarily of installation of telecommunication network, equipment and infrastructure.

The NOK 100.8 million IAS 8 effect relates primarily change in assumed useful life of the network site leases, mirroring the changed assumption of useful life of the frequency license, see also note 3.

### Assets held for sale

No amount was re-classified to assets held for sale during 2020, however NOK 5.7 million of the NOK 9.3 million opening balance amount was written down in 2020, leaving the year-end balance at NOK 3.6 million.



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## Note 14 – Investments in Joint Ventures

Until May 2021, the Group held shares in Broadband Everywhere Corporation ('BEC') and Textron Holdings Corporation ('THC'), both in the Philippines (together, the 'Philippines investment'). The capital share and voting share was 40% in BEC and 20% in THC. AS THC held the remaining 60% shares in BEC, the Group's total direct and indirect economic interest in BEC was calculated at 52%.

The Philippines investment did not develop as expected, and the book value at both period ends 2019 and 2020 was zero. The Philippines investment was divested by the Company in its entirety in May 2021 to its joint venture partner, Citadel Holdings Corporation, for the cash consideration of USD 15.2 million.

31 Dec 2020 and 2019	Corporate identity no	Registered office	Capital and voting share	Number of shares 2020	Number of shares 2019
Broadband Everywhere Corp.	88589	Manila, The Philippines	40%	6,666,664	6,666,664
Textron Holdings Corp.	A200012904	Manila, The Philippines	20%	1,493,332	1,493,332
<b>Total Joint Ventures</b>			<b>52%</b>		

## Note 15 – Financial instruments by category

	Note	Balance as per 31-Dec-2020	Financial instruments	Other	Balance as per 31-Dec-2019	Financial instruments	Other
<b>Financial assets at amortized costs</b>							
Other financial assets (DSRA)		36,117	36,117	-	44,934	44,934	-
Trade receivables	17	6,958	6,958	-	13,384	13,384	-
Other receivables		22,608	377	22,231	49,815	7,182	42,633
Cash and cash equivalents		97,084	97,084	-	29,341	29,341	-
<b>Total</b>		<b>162,767</b>	<b>140,536</b>	<b>22,231</b>	<b>137,473</b>	<b>94,841</b>	<b>42,633</b>
<b>Financial liability at fair value</b>							
Subscription rights	20				-	-	-
<b>Financial liability at amortized costs</b>							
Borrowings	21	700,225	700,225	-	324,261	324,261	-
Other long-term liabilities	22	237,502	228,654	8,849	428,182	428,182	-
Borrowings - current portion	21	-	-	-	62,275	62,275	-
Trade payables		236,593	236,593	-	104,900	104,900	-
Other current liabilities		22,705	396	22,309	14,717	5,689	9,028
<b>Total</b>		<b>1,197,025</b>	<b>1,165,867</b>	<b>31,158</b>	<b>934,334</b>	<b>925,306</b>	<b>9,028</b>

## Note 16 – Inventory and Costs of goods sold

The inventory comprises of finished goods and amounted to NOK 8,266 (NOK 11,119) thousand. The cost of inventories recognised as an expense, cost of goods sold, in profit or loss amounted to NOK 4,451 (NOK 20,952) thousand. Cost of goods sold is included in profit or loss on the line 'Operating expenses'.



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## Note 17 – Trade receivables

<i>NOK thousands</i>	<b>31 Dec 2020</b>	<b>31 Dec 2019</b>
Trade receivables	38,448	42,527
Less provision for bad debts <sup>1</sup>	-31,490	-29,143
<b>Trade receivables – net<sup>1</sup></b>	<b>6,958</b>	<b>13,384</b>

1) Refers to trade receivables that, by individual assessment, has been considered as uncertain.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of sales over a period of 36 months before 31 December and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Aging analysis of trade receivables 31 December 2020	Current	Less than	31 - 180	More than	Total
		30 days past due	days past due	180 days past due	
Expected loss rate	1%	7%	6%	86%	<b>82%</b>
Gross carrying-amount - trade receivables	471	2 540	2 234	33 203	<b>38 448</b>
Gross carrying-amount - contract assets	-	-	-	-	-
Loss allowance as at 31 December	-386	-2 081	-1 829	-27 194	<b>-31 490</b>

Aging analysis of trade receivables 31 December 2019	Current	Less than	31 - 180	More than	Total
		30 days past due	days past due	180 days past due	
Expected loss rate	4%	4%	8%	77%	<b>69%</b>
Gross carrying amount – trade receivables	561	1,362	3,185	37,419	<b>42,527</b>
Gross carrying amount – contract assets	-	-	-	-	-
Loss allowance as at 31 December	-22	-54	-255	-28,811	<b>-29,143</b>

Specification of provision for bad debt	<b>2020</b>	<b>2019</b>
<b>Opening balance</b>	<b>-29,143</b>	-25,364
Change during the period	-3,728	-2,468
Currency effects	1,382	-1,312
<b>Loss allowance as at 31 December</b>	<b>-31,490</b>	<b>-29,143</b>
Realised losses for the period	-6,457	-3,536

Allocations to and reversals of provisions for bad debts are included in operating expenses. There is no collateral or other security on the outstanding trade receivables at period end(s).

## Note 18 – Other current receivables

<i>NOK thousands</i>	<b>31 Dec 2020</b>	<b>31 Dec 2019</b>
VAT receivable	12,349	35,348
Other receivables	10,259	14,467
<b>Total</b>	<b>22,608</b>	<b>49,815</b>



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## Note 19 – Shareholdings

The Company's shares are traded on the Oslo OTC under the ticker 'NET1'. The share holdings were distributed as follows (direct and indirect holdings):

Shareholders	Dec 2020		Dec 2019	
	Shares	Ownership %	Shares	Ownership %
<i>More than 5% shareholdings</i>				
Rasmussengruppen	210,866,392	43.7	210,866,392	43.7
Sampoerna	130,161,646	27.0	130,094,846	27.0
Access Industries	80,098,169	16.6	80,744,293	16.7
Jörg Mohaupt	-	-	8,679,886	1.8
<i>Board of Directors and management</i>				
Jean Daniel Fouchard	2,228,573	0.5	2,228,573	0.5
Trygve Lauvdal	35,000	0.0	35,000	0.0
Amit Vithlani	n/a	n/a	836,495	0.2
Linus Jönsson	n/a	n/a	51,944	0.0
Other investors (less than 5% holdings each)	58,580,170	12.1	48,750,521	10.1
<b>Total</b>	<b>482,287,950</b>	<b>100.0</b>	<b>482,287,950</b>	<b>100.0</b>

<i>NOK thousands</i>	No of shares	Share capital
<b>As per 1 January 2019</b>	<b>154,538,809</b>	<b>139,085</b>
New share issue, Conversion of Rasmussengruppen loan	95,660,000	86,094
New share issue, Conversion of Sampoerna loan	47,830,000	43,047
New share issue, Cash received by Pareto	98,176,667	88,359
New share issue, Sampoerna Flip-up	81,761,513	73,585
New share issue, Polaris Flip-up	4,320,961	3,889
<b>As per 31 December 2019</b>	<b>482,287,950</b>	<b>434,059</b>
Changes 2020	-	-
<b>As per 31 December 2020</b>	<b>482,287,950</b>	<b>434,059</b>

## Note 20 – Subscription rights

In connection with the de-establishment of the Net1 International group from the demerger with Ice Group ASA in 2018, the Company issued 52,699,940 subscription rights to Rasmussengruppen. The initial fair value of the subscription rights (call option) was set to SEK 113.7 million (NOK 104.7 million), recognised as a subscription right liability. The consideration for the subscription rights, payable by Ice Group ASA, was fully settled and repaid in May 2019. In connection with the rights offering in April 2019, further 48,228,795 subscription rights were issued to Rasmussengruppen and 24,114,397 to Sampoerna, whereafter Rasmussengruppen in May 2019 cancelled 8,020,050 of their original subscription rights from 2018 in connection with a re-purchase of own shares. As per September 2020, all rights were classified as equity.

Following the revised strike price on all subscription rights resolved on the Annual General Meeting held in August 2020, the below table outlines the Company's current outstanding subscription rights and terms:

Subscription rights	Subscription rights	Strike NOK	Expiration date
Rasmussengruppen	2,113,068	1,57	31 Dec 2021
Rasmussengruppen	42,566,822	1,57	31 Dec 2021
Rasmussengruppen	48,228,795	0,90	24 Apr 2022
Sampoerna	24,114,397	0,90	24 Apr 2022
<b>Total</b>	<b>117,023,082</b>		

There has not been any other activity or transactions involving the subscription rights after year-end 2020 to the date of signing the financial statements. None of the Subscription rights were exercised.



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**Note 21 – Borrowings**

<i>NOK thousands</i>	<b>31 Dec 2020</b>	Cash – Loan repayment 2020	Cash - Borrowings 2020	Non-cash movement 2020	<b>31 Dec 2019</b>
<b>Non-current borrowings</b>					
Amended Gemcorp Loan	515,929	-	160,744	3,973	351,212
Capitalised loan costs	-26,319	-	-3,266	3,898	-26,951
Rasmussengruppen AS	157,658	-	89,605	68,052	-
Sampoerna AGRI Resources Pte Ltd	52,957	-	35,177	17,781	-
<b>Current borrowings</b>					
Rasmussengruppen AS	-	-	-	-50,000	50,000
Sampoerna AGRI Resources Pte Ltd	-	-	-	-12,275	12,275
<b>Total borrowings</b>	<b>700,225</b>		282,260	31,428	<b>386,536</b>
Cash and cash equivalents	-97,084				-29,341
<b>Net debt</b>	<b>603,141</b>				<b>357,195</b>

<i>NOK thousands</i>	<b>31 Dec 2019</b>	Cash – Loan repayment 2019	Cash - Borrowings 2019	Non-cash movement 2019	<b>31 Dec 2018</b>
<b>Non-current borrowings</b> (see also note 1)					
AINMT Holdings AB loan	-	-	-	-3,853	3,853
Gemcorp Loan	351,212	-	351,212	-	-
Capitalised loan costs	-26,951	-	-31,097	4,146	-
<b>Current borrowings</b> (see also note 1)					
Rasmussengruppen AS	50,000	-	50,000	-	-
Sampoerna AGRI Resources Pte Ltd	12,275	-	12,275	-	-
Bank loan - Indonesia	-	-11,287	-	-	11,287
<b>Total borrowings</b>	<b>386,536</b>	<b>-11,287</b>	<b>382,390</b>	<b>293</b>	<b>15,140</b>
Cash and cash equivalents	-29,341				-2,565
<b>Net debt</b>	<b>357,195</b>				<b>12,575</b>

<b>Repayment schedule (nominal)</b> <i>Amounts in thousands</i>	<b>LOC</b>	<b>NOK</b>	<b>&lt; 1 year</b>	<b>1 - 3 years</b>	<b>3 - 5 years</b>	<b>&gt; 5 years</b>
Amended Gemcorp Loan (USD)	60,466	515,929	-	108,345	-307,494	-100,090
Capitalised loan costs (USD)	-3,085	-26,319	4 387	8 773	8 773	4 387
Rasmussengruppen AS (NOK)	157,658	157,658	-	-	-	-157,658
Sampoerna AGRI Resources Pte Ltd (IDR)	87,139,527	52,957	-	-	-	-52,957
<b>Total</b>		<b>700,225</b>	<b>4,387</b>	<b>-99,572</b>	<b>-298,720</b>	<b>-306,318</b>

**Amended Gemcorp Loan**

In November 2020 the Group announced that MIH had successfully re-financed an existing USD 40 million (~NOK 350 million) term loan facility agreement with Gemcorp Capital LLP ('Gemcorp') as arranger, adding further USD 35 million (~NOK 280 million) to the facility (the 'Amended Gemcorp Loan').

USD 20 million (~NOK 160 million) of the Amended Gemcorp Loan was drawn down directly in November 2020. A further USD 7.5 million was scheduled for draw down in May 2021, and the remaining USD 7.5 million was scheduled for draw down in Q4 2021.



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The Amended Gemcorp Loan carries a coupon of 3 months LIBOR plus 6.5% mandatory cash interest and 4% PIK interest, accumulating until paid from excessive cash. The amortisation schedule of the existing USD 40 million facility was aligned with the further USD 35 million added to the facility under the Amended Gemcorp Loan, which retained the existing amortisation over a 5-year period but commencing March 2023 with a final maturity date in March 2027.

The Amended Gemcorp Loan is secured by the assets of Net1 Indonesia, share pledges over the shares in MIH, share pledges over the shares in Net1 International Holdings B.V. and Net1 Indonesia Holdings B.V. (intermediate companies which hold directly and indirectly the shares in Net1 Indonesia and MIH), and guarantees from MIH, Net1 Indonesia Holdings B.V. and Net1 International Holdings B.V.

The Amended Gemcorp Loan contains financial covenants and tests of key performance indicators (the 'Financial Covenants and KPIs').

The Amended Gemcorp loan also contains a change of control provision which is triggered if Rasmussengruppen (or their affiliates) or Sampoerna (or their affiliates) cease to hold, together or individually, at least 50.1% of the share capital of the Company at any time, as well as other terms and conditions customary for this type of financing.

In accordance with Amended Gemcorp Loan, MIH has secured a minimum cash balance to a Debt Service Reserve Account ('DSRA'), corresponding to the debt service amount for the next coming 6 months, which is presented within other non-current assets. As per year-end 2020, the DSRA amount was ~NOK 4 million.

The Amended Gemcorp Loan repayment schedule commences on 31 March 2023 with quarterly repayment instalments. Total repayments per year is set out in the table below:

<b>Repayment date</b>	<b>Repayment %</b>
Repayments 2023	21.0%
Repayments 2024	28.8%
Repayments 2025	30.8%
Repayments 2026	16,4%
Repayments 2027	3.0%

#### **Rasmussen and Sampoerna bridge loans**

In September 2019 the Company entered into loan agreements of NOK 50 million and IDR 21 billion (~NOK 12.3 million) with Rasmussengruppen and Sampoerna respectively (the 'Bridge Loans'). The Bridge Loans were secured as a first priority pledge over the shares of Net1 Holdings B.V., a wholly owned subsidiary of the Company which was the indirect owners of the Group's shares in Net1 Philippines, which was divested subsequent to the reporting period. The Bridge Loans had an initial expiry date of 30 April 2020. In 2020 the Bridge Loans were both extended and increased by way of the Amended Bridge Loans. The term of the Amended Bridge Loans has been revised to maturity in June 2027, there is no interest or amortisation requirements during the term, and the interest is 17.5% per annum, compounded on quarterly basis. As year-end 2020, the total outstanding debt under the Amended Bridge Loans amounted to NOK 211 million, made up of NOK 158 million and IDR 87 billion (~NOK 53 million) from Rasmussengruppen and Sampoerna respectively.

Subsequent to the reporting period, the Amended Bridge Loans were partially repaid with proceeds from the divestment of the Philippines operation. The balance as per year-end 2021 after further draw-downs was 160 million, made up of NOK 111 million and IDR 79 billion (~NOK 49 million) from Rasmussengruppen and Sampoerna respectively.

#### **Financial Covenant Disclosures**

Under the terms the Amended Gemcorp Loan, MIH as borrower has to comply with a set of financial covenants, where tests are applied to key financial metrics. Failure to comply with the covenants represents an event of default under the Amended Gemcorp Loan. The Financial Covenants and KPIs were based on a revised business plan.



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As of December 2020, MIH was in compliance with its financial covenants. However, subsequent to the reporting period and due to the events in Indonesia, MIH has not met its financial covenants. The lenders have chosen not to foreclose on the loan, even though technically the loan is in default, and are currently participating in the PKPU process in Indonesia.

## Note 22 - Other long-term liabilities

Other long-term liabilities were constituted of loan agreements to Net1 Indonesia made by PT Sampoerna Strategic, which in 2019 was a minority shareholder in Net1 Indonesia. The liability was fully repaid in 2020 by ways of conversion to equity to Net1 Indonesia.

	<b>31 Dec</b>	Cash	Non- cash	<b>31 Dec</b>	Cash	Non- cash	<b>31 Dec</b>
<i>NOK thousands</i>	<b>2020</b>	change	change	<b>2019</b>	change	change	<b>2018</b>
		2020	2020		2019	2019	
PT Sampoerna Strategic	-	-	-12,394	12,394	-	12,394	20,266
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-12,394</b>	<b>12,394</b>	<b>-</b>	<b>12,394</b>	<b>20,266</b>

## Note 23 - Provisions

The Group's provisions relate to defined benefit plan obligations for employees with Net1 Indonesia. Subsequent to the reporting period, the major part of this liability was paid out in connection with the staff redundancy which occurred in December 2021 and January 2022.

## Note 24 - Lease liabilities

	<b>31 Dec</b>	Cash	Non- cash	<b>31 Dec</b>
<i>NOK thousands</i>	<b>2020</b>	change	change	<b>2019</b>
		2020	2020	
Short term lease liability - IFRS 16	30,600	-65,647	90,656	5,592
Long term lease liability - IFRS 16	228,654	-	-187,134	415,788
<b>Total</b>	<b>259,254</b>	<b>-65,647</b>	<b>-96,479</b>	<b>421,379</b>

	<b>31 Dec</b>	Cash	Non- cash	<b>31 Dec</b>
<i>NOK thousands</i>	<b>2019</b>	change	change	<b>2018</b>
		2019	2019	
Short term lease liability - IFRS 16	5,592	-59,040	64,632	-
Long term lease liability - IFRS 16	415,788	-	415,788	-
<b>Total</b>	<b>421,380</b>	<b>-59,040</b>	<b>480,420</b>	<b>-</b>



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## Note 25 – Accrued expenses and contract liability

<i>Accrued expenses</i> <i>NOK thousands</i>	<b>31 Dec 2020</b>	<b>31 Dec 2019</b>
Accrued interests	4,595	8,227
Accrued personnel related expenses	1,451	1,332
Accrued expenses on capital expenditures	-	7,080
Frequency license fee related *	30,228	1,976
Other accrued expenses (mainly network related)	92,178	75,115
Contract liability	22,055	20,210
<b>Total</b>	<b>150,506</b>	<b>113,940</b>

\* As at year-end 2021, the accrued non-paid frequency fee, including penalty fees, amounted to NOK 205 million.

<i>Contract liability</i> <i>NOK thousands</i>	<b>2020</b>	<b>2019</b>
Contract liability balance at the beginning of the period	20,210	19,145
Revenue recognised that was included in the contract liability balance at the beginning of the period:	20,210	19,145



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## Note 26 – Pledges and other contractual commitments

The USD 75.5 million Amended Gemcorp Loan is secured by the assets of Net1 Indonesia, share pledges over the shares in MIH, Net1 Indonesia Holdings B.V. and Net1 International Holdings B.V. and guarantees from MIH, Net1 Indonesia Holdings B.V. and Net1 International Holdings B.V. The loan contains Financial Covenants and KPIs based on the business plan of the Indonesian operations. The loan also contains change of a control provision which is triggered if Rasmussengruppen (or their affiliates) or Sampoerna (or their affiliates) cease to hold, together or individually, at least 50.1% of the share capital of the Company at any time, as well as other terms and conditions customary for this type of financing arrangement.

The Gemcorp loan facility is secured by:

<b>Name of Obligor / Security Provider</b>	<b>Transaction Security Document</b>
Borrower being Mobile Internet Holdings B.V.	Singapore law account charge over the Borrower's bank accounts.
PT Net Satu Indonesia	Indonesian law deed of fiduciary security over insurances.
PT Net Satu Indonesia	Indonesian law deed of fiduciary security over towers and telecommunication equipment.
PT Net Satu Indonesia	Indonesian law assignment for security purposes in respect of PT Net Satu Indonesia's material contracts.
PT Net Satu Indonesia	Indonesian law deed of fiduciary security over receivables in respect of PT Net Satu Indonesia's material contracts.
PT Net Satu Indonesia	Indonesian law deed of fiduciary security over shares over 32% of the shares in PT Net Satu Telemedia Indonesia.
PT Net Satu Indonesia	Indonesian law pledge over the Collection Accounts (including ongoing monitoring/viewing rights in respect of such account) and security over all other bank accounts of PT Net Satu Indonesia.
PT Sampoerna Strategic	Indonesian law deed of fiduciary security of shares over 35% of the shares in PT Net Satu Indonesia.
PT Sampoerna Strategic	Indonesian law deed of fiduciary security of shares over 51% of the shares in PT Net Satu Telemedia Indonesia.
PT Sampoerna Strategic	Indonesian law deed of fiduciary security over receivables under shareholder loans to PT Net Satu Telekomunikasi Indonesia.
GLAS Trust Corporation Limited	English law account charge over the legal interest in the Debt Service Reserve Account and the Frequency Fee Transaction Account and the Offshore Account.

The lenders under the Amended Gemcorp Loan chosen not to foreclose under the facility agreement, despite breach of the Financial Covenants and KPIs, revocation of the license in Indonesia, and the PKPU restructuring process. Net1 Indonesia is an obligor under the Amended Gemcorp Loan facility, and Gemcorp participates in the PKPU process as a secured creditor.



## Note 27 – Transactions with related parties

In September 2019 the Company entered into loan agreements of NOK 50 million and IDR 21 billion (~NOK 12.3 million) from Rasmussengruppen and Sampoerna respectively (the 'Bridge Loans'). The Bridge Loans were secured as a first priority pledge over the shares of Net1 Holdings B.V., a wholly owned subsidiary of the Company which was the indirect owner of the Group's shares in Net1 Philippines. The Bridge Loans had an initial expiry date of 30 April 2020. In 2020 the Bridge Loans were both extended and increased by way of the Amended Bridge Loans. The term of the Amended Bridge Loans has been revised to maturity in June 2027, there is no interest or amortisation requirements during the term, and the interest is 17.5% per annum, compounded on quarterly basis. As at year-end 2020, the total outstanding debt under the Amended Bridge Loans amounted to NOK 211 million, made up of NOK 157 million and IDR 87 billion (~NOK 53 million) from Rasmussengruppen and Sampoerna respectively.

In May 2021, after the 2020 reporting period, the Group successfully divested its stake in Net1 Philippines by way of share sale to its joint-venture partner Citadel for a total purchase price by way of cash consideration of USD 15.2 million. The Amended Bridge Loans were partially repaid with USD 11.45 from the proceeds of the divestment of Net1 Philippines, and the balance at year-end 2021 amounted to NOK 160 million, made up of NOK 111 million and IDR 79 billion (~NOK 49 million) from Rasmussengruppen and Sampoerna respectively.

For 2020 the total consultancy fees paid to Board members amounted to NOK 3.1 million (NOK 2.9) million.

## Note 28 – Subsequent events

### *Net1 Indonesia*

The Net1 Indonesia CEO Andri Panatra resigned from the role in January 2021 due to unforeseen family issues. The CTO Serge Arbogast was appointed as interim CEO of Net1 Indonesia.

In January 2021 Indonesia suffered three natural disasters from flood, earthquake and volcanic eruption.

The implications of the COVID-19 pandemic, the re-financing by way of the Amended Gemcorp Loan toward the end of the 2020 financial year, and the natural disasters in Indonesia in early 2021, heavily affected the implementation of the Net1 Indonesia business plan. Consequently, an equity raise scheduled by the Company for Q1 2021, which was a condition to further drawdown under the Amended Gemcorp Loan, was unable to proceed. In Q2 2021 the equity funding requirement under the Amended Gemcorp Loan was waived by the lenders. The Company's shareholders Rasmussengruppen and Sampoerna subsequently funded a further amount of USD 2.5 million by way of an additional tranche of the Amended Bridge Loans, and Net1 Indonesia was able to proceed with the second draw down of USD 7.5 million under the Amended Gemcorp Loan was made.

In Q2 2021 the Indonesian government took an adverse approach to Net1 Indonesia in respect of its use of microwave spectrums (communication between base stations) which resulted in a temporary shut-down of the network by Net1 Indonesia to satisfy the requirements of the relevant authorities and move forward with discussions. In late Q2 2021 Net1 Indonesia suspended part of its network due to technical network difficulties. On 30 November 2021 Net1 Indonesia was required to suspend all network services, as the 450MHz telecom license was revoked by KOMINFO due to unpaid disputed historical frequency fees, even though Net1 Indonesia had successfully legally challenged and won administrative court cases in this respect.

On 25 January 2022 the Commercial Court at the Central Jakarta District Court granted an application submitted by a creditor of Net1 Indonesia, and ruled that Net1 Indonesia entered into a temporary Suspension of Debt Payment Obligations ('PKPU') in order to reach a debt restructuring agreement with all of its creditors consisting of lenders, vendors and suppliers by way of an agreed plan (the 'Composition Plan'). An initial 45-day period to reach an agreement on the terms of debt restructuring in the Composition Plan has been extended by court order to 8 June 2021. The creditors may agree to extend the PKPU period up a maximum of 270 days.

In December 2021 and January 2022 headcount in Indonesia was reduced to a minimum to provide administrative support and critical technical network backhaul maintenance while the PKPU process is ongoing.



The lenders under the Amended Gemcorp Loan facility have chosen not to foreclose under the facility agreement, despite breach of the Financial Covenants and KPIs, and participate in the PKPU process as a secured creditor.

#### *Net1 Philippines*

In May 2021, the Group successfully divested its stake in Net1 Philippines investment by way of share sale to its joint-venture partner Citadel for a total purchase by way of cash consideration of USD 15.2 million, based primarily on its spectrum holdings.

The sum of USD 0.75 million of the total purchase price was placed in an escrow account until October pursuant to contractual arrangements, and the remaining USD 14.45 million was distributed from the shareholder of Net1 Philippines and the selling company, Net1 Philippines Holdings BV, through its immediate parent Net1 Holdings BV, to the Company.

Of the USD 14.45 million proceeds, the sum of USD 1.25 million was directly invested by the Company in MIH for use in the Indonesia operations, USD 1.75 million was retained by the Company for operating expenses, and USD 11.45 million was used to pre-repay part of the Amended Bridge Loans.

The sum of USD 0.75 million was released from the escrow account in October 2021 and was distributed from Net1 Philippines Holdings BV, through its immediate parent Net1 Holdings BV, to the Company.

#### *Financing developments*

In Q2 2021 the equity funding requirement under the Amended Gemcorp Loan was waived by the lenders, the Company's shareholders Rasmussengruppen and Sampoerna funded USD 2.5 million by way of an additional tranche under the Amended Bridge Loans, and Net1 Indonesia proceeded with the second draw down of USD 7.5 million under the Amended Gemcorp Loan.

The Amended Gemcorp Loan contains Financial Covenants and KPIs were based on the revised business plan for the Indonesian operations which, given developments in 2021, were not met.

In 2021, the Amended Bridge Loans were partially repaid with USD 11.45 million from the proceeds from the divestment of Net1 Philippines. The total outstanding debt under the Amended Bridge Loans at year-end 2021, after further drawdowns in 2021, amounted to NOK 160 million, made up of NOK 111 million and IDR 79 billion (~NOK 49 million) from Rasmussengruppen and Sampoerna respectively.

At Q1 2022, the Group entities relating to the Philippines and Brazil have been divested or liquidated, and the Group is presently proceeding on a short-term financing basis until resolution of the PKPU process in Indonesia.

#### **COVID-19**

The impact of the COVID-19 pandemic was severe in 2020 and continued throughout 2021. Measures taken by various governments around the world to contain the virus have affected economic activity.

The Group has taken a number of measures to monitor and prevent the effects of the COVID-19 virus in the countries it operates including safety and health measures for our employees and consultants such as social distancing and working from home.

The Group continues to follow the various policies and advice of national governments and in parallel will do our utmost to continue our operations in the best and safest way possible without jeopardizing the health of our people.



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## Note 29 – Earnings per share

<i>NOK thousands</i>	<b>2020</b>	<b>2019</b>
Net result for the period	-1,606,062	-418,637
Weighted average number of ordinary shares (thousands)	482,288	440,269
<b>Earnings per share (NOK), basic and diluted</b>	<b>-3.33</b>	<b>-0.95</b>

## Note 30 – Other cash flow adjustments

<i>NOK thousands</i>	<b>2020</b>	<b>2019</b>
Gain/Loss disposal of tangible & intangible assets	5,739	10,585
Non-paid (capitalized) interests on borrowings	29,123	2,937
Gemcorp Loan deferred fees	18,692	-
Employee benefit plans	1,596	1,434
Non-operating cash flow	1,812	1,142
Currency related adjustments	-2,060	5,042
Other cash flow adjustments	-	-2,253
<b>Other cash flow adjustments</b>	<b>54,902</b>	<b>18,887</b>



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## COMPANY FINANCIAL STATEMENTS

### STATEMENT OF COMPREHENSIVE INCOME

<i>NOK thousands</i>	<i>Note</i>	<b>2020</b>	<b>2019</b>
Operating revenue		3,532	7,734
Operating expenses	<i>P3, P4</i>	-65,024	-45,183
<b>Operating result</b>		<b>-61,491</b>	<b>-37,449</b>
Net financial items	<i>P2</i>	-1,491,821	54,633
<b>Result before tax</b>		<b>-1,553,313</b>	<b>17,184</b>
Income tax	<i>P8</i>	-	384
<b>Total comprehensive income for the period</b>		<b>-1,553,313</b>	<b>17,567</b>



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## STATEMENT OF FINANCIAL POSITION

<i>NOK thousands</i>	<i>Note</i>	<b>31 Dec 2020</b>	<b>31 Dec 2019</b>
<b>ASSETS</b>			
Investments in Group companies	<i>P5</i>	-	1,336,090
Trademark	<i>P11</i>	-	47,285
Receivables from Group companies	<i>P6</i>	-	-
<b>Total non-current assets</b>		-	<b>1,383,374</b>
Trade receivables		-	5,268
Receivables from Group companies	<i>P6</i>	17,633	27,832
Other receivables		750	-
Prepaid expenses and accrued income	<i>P5</i>	-	2,756
<b>Total current receivables</b>		<b>18,383</b>	<b>35,856</b>
Cash and cash equivalents		2,475	3,883
<b>Total current assets</b>		<b>20,858</b>	<b>39,739</b>
<b>TOTAL ASSETS</b>		<b>20,858</b>	<b>1,423,113</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital		434,059	434,059
Share premium reserve		853,047	853,047
Retained earnings		-1,486,886	66,427
<b>Total equity</b>	<i>P7</i>	<b>-199,780</b>	<b>1,353,533</b>
Provisions for deferred taxes	<i>P8</i>	-	-
Borrowings	<i>P10</i>	210,615	-
<b>Total non-current liabilities</b>		<b>210,615</b>	-
Trade payables		1,644	4,138
Accrued expenses and deferred income		1,385	3,119
Payables to Group companies	<i>P6</i>	6,253	-
Borrowings	<i>P10</i>	-	62,275
Other current liabilities		741	49
<b>Total current liabilities</b>		<b>10,023</b>	<b>69,580</b>
<b>Total liabilities</b>		<b>220 637</b>	<b>69,580</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>20,858</b>	<b>1,423,113</b>

The Board of Net1 International Holdings AS  
Oslo, 29 April 2022

Jean Daniel Fouchard

Chairman and CEO

Trygve Lauvdal

Board member

Lars Erik Larsson

Board member



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## STATEMENT OF CHANGES IN EQUITY

<i>NOK thousands</i>	Share capital	Share Premium reserve	Retained earnings	<b>Total</b>
<b>Opening balance 1 January 2019</b>	<b>139,085</b>	<b>823,059</b>	<b>48,860</b>	<b>1,011,003</b>
Net result for the period	-	-	17,567	17,567
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>17,567</b>	<b>17,567</b>
New share issue, Conversion of Rasmussengruppen loan	86,094	-	-	86,094
New share issue, Conversion of Sampoerna loan	43,047	-	-	43,047
New share issue, Cash received by Pareto	88,359	28,483	-	88,359
New share issue, Sampoerna Flip-up	73,585	1,505	-	102,068
New share issue, Polaris Flip-up	3,889	-	-	5,394
<b>Total transactions with owners, recognised directly in equity</b>	<b>294,474</b>	<b>29,988</b>	<b>-</b>	<b>324,962</b>
<b>Closing balance 31 December 2019</b>	<b>434,059</b>	<b>853,047</b>	<b>66,427</b>	<b>1,353,533</b>
Net result for the period	-	-	-1,553,313	-1,553,313
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-1,553,313</b>	<b>-1,553,313</b>
<b>Total transactions with owners, recognised directly in equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Closing balance 31 December 2020</b>	<b>434,059</b>	<b>853,047</b>	<b>-1,486,886</b>	<b>-199,780</b>



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## STATEMENT OF CASH FLOWS

<i>NOK thousands</i>	<i>Note</i>	<b>2020</b>	<b>2019</b>
Profit before tax		-1,553,313	17,184
Depreciation & amortization of non-current assets		6,755	1,890
Write-down of shares in subsidiaries		1,456,423	-
Write-down of trademark		40,530	-
Non-operating cash items		-1,188	1,367
Warrants fair value adjustment		-	-57,228
Other non-cash adjustments	<i>P12</i>	46,029	6,541
<b>Cash flows before changes in working capital</b>		<b>-4,764</b>	<b>-30,247</b>
Change in current receivables		-636	-6,846
Change in current liabilities		-550	-1,276
Change in working capital (intercompany items)		-2,350	-44,195
<b>Cash flows from changes in working capital</b>		<b>-3,536</b>	<b>-52,317</b>
<b>Cash flows from operating activities</b>		<b>-8,299</b>	<b>-82,564</b>
Investments in associated companies		-100,677	-446,422
Investments in intangible assets		-	-50,114
Loans to associated companies converted to investment		-	122,594
Net cash flows from other financial assets		-298	71,948
Interest received		-	1,564
<b>Cash flows from investing activities</b>		<b>-100,975</b>	<b>-300,431</b>
Share capital increase		-	324,962
Financing from shareholders	<i>P10</i>	107,866	62,275
Borrowings IC		-	-439
Interest payments on borrowings		-	5
<b>Cash flows from financing activities</b>		<b>107,866</b>	<b>386,803</b>
<b>Cash flow for the period</b>		<b>-1,408</b>	<b>3,807</b>
Cash and cash equivalents at the beginning of the period		3,883	76
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>		<b>2,475</b>	<b>3,883</b>



## NOTES TO THE COMPANY FINANCIAL STATEMENTS

### Note P1 – Accounting principles

The Company annual accounts have been prepared in accordance with IFRS as adopted by the EU and have been prepared on a going concern basis. The most significant accounting principles applied in these consolidated financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

The Group's explanation of its accounting policies also applies to the Parent Company, see note 1 of the Group's consolidated financial statements. Critical accounting estimates and assessments in applying the group's accounting policies is mainly related to the valuation of assets; investments in subsidiaries. See also note 3 in the Group's consolidated financial statements.

There may be figures and percentages that do not always add up correctly due to rounding differences.

#### Operating expenses

Purchases from other Group companies consist mainly of consultancy fees, administrative fees and audit fees, see note P3 on fees and other remuneration to auditors.

#### Shares in subsidiaries and loans to subsidiaries

The Company conducts the main part of the external debt financing in the Group and finances its operating subsidiaries with equity and loans.

Shares in subsidiaries and loans provided to subsidiaries are evaluated at the lower of cost or fair value. Any impairment losses and reversal of impairment losses are classified as net gains (loss and impairment) on financial assets in the income statement.

#### Asset impairments

Impairment tests are carried out if there is indication that the carrying amount of an asset exceeds the estimated recoverable amount. The test is performed on the lowest level of fixed assets at which independent cash flows can be identified. If the carrying amount is higher than both the fair value less cost to sell and recoverable amount (net present value of future use/ownership), the asset is written down to the highest of fair value less cost to sell and the recoverable amount. Previous impairment charges are reversed in later periods if the conditions causing the write-down are no longer present.

#### Financial Liabilities

Liabilities are recognised in the balance sheet at amortised cost under IFRS 9 when these financial assets meet the corresponding criteria. Subscription rights are recognised at fair value over profit or loss.

#### Foreign currencies

Receivables and liabilities in foreign currencies are valued at the exchange rate on the balance sheet date. Currency effects are recognised through the income statement as a part of net financial items.

#### Pensions

The Company has no employees.

#### Taxes

The tax charge in the income statement includes both payable taxes for the period and changes in deferred tax. Deferred tax is calculated at relevant tax rates on the basis of the temporary differences which exist between accounting and tax values, and any carry-forward losses for tax purposes at the year-end. Tax enhancing or tax reducing temporary differences, which are reversed or may be reversed in the same period, have been



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Notes to the company financial statements

eliminated. The disclosure of deferred tax benefits on net tax reducing differences which have not been eliminated, and carry-forward losses, is based on estimated future earnings. Deferred tax and tax benefits which may be shown in the balance sheet are presented net.

The tax effect of group contributions given to parent or sister companies are recognised in the income statement if the amount represents distribution of prior earnings. The tax effect of group contributions given to subsidiaries is recognised net with the contribution as an additional cost of the shares. The tax effect of group contributions received from parent or sister companies is recognised net with the contribution as an equity increase. The tax effect of group contributions received from subsidiaries are recognised in the income statement. Deferred tax is reflected at nominal value.

### Cash flow statement

The cash flow statement has been prepared using the indirect method. This means that the result before tax is adjusted for transactions that do not result in cash payments during the period and for any income or expense associated with investing or financing cash flows.

### Note P2 – Financial income and expenses

<i>NOK thousands</i>	2020	2019
Interest income from Group companies	222	215
Interest income	5	1,628
Fair value revaluation of subscription rights	-	57,228
Write-down of shares in subsidiaries	-1,456,423	-
Foreign exchange gain, net	4,488	-1,208
Loan interest expense	-20,378	-3,205
Other financial expenses	-19,736	-25
<b>Total</b>	<b>-1,491,821</b>	<b>54,633</b>

### Note P3 – Operating expenses

<i>NOK thousands</i>	2020	2019
Service fees	2,567	5,092
Staff on contract	3,267	4,246
Amortization, Depreciation and write-downs	47,285	1,890
Audit fees	1,344	1,141
Other	10,561	32,814
<b>Closing balance</b>	<b>65,024</b>	<b>45,183</b>

### Note P4 – Fees and other remuneration to auditors

<i>NOK thousands</i>	2020	2019
Audit assignment	1,282	1,001
Other assurance services	-	-
Tax advisory	62	126
Other advisory services	-	210
<b>Total</b>	<b>1,344</b>	<b>1,336</b>

All fees are stated excluding VAT. All audit fees are with PwC.



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Notes to the company financial statements

### Note P5 – Investments in subsidiaries and Joint Ventures

Investments in subsidiaries are booked according to the cost method. Voting shares equals the capital share. The holdings are as follows:

<i>NOK thousands</i>	Holdings	Corporate identity no	Registered office	Capital share	Book values on direct investments
<b>Indonesia investment</b>					
Net1 International Holdings B.V.	Direct	62871102	Amsterdam The Netherlands	100%	-
Net1 Indonesia Holdings B.V.	Indirect	80729797	Amsterdam The Netherlands	100%	
Mobile Internet Holdings B.V.	Indirect	62866788	Amsterdam The Netherlands	100%	
PT Net Satu Indonesia	Indirect	09.03.1.61. 22069	Jakarta Indonesia	65%	
<b>Philippines investment</b>					
Net1 Holdings B.V.	Direct	74775847	Amsterdam The Netherlands	100%	-
Net1 Philippines Holdings B.V.	Indirect	62870912	Amsterdam The Netherlands	100%	
Textron Holdings Corporation	JV	A200012904	Manila The Philippines	20%	
Broadband Everywhere Corporation	JV	83589	Manila The Philippines	40%	
<b>Brazil investment</b>					
Net1 Brazil Holdings B.V.	Direct	80729525	Amsterdam The Netherlands	100%	-
Net1 LATAM Holdings B.V.	Indirect	72174994	Amsterdam The Netherlands	100%	
Net1 Holdings LTDA	Indirect	15.271.183 /0001-57	São Paulo Brazil	100%	
Net1 Telecomunicações LTDA	Indirect	15.321.957 /0001-07	São Paulo Brazil	100%	
<b>Balance sheet value 31 December 2020</b>					-

The joint venture investment in Broadband Everywhere Corporation, and Textron Holdings Corporation, were divested in May 2021. The remaining subsidiaries related to the Philippines investment and the Brazil investment were liquidated or changed to dormant status during 2021 and 2022.

The shares in Net1 International Holdings BV, representing the investment in Net1 Indonesia, has been written down to zero as per 31 December 2020 due to the loss of the frequency license subsequent to the reporting period (on 30 November 2021).

In August 2021, Mobile Internet Holdings B.V.'s ownership of PT Net Satu Indonesia ('NSI') was increased from 65% to 100%, indirectly acquiring the remaining shares from Sampoerna through the acquisition of 100% of the Indonesian entity PT Jaringan Satu Indonesia ('JSN'), directly holding the remaining 35%. As all economic value of the investment was already with the 65% shares already owned, the transaction was made for structural reasons only.



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Notes to the company financial statements

## Note P6 – Balances with Group companies, related parties etc.

<i>NOK thousands</i>	2020	2019
<b>Assets</b>		
Current assets		
Other short-term receivables from Group companies	17,633	27,822
Accrued interest to related party	-	2,688
<b>Total assets</b>	<b>17,633</b>	<b>30,520</b>
<b>Liabilities</b>		
Payables to Group companies	6,253	-
<b>Total liabilities</b>	<b>6,253</b>	<b>-</b>

The Company has no employees. No loans/sureties have been granted to the general manager, Board chairman or other related parties.

## Note P7 – Shareholders' equity and shareholder information

<i>NOK thousands</i>	No of shares	Share capital	Other contributed capital	Retained earnings	<b>Total</b>
<b>Opening balance as 1 January 2019</b>	<b>154,538,809</b>	<b>139,085</b>	<b>823,059</b>	<b>48,860</b>	<b>1,011,003</b>
New share issue, Conversion of Rasmussengruppen loan	95,660,000	86,094	-	-	86,094
New share issue, Conversion of Sampoerna loan	47,830,000	43,047	-	-	43,047
New share issue, Cash received by Pareto	98,176,667	88,359	-	-	88,359
New share issue, Sampoerna Flip-up	81,761,513	73,585	28,483	-	102,068
New share issue, Polaris Flip-up	4,320,961	3,889	1,505	-	5,394
Profit for the period		-	-	17,567	17,567
<b>As per 31 December 2019</b>	<b>482,287,950</b>	<b>434,059</b>	<b>853,047</b>	<b>66,427</b>	<b>1,353,533</b>
Profit for the period		-	-	-1,553,313	-1,553,313
<b>As per 31 December 2020</b>	<b>482,287,950</b>	<b>434,059</b>	<b>853,047</b>	<b>-1,486,886</b>	<b>-199,780</b>

The Company is listed on the Oslo OTC and carry one vote per share. All shares issued are fully paid.



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Notes to the company financial statements

## Note P8 – Taxes

<b>Distribution of Income tax expense for the year</b>	<b>2020</b>	<b>2019</b>
Current income taxes	-	-
Change in deferred taxes recognised in the Financial Statements	-	384
<b>Income tax expense</b>	<b>-</b>	<b>384</b>
<b>Reconciliation of tax expense</b>	<b>2019</b>	<b>2018</b>
Income before tax	-1,553,313	17,184
Permanent differences	1,481,547	-47,294
Change in temporary differences	67,436	12,068
Change loss carried forward	4,330	18,042
<b>Taxable income</b>	<b>-</b>	<b>-</b>
<b>Numerical reconciliation of effective tax rate</b>	<b>2020</b>	<b>2019</b>
Profit before income tax	-1,553,313	17,184
Tax rate	22%	22%
Prima facie tax payable	341,729	-3,780
<i>Tax effect of amounts which are not deductible (taxable) in calculating taxable income:</i>		
Change in net deferred tax assets not recognized in the Financial Statements	-15,789	-6,241
Non-capitalised unused tax losses	-325,940	10,405
<b>Income tax expense</b>	<b>-</b>	<b>384</b>
Effective tax rate	0%	2%
<b>Deferred taxes</b>	<b>2020</b>	<b>2019</b>
Positive changes in deferred taxes	-	-
Negative changes in deferred taxes	-	384
<b>Total deferred tax in the statement of income</b>	<b>-</b>	<b>384</b>
<b>Deferred tax assets</b>		
<b>Closing carrying amount</b>	<b>-</b>	<b>-</b>
Deferred tax liabilities	-	-
Opening carrying amount	-	-384
Changes recognised as income in the statement of income	-	384
Currency translation differences	-	-
<b>Closing carrying amount</b>	<b>-</b>	<b>-</b>
Whereof attributable to permanent differences	-	-
<b>Net deferred taxes presented in the statement of positions</b>	<b>-</b>	<b>-</b>

Deferred tax assets are recognised for tax loss carry forwards to the extent that it is probable that they can be utilised by future taxable profits. The Company did not recognise deferred tax assets amounting to NOK 11.3 million related to losses of NOK 51.6 million, which can be offset against future taxable profits. The Company's loss carry-forwards does not expire at any given time.



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## Note P9 – Subscription rights

In connection with the de-establishment of the Net1 International group from the demerger with Ice Group ASA in 2018, the Company issued 52,699,940 subscription rights to Rasmussengruppen. The initial fair value of the subscription rights (call option) was set to SEK 113.7 million (NOK 104.7 million), recognised as a subscription right liability. The consideration for the subscription rights, payable by Ice Group ASA, was fully settled and repaid in May 2019.

In connection with the rights offering in April 2019, further 48,228,795 subscription rights were issued to Rasmussengruppen and 24,114,397 to Sampoerna, whereafter Rasmussengruppen in May 2019 cancelled 8,020,050 of their original subscription rights from 2018 in connection with a re-purchase of own shares.

Following the revised strike price on all subscription rights resolved on the Annual General Meeting held in August 2020, the below table outlines the Company's current outstanding subscription rights and terms:

Subscription rights	Subscription rights	Strike NOK	Exercise
Rasmussengruppen	2,113,068	1,57	31 Dec 2021
Rasmussengruppen	42,566,822	1,57	31 Dec 2021
Rasmussengruppen	48,228,795	0,90	24 Apr 2022
Sampoerna	24,114,397	0,90	24 Apr 2022
<b>Total</b>	<b>117,023,082</b>		

At initial valuation the subscription rights value is recognised as a subscription right liability. Subsequent changes in the fair values recognised over profit and loss until the warrants are exercised, or lapses. As per September 2020, all rights were classified as equity.

There has not been any other activity or transactions involving the subscription rights after year-end 2020 to the date of signing the financial statements. None of the Subscription rights were exercised.

## Note P10 – Borrowings

Please see note 21 in the Group's consolidated financial statements for the full list of the Net1 International's debts. Two shareholder loans (the 'Bridge Loans', as amended) directly related to the Company are listed below.

<i>NOK thousands</i>	31 Dec 2020	Cash change 2020	Non-cash change 2020	31 Dec 2019	Cash change 2019	Non-cash change 2019	31 Dec 2018
<b>Borrowings</b>							
Rasmussengruppen AS	157,721	89,605	18,116	50,000	50,000	-	-
Sampoerna Agri Resources	52,894	18,261	22,358	12,275		12,275	-
<b>Total borrowings</b>	<b>210 615</b>	<b>107,866</b>	<b>40,474</b>	<b>62,275</b>	<b>50,000</b>	<b>12,275</b>	<b>-</b>
Cash and cash equivalents	-2,475			-3,883			-76
<b>Net debt</b>	<b>208,140</b>			<b>58,392</b>			<b>-76</b>

The terms of the Bridge Loans were amended during 2020 with maturity date set to 2026. As a consequence, the borrowings presented as current borrowings as per 31 December 2019 have been reclassified to non-current borrowings. No amortisation or interest payment on the shareholder loans was made in 2020. Subsequent to the reporting period, partial voluntary repayments were made in May 2021 with NOK 73.4 million and IDR 21.9 billion (~NOK 12.5 million), to Rasmussengruppen and Sampoerna respectively, with proceeds from the divestment of the Philippines operation.

Further in 2021, the Bridge Loans were amended and increased, the balance as per year-end 2021 ending at NOK 160 million, made up of NOK 111 million and IDR 79 billion (~NOK 49 million) from Rasmussengruppen and Sampoerna respectively. Non-cash movements include capitalized PIK interest.



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Notes to the company financial statements

## Note P11 – Trademark - Intangible assets

<i>NOK thousands</i>	2020	2019
<b>Opening carrying value as at 1 January</b>	<b>47,285</b>	<b>-</b>
<i>Changes during the period</i>		
Investments	-	50,114
Amortisation	-6,750	-1,890
Currency translation differences	-5	-940
<b>Closing carrying value</b>	<b>40,530</b>	<b>47,285</b>
Accumulated acquisition value	49,174	49,174
Accumulated amortisation	-8,645	-1,890
Accumulated write-downs	-40,530	-
<b>Closing carrying value as at 31 December</b>	<b>0</b>	<b>47,285</b>

## Note P12 – Other cash flow adjustments

<i>NOK thousands</i>	2020	2019
PIK interests on Bridge Loans	20,378	-
Write-down of group receivables	24,462	4,780
Unrealised currency losses/gains	975	4,402
Other cash-flow adjustments	214	-2,641
<b>Other cash flow adjustments</b>	<b>46,029</b>	<b>6,541</b>

## Definitions

ARPU	Average monthly Revenue Per User.
Churn	The number of lost subscriptions expressed as a percentage of the average number of subscriptions.
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortization. The Group defines EBITDA as operating profit after adjustment of operating expenses for depreciation, amortisation, impairment, network upgrades, share based compensation expense, non-recurring and other non-operational items.
Earnings per share	Earnings per share are based on the weighted average number of shares before and after dilution with potential ordinary shares. Earnings equal net income attributable to owners of the parent.
Equity/assets ratio	Equity divided by total capital.
Investments	Investments is defined as investments in intangible assets and property, plant and equipment as reported in the statement of cash flows.
Gross interest-bearing debt	Total interest-bearing debts including capitalised interests.
Operating margin	Operating result expressed as a percentage of Total operating revenue.



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Notes to the company financial statements

## RESPONSIBILITY STATEMENT

From the Board of Directors and CEO of Net1 International Holdings AS:

**'We confirm to the best of our knowledge that:**

- the consolidated financial statements for 2020 have been prepared in accordance with IFRS as adopted by the EU as well as additional information requirements in accordance with the Norwegian Accounting Act and that
- the financial statements for the Company for 2020 have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting practice in Norway

**and that**

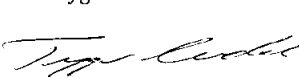
- the information presented in the financial statements gives a true and fair view of the Company's and Group's assets liabilities financial position and result for the period viewed in their entirety and that
- the report of the Board of Directors gives a true and fair view of the development performance and financial position of the Company and the Group and includes a description of the principal risks and uncertainties.'

Oslo, 29 April 2022


Jean Daniel Fouchard

  
\_\_\_\_\_  
Chairman and CEO

Trygve Lauvdal

  
\_\_\_\_\_  
Board member

Lars Erik Larsson

  
\_\_\_\_\_  
Board member



To the General Meeting of Net1 International Holding AS

## *Independent Auditor's Report*

### *Disclaimer of Opinion*

We were engaged to audit the financial statements of Net1 International Holdings AS. The financial statements comprise:

- The financial statements of the parent company Net1 International Holdings AS (the Company), which comprise the statement of financial position as at 31 December 2020, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The consolidated financial statements of Net1 International Holdings AS and its subsidiaries (the Group), which comprise the statement of financial position as at 31 December 2020, the statements of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

We do not express an opinion on the accompanying financial statements. Because of the significance of the matters described in the *Basis for Disclaimer of Opinion* section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

### *Basis for Disclaimer of Opinion*

Subsequent to the reporting period, the COVID-19 pandemic and other challenges have had a severe impact on the Group's operations in Indonesia ('Net1 Indonesia'). In late June 2021 Net1 Indonesia suspended part of its network due to technical network difficulties. In parallel, Net1 Indonesia has been in dispute with the Indonesian government regarding annual frequency fees ("BHP fees") since 2019. On 30 November 2021 the 450MHz telecom license was revoked and Net1 Indonesia suspended all its network services. In Q1 2022, Net1 Indonesia entered into a restructuring process by way of a temporary Suspension of Debt Payment Obligations ('PKPU') in order to reach a debt restructuring agreement with its creditors by no later than Q4 2022. These events have caused material uncertainty on the availability of both short-term and long-term financing of the operation of Net1 Indonesia.

Management presents the 2020 financial statements under the going concern assumption. The assumption is based on a successful outcome of debt restructuring in Indonesia. However, should the outcome of the restructuring process not be successful, this will have a severe adverse effect on the operations of both Net1 Indonesia and the Group, and it will not be possible to continue operations. These events, along with other matters as set forth in Note 3 and the Board of Directors' report, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern.

.....  
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Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap



## Independent Auditor's Report - Net1 International Holdings AS



Due to the extraordinary circumstances the Group now finds itself in, it is uncertain if management has realistic alternatives to liquidate the group or cease operations and consequently whether the going concern assumption should have been the basis for preparing these financial statements. Further, also due to the extraordinary circumstances, we have not been able to substantiate the value of assets, or to substantiate whether the Group has control over the assets recognized in the financial statements or whether the value of external financing should have been adjusted, or whether any potential adjustments would have affected the elements included in the income statement, the statement of changes in equity and the statement of cash flows.

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### *Modified opinion on the Board of Directors' Report*

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report. The other information comprises information in the annual report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report. As described below, we have concluded that there is a material misstatement in the Board of Director's report.

Based on our knowledge obtained in the course of the audit, it is our opinion that the Board of Directors' report, except for the possible effects of the matters described in the *Basis for Disclaimer of Opinion* section above,

- is consistent with the financial statements and
- contains the information required by applicable legal requirements.

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### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our responsibility is to conduct an audit of the Company's and the Group's financial statements in accordance with International Standards on Auditing, and to issue an auditor's report. However, because of the matters described in the *Basis for Disclaimer of Opinion* section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

(2)



Independent Auditor's Report - Net1 International Holdings AS



We are independent of the Company and the Group as required by laws and regulations and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Oslo, 29 April 2022  
**PricewaterhouseCoopers AS**

Øystein Blåka Sandvik  
State Authorised Public Accountant

(This document is signed electronically)



 Securely signed with Brevio

Revisjonsberetning

**Signers:**

<b>Name</b>	<b>Method</b>	<b>Date</b>
Sandvik, Øystein Blåka	BANKID_MOBILE	2022-04-29 12:48

**This document package contains:**

- Closing page (this page)
- The original document(s)
- The electronic signatures. These are not visible in the document, but are electronically integrated.



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The seal is a guarantee for the authenticity  
of the document.



Skatteetaten

Vår dato 20.03.2019	Din/Deres dato 22.01.2019	Saksbehandler Henning Stokke
800 80 000 Skatteetaten.no	Din/Deres referanse Herman Skibrek	Telefon 800 80 000
Org.nr 974761076	Vår referanse 2019/5290608	Postadresse Postboks 9200 Grønland 0134 OSLO

NET1 INTERNATIONAL HOLDINGS AS  
Nydalsveien 18B  
0484 OSLO

## Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk for Net1 International Holding AS, org.nr. 920 598 951

Vi viser til deres brev av 22. januar 2019 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for Net1 International Holding AS.

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering Net1 International Holding AS dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen gjelder så lenge opplysningene som vedtaket baserer seg på ikke endres vesentlig.

Kopi av dette brevet må sendes Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Det påligger den regnskapspliktige å dokumentere ved dette brev at tillatelsen er gitt.

### Bakgrunn

Fra søknaden gjengis:

*Net1 International Holdings AS er hovedsakelig involvert i bransjen for mobilt bredbånd. Net1 International Holdings AS er et norskregistrert selskap hjemmehørende i Norge, med adresse Nydalsveien 18B, 0484 Oslo. Av konsernets 170 ansatte er samtlige ansatte i selskap utenfor Norge. Konsernets arbeidsspråk er engelsk. Engelsk språk benyttes i all hovedsak både ved intern og ekstern kommunikasjon. Styreleder i morselskapet er utenlandsk (styret består av fire medlemmer). Alle sentrale aktører og samarbeidspartnere behersker og benytter engelsk.*

*Selskapets hovedleverandør er utenlandsk, og det er heller ingen forhold rundt selskapets finansiering som skulle tilsi behov for regnskap på norsk. En norsk versjonen av konsernregnskapet vil utarbeides kun for å tilfredsstille regnskapslovens krav. Nyttent antas ikke å forsvare kostnadene ved utarbeidelsen.*

*Hovedbruker av konsernregnskapet vurderes å være aksjonærene, og disse er primært utenlandske. 52,3 % av aksjene er eid av Access Industries hvor arbeidsspråket er engelsk.*



### Skattedirektoratets vurdering

Etter regnskapsloven § 3-4 tredje ledd skal "årsregnskapet og årsberetningen ... være på norsk. Departementet kan ved ... enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk."

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap m.v., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

*"Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon."*

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til "informative regnskaper for ulike grupper av regnskapsbrukere". Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

Det er etter Skattedirektoratets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Som nevnt ovenfor er det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt vekt på at selskapet er primært eid av utenlandske selskaper. Eierkretsen er begrenset. I tillegg opererer selskapet i en internasjonal bransje, og arbeidsspråket er engelsk. Videre er det vektlagt at alle sentrale aktører og samarbeidspartnere innen denne bransjen behersker og benytter engelsk.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Inger Helene Iversen  
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*Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.*

