



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	998 622 719
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	BRENT HOLDING AS
Forretningsadresse:	Hinna Park - Stadion blokk C Jåttåvågveien 7 4020 STAVANGER

Regnskapsår

Årsregnskapets periode:	01.01.2020 - 31.12.2020
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Konsern

Morselskap i konsern:	Ja
Konsernregnskap lagt ved:	Ja

Regnskapsregler

Regler for små foretak benyttet:	Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet:	Regnskapslovens alminnelige regler
Benyttet ved utarbeidelsen av årsregnskapet til konsernet:	-

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Arve Grude
Dato for fastsettelse av årsregnskapet:	28.05.2021

Grunnlag for avgivelse

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

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

Brønnøysundregistrene, 16.08.2022



Resultatregnskap

Beløp i: NOK	Note	2020	2019
RESULTATREGNSKAP			
Inntekter			
Revenue	1	2 158 812	
Sum inntekter		2 158 812	
Kostnader			
Personnel expenses	6	1 037 714	
Other operating expenses	6	435 123	971 168
Sum kostnader		1 472 837	971 168
Driftsresultat		685 975	-971 168
Finansinntekter og finanskostnader			
Renteinntekt fra foretak i samme konsern	1		10 835 820
Annen renteinntekt		9 346	3 420
Dividend from group companies	2		3 518 005 581
Sum finansinntekter		9 346	3 528 844 821
Rentekostnad til foretak i samme konsern	1	155 493 319	52 975 896
Other financial expenses		3 476 934	7 784
Sum finanskostnader		158 970 254	52 983 679
Netto finans		-158 960 908	3 475 861 142
Ordinært resultat før skattekostnad		-158 274 933	3 474 889 973
Income taxes	5	-11 124 878	
Ordinært resultat etter skattekostnad		-147 150 055	3 474 889 973
Årsresultat		-147 150 055	3 474 889 973
Årsresultat etter minoritetsinteresser		-147 150 055	3 474 889 973
Totalresultat		-147 150 055	3 474 889 973
Overføringer og disponeringer			
Ekstraordinært utbytte			3 518 005 581



Resultatregnskap

Beløp i: NOK	Note	2020	2019
Other equity			-43 115 608
Transferred from other equity		-147 150 055	
Sum overføringer og disponeringer	4	-147 150 055	3 474 889 973



Balanse

Beløp i: NOK	Note	2020	2019
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	5	4 524 878	
Sum immaterielle eiendeler		4 524 878	
Finansielle anleggsmidler			
Investering i datterselskap	2, 8	1 958 810 472	744 680 622
Lån til foretak i samme konsern	1	32 508 942	282 426 474
Sum finansielle anleggsmidler		1 991 319 414	1 027 107 096
Sum anleggsmidler		1 995 844 292	1 027 107 096
Omløpsmidler			
Varer			
Fordringer			
Receivables from group companies	1	43 041 896	
Other short-term receivables		6 903 670	100 283
Sum fordringer		49 945 566	100 283
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents	7	1 607 533	99 498
Sum bankinnskudd, kontanter og lignende		1 607 533	99 498
Sum omløpsmidler		51 553 099	199 782
SUM EIENDELER		2 047 397 390	1 027 306 878
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital	3, 4	50 409 400	50 409 400
Overkurs	4	61 108 372	208 258 427



Balanse

Beløp i: NOK	Note	2020	2019
Annen innskutt egenkapital	4		
Sum innskutt egenkapital		111 517 772	258 667 827
Opptjent egenkapital			
Other equity	4		
Udekket tap	4		
Sum egenkapital		111 517 772	258 667 827
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Liabilities to group companies	1	1 935 536 670	548 052 687
Sum annen langsiktig gjeld		1 935 536 670	548 052 687
Sum langsiktig gjeld		1 935 536 670	548 052 687
Kortsiktig gjeld			
Leverandørgjeld		230 900	
Tax payable	5		29 412 228
Public duties		13 921	
Short-term debt to group companies	1		191 174 137
Other current debt		98 128	
Sum kortsiktig gjeld		342 949	220 586 365
Sum gjeld		1 935 879 619	768 639 052
SUM EGENKAPITAL OG GJELD		2 047 397 390	1 027 306 878



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2020 Directors report and financial statements

BRENT HOLDING AS, org.nr 998 622 719



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2020 Directors report and financial statements

BRENT HOLDING AS, org.nr 998 622 719

Annual report from the Board of Directors for 2020

Company business and location

Brent Holding AS holds 100 % of the shares in the subsidiary Tampnet AS. Tampnet AS is the Norwegian operating company and owns the shares in the foreign subsidiaries Tampnet Sweden AB, Tampnet Netherlands B.V., Tampnet Telecom do Brasil Ltda (99.5% ownership) and Tampnet Oceania Pty.

Brent Holding AS and its subsidiaries serves more than 200 Oil & Gas ("O&G") platforms, Floating Production Storage and Offloading units (FPSOs) and exploration rigs on the Danish, Dutch, and Norwegian continental shelves of the North Sea. The infrastructure consists of submarine fibre-optic cables, a network of radio lines and an LTE network in the central part of the North Sea. The company has through its subsidiaries Tampnet AS, Tampnet Netherlands B.V., and Tampnet Sweden AB agreements for delivery of communication services to oil and gas operators in the North Sea. These contracts are mostly long-term contracts based on a duration of 3-10 years with extension options. The Company is continuously working to enter into new agreements to connect new customers in the North Sea.

The financial development and results discussed below for Brent Holding AS is based on NGAAP.

The company is managed from offices in Jåttåvågen 7, Hinna Park in the municipal of Stavanger, Norway.

Financial development and results

The income statement for 2020 shows a loss of NOK -147.1 million compared to a profit of NOK 3 474.9 million in 2019. Total assets at 31.12.2020 were NOK 2 040.8 million and at 31.12.2019 it was NOK 1 027.3 million. The equity share at 31.12.2020 was 5.5% compared to 25.2% at 31.12.2019. Total cash flows used in operating activities was NOK -34.4 million in 2020 compared to NOK -26.8 million in 2019.

Brent Invest AS was merged with Brent Holding AS as of 17.10.20. The merger was conducted with continuity for tax and accounting purposes and was effective from 01.01.20. Group continuity was applied leading to value added to shares in subsidiaries of NOK 1 214.1 million.

The company is a holding company and is financed through its foreign parent company Colombo Bidco Ltd. The financial position of the company is satisfactory. The Board and management are satisfied with the company's result and development.

Financial risk

The company's financial risk coincides for most part with the financial risks of its subsidiaries. These companies' purpose is to operate high speed communication networks offshore, and to offer future-oriented communication solutions to oil and gas operators. Historically, these companies have had a low rate of bad debt, with customers consisting mainly of oil companies with solid economic capacity. The anticipated future return of Brent Holding AS's subsidiaries is considered sufficient for the company to be able to honor its future commitments.



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2020 Directors report and financial statements

Future outlook

The groups telecom infrastructure plays a key role in enabling new and cost-effective ways of operating offshore assets. The modern oil industry is developing remote and intelligent operations where more manpower and expertise can be placed onshore and decision making is both improved and accelerated. Consequently, the offshore market demand for low latency, high capacity and reliable telecommunication services is fundamentally strong. In 2020 however, the market for our services was impacted by the global pandemic of Sars Covid-19 and the reduction in oil demand and oil price that followed. We experienced some early decommissioning of fixed production units, less exploration activity as well as some delays in accessing units to install our equipment and start new services for our clients. These factors impacted our revenue growth negatively. The revenue is stemming in majority from long-term contracts with customers consisting mainly of oil companies with solid economic capacity. This will lead to strong cash flow generation in the coming years.

The company has high expectations for the increasing coverage of the group's 4G network which continued in 2020, in addition to the increased coverage from further extending our Fibre Optic Cable (FOC) network.

Entering the offshore renewable energy sector was a key strategic priority and although early in our development, successful inroads were made into this new market during the year and this focus will continue going forward.

Our network operations centre performed well delivering continued high-quality services and uptimes to our clients and proving the robustness of our well invested network infrastructure, despite challenges from weather and the pandemic.

The company quickly adapted the business to the consequences of the pandemic, changing ways of working internally and externally to safe-guard personnel and operations. Customers' covid 19 guidelines have been implemented (travel, meetings and offshore work), and internal protocols have been always updated in accordance with local regulations. A few employees have tested positive for Covid-19, without having any impact on our business. We have facilitated flexible working conditions and had a strong focus on keeping our employees safe throughout the period.

Reporting on the Norwegian Gender Equality Act

Brent Holding AS has no employees.

The Board of Directors is comprised of two males and no female. The Board of Directors is not aware of circumstances where the group nor Brent Invest AS is in non-compliance with the Norwegian Gender Equality Act.

Working Environment

The company has no employees.

Going concern

The Board confirms that the going concern criteria are met under the Accounting Act § 3-3 for the group and for the company, and the financial statements have been prepared accordingly. The Board considers that the financial statement fairly presents the financial position of the company as of 31 December 2020.

Environmental reporting

The activities of the company are not considered to negatively impact the external environment. When installing new fiber cables offshore or performing maintenance on such cables, the external environment may however be impacted. There were no reported incidents that impacted the external environment negatively during the year.



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2020 Directors report and financial statements

Stavanger, May 28, 2021

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Per Helge Svensson
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Per Helge Svensson
Chairman of the Board

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Ulf Bonnevier
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Ulf Bonnevier
Board Member

DocuSigned by:
Matthew Barker
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Matthew Giles Barker
Board Member

DocuSigned by:
Scott Moseley
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Scott Moseley
Board Member

DocuSigned by:
Christian Grinde
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Christian Grinde
Board Member

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Oscar Tylegård
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Oscar Tylegård
Board Member



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Brent Holding AS

Statements of income

	Note	2020	2019
Operating expenses			
Revenue	1	2,158,812	-
Total operating income		<u>2,158,812</u>	<u>-</u>
Personnel expenses	6	1,037,714	-
Other operating expenses	6	435,123	971,168
Operating expenses		<u>1,472,837</u>	<u>971,168</u>
Operating profit/loss		<u>685,975</u>	<u>-971,168</u>
Financial income and expenses			
Interest income from group companies	1	-	10,835,820
Interest income		9,346	3,420
Dividend from group companies	2	-	3,518,005,581
Interest expense to group companies	1	-155,493,319	-52,975,896
Other financial expenses		-3,476,934	-7,784
Net financial income and expenses		<u>-158,960,908</u>	<u>3,475,861,142</u>
Result before income tax		<u>-158,274,933</u>	<u>3,474,889,973</u>
Income taxes	5	11,124,878	-
Result after income tax		<u>-147,150,055</u>	<u>3,474,889,973</u>
Net income / annual result		<u>-147,150,055</u>	<u>3,474,889,973</u>
Brought forward			
Extraordinary dividend		-	3,518,005,581
Other equity		-	-43,115,608
Transferred from other equity		147,150,055	-
Net brought forward	4	<u>-147,150,055</u>	<u>3,474,889,973</u>



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Brent Holding AS

Balance sheet

Assets	Note	2020	2019
Fixed assets			
Deferred tax assets	5	4,524,878	-
Total intangible assets		<u>4,524,878</u>	<u>-</u>
Financial fixed assets			
Investments in subsidiaries	2, 8	1,958,810,472	744,680,622
Loans to group companies	1	32,508,942	282,426,474
Total financial fixed assets		<u>1,991,319,414</u>	<u>1,027,107,096</u>
Total fixed assets		<u>1,995,844,292</u>	<u>1,027,107,096</u>
Current assets			
Receivables			
Receivables from group companies	1	43,041,896	-
Other short-term receivables		6,903,670	100,283
Total receivables		<u>49,945,566</u>	<u>100,283</u>
Cash and cash equivalents	7	<u>1,607,533</u>	<u>99,498</u>
Total current assets		<u>51,553,099</u>	<u>199,782</u>
Total assets		<u>2,047,397,390</u>	<u>1,027,306,878</u>



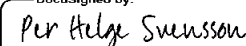
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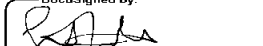
Brent Holding AS

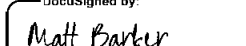
Balance sheet

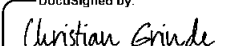
Equity and liabilities	Note	2020	2019
Equity			
Restricted equity			
Share capital	3, 4	50,409,400	50,409,400
Share premium	4	61,108,372	208,258,427
Total restricted equity		<u>111,517,772</u>	<u>258,667,827</u>
Total equity		<u>111,517,772</u>	<u>258,667,827</u>
Liabilities			
Long term liabilities			
Liabilities to group companies	1	1,935,536,670	548,052,687
Total long term liabilities		<u>1,935,536,670</u>	<u>548,052,687</u>
Current liabilities			
Short-term debt to group companies	1	-	191,174,137
Accounts payable		230,900	-
Tax payable	5	-	29,412,228
Public duties		13,921	-
Other current debt		98,128	-
Total current liabilities		<u>342,949</u>	<u>220,586,365</u>
Total liabilities		<u>1,935,879,619</u>	<u>768,639,052</u>
Total equity and liabilities		<u>2,047,397,390</u>	<u>1,027,306,879</u>

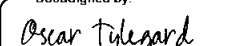
Stavanger, 28/05-21

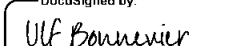
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Per Helge Svensson
Chairman of the board

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Scott Bruce-Michael Moseley
Member of the board

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Matthew Giles Barker
Member of the board

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Christian Grinde
Member of the board

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Lars Oscar Tylegård
Member of the board

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Ulf Søren Bonnevier
Member of the board



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Cash flow statement

	2020	2019
Cash flows from operating activities		
Result before income taxes	-158,274,933	3,474,889,973
Accrued dividend, not paid	-	-3,518,005,581
Income taxes paid	-31,409,470	-25,559,630
Accumulated interest	155,493,319	42,136,656
Change in accounts payable	230,900	-
Change in other working capital items	-449,104	-245,679
Net cash flow from operating activities	-34,409,288	-26,784,261
Cash flow used in financing activities		
Repayment of to loan parent company	-	-548,052,685
Issuance of loan from parent company	-	548,052,687
Change in loan from group companies	34,201,346	26,865,826
Net cash flow from/used in financing activities	34,201,346	26,865,828
Net cash flows for the period	-207,942	81,566
Cash and cash equivalents at the beginning of the period	99,498	17,931
Cash from merger with Brent Invest AS	1,715,977	-
Cash and cash equivalents at the end of the period	1,607,533	99,498



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Notes to the financial statements for 2020

Accounting principles

The financial statements have been prepared in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway. The main accounting principles have been described below.

Use of estimates

Preparation of financial statements in accordance with Norwegian Accounting Act and accounting standards and practices generally accepted in Norway requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Foreign currency

Transactions in foreign currency are translated to NOK at the prevailing exchange rate on the date of the transaction. Monetary items in foreign currency are measured at the foreign exchange rate on the balance sheet date. Realized and unrealized foreign exchange effects are recognized as financial items in the income statement.

Revenues

Income from sale of goods and services are recognised at fair value of the consideration, net after deduction of VAT, returns, discounts and reductions. Sales are taken to income when the company has delivered its products to the customer and there are no unsatisfied commitments which may influence the customer's acceptance of the product. Delivery is not completed until the products have been sent to the agreed place, and risks relating to loss and obsolescence have been transferred to the customer. Historical data is applied to estimate and recognise provisions for quantity rebates and returns at the sales date. Provisions for expected guarantee work are recognised as expenses and provisions for liabilities upon sh. Services are recognised in proportion to the work performed.

Tax

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 carryforward 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 carryforward losses, is based on estimated future earnings. Deferred tax and tax benefits which may be shown in the balance sheet are presented net.

Classification and valuation of current assets

Assets intended for long term ownership or use have been classified as non-current assets. Other assets are classified as current assets. Receivables are classified as current assets if they are to be repaid within one year after the transaction date. Similar criteria apply to liabilities. Current assets are measured at lower of cost or fair market value. Current liabilities are measured at nominal value at their recognition date. Non-current assets are measured at cost, but written down to recoverable amount if the decline in value is not expected to be temporary.



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Subsidiaries and associated companies

Subsidiaries are measured at cost in the parent company. The investment is measured at acquisition cost unless the investment is impaired. The investments are written down to recoverable amount if the decline in value is not expected to be temporary and it is deemed necessary according to accounting standards and practices. Write downs are reversed when the basis for the write down are no longer present.

Dividends, group contributions and other distributions from subsidiaries are recognised the same year it is allocated in the subsidiary's financial statements. If the dividend/group contribution exceeds the share of earned result after the acquisition, the excess part represents repayment of invested capital, and the dividend/group contribution will be deducted from the book value of the investment in the parent company's financial statement.

Receivables

Accounts receivable and other receivables are recognized in the balance sheet at nominal value. Any provision for bad debts is based on an individual assessment of each receivable. Receivables in foreign currency at 31.12 are translated to NOK based on the Central Bank of Norway end of day foreign exchange rate at 31.12. Measurement changes are recorded in the income statement as foreign currency gains/losses.

Cash flow statement

The cash flows statement has been prepared based on the indirect method in accordance with the Preliminary accounting standard on cash flows statements from the Norwegian Accounting Standards Board.

Defined contribution plans

The company have made contributions to local pension plans. These contributions have been made to the pension plan for full-time employees. The pension premiums are charged to expenses as they are incurred.



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Note 1 Intercompany receivables/payables

Long term receivables/interest	2020		2019	
	Receivables	Interest	Receivables	Interest
Brent Invest AS			40,255,363	4,072,636
Tampnet AS			242,171,111	6,763,184
Tampnet Inc	32,508,942			
Total	32,508,942	-	282,426,474	10,835,820

Short term receivables/interest	2020		2019	
	Receivables	Interest	Receivables	Interest
Tampnet AS	42,117,758			
Tampnet INC	181,104			
Tampnet AB	35,000			
Tampnet BV	109,196			
Tampnet UK	598,838			
Total	43,041,896	-	-	-

Long term debt/interest	2020		2019	
	Debt	Interest	Debt	Interest
Colombo Bidco Ltd	1,680,279,658	131,450,286	548,052,687	41,194,076
Tampnet UK	255,257,012	23,205,183		
Tampnet AS		837,850		
Total	1,935,536,670	155,493,319	548,052,687	41,194,076

Short term debt/interest	2020		2019	
	Debt	Interest	Debt	Interest
Brent Infrastructure I B.V				11,781,820
Brent Invest AS			43,750	
Colombo Bidco Ltd			41,229,076	
Tampnet Inc			34,907	
Tampnet AS			149,866,404	
Total	-	-	191,174,137	11,781,820

Loan agreements have been entered into between the companies. The loans are subject to interest calculation according to the agreement which is based on transfer pricing regulations.

Intercompany revenue	2020
Tampnet AS - Management fee	590,674
Tampnet AS - Other revenue	714,000
Tampnet BV - Management fee	109,196
Tampnet Sweden AB - Management fee	35,000
Tampnet Inc - Management fee	181,104
Tampnet UK - Management fee	598,838
Tampnet Brasil	-70,000
Total	2,158,812



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Note 2 Subsidiaries

Name	Location	Carrying Value	Result 2020	Equity 2020
Tampnet AS	Norway	1,958,810,472	76,116,446	367,847,989

Brent Holding AS owns 100% of the shares in the subsidiary. Owner share is equal to voting share. Brent Holding AS has business office in Stavanger.

Brent Holding AS has received group contribution from the group company Tampnet AS of NOK 107.707.305, and has in addition provided group contribution to Tampnet AS of NOK 107.707.305

Brent Holding AS investment in Tampnet AS is supported by expected cash flows based on financial budgets approved by the Board for the following year, and prognoses approved by management for the subsequent five years.

Note 3 Number of shares, owners etc.

The share capital in Brent Holding AS as at 31.12 consists of the following share classes:

	Total	Face value	Entered
A-shares	2,289,574	10	22,895,740
B-shares	2,751,366	10	27,513,660
Total	5,040,940		50,409,400

The shares have equal voting rights. A- and B-shares have different dividend rights which are regulated in the company by-laws.

100% of the shares are owned by Colombo Bidco Limited

The shareholders of Brent Holding AS entered in July 2018 into an agreement to sell all shares to 3i Infrastructure plc, a listed long-term investor in infrastructure businesses and assets, and ATP, Denmark's largest pension provider. The sale was completed March 14, 2019.

Brent Holding AS uses the exemption provided by Norwegian Accounting Act § 3-7. The consolidated accounts which includes Brent Holding AS is prepared by the parent Colombo Investment Holdings Limited and can be collected at the company's registered business address: Jåttåvågveien 7, 4020 Stavanger, Norway

Note 4 Equity

	Share capital	Share premium	Other paid-in equity	Other equity	Total
As at 01.01.2020	50,409,400	208,258,427			258,667,827
Result for the period				-147,150,055	-147,150,055
Given group contribution			-107,707,305		-107,707,305
Received group contribution			107,707,305		107,707,305
Other adjustments		-147,150,055		147,150,055	0
As at 31.12.2020	50,409,400	61,108,372	-	0	111,517,772

Brent Invest AS was merged with Brent Holding AS as of 17.10.20. The merger was conducted with continuity for tax and accounting purposes and was effective from 01.01.20.



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Note 5 Income taxes

Deferred taxes are calculated on the basis of temporary differences existing between the carrying values and tax values at the balance sheet date.

A specification of temporary differences and the calculation of deferred taxes is provided below. The relationship between the result from the financial statements and taxable income is also presented.

Calculation of income tax expense and taxable result	2020	2019
<i>Entered tax on ordinary profit/loss:</i>		
Payable tax	0	29,412,228
Effect on group contribution	0	-39,431,674
Changes in permanent differences from received group contribution	0	10,019,446
Changes in deferred tax asset	-11,124,878	0
Tax expense on ordinary profit/loss	-11,124,878	0
<i>Taxable income:</i>		
Ordinary profit/loss before tax	-158,274,933	3,474,889,974
Permanent differences	0	-3,520,432,908
Received group contribution	107,707,305	179,234,882
Taxable income	-50,567,628	133,691,948
<i>Payable tax in balance:</i>		
Payable tax on received group contribution	0	29,412,228
Payable tax on this year's result		
Tax receivable from taxable loss utilized against prior year profit	-6,600,000	0
Total payable/(receivable) tax in the balance	-6,600,000	29,412,228
Tax receivable is classified as other short-term receivable.		
<i>Reconciliation of the tax expense:</i>		
Result before taxes	-158,274,933	3,474,889,974
Calculated tax 22%	-34,820,485	764,475,794
Tax expense	-11,124,878	0
Difference	-23,695,607	764,475,794
<i>The difference consist of:</i>		
22% of permanent differences	0	-774,495,240
Changes in permanent differences from received group contribution	23,695,607	10,019,446
Sum explained differences	23,695,607	-764,475,794
The tax effect from temporary differences and loss to be carried forward that has formed the basis for deferred tax/tax advantage, specified on type of temporary differences.		
<i>Temporary differences:</i>		
Interest subject to interest limitation	198,892,366	109,710,910
Not included in the deferred tax calculation	-198,892,366	-109,710,910
Tax losses carried forward	-50,567,628	0
Tax losses utilized against prior year profit	30,000,000	0
Basis for calculation of deferred tax	-20,567,628	0
Deferred tax asset 22%	-4,524,878	0

Deferred tax related to limitation on interest deduction has not been recognised as deferred tax asset, as it is not much likely that the deferred tax asset will be utilised.



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Deferred tax related to taxable loss has been recognised as we expect Brent Holding AS forward will be able to utilize the loss against taxable profit.

Brent Holding AS has elected to utilize 2020 tax losses against previous year profit in line with Skatteloven §§ 16-60 to 16-64.

Note 6 Payroll expenses and other operating expenses

Salary costs	2020	2019
Salaries	914,797	-
Employment tax	118,989	-
Pension costs	-	-
Other benefits	3,928	-
Total	1,037,714	-

There was one employee until August 2020.

Pension liabilities

The company is not liable to maintain an occupational pension scheme under the Mandatory Occupational Pensions Act.

Operating expenses:	2020	2019
Office expenses	-	-
Travel	17,061	-
Consultant fees*	136,357	720,921
Other operating expenses	281,705	250,247
Total Other operating expenses	435,123	971,168

* Fees to the elected auditor is included in other operating expenses, please make reference to the table below.

Audit fees	2020	2019
Statutory audit including technical assistance with financial statements	62,688	529,736
Other attestation services	-	40,000
Tax assistance	-	-
Other services	73,669	151,185
Total	136,357	720,921

Note 7 Bank deposits

Restricted cash for employee taxes	-
Unrestricted cash per 31.12	1,607,533
Cash in total	1,607,533



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Note 8 Loans and securities

Colombo Bidco Limited's long-term loan is secured by pledges:

	Carrying value 31.12.20
Share charge over the shares in Tampnet AS held by Brent Holding AS	1,958,810,472
Security agreement in respect of Material Receivables, Bank accounts, floating charge over operating assets, inventory/stock in trade and account receivables.	77,462,041



To the General Meeting of Brent Holding AS

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Brent Holding AS, which comprise the balance sheet as at 31 December 2020, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are prepared in accordance with law and regulations and give a true and fair view of the financial position of the Company as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company as required by laws and regulations, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information. The other information comprises information in the annual report, except the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

*PricewaterhouseCoopers AS, Kanalsletta 8, Postboks 8017, NO-4068 Stavanger
T: 02316, org. no.: 987 009 713 VAT, www.pwc.no
State authorised public accountants, members of The Norwegian Institute of Public Accountants, and
authorised accounting firm*



Independent Auditor's Report - Brent Holding AS



Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director (management) are responsible for the preparation in accordance with law and regulations, including a true and fair view of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to <https://revisorforeningen.no/revisjonsberetninger>

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements and the going concern assumption is consistent with the financial statements and complies with the law and regulations.

(2)



Independent Auditor's Report - Brent Holding AS



Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Stavanger, 3 June 2021
PricewaterhouseCoopers AS

Gunnar Slettebø
State Authorised Public Accountant



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COLOMBO INVESTMENT HOLDINGS LIMITED
11909540

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2020



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COLOMBO INVESTMENT HOLDINGS LIMITED

COMPANY INFORMATION

Directors	Matt Barker Scott Moseley Oscar Tylegard	(Appointed 27 March 2019) (Appointed 27 March 2019) (Appointed 27 March 2019)
Company number	11909540	
Registered office	1 Park Row Leeds Yorkshire England LS1 5AB	
Company secretary	Chief Legal Officer Christian Grinde, Tampnet AS, Jåttåvågveien 7, 4020 Stavanger, Norway	
Bankers	SEB United Kingdom, One Carter Lane, London, EC4V 5AN	
Independent auditors	PricewaterhouseCoopers LLP The Capitol 431 Union Street Aberdeen AB11 6DA	



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COLOMBO INVESTMENT HOLDINGS LIMITED

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COLOMBO INVESTMENT HOLDINGS LIMITED

STRATEGIC REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2020

The directors present the strategic report for the Period ended 31 December 2020.

Fair review of the business

The company was incorporated on 27 March 2019 to be a holding company providing financing, including equity, for the acquisition of Brent Holding AS and its subsidiaries. On 14 March 2019, Colombo Bidco Limited, a UK entity and a fully owned subsidiary within the group headed by the company, acquired all the shares in Brent Holding AS, which was the owner of the Tampnet group. Colombo Holdco Limited, which is the direct owner of Colombo Bidco Limited, is fully owned by Colombo Investment Holdings Limited, a UK entity.

The loss for the company for the financial period was 720 723 NOK for the year ended 31 December 2020, compared to a loss of 966 NOK in prior period. The group had a loss for the financial period January 1 – December 31, 2020 of NOK 466 mill while the group had a loss for the financial period March 27, 2019 – December 31, 2019 of NOK 538 mill including cost related to the acquisition of the Brent Holding-group on March 14, 2019. The revenue of the group is driven by telecommunication services provided to the offshore industry. The company and group are supported through being self-sufficient on future cashflows in order to secure continued operations and the directors consider it appropriate for the financial statements to be prepared on a going concern basis.

The Balance sheet for the group includes a purchase price allocation of the purchase price of the Brent Holding AS shares and shows the fair value of tangible and intangible assets. Goodwill is included with 3,494 mill NOK. The right of use of assets is related to lease agreements mainly of fibre optic cables and lease of offices. The cash position at 31. December 2020 is NOK 351 mill in cash at year-end 2020.

The group's telecom infrastructure plays a key role in enabling new and cost-effective ways of operating offshore assets. The modern oil industry is developing remote and intelligent operations where more manpower and expertise can be placed onshore and decision making is both improved and accelerated. Consequently, the offshore market demand for low latency, high capacity and reliable telecommunication services is fundamentally strong. In 2020 however, the market for our services was impacted by the global pandemic of Sars Covid-19 and the reduction in oil demand and oil price that followed. We experienced some early decommissioning of fixed production units, less exploration activity as well as some delays in accessing units to install our equipment and start new services for our clients. These factors impacted our revenue growth negatively.

The group has high expectations for the increasing coverage of the group's 4G network which continued in 2020, in addition to the increased coverage from further extending our Fibre Optic Cable (FOC) network.

Entering the offshore renewable energy sector was a key strategic priority and although early in our development, successful inroads were made into this new market during the year.

Our network operations centre performed well delivering continued high-quality services and uptimes to our clients and proving the robustness of our well invested network infrastructure, despite challenges from weather and the pandemic.

The Board of Directors are satisfied with the development of group and the company and results for the period.

The group quickly adapted the business to the consequences of the pandemic, changing ways of working internally and externally to safe-guard personnel and operations. Customers' covid 19 guidelines have been implemented (travel, meetings and offshore work), and internal protocols have been always updated in accordance with local regulations. A few employees have tested positive for Covid-19, without having any impact on our business.

We have facilitated flexible working conditions and had a strong focus on keeping our employees safe throughout the period.



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COLOMBO INVESTMENT HOLDINGS LIMITED

STRATEGIC REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2020

Non-financial information statement

• Environmental matters

The company's subsidiaries provide telecommunications through fibre optic cables and antennas. The company has HESQ procedures and policies in place and manages HESQ issues accordingly. Our activity shall always be in accordance with applicable environmental laws and regulations, regardless of where we operate. No environmental or human incidents have been registered in the last 5 years.

Tampnet has established an ESG strategy approved by the board describing Tampnet's contribution to sustainable operation by ensuring our customers access to affordable, reliable, sustainable and modern telecommunications solutions.

Our most important contribution is to offer services that enable digitization and remote offshore operations, with the goal of reducing carbon footprint.

In addition to increased and systematic awareness internally, we require that our suppliers and partners commit themselves to the UN's Sustainable Development Goals.

The company has a limited environmental impact from travel, office activities, including waste management, energy consumption, CO2 emissions and others. Despite a limited carbon footprint, we have identified areas for improvement. For this, data is collected, analysed and reported systematically.

The company applies the exemption from SECR reporting since the group are exempt from reporting since no companies in the group are obliged to SECR reporting on its own.

• The company's employees;

The company has zero employees. The group has 117 employees where 8 are part-time employees and 109 are full-time employees. Gender equality and equal opportunities are ensured through our policies and procedures. The company has 3 Directors where all are male, and none are female. The group has 22 female employees and 95 male employees. The senior management team consists of 1 female and 11 male employees. The company focus on the employees' health and well-being, and have achieved a sick leave percentage below average for 2020. The retention rate in the company is very high resulting in a stable, skilled and driven workforce.

• Community issues;

The company and the subsidiaries contribute to the communities in which it operates by its activities, including employment of staff, rental of property, purchase of goods and services, and payment of taxes.

• Social matters and Respect for human rights;

The company have adopted policies to support the UN sustainability targets including social matters for the communities in which we operate.

• Anti-corruption and anti-bribery matters.

The company has established and implemented anti-corruption and anti-bribery policies, including whistle-blower policy.



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COLOMBO INVESTMENT HOLDINGS LIMITED

STRATEGIC REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2020

Principal risks and uncertainties

The company aims to deliver sustainable value by identifying and responding successfully to risks. Risk management is integrated into the process of planning and performance management at a group level. Monitoring and accountability for the management of these risks occur through quarterly performance reviews at a group level.

Prices and markets

Being a holding company for a group of companies providing telecommunication services to the offshore industry where the oil industry is a large part, the group is susceptible to changes in the oil price. Oil, gas, product prices and margins can be volatile and are subject to international supply and demand. A decrease in these prices are likely to have an adverse effect on revenues for our customers, with an increasing risk of delay of offshore projects, decommissioning of oil producing installations or possible insolvency of clients. The group actively seeks to enter into long term agreements with its clients and has a base of such agreements with highly solvent clients. The oil price had in February 2020 a drop due to the COVID-19 virus outbreak and consequently lower oil consumption. The oil price volatility is expected to have an impact on revenue potential with clients looking to reduce cost and invest less.

Compliance and control risks

Regulatory

The company remains exposed to changes in the regulatory environment such as new laws and regulations (whether imposed by international treaty whereby national or local government in the jurisdiction in which it operates), changes in tax or royalty regimes. Such factors could reduce the company's profitability, limit its opportunities for new access, require it to divest or write down certain assets or curtail certain operations, or affect the adequacy of its provisions, tax, environmental and legal liabilities.

Reporting

External reporting of financial and non-financial data is reliant on the integrity of systems and people. Failure to report data accurately and in compliance with external standards could result in regulatory action, legal liability and damage to the company's reputation.

Safety and operational risks

The nature of the company's operations exposes the company to a limited range of health, safety, security and environmental risks. In many of the group's major structural projects, risk allocation and management are shared with third parties, such as contractors, sub-contractors and associates.



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COLOMBO INVESTMENT HOLDINGS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2020

Development and performance

The company's performance largely reflects interest income and interest expenses received from and paid to other companies within the group. As such the company's financial performance would be anticipated to be relatively consistent period on period subject to any significant changes in interest rates applied and/ or changes in the level of intercompany indebtedness.

Key performance indicators

The parent company is a holding company and is reliant on its subsidiaries to be profitable. The group revenue is driven by the total capacity of telecommunication services provided annually to the offshore industry. The industry activity was impacted by the COVID-19 pandemic causing lower demand. This market development impacted the group negatively and reduced the growth rate, although still positive, year on year, mainly by reduced activity and difficulty to install new equipment for clients. Still, this growth rate, although reduced, is a result of the robustness of the business model in the subsidiaries supplying telecommunications capacity to the market. The group has continued to identify and acquire new contract opportunities in the sector and continues to create sales initiatives that are increasing the total capacity of offshore telecommunication services provided to customers.

The group has a high focus on quality of our services and performance of our network, as we provide critical infrastructure to our customers. Policies and procedures are implemented to ensure that this meets the standards required by our customers. Risks are identified and monitored, and actions are taken to mitigate the risks to an acceptable level.

The group has established policies and procedures to ensure that the customer satisfaction level is monitored, and actions are taken to improve when needed.

The employees are key resources for the group, and we have implemented HESQ policies and procedures which includes monitoring of the work environment, employee satisfaction, turnover and sick-leave statistics, and other issues related to human resources.



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COLOMBO INVESTMENT HOLDINGS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2020

Directors' indemnities

The Company has made qualifying third party indemnity provisions for the benefit of its Directors which were in place during the period and remain in force at the date of this report. The Company maintains directors' and officers' liability insurance for its Directors and officers.

DIRECTORS' STATEMENT IN PERFORMANCE OF THEIR DUTIES UNDER SECTION 172(1)

The Directors consider, both individually and collectively, that they have acted in the way they consider, in good faith, to be most likely to promote the success of the Company for the benefit of its members as a whole (having regard to the stakeholders and matters set out in 172(1)(a-f) of the Companies Act 2006) in the decisions taken during the period.

This includes considering the interests of our customers, vendors, and employees, maintaining high standards of business conduct, and considering our impacts on local communities and the environment.

Employees

We consider that our employees are a significant asset to our business. Frequent Management meetings chaired by the Chief Executive Officer and live-streamed Townhalls attended by the CEO facilitate two-way communications with employees. Employees are encouraged to submit suggestions which include where we can improve safety and operating efficiency. We invest in developing future leaders of the company and promote a mindset of continuous improvement to achieve the Company's vision and goals.

Business relationships – suppliers, customers

We work closely with our customers and suppliers to delivery our services at a high-quality level with high reliability and safety. We engage regularly with operators and partners to share knowledge, offer support, and use our influence to establish best practices. We treat suppliers equally, without discrimination, promoting a 'one-team' culture.

Community and environment

We comply with all relevant legislation in the areas where we have our operations and disclose all necessary information. The Group's external advisors provide advice in respect of changes to legislation or regulation and advise the Management directly.

Business conduct

We comply with the relevant legislation regarding ethical issues, including anti-bribery legislation, tax legislation and safety regulations. We conduct our business in a responsible manner to the benefit of the society in which we operate, our employees, our customers, and other stakeholders.



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COLOMBO INVESTMENT HOLDINGS LIMITED
STRATEGIC REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2020

On behalf of the board

DocuSigned by:
Matt Barker
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Matt Barker
Director

DocuSigned by:
Scott Moseley
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Scott Moseley
Director

DocuSigned by:
Oscar Tylegard
FB45789D423G446...
Oscar Tylegard
Director

28 May, 2021.....



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COLOMBO INVESTMENT HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2020

The directors present their annual report and audited consolidated financial statements for the Period ended 31 December 2020.

Principal activities

The company was incorporated in the UK on 27 March 2019. The principal activity of the company is that of a holding company. The registered address is 16 Palace street, London SW1E 5JD, UK. The parent company is Colombo Topco Limited, incorporated in the UK, with the ultimate owners being 3i Infrastructure PLC incorporated in Jersey and Arbejdsmarkedets Tilægspension (ATP) incorporated in Denmark.

The company does not have any branches outside the UK, but it has subsidiaries indirectly owned, which operates in Norway, Sweden, the Netherlands, the US, Brazil, Canada and Trinidad and Tobago.

Directors

The directors who held office during the Period and up to the date of signature of the financial statements were as follows:

Matt Barker	(Appointed 27 March 2019)
Scott Moseley	(Appointed 27 March 2019)
Oscar Tylegard	(Appointed 27 March 2019)

The company does not provide any pension plan to the Directors. The company has an insurance coverage for Director's liability.

Research and development

The company and the group do not have any research and development activities.

Political donations

The company and the group have not given any political donations.

Results and dividends

The results for the Period are set out on page 13.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Future developments

The group and company's performance largely reflect dividend/interest income received from, and interest expense received paid to, other companies within the group along with management charges to subsidiaries. As such, the company's financial performance would be anticipated to be relatively consistent period on period subject to any significant changes in interest rates applied and/or changes in the level of intercompany indebtedness or any variation on management charges as a result of changes in the trading activities of those subsidiaries. The COVID-19 pandemic outbreak and the reduced oil price in 2020 have an impact on the activity level in the oil and gas market as well as in the general population in the countries where the company and the group operate. There has been implemented strict travel regulations and other regulations restricting businesses, employees, authorities and others from performing their normal work and routines. The company and the group are monitoring and evaluating the impact this has on our employees, our customers and our business, and follow a risk-based approach to implement mitigating actions as early as possible.



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COLOMBO INVESTMENT HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2020

Independent Auditor

PricewaterhouseCoopers LLP were appointed as auditors to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the group financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and the company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company and of the profit or loss of the group for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable international accounting standards in conformity with the requirements of the Companies Act 2006 have been followed for the group financial statements and United Kingdom Accounting Standards, comprising FRS 101 have been followed for the company financial statements, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

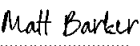
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006.

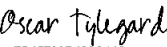
Directors' confirmations

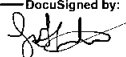
In the case of each director in office at the date the directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the group's and company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the group's and company's auditors are aware of that information.

On behalf of the board

DocuSigned by:

F23C2873639F457...
Matt Barker
Director

DocuSigned by:

FB457880429C446...
Oscar Tylegard
Director

DocuSigned by:

2CA962F2FEA8A7...
Scott Moseley
Director

Date: ..28 May, 2021.....



Independent auditors' report to the members of Colombo Investment Holdings Limited

Report on the audit of the financial statements

Opinion

In our opinion:

- Colombo Investment Holdings Limited's group financial statements and company financial statements (the "financial statements") give a true and fair view of the state of the group's and of the company's affairs as at 31 December 2020 and of the group's loss and the group's cash flows for the year then ended;
- the group financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006;
- the company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report And Financial Statements (the "Annual Report"), which comprise: the Consolidated and Company balance sheets as at 31 December 2020; the Consolidated statement of profit or loss, the Consolidated statement of comprehensive income, the Consolidated statement of cash flows, and the Consolidated and company statements of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.



However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 December 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine 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, the directors are responsible for assessing the group's and the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually



or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK and overseas tax legislation in the group and company and UK and overseas health and safety regulations in the group, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries to increase revenue. Audit procedures performed by the engagement team included:

- Enquiries of management around known or suspected instances of non-compliance with laws and regulations, claims and litigation, and instances of fraud;
- Understanding management's controls designed to prevent and deter irregularities;
- Review of board minutes;
- Challenging management on assumptions and judgements made in their significant accounting estimates; and
- Identifying and testing journal entries with specific focus on entries containing unusual account combinations in response to the risk of management override of controls.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or in whose hands it may come save where expressly agreed by our prior consent in writing.



Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remunerations specified by law are not made; or
- the company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Bruce Collins (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Aberdeen
4 June 2021



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Colombo Investment Holdings Limited
Registered number 11909540

Consolidated statement of profit or loss

all figures in NOK

	Notes	Consolidated	
		January 1 - December 31, 2020	March 27 - December 31, 2019
<i>Operating income and operating expenses</i>			
Revenue	3	843 862 465	608 827 406
Operating Income		843 862 465	608 827 406
Cost of infrastructure operations		-90 034 175	-81 688 337
Payroll expenses	4	-148 114 382	-91 366 817
Depreciation and amortisation	6, 7	-470 029 577	-305 947 644
Other operating expenses	4	-47 764 479	-152 175 338
Operating expenses		-755 942 623	-631 178 136
Operating profit(loss)		87 919 842	-22 350 730
<i>Financial income and expenses</i>			
Interest income		377 562	1 479 661
Other financial income	14	292 817 628	83 660 675
Interest expense		-104 540 822	-111 942 004
Interest expense to parent company	11	-374 631 736	-270 007 744
Other financial expenses	14	-410 451 348	-233 164 577
Net financial income and expenses		-596 428 716	-529 973 989
Loss before income taxes		-508 508 874	-552 324 719
Income taxes	5	42 833 278	13 945 809
Loss for the period		-465 675 596	-538 378 910
<i>Loss is attributable to</i>			
Owners of Colombo Investment Holdings Limited		-465 675 596	-538 378 910
Total		-465 675 596	-538 378 910

Consolidated statement of comprehensive income
all figures in NOK

	Notes	January 1 - December 31, 2020	March 27 - December 31, 2019
Loss for the period		-465 675 596	-538 378 910
<i>Other comprehensive income/(expense)</i>			
Items that may be reclassified to profit or loss			
Cash flow hedges		-34 123 864	12 408 194
Net investment hedge	9	42 803 497	-10 625 229
Exchange differences on translation of foreign operations		-1 622 976	4 874 761
Income tax relating to these items	5	-8 132 664	-90 409
Other comprehensive income/(expense) for the period		-1 076 007	6 566 317
Total comprehensive expense for the period		-466 751 603	-531 812 593
<i>Total comprehensive expense for the period is attributable to:</i>			
Owners of Colombo Investment Holdings Limited		-466 751 603	-531 812 593
Total		-466 751 603	-531 812 593

The loss for the financial period for the Company was NOK 720 723 and for prior period the loss was NOK 966. The directors have taken advantage of the exemption available under Section 408 of the Companies Act 2006 and not presented a profit and loss account for the Company.



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Colombo Investment Holdings Limited
Registered number 11909540

Company balance sheet

all figures in NOK

	Notes	Company	
		31.12.2020	31.12.2019
Assets			
Investment in subsidiaries	15	1 150 711 405	1 150 711 405
Total financial non-current assets		1 150 711 405	1 150 711 405
Total non-current assets		1 150 711 405	1 150 711 405
Current assets			
Cash and cash equivalents		7 350	-
Total current assets		7 350	-
Total assets		1 150 718 755	1 150 711 405
Current liabilities			
Short-term debt to group companies		10 000	-
Other current liabilities		-	2 942 782
Total current liabilities		10 000	2 942 782
Net Current assets		-2 650	-2 942 782
Total assets less current liabilities		1 150 708 755	1 147 768 623
Net assets		1 150 708 755	1 147 768 623
Equity			
Share capital	12	1 051 746 781	1 051 739 589
Share premium		96 741 846	96 030 000
Total restricted equity		1 148 488 627	1 147 769 589
Retained earnings - surplus/(deficit)		2 220 128	-966
Total other equity		2 220 128	-966
Total equity		1 150 708 755	1 147 768 623

May 28, 2021

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Oscar Tylegard
Board Member

DocuSigned by:

Scott Moserby
Board Member

DocuSigned by:

Matt Barker
Board Member



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Colombo Investment Holdings Limited
Registered number 11909540

Consolidated balance sheet

all figures in NOK

	Notes	Consolidated	
		31.12.2020	31.12.2019
Assets			
<i>Non-current assets</i>			
Licences	7	45 564 612	64 144 062
Customer relationships and customer contracts	7	3 316 245 403	3 519 612 049
Goodwill	7, 8	3 493 894 535	3 499 996 448
Deferred tax assets	5	67 765 860	48 459 105
Total intangible assets		6 923 470 410	7 132 211 664
Fibre optic cables and communication media	6	1 343 789 864	1 253 615 557
Right of use asset	6	301 297 747	337 323 549
Furniture, fixtures and machinery	6	9 448 534	8 635 761
Total tangible non-current assets		1 654 536 145	1 599 574 867
Total non-current assets		8 578 006 555	8 731 786 531
<i>Current assets</i>			
Accounts receivable	9	101 343 696	108 755 074
Unbilled revenue	9	3 610 499	4 012 661
Other receivables	9	187 772 584	60 593 483
Total receivables		292 726 779	173 361 218
Inventory		-	2 885 932
Cash and cash equivalents	9, 10	351 322 455	242 511 982
Total current assets		644 049 234	418 759 132
Total assets		9 222 055 789	9 150 545 663

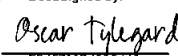
all figures in NOK

	Notes	Consolidated	
		31.12.2020	31.12.2019
Equity and liabilities			
<i>Equity</i>			
Share capital	12	1 051 746 781	1 051 739 589
Share premium		96 741 845	96 030 000
Total restricted equity		1 148 488 627	1 147 769 589
Retained earnings - deficit		-998 221 256	-531 812 593
Total other equity		-998 221 256	-531 812 593
Total equity		150 267 371	615 956 996
<i>Liabilities</i>			
<i>Non-current liabilities</i>			
Advance payment from customers	13	240 660 185	230 984 734
Deferred taxes	5	808 714 779	852 919 668
Leasing liability	9	239 006 643	273 143 868
Debt to parent company	9, 11	3 943 690 134	3 571 188 563
Liabilities to financial institutions	9	3 496 614 461	3 299 799 216
Total non-current liabilities		8 728 686 202	8 228 036 049
<i>Current liabilities</i>			
Accounts payable	9	24 280 830	26 145 744
Tax payable	5	5 955 604	31 954 322
Public duties		7 395 178	3 141 611
Leasing liability	9	75 711 807	70 952 676
Other current liabilities	9	229 758 797	174 758 265
Total current liabilities		343 102 216	306 552 618
Total liabilities		9 071 788 418	8 534 588 667
Total equity and liabilities		9 222 055 789	9 150 545 663

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

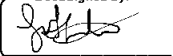
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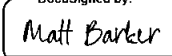
Oscar Tylegard
Board Member

DocuSigned by:



Oscar Tylegard
Board Member

DocuSigned by:



Matt Barker
Board Member



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Colombo Investment Holdings Limited
Registered number 11909540

Consolidated statement of cash flows

	Consolidated	
	January 1 - December 31, 2020	March 27 - December 31, 2019
all figures in NOK		
	Notes	
Cash flows from operating activities		
Loss before income taxes		-508 508 874
Adjustments for:		-552 324 719
Income taxes paid		-34 426 006
Depreciation and amortization	6, 7	470 029 577
Loss on disposals of fixed assets		811 635
Change in deferred revenue, net		8 521 330
Change in accounts receivable, net		7 411 378
Change in accounts payable		-1 864 914
Change in other working capital items and other currency adjustments		-41 546 322
Expensed interest		478 734 296
Effect of exchange rate differences on long term loans		13 952 489
Net cash inflow from operating activities		393 175 289
Cash flow used in investing activities		-337 919 389
Investment in tangible assets		-292 864 083
Sale of fixed assets		94 004
Investment in subsidiary, net of cash acquired	3	-
Net cash outflow used in investing activities		-5 172 100 000
Cash flow from financing activities		9 697 579 435
Proceeds from borrowings obtained	9	174 205 300
Repayment of long term loan	9	-
Repayment of short term loans		-548 100 000
Paid interest		-104 948 839
Fees in relation to new loan		-127 555 378
Repayment of leasing liability	9	-
New equity issued		-62 374 151
Received interest		719 038
Net cash inflow from financing activities		7 981 910
Net cash inflows for the period		108 587 120
Cash and cash equivalents at the beginning of the period		242 511 982
Effects of exchange rate changes on cash and cash equivalents		423 353
Cash and cash equivalents from new subsidiary at acquisition		-
Cash and cash equivalents at the end of the period		351 322 455
Cash and cash equivalents is comprised of:		
Bank deposits		351 322 455



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Consolidated and company statement of changes in equity for the year ended 31 December, 2020

all figures in NOK

Consolidated

	Share capital	Share premium	Retained earnings - deficit	Currency translation reserve	Total equity
Balance at 1 January, 2020	1 051 739 589	96 030 000	- 538 378 910	6 566 317	615 956 996
Capital injection	7 192	711 846	-	-	719 038
Loss for the period	-	-	465 675 596	-	465 675 596
Translation differences	-	-	-	1 622 976	1 622 976
Other comprehensive income for the period	-	-	-	546 969	546 969
Other adjustments	-	-	342 940	-	342 940
Balance at 31 December, 2020	1 051 746 781	96 741 846	- 1 003 711 566	5 490 310	150 267 371

	Share capital	Share premium	Retained earnings - deficit	Currency translation reserve	Total equity
Balance at 1 January, 2019	-	-	-	-	-
Share issue on date of incorporation 27 March, 2019	1 051 739 589	96 030 000	-	-	1 147 769 589
Loss for the period	-	-	538 378 910	-	538 378 910
Translation differences	-	-	-	4 874 761	4 874 761
Other comprehensive income for the period	-	-	-	1 691 556	1 691 556
Balance at 31 December, 2019	1 051 739 589	96 030 000	- 538 378 910	6 566 317	615 956 996

Company

	Share capital	Share premium	Retained earnings - surplus/(deficit)	Total equity
Balance at 1 January, 2020	1 051 739 589	96 030 000	- 966	1 147 768 623
Capital injection	7 192	711 846	-	719 038
Loss for the period	-	-	720 723	720 723
Other adjustments	-	-	2 941 817	2 941 817
Balance at 31 December, 2020	1 051 746 781	96 741 846	2 220 128	1 150 708 755

	Share capital	Share premium	Retained earnings - deficit	Total equity
Balance at 1 January, 2019	-	-	-	-
Share issue on date of incorporation 27 March, 2019	1 051 739 589	96 030 000	-	1 147 769 589
Loss for the period	-	-	966	966
Balance at 31 December, 2019	1 051 739 589	96 030 000	- 966	1 147 768 623



Colombo Investment Holdings Limited
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Significant accounting policies

The consolidated financial statements of Colombo Investment Holdings Limited and its subsidiaries (collectively, the Group) for the period ended 31 December 2020 were authorized for issue in accordance with a resolution of the directors on May 28, 2021.

The Group operates the largest offshore high-capacity communication network in the world in the North Sea and the Gulf of Mexico (GoM) – serving more than 240 Oil & Gas Platforms, FPSOs and Exploration Rigs.

This note includes the significant accounting policies adopted in the preparation of these consolidated financial statements. The financial statements are for the consolidated group consisting of Colombo Investment Holdings Ltd and its subsidiaries Colombo Holdco Limited, Colombo Bidco Limited, Brent Holding AS, Tampnet AS, Tampnet Telecom do Brasil Limitada, Tampnet Servicos De Telecomunicacao do Brasil Limitada, Tampnet Netherlands B.V., Tampnet Sweden AB, Tampnet Canada Incorporate, Tampnet Oceania Proprietary Limited, Tampnet UK Limited, Tampnet Licensee LLC, Tampnet Holdco Incorporated, Tampnet USA LLC, Colombo US Bidco Incorporated and Tampnet Incorporated.

Basis of preparation

The consolidated financial statements of the Colombo Investment Holdings Group have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. Accounting policies have been applied consistently. The company financial statements of Colombo Investment Holdings Limited have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings and derivative financial assets and financial liabilities measured at fair value through profit or loss, and in accordance with the Companies Act 2006. The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 1.

The following exemptions from the requirements of IFRS have been applied in the preparation of company financial statements, in accordance with FRS 101:

Paragraphs 45(b) and 46 to 52 of IFRS 2, 'Share-based payment' (details of the number and weighted average exercise prices of share options, and how the fair value of goods or services received was determined).

IFRS 7, 'Financial instruments: Disclosures'.

- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities).
- Paragraph 38 of IAS 1, 'Presentation of financial statements' – comparative information requirements in respect of:
 - iii. Paragraph 79(a)(iv) of IAS 1;
 - iv. Paragraph 73(e) of IAS 16, 'Property, plant and equipment'; and
 - v. Paragraph 118(e) of IAS 38, 'Intangible assets' (reconciliations between the carrying amount at the beginning and end of the period).
- The following paragraphs of IAS 1, 'Presentation of financial statements': 10d (statement of cash flows); 16 (statement of compliance with all IFRS); 38A (requirement for minimum of two primary statements, including cash flow statements); 38B–D (additional comparative information); 111 (statement of cash flows information); and 134–136 (capital management disclosures).
- IAS 7, 'Statement of cash flows'.
- Paragraphs 30 and 31 of IAS 8, 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective).
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation).



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- The requirements in IAS 24, 'Related party disclosures', to disclose related party transactions entered into between two or more members of a group.

Going concern

The company and group are supported through being self-sufficient on future cashflows in order to secure continued operations. The company and the group meet its day-to-day working capital requirements through its bank facilities. The current economic conditions continue to create uncertainty, mainly due to the oil price fall in February 2020 and the outbreak of the COVID-19 virus, particularly over the level of demand for the group's products. The group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the group should be able to operate within the level of its current facilities. However, the group's vast telecom infrastructure plays a key role in enabling new and cost-effective ways of operating offshore assets.

Having assessed the principal risks and the other relevant matters, the directors considered it appropriate to adopt the going concern basis of accounting in preparing its consolidated financial statements. Further information on the group's borrowings is given in note 9 to the consolidated financial statements.

Historical cost convention

The financial statements have been prepared on a historical cost basis, apart from derivatives that are recognized at fair value.

New and amended standards adopted by the group

The group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2020:

- Definition of Material – Amendments to IAS 1 and IAS 8;
- Definition of a Business – Amendments to IFRS 3;
- Interest Rate Benchmark Reform – Amendments to IFRS 9, IAS 39 and IFRS 7; and
- Revised Conceptual Framework for Financial Reporting.

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

New standards and interpretations not yet adopted

Certain new 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 are not expected to have a material impact on the entity in the current or future reporting periods on foreseeable future transactions.

Principles of consolidation

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity where 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 to direct the activities of 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, unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

When the group ceases to consolidate for an investment because of a loss of control, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognized in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity



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are accounted for as if the group had directly disposed of the related assets or liabilities. This may result in amounts previously recognized in other comprehensive income being reclassified to profit or loss.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The Board of Colombo Investments Holdings Ltd has appointed a group management which assesses the financial performance and position of the group and makes strategic decisions. The group management, which has been identified as being the chief operating decision maker, consists of the chief executive officer, the chief financial officer and the manager for corporate planning.

Investment in subsidiaries

Investments in subsidiaries are held at cost less accumulated impairment losses.

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 Colombo Investments Holdings Ltd's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates, are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, within other financial expenses. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis, within 'financial income and expenses'.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss, and translation differences on non-monetary assets such as equities classified as at fair value through other comprehensive income are recognised in other comprehensive income.

Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- 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 statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognized in other comprehensive income.



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On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is presented net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

The group recognizes revenue when the performance obligations promised in the contracts with customers are delivered. Specific criteria have been established for each of the group's revenue generating activities as described below. The group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

The specific accounting policies for the group's main revenue generating activities are as follows:

Carrier

Carrier revenue is derived from service contracts where the customer is paying for a capacity of a cable. The Group recognizes revenue linearly over the firm period of the contract, based on the contracted price.

Roaming

Roaming revenue is based on actual usage and the revenue is recognized based on usage.

Long term contracts with revenue from rental of fibre optic cables

The contracts where, typically, a customer enters into a service agreement with the Group for the rental of fibre cable capacity, that provides for monthly charges for bandwidth requested by the customer, and a one-time charge (OTC) for rigs and vessels. Revenue is recognized over the life of the contract, evenly distributed.

One time charges (OTC)

Typically, the service contracts entered into with customers as described above under long term contracts with revenue from rental of fibre optic cables, contains a one-time charge that the customer pays up front when Tampnet is installing the fibre optic cable. The OTC is part of the contract above, and evenly distributed over the life of the contract.

The group as are exempt from full IFRS 8 note disclosures as it is not listed.

Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income, based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.



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Deferred income tax is provided in full, using the liability method, 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 also 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 end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Leases

Lease contracts where the group is a lessee are capitalized. Upon commencement of the lease the right-to-use asset is recognized at cost being the present value of the lease payments in the contract as defined by IFRS 16 in addition to initial direct costs. The corresponding lease liability is recognized in the balance sheet at present value using the interest rate implicit in the lease, if that rate can be readily determined, or else the lessee's incremental borrowing rate. The lease liability is subsequently increased by the effective interest in the lease and reduced by payments made. The lease liability is also reassessed subsequently if the payments or the interest rate changes. The change in liability is added to or deducted from the right-of-use asset.

The right-of-use asset acquired under leases is depreciated over the asset's useful life or the lease term, if shorter, if the lease does not transfer ownership at the end of the lease term, or there is no purchase option that is in the money. The right-of-use asset is tested for impairment for similar assets owned by the entity.

The group has leases in these categories, offices, regulatory licenses and colocation.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the group under residual value guarantees;
- the exercise price of a purchase option if the group is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.



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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.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

Extension and termination options are included in a number of equipment leases across the group. These are used to maximize operational flexibility in terms of managing the assets used in the group's operations. The majority of extension and termination options held are exercisable only by the group and not by the respective lessor.

Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognizes any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of

- the consideration transferred, and
- the amount of any non-controlling interest in the acquired entity, and
- the acquisition-date fair value of any previous equity interest in the acquired entity



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over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognized directly in profit or loss as a bargain purchase gain.

Where settlement of the consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability based on the actual content of the arrangement. Contingent consideration classified as a financial liability is subsequently remeasured at fair value with changes in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interests in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognized in profit or loss.

Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized 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 separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Accounts receivables

Trade receivables with maturities less than 12 months are initially measured at nominal amount, less provision for expected lifetime impairment. See note 8 for further information about the group's accounting for trade receivables and note 8 for a description of the group's impairment policies.

Inventories

Finished goods

Finished goods are stated at the lower of cost and net realizable value. Cost comprises direct materials, direct labor and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost includes the reclassification from equity of any gains or losses on qualifying cash flow hedges relating to purchases of raw material but excludes borrowing costs. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Financial assets



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At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Dividends on financial assets at fair value through profit or loss and fair value through other comprehensive income are recognized in profit or loss as part of revenue when the group's right to receive payments is established.

Interest income from financial assets at fair value through profit or loss is included in the net gains/(losses). Interest on other financial assets are calculated using the effective interest method and recognized in profit or loss as interest.

Details on how the fair value of financial instruments is determined are disclosed in note 9.

Impairment

For accounts receivables and contract assets, the lifetime credit loss is recognized upon initial recognition of the asset. For other debt instruments, twelve months estimated credit loss is recognized upon initial recognition. When a significant increase in the expected credit loss is observed, lifetime credit losses is estimated and recognized.

Derivatives and hedging activities

Derivatives are initially recognised at fair value on the date that a derivative contract is entered into, and they are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged. The group designates certain derivatives as either:

- hedges of the fair value of recognized assets or liabilities or a firm commitment (fair value hedges)
- hedges of a particular risk associated with expected future cash flows (cash flow hedges), or
- hedges of a net investment in a foreign operation (net investment hedges).

At inception of the hedge relationship, the group documents the economic relationship between hedging instruments and hedged items, including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The group documents its risk management objective and strategy for undertaking its hedge transactions.

The fair values of derivative financial instruments designated in hedge relationships are disclosed in note 9. Movements in the hedging reserve in shareholders' equity are shown in note 9. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income and accumulated in reserves in equity. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss within other income or other expense.

Amounts accumulated in equity are reclassified to profit or loss through other comprehensive income in the periods when the hedged item affects profit or loss (for instance when the hedged interest rate payment that is hedged takes place). The gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings is recognized in profit or loss within 'finance costs'.

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognized when the forecast transaction is ultimately recognized in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately reclassified to profit or loss.



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Net investment hedges

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges.

Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognized in other comprehensive income and accumulated in reserves in equity. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss within other income or other expenses.

Gains and losses accumulated in equity are reclassified to profit or loss when the foreign operation is partially disposed of or sold.

Derivatives that do not qualify for hedge accounting

Certain derivative instruments may not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognized immediately in profit or loss and are included in net other financial income and expenses.

Property, plant and equipment

Property, plant and equipment is 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 unless it is defined as day-to-day maintenance. The carrying amount of any component accounted for separately is derecognized when replaced. Day-to-day repairs and maintenance are charged to profit or loss as they are incurred.

The depreciation methods and periods used by the group are disclosed in note 6.

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 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 proceeds with carrying amount. These are included in profit or loss.

Intangible assets

Goodwill

Goodwill is recognized and measured as described above in the note for business combinations. Goodwill is not amortized but tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

Licenses and customer contracts

Separately acquired trademarks and licenses are shown at historical cost. Trademarks, licenses and customer contracts acquired in a business combination are recognized at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortization and impairment losses.

Amortization methods and periods

Refer to note 7 for details about amortization methods and periods used by the group for intangible assets.



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Trade and other payables

Trade payables represent liabilities for goods and services provided to the group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at nominal value unless there is a significant financing component, when fair value is used, and subsequent measurement is by use of the effective interest method.

Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss as other income or finance costs.

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.

Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowing costs are expensed in the period in which they are incurred.

Provisions

Provisions for legal claims and make good obligations are recognized when the group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.

Employee benefits

Short-term obligations

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 recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts



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expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet. The Group's companies have made contributions to local pension plans. These contributions have been made to the pension plan for full-time employees and as a percentage of the employee's salary. The pension premiums are charged to expenses as they are incurred.

Pension obligations

A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. The company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Termination benefits

Termination benefits are payable when employment is terminated by the group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The group recognizes termination benefits at the earlier of the following dates: (a) when the group can no longer withdraw the offer of those benefits; and (b) when the entity recognizes costs for a restructuring that is within the scope of IAS 37 and involves the payment of terminations 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 present value.

Contributed equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Dividends

A provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

Statement of cash flows

The Group presents the statement of cash flows using the indirect method. Cash inflows and outflows are shown gross for investing and financing activities. Cash flows from operating activities are arrived at by removing income and charges related to investments and financing activities, as well as adjusting for net working capital and non-cash transactions. Interest and dividends received are presented as investment activities, Interest and dividends paid are presented as financing activities.



1. Significant estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of asset or liability affected in future periods.

Business combinations

Colombo Investment Holdings Limited acquired Colombo Høiico Limited on 27 March 2019, in which acquired Ørent Holdings AS through Colombo Bido Limited on 14 March 2019 for a total consideration of NOK 5,278.6 million. The results of the acquisition accounting performed for the transaction is disclosed below. Management have made estimates relating to the fair value of the assets and liabilities acquired. NOK 4,851.3 million of fair value adjustments were recorded in 2019.

The business plans used for the valuations are in line with the segment business plans of the group and reflect management expectations as at the closing date. The annual growth rate applied is in line with management expectations as at the closing date.

There are no contingent consideration or liability relating to the acquisition of Ørent Holdings AS through Colombo Bido Limited.

Impairment of non-financial assets

An impairment exists when the carrying value of an asset or CGU exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget and progress for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is most sensitive to the discount rate used for the DCF model as well as the expected future cash inflows and the growth rate used for extrapolation purposes. The key assumptions used to determine the recoverable amount for the different CGUs, including a sensitivity analysis, are disclosed and further explained in Note 6.

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

The losses recognised relates to subsidiaries that have a history of losses, do not expire, and may not be used to offset taxable income elsewhere in the Group. Even so, based on the progress for the individual subsidiaries, the Group has determined that it can recognise deferred tax assets on the tax losses carried forward. The tax losses carried forward recognised as part of deferred tax asset is related to the US subsidiary Tampnet INC, and is, in all material respects, related to the three prior years of operating losses. The operating losses suffered in the three prior years is, for the most part, related to start-up costs in relation to the acquisition of Øreopant. As the Group extends its coverage in the GoM, the tax loss carried forward is expected to be utilised during the coming year. Consequently, the valuation is dependent on future profits.

There is no tax loss carried forward that is not recognised.

2. Business combination

Summary of acquisition

The Group was established on 27 March 2019 when 2i Infrastructure PLC and Arbejdsmediets Tilgjørselsring made an acquisition of all shares in Ørent Holding AS through the acquisition of Colombo Bido Limited.

Acquisition of subsidiary

For the period ended 31 December 2019, Colombo Investment Holdings Limited and its subsidiaries contributed revenue of NOK 608,227 thousand and loss of NOK -238,279 thousand. If the acquisition had occurred on 1 January 2019, management estimates that consolidated revenue would have been NOK 811,770 thousand, and consolidated loss for the year would have been NOK -421,281 thousand. In determining these amounts, management has assumed that the fair value adjustments, determined provisionally and now are final, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2019.

Acquisition-related costs

The Group incurred acquisition-related costs of NOK 105,188 thousand on legal fees and due diligence costs. These costs have been included in "other operating expenses".

Purchase consideration - cash outflow

The following table summarises the outflow of cash related to the acquisition. There is no contingent consideration in this transaction and there were no contingent liabilities assumed.

NOK	27.03.2019
Outflow of cash to acquire subsidiary, net of cash acquired	
Cash consideration	5,278,600,000
Less: Balances acquired Cash	100,000,000
Net outflow of cash - investing activities	5,172,100,000

Identifiable assets acquired and liabilities assumed

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition.

NOK	27.03.2019
Customer relationships	3,652,100,000
Licenses	83,206,187
Communication equipment	1,036,557,815
Right of use asset	345,232,281
Other current assets	206,686,666
Cash and cash equivalents	100,000,000
Total assets	6,419,832,951
Deferred tax	267,144,622
Advance payment from customers	200,070,201
Leasing liability	345,232,281
Liabilities to financial institutions	1,438,400,000
Short-term debt to group company	642,100,000
Other short-term liabilities	234,762,647
Total liabilities	3,126,752,281
Total identifiable net assets acquired	3,293,080,670

Measurement of fair values

The valuation techniques used for measuring the fair value of material assets acquired were as follows:

Customer contracts/relationships:

Tampnet has over time invested in a high capacity, resilient and low latency communication infrastructure. Consequently, the relevant market is associated with high barriers to entry for competitors. The fair value of Tampnet's customer contracts/relationships are calculated to NOK 3,652.1 million. North Sea, GoM and International Center's customer contracts/relationships are calculated to NOK 2,817.7 million, NOK 746.5 million and NOK 84.2 million respectively.

The fair value is calculated by using the multi-period excess earnings method. The calculations are based on revenues related to the forecasted revenues from the Company's existing contracts/customers.

Fiber cables:

Cost approach supports a value for fixed assets in the interval from NOK 882.6 million to NOK 1,204.6 million. As the book value is within the calculated interval, the fair value is assumed to equal the book value.

Licenses:

The fair value for licenses is assumed to equal the book value of the selling company of NOK 83.2 million.

Accounts receivables:

Accounts receivable was assumed at 102.8 million NOK. There was immaterial differences between this and face value of the receivables.

Other:

For remaining assets and liabilities fair values are assumed to equal to book values in the selling company.

Goodwill

Goodwill arising from the acquisition has been recognised as follows:

NOK	
Consideration transferred	5,278,600,000
Fair value of identifiable net assets	1,784,400,000
Goodwill	3,494,200,000

The total adjustments result in a residual goodwill of NOK 3,494.2 million. The goodwill reflects synergies, economies of scale, geographic presence and Tampnet's leading market position.

Deferred tax liabilities are increased with NOK 767.9 million, reflecting the fair value adjustments. This adjustment is based on the blended tax rate in each segment separately.

If management's assessment that the operating segments represent the lowest level at which the goodwill is monitored for internal management purposes is accordance with IAS 36.06. The total goodwill of 3,494.2 million NOK is allocated to the different segments like this:

Allocated goodwill to the segments:

NOK	
Corporate level goodwill	2,767,800,000
North Sea Goodwill	557,100,000
Gulf of Mexico (GoM)	210,600,000
International center	16,800,000
Goodwill	3,552,300,000



3. Revenue

Reporting segments	NOK	2020	2019
North Sea		678 677 672	480 964 628
Off of Mexico		113 275 060	81 882 237
Carrier		22 811 740	31 284 646
Total		814 764 472	594 131 511
Geographical region	NOK	2020	2019
United Kingdom		473 667 665	330 155 436
Norway		164 657 610	132 043 029
USA		136 816 026	85 038 521
Netherlands		64 536 032	47 660 830
Sweden		2 166 671	1 384 736
Denmark		27 688 117	2 238 918
Other		348 640	278 752
Total		814 764 472	608 827 406
Timing of revenue recognition	NOK	2020	2019
Services transferred at a point in time		-	-
Services and services transferred over time		814 764 472	608 827 406
Total		814 764 472	608 827 406

4. Other income/expenses

4.1 Payroll expenses

Employee benefit expense during the year	NOK	2020	2019
Wages and salaries		117 404 414	66 500 696
Social security costs		16 071 038	10 764 403
Pension cost		5 623 014	6 704 614
Board fees		1 387 445	364 638
Other personnel cost		7 618 487	6 642 704
Total		148 114 398	91 366 817
Monthly average number of people (including executive directors) employed:		2020	2019
Carrier		4	3
North Sea		44	36
Off of Mexico		28	28
Group		30	36
Overall		1	1
Total		116	107

No loans or securities have been granted to the Chairman of the Board, CEO or other related parties.

4.2 Other operating expenses

Operating expenses	NOK	2020	2019
Office expenses		5 026 460	6 867 400
Travel expenses		3 679 111	5 615 402
Consultant fees		22 340 800	28 415 023
Transaction related fees		-	105 187 521
Other operating expenses		16 778 880	3 089 888
Total other operating expenses		47 784 478	142 115 334

* fees to the elected auditor is included in consultant fees, reference is made to the table below.

Expensed audit fees, excl. VAT	NOK	2020	2019
Fees payable to the company's auditors and its associates for the audit of parent company and consolidated financial statements		1 678 702	1 753 268
Fees payable to company's auditors and its associates for other services:		-	-
Audit-related attestation services		11 190	434 201
Tax compliance services		1 466 672	678 155
Other services		49 008	269 224
Total		3 196 672	3 134 848



5. Income taxes

This note provides an analysis of the group's income tax credit, and shows what amounts

The major components of income tax credit for the years ended 31 December 2020 are:

Consolidated statement of profit or loss	2020	2019
Current income tax:		
Current income tax charge	17 294 860	50 611 258
Adjustment in respect of current income tax of previous year	505 127	-
Total current tax charge	17 799 987	50 611 258
Deferred tax:		
Relating to origination and reversal of temporary differences	-65 866 369	-65 067 110
Adjustment in previous years	5 177 776	-
Impact of changes in tax rate	55 328	740 044
Total deferred tax credit	-60 633 264	-64 327 066
Income tax income reported in the statement of profit or loss	-42 833 277	-13 945 808

Consolidated statement of comprehensive income

Deferred tax related to items recognised in other comprehensive income during the year:

Cash flow hedges	2 108 383	-
Investment hedges	8 132 664	-2 012 634
Income tax recognised in other comprehensive income	8 132 664	80 408

A reconciliation between tax income and the product of accounting profit multiplied by UK's domestic tax rate for the years ended 31 December 2020 is as follows:

	2020	2019
Accounting loss before tax	-808 508 876	-652 324 716
At UK's statutory income tax rate of 19% (2020 and 2019)	-96 616 680	-104 941 687
Adjustments in respect to current income tax of previous years	505 127	-
Other non-deductible expenses	7 367 038	22 204 255
Difference in Norwegian, Dutch & US tax rate (22%, 25% & 21% vs. UK (19%))	4 908 033	-2 688 506
Group relief UK	50 670 690	71 118 386
Effect of change in tax rate	55 328	-
Other differences	1 664 237	658 724
Calculated income taxes recognised in profit and loss	-42 833 277	-13 945 808
Income taxes recognised in other comprehensive income	8 132 664	80 408
Total income tax recognised in profit and loss and other comprehensive income	-34 700 614	-13 865 399

Changes to the UK corporation tax rate were substantively enacted as part of Finance Bill 2016 (on 8 September 2016). These changes included a reduction in the main rate to 17% from April 2020. In March 2020, the UK Government substantively enacted by a resolution under the Provisional Collection of Taxes Act 1968 to cancel the reduction in corporate tax rate, from 1 April 2020, and maintain the rate at 19%. Deferred taxes at the balance sheet date, in relation to UK companies, continue to be measured using tax rates enacted as at the balance sheet date (19%). In the Spring Budget 2021, the Government announced that from 1 April 2023 the standard rate of corporation tax will increase to 25%. Since the proposal to increase the main corporation tax rate to 25% had not been substantively enacted at the balance sheet date, its effects are not included in these financial statements.

Deferred tax	2020	2019
Deferred tax relates to the following:		
Fixed assets & intangibles	-4 283 630 540	-4 488 050 884
Basis for deferred tax liability	-4 283 630 540	-4 488 050 884
Deductible on paid basis (defined contribution scheme)	71 364	-
Derivatives	64 678 113	-
Other differences	273 630 060	-
Total temporary differences	-3 655 417 963	-4 488 050 884
Deferred tax liability recognised in the balance sheet	-808 714 778	-852 918 688
Losses available for offsetting against future taxable income	288 713 224	255 047 622
Basis for deferred tax asset	288 713 224	255 047 622
Deferred tax asset recognised in the balance sheet	67 765 860	48 458 165
Deferred tax liabilities net recognised in the balance sheet	-740 948 918	-804 460 523
Not included in the basis for deferred tax	-246 035 604	-
Basis for deferred taxes	-3 915 746 240	-4 234 022 662
Deferred tax (19.3%)	-740 948 918	-804 460 523
Deferred tax recognised in the balance sheet	-740 948 918	-804 460 523
	0	0
Reconciliation of deferred tax liabilities net	2020	2019
Opening balance	-804 460 523	-
Deferred taxes acquired in business combinations	-	267 666 652
Adjustment in previous years	-5 177 776	-
Tax income during the period recognised in profit or loss	65 866 369	65 067 110
Currency translation adjustment	-9 366 852	-
Tax income during the period recognised in other comprehensive income	8 132 664	80 408
Impact of change in tax rate	55 328	-740 044
Other charges	-	-1 741 687
Closing balance	-740 948 918	-804 460 523



6. Tangible non-current assets

	Fibre optic cables and communication media	Furniture, fixtures and machinery	Right of use asset	Total
At 31 December 2020				
Operating net book amount	1 203 615 867	8 635 762	337 323 546	1 549 575 175
Additions	200 284 612	2 610 672	26 303 368	329 198 652
Disposals	262 426	313 213	-	575 639
Exchange rate differences	-3 703 820	1 441 624	2 767 673	-500 523
Depreciation	160 783 448	2 626 010	67 187 143	230 596 601
Closing net book amount	1 343 788 864	9 448 836	301 267 747	1 654 505 447
At 31 December 2019				
Cost	2 129 008 807	21 676 861	368 484 886	2 519 170 554
Accumulated depreciation	726 218 942	12 122 426	67 187 143	805 528 511
Net book amount	1 343 788 864	9 448 836	301 267 747	1 654 505 447
Depreciation method	Straight line	Straight line	Straight line	
Years	6-12 yrs	3-6 yrs	3-10 yrs	
At 31 December 2018				
Operating net book amount	-	-	-	-
Acquired through business combinations 27 March 2018	1 643 466 476	12 007 336	345 232 281	1 999 706 093
Additions	348 622 773	3 803 612	36 126 868	388 553 253
Disposals	2 187 116	-	-	2 187 116
Exchange rate differences	-4 286 008	-4 484 766	3 182 746	-5 588 028
Adjustments future cash flow	-	-	-	-
Depreciation	131 634 940	2 880 422	47 238 046	181 753 408
Closing net book amount	1 238 615 867	8 635 761	337 323 546	1 584 575 175
At 31 December 2018				
Cost	1 385 600 067	11 616 183	304 651 868	1 701 868 118
Accumulated depreciation	131 634 940	2 880 422	47 238 046	181 753 408
Net book amount	1 238 615 867	8 635 761	337 323 546	1 584 575 175
Depreciation method	Straight line	Straight line	Straight line	
Years	6-12 yrs	3-6 yrs	3-10 yrs	

	2020	2019
Right of use asset		
Offices	14 224 773	22 766 630
Regulatory licenses	88 637 415	83 671 670
Collection	163 436 861	223 655 136
Total	301 267 747	337 323 546
Lease liabilities		
Current	76 771 807	70 882 676
Non-current	236 008 643	273 143 888
Total	312 780 450	344 026 564

	2020	2019
Depreciation charge of right-of-use assets		
Offices	4 805 962	4 552 487
Regulatory licenses	10 419 103	7 761 242
Collection	61 671 738	34 866 217
Total	67 187 143	47 238 046

The total cash outflow for leases in 2020 was 78.8m NOK, while it for 2019 was 104m NOK.

	2020	2019
Movement in borrowing cost, included in fibre optic cables		
Opening balance		22 638 616
Acquired through business combinations 27 March 2018		8 225 475
Additions	16 618 806	16 618 374
Depreciation	2 346 682	1 500 331
Outgoing balance	34 217 426	22 638 616
Movement in assets under construction, included in fibre optic cables		
Opening balance	306 607 194	-
Acquired through business combinations 27 March 2018	-	156 171 188
Additions	200 284 612	407 446 328
Transfer to fixed assets	-186 886 423	-167 305 126
Exchange rate differences	-4 131 612	1 489 804
Outgoing balance	401 073 619	306 607 194

7. Intangible assets

	Customer relationships and customer contracts	Goodwill	Licenses	Total
At 31 December 2020				
Operating net book amount	3 618 612 049	3 480 686 448	64 144 062	7 083 702 559
Exchange rate differences	-17 616 200	-6 101 613	-787 624	-24 505 437
Amortisation charge	-126 201 447	-	-17 721 028	-143 922 475
Closing net book amount	3 316 245 403	3 483 884 835	45 635 410	6 825 705 653
At 31 December 2019				
Cost	3 650 612 370	3 483 884 835	63 600 228	7 208 097 433
Accumulated amortisation and impairment	334 666 967	-	18 635 616	353 302 583
Net book amount	3 316 245 403	3 483 884 835	45 635 410	6 825 705 653
Depreciation method	Straight line	None	Straight line	
Years	6-20 yrs		16-20 yrs	
Year-end 31 December 2018				
Operating net book amount	3 636 726 786	3 484 260 000	63 386 187	7 184 262 973
Additions	-	-	14 492 874	14 492 874
Exchange rate differences	21 244 981	5 766 448	-	27 011 429
Amortisation charge	-138 208 627	-	-3 705 800	-141 914 427
Closing net book amount	3 519 612 049	3 486 066 448	64 144 062	7 029 722 559
At 31 December 2018				
Cost	3 657 670 677	3 486 066 448	67 846 071	7 226 816 466
Accumulated amortisation and impairment	138 208 627	-	3 705 800	141 914 427
Net book amount	3 519 612 049	3 486 066 448	64 144 062	7 029 722 559
Depreciation method	Straight line	None	Straight line	
Years	6-20 yrs		16-20 yrs	



8. Goodwill

Goodwill acquired through business combinations are allocated to four OGUs, for

		31.12.2020	31.12.2019
OGUs	NOK	Carrying amount	Carrying amount
Corporate level		2 701 688 027	2 701 688 027
North Sea		657 100 000	657 100 000
Gulf of Mexico		216 366 448	222 366 261
International center		12 805 000	12 805 000
Total		3 403 854 525	3 403 854 525

Specified below is the split of goodwill on relevant OGUs on the date of the business acquisition. The only change in carrying values until the balance sheet date is related to translation of goodwill balances nominated in USD (Gulf of Mexico).

Corporate level:

This represents the value of head office assembled workforce and other goodwill (residual) that is not possible to allocate to segments. Functional currency NOK as NOK is the dominating functional currency within this segment.

North Sea:

This equals to assembled workforce fair value allocated to the segment and technical goodwill from deferred tax on fair value adjustments for the segment. Functional currency NOK as NOK is the dominating functional currency within this segment.

Gulf of Mexico:

This equals to assembled workforce fair value allocated to the segment and technical goodwill from deferred tax on fair value adjustments for the segment. Functional currency is USD as USD is the dominating currency within this segment.

International center:

This equals to assembled workforce fair value allocated to the segment and technical goodwill from deferred tax on fair value adjustments for the segment denominated in NOK functional currency as this is the functional currency within this segment.

Impairment testing

The Group tests whether goodwill has suffered any impairment on an annual basis. The recoverable amount of a cash generating unit (CGU) is determined based on fair value calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by the Board for the following year, and projections approved by management for the subsequent five years.

A weighted average cost of capital (WACC) of 7.2% has been applied based on observable market information and assessment of inherent risk in the group future cash flows.

It is assumed 2% growth in the terminal value calculation applying Gordon's growth formula. This is based on Tampref's expectations on the future revenue.

Sales volume is based on past performance and management's expectations of market development.

Budgeted EBITDA-margin is based on past performance and management's expectations for the future.

Discount rates reflect the specific risks relating to the relevant segments and the countries in which they operate.

Sensitivity to changes in assumptions (amounts in NOK million)

The tables below shows the change in headroom at 31.12.2020 for a combination of scenarios for WACC, change in EBITDA-margin and change in revenue growth.

Change in EBITDA margin (pp)	WACC				
	5,0 %	6 %	7 %	8 %	9 %
2,5 %	3 259,3	3 779,3	4 325,6	4 907,8	5 528,8
0,0 %	2 231,9	2 702,4	3 201,3	3 730,6	4 292,5
-2,5 %	1 718,2	2 165,1	2 639,1	3 142,0	3 675,8
-5,0 %	1 204,5	1 627,9	2 076,9	2 553,3	3 059,1

Change in rev. growth (pp)	WACC				
	4,0 %	5 %	6 %	7 %	8 %
2,0 %	3 590,4	4 128,3	4 698,8	5 304,0	5 946,6
0,0 %	2 231,9	2 702,4	3 201,3	3 730,6	4 292,5
-2,0 %	942,2	1 348,7	1 779,7	2 237,0	2 722,4
-4,0 %	281,1	64,8	431,5	820,6	1 233,5

9. Financial assets and financial liabilities

9.1 Financial assets

		31.12.2020	31.12.2019
Financial assets at amortised cost:	NOK		
Accounts and other receivables		285 116 295	180 345 657
Unbilled revenue		3 610 485	4 012 661
Total financial assets at amortised cost		282 726 779	173 361 218
Total current		282 726 779	173 361 218
Total non-current		-	-

9.2 Financial liabilities

		31.12.2020	31.12.2019
Derivatives designated as hedging instruments:	NOK		
Interest rate swaps		83 330 633	6 632 676
Other financial liabilities at amortised cost, other than interest-bearing loans and borrowings:		208 104 171	187 012 644
Trade and other payables:		261 434 865	204 045 619
Total other financial liabilities		261 434 865	204 045 619
Total current		261 434 865	204 045 619
Total non-current		-	-

Derivative designated as hedging instruments reflect the change in fair value of interest rate swaps, designated as cash flow hedges to hedge the future interest payments.

9.3 Interest-bearing loans and borrowings

Borrower	Dated	Currency	31.12.2020		Final maturity	Interest rate
			Balance in currency	Balance in NOK		
Columbo Bæco Limited	07.10.2018	NOK	735 000 000	735 000 000	01.10.2024	NIBOR + 2,35%
Columbo Bæco Limited	07.10.2018	GBP	111 379 826	1 267 165 144	01.10.2024	LIBOR + 2,35%
Columbo Bæco Limited	07.10.2018	EUR	44 226 000	463 310 776	01.10.2026	Fixed - 2,50%
Columbo Bæco Limited	07.10.2018	GBP	27 100 000	315 612 026	01.10.2026	Fixed - 3,25%
Columbo Bæco Limited	07.10.2018	GBP	15 000 000	174 663 000	01.10.2026	Fixed - 3,47%
Columbo Bæco Limited	07.10.2018	USD	20 000 000	170 662 000	01.10.2026	Fixed - 4,14%
Columbo Bæco Limited	07.10.2018	USD	10 000 000	85 300 000	01.10.2026	Fixed - 4,32%
Columbo Bæco Limited	07.10.2018	GBP	5 000 000	58 221 000	01.10.2026	LIBOR + 2,65%
Columbo Bæco Limited	07.10.2018	GBP	5 000 000	58 221 000	01.10.2026	LIBOR + 2,75%
Columbo Bæco Limited	23.07.2020	USD	10 000 000	162 118 400	01.10.2024	LIBOR + 2,35%
Columbo Håsko Limited	13.03.2018	NOK	1 103 260 284	1 103 260 284	01.03.2024	Fixed - 10%
Columbo Håsko Limited	13.03.2018	NOK	2 750 266 855	2 750 266 855	01.03.2024	Fixed - 10%
				7 463 970 474		
Amortised debt expenses				23 666 876		
Carrying value				7 440 303 598		



	31.12.2020	31.12.2019
Zeroed loan	7 440 304 585	6 870 827 770
Total non-current interest-bearing loans and borrowings	7 440 304 585	6 870 827 770
Total interest-bearing loans and borrowings	7 440 304 585	6 870 827 770
Movement in interest-bearing loans	2020	2019
Opening balance	6 870 827 770	-
Loans obtained through business combinations	-	1 430 400 000
Loans obtained to finance business combinations and asset purchase	174 208 300	9 802 296 414
Repayment	-	-4 034 692 490
Amortised debt expenses	6 827 282	-
Interest expense added to loan balance	374 631 736	-
Currency effect recognised in profit and loss	13 852 482	54 664 835
Net investment hedge recognised through OCI	-	10 630 220
Outgoing balance	7 440 304 585	6 870 827 770
Long term portion	7 440 304 585	6 870 827 770
Short term portion	-	-
Total	7 440 304 585	6 870 827 770
Movement in amortised loan fees		
Opening balance	30 183 167	-
Balance to finance business combinations	-	75 586 250
Amortisation (included in interest expenses) before refinancing	-	2 330 061
Expensed through P&L related to refinancing October 2019	-	67 264 174
New loan fees obtained through refinancing October 2019	-	32 101 418
Amortisation (included in interest expenses) after refinancing	6 827 282	1 905 251
Outgoing balance	23 666 878	30 183 167
Movement in leasing liability		
Opening balance	344 006 544	-
Liability acquired through business combination	-	340 232 281
New agreements	28 383 368	36 136 568
Payments	-62 371 151	-41 646 330
Currency effect recognised in profit and loss	4 698 698	572 550
Currency effect translation through OCI	-	3 214 810
Outgoing balance	314 718 458	344 006 544
Interest expense recognised for the lease liability	16 450 286	14 230 859
Total cash outflow for finance leases	-	60 511 252
Movement in debt to parent company		
Opening balance	3 671 188 063	-
Loans obtained to finance business combinations and asset purchase	-	3 301 180 810
Other charges without cash-effect	-2 130 165	-
Interest accumulated	374 631 736	270 007 744
Outgoing balance	3 643 689 534	3 671 188 063
Net debt recognition		
Operating balance	6 870 827 770	6 870 827 770
Movement in the period	555 264 554	62 371 151
Acquisitions - finance leases and operating lease incentives	-	28 383 368
Foreign exchange adjustments	13 852 482	4 068 698
Net debt as at 31 December 2020	7 440 304 585	7 528 442 893

Covenants

The covenants are calculated on the Group's consolidated numbers. The relevant covenants are:

Name	Definition	Ratio 31.12.2020	Ratio 31.12.2019
Interest Cover Ratio	EBITDA minus lease and operating lease interest payments / Net Finance Charges	Above 1.35	Above 1.35
Leverage ratio	Total net debt / EBITDA	Below 9.25	Below 9.25

As at 31.12.2020 the Group was in compliance with the relevant covenants.

The long-term loan is secured by pledges:

	NOX	Carrying value 31.12.2020	Carrying value 31.12.2019
Parent (Colombo Holdco Limited)			
Security agreement over the shares of the Company held by the Parent		1 100 711 405	1 140 082 021
Security agreement over the Parent's rights under any shareholder loans made to the Company (Colombo BidCo Limited)		-	-
Defective competing security interests over the shares of Tampnet UK Limited, Material Receivables, Bank accounts and floating charge over all of its assets.		7 728 134 819	11 011 556 343
Pledge over the shares of Brent Holding AS held by the Company		1 700 005 807	-
Security agreement over shares of Colombo US Bidco Inc. held by the Company		640 628 850	640 628 850
Tampnet UK Limited			
Defective competing security interests over the shares of Tampnet UK Limited, Material Receivables, Bank accounts and floating charge over all of its assets.		872 894 241	1 065 473 549
Colombo US Bidco Inc.			
All assets security agreement		1 114 674 802	872 334 668
Pledge agreement over the shares of Tampnet Inc. held by Colombo US Bidco Inc.		1 107 072 271	872 266 850
Tampnet Inc.			
All assets security agreement		537 000 436	427 434 070
Brent Holding AS			
Share charge over the shares in Tampnet AS held by Brent Holding AS		1 054 626 222	744 680 622
Security agreement in respect of Material Receivables, Bank accounts, floating charge over operating assets, inventory/stock in trade and account receivables.		194 370 696	600 738 483
Brent Invest AS			
Share charge over the shares in Tampnet AS held by Brent Invest AS		-	1 594 620 222
Security agreement in respect of Material Receivables, Bank accounts, floating charge over operating assets, inventory/stock in trade and account receivables.		-	285 207 705
Tampnet AS			
Notional deed of pledge of shares over the shares in Tampnet Netherlands B.V. held by Tampnet AS		4 742 300	4 742 300
Security agreement in respect of Material Receivables, Bank accounts, floating charge over operating assets, inventory/stock in trade and account receivables.		285 052 816	223 698 813
Tampnet Netherlands B.V.			
Security agreement in respect of bank accounts in Norway		-	-
Security agreement in respect of its rights under Material Receivables and bank accounts in the Netherlands		16 008 176	14 103 874



9.4 Financial instruments risk management objectives and policies

The Group's principal financial liabilities, other than derivatives, comprise loans and borrowings and trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include trade and other receivables, and cash and short-term deposits that arise directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. All derivative activities for risk management purposes are carried out by the Group's senior management, and it is considered they have the appropriate skills, experience and supervisor. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and signs policies for managing each of these risks, which are summarised below.

Market risk

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The Group's policy is to keep between 50% and 80% of its borrowings at fixed rates of interest. To manage this, the Group enters into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount.

	NOK	31.12.2020	31.12.2019
Nominal amount interest rate swaps		1 632 268 656	1 627 730 894
Principal borrowings outstanding		2 310 686 944	2 142 182 770
% of borrowings kept at fixed interest rate		71 %	76 %

Derivative instruments designated as cash flow hedges

In order to manage interest rate risk a portion of the debt may be swapped to fixed interest rate by using interest rate swaps. Cash flow hedge accounting is applied when hedge accounting criteria are met.

The table below shows the effects of the Group's cash flow hedges. The change in fair value of the hedging instrument recognised through OCI. Effectiveness testing is performed on an accumulated basis. There were no hedging ineffectiveness during the year presented.

	NOK	31.12.2020	31.12.2019
Hedging instruments		53 300 633	6 632 673
Fair value, included in other current liabilities			

Interest rate risk sensitivity analysis

Effects on changes in fair value

As the Group's financial liabilities are measured at amortised cost, except from the interest rate swaps, the only financial liability that will be affected by a change in the interest rate will be the interest rate swaps. The effect of the change, as the hedging is considered effective, will be recognised over OCI.

Exchange rate risk

The Group is exposed to changes in the value of NOK relative to other currencies. The carrying amount of the Group's net investments in foreign entities and proceeds from these investments varies with changes in the foreign exchange rate. The net income of the Group is also affected by currency fluctuations, as the profit and losses from foreign operations are translated into NOK using average exchange rates for the period. Exchange rate risk related to some net investments in foreign operations is partly hedged by obtaining loans in the currencies involved, when this is considered appropriate. Net investment hedge accounting is applied when possible. Exchange rate risk also arises when Colombo Investment Holdings Limited or any of its subsidiaries enter into transactions or holds monetary items denominated in other currencies than their own functional currency. The Group does not hedge these transactions.

Financial instruments designated as hedging instruments of net investment in foreign operations

The Group account for net investment hedge using the long-term loans obtained in the same currency as the foreign operations as a net investment hedge.

	NOK	2020	2019
Amount recognised in OCI as net investment hedge		42 803 467	-10 628 220

Foreign currency sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in the US dollar and British pound exchange rate, with all other variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities and presentation currency NOK). The Group's exposure to foreign currency changes for all other currencies is not considered material.

2020	NOK	Change in rate	Effect on profit before tax		
			USD	GBP	EUR
2020		+10 %	11 600 755	35 360 781	869 636
		-10 %	-11 600 755	-35 360 781	-869 636
2019		+10 %	27 467 148	158 161 641	276 308 030
		-10 %	-27 467 148	-158 161 641	-276 308 030

The Group's exposure to foreign currency risk at the end of each reporting period, expressed in NOK, are as follows:

	NOK					Total
	USD	GBP	EUR	Other currencies		
31.12.2020						
Accounts receivables	8 528 418	43 745 282	12 385 110	1 832 583		66 012 417
Interest-bearing loans and borrowings	-418 097 400	1 609 072 164	-463 310 276	-		2 782 206 340
Accounts payables	2 262 265	3 362 623	5 156 610	333 764		11 114 777
Interest rate swaps	10 701 211	8 143 643	23 826 628	-		42 670 238
Cash and cash equivalents	23 626 350	86 283 610	10 724 618	5 806 028		128 680 976
31.12.2019						
Accounts receivables	26 638 285	36 638 606	13 128 122	188 793		76 651 729
Interest-bearing loans and borrowings	-263 408 600	1 855 110 293	2 026 170 101	-		6 084 680 304
Accounts payables	5 144 262	1 204 372	6 686 280	884 358		13 872 289
Interest rate swaps	12 783 006	8 614 723	-8 976 588	-		6 427 739
Cash and cash equivalents	20 287 820	86 687 076	4 831 514	1 490 623		113 897 067

Price risk

The Group is not exposed to any significant price risk in relation to its financial instruments.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily for trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Trade receivables

Classification as trade receivable

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and are therefore all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, in which case they are recognised at fair value. The group holds the trade receivables with the objective of collecting the contractual cash flow, and so it measures them subsequently at amortised cost using the effective interest method. Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of the customer is assessed on an individual basis. The Group's customers are primarily either well established international or national companies, or joint ventures thereof.

Fair value of trade receivable

Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value.

Impairment of trade receivable

The group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. The expected loss rates are based on the payment profiles of sales and the corresponding historical credit losses experienced within the relevant period.

To measure the expected credit losses, trade receivables and unbilled revenue assets have been grouped based on shared credit risk characteristics and the days past due. They have substantially the same risk characteristics as the trade receivables for the same types of contracts. The group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the unbilled revenue.

	31.12.2020	31.12.2019
Number of customers owing more than NOK 500 000		
Aggregated amount owed by the customers owing more than NOK 500 000	84 430 121	102 296 824
Trade receivables total	104 230 858	108 720 074
% outstanding to customers owing more than NOK 500 000	80.6 %	94.0 %

The following table sets forth details of the age of trade receivables of the Group:

	31.12.2020	31.12.2019
Total	104 230 858	108 720 074
Less provision for doubtful trade receivables	-2 887 161	-
Total trade receivables, net	101 343 696	108 720 074
Of which:		
Current	86 868 619	88 238 728
Past due less than 90 days	15 466 788	37 387 476
Past due more than 90 days	1 884 451	13 127 872
Total	104 230 858	108 720 074

Financial instruments and cash deposits

The bank institutions which the company holds cash with are rated as high grade by external credit agencies.

Liquidity risk

The Group actively holds cash on deposit and has access to revolving credit facilities that are designed to ensure that the Group has sufficient available funds for operations and planned expansions.

Group Management monitors rolling forecasts of the group's liquidity reserve on the basis of expected cash flows. In addition, the group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.



Financing agreements

The Group had access to the following undrawn borrowing facilities at the end of each reporting period:

	NOK	31.12.2020	31.12.2019
Secured loan, expiring beyond one year		1 037 850 600	1 200 000 000

The secured loan may be drawn at any time and expires together with the Group's financing October 2024.

The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date.

Contractual maturities of financial liabilities

	NOK					Total contractual cash flows
	31.12.2020	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	
Trade payables	24 230 250	-	-	-	-	24 230 250
Borrowings, including interest*	136 210 401	131 606 126	8 468 873 279	1 431 888 864	10 167 787 342	10 167 787 342
Lease liabilities, including interest	77 700 467	79 729 381	127 837 378	83 110 617	-	364 082 264
Other short-term liabilities	229 318 265	-	-	-	-	229 318 265
Total financial liabilities	467 459 483	287 334 516	8 596 110 652	1 515 013 560	-	10 785 908 223

	NOK					Total contractual cash flows
	31.12.2019	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	
Trade payables	26 140 244	-	-	-	-	26 140 244
Borrowings, including interest*	121 657 030	121 325 436	8 111 368 648	1 418 441 011	6 789 785 835	6 789 785 835
Lease liabilities, including interest	138 570 448	279 003 422	222 474 467	142 814 103	-	783 082 439
Other short-term liabilities	174 708 265	-	-	-	-	174 708 265
Total financial liabilities	469 132 294	400 628 866	8 333 843 115	1 571 935 114	-	10 753 739 383

*For shareholder loans: refer table in section 8.2). The Group has the right to postpone payments of loans and interest until final maturity. As such, these borrowings have been included in the maturity interval between 2 and 5 years in the table.

9.5 Fair values

The fair value of trade and other payables, trade and other receivables, cash and cash equivalents, and revolving credit facilities approximates to the carrying amount because of the short maturity of interest rates in respect of these instruments.

	NOK	31.12.2020	31.12.2019	31.12.2019
		Book value	Fair value	Fair value
Primary financial instruments held or issued to finance the Group's operations:				
Accounts receivable		101 343 686	101 343 686	102 750 074
Other receivables and unbilled revenue		101 303 023	101 303 023	64 606 144
Cash and cash equivalents		351 322 480	351 322 480	242 811 082
Accounts payable		24 280 820	24 280 820	26 140 244
Borrowings, including interest		7 440 204 858	7 463 074 474	6 870 087 778
Other liabilities		246 608 426	246 608 426	1 062 373 866

Capital management

The capital of the company is managed as part of the capital of the group as a whole.

The group's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders; and
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the group might adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

10. Cash and cash equivalents

	NOK	31.12.2020	31.12.2019
Cash at bank and in hand		347 425 826	236 121 669
Restricted cash		3 901 529	3 900 327

Restricted cash relates to withheld tax in Norwegian companies in addition to restricted cash in Tampnet Inc that is required for maintaining Competitive Local Exchange Center (CLEC) license.

11. Transactions with related parties

11.1 Parent entities

Other than the loans that have been obtained from 3X Tampnet Holdings Limited, Arbejdsmarkedets Tilægsspenning and Colombo Topco Limited with corresponding interest, there are no transactions with related parties.

	NOK	3X Tampnet Holdings Limited	Arbejdsmarkedets Tilægsspenning Limited	Colombo Topco Limited	31.12.2020
Transactions with related parties					
Long term loan		506 646 142	506 646 142	2 750 266 850	3 643 600 134
Net interest cost		-55 880 326	-55 880 326	-262 833 064	-374 631 736

	NOK	3X Tampnet Holdings Limited	Arbejdsmarkedets Tilægsspenning Limited	Colombo Topco Limited	31.12.2019
Transactions with related parties					
Long term loan		600 000 000	600 000 000	2 671 188 663	3 671 188 663
Net interest cost		-83 612 360	-83 612 360	-162 083 224	-270 007 744

The loans are subject to interest calculation according to the agreement which is based on transfer pricing regulations.

11.2 Key management personnel compensation

	NOK	2020	2019
Short-term employee benefits		18 606 225	24 686 265
Post-employment benefits		538 472	465 475
Total		19 144 697	25 063 680

11.3 Directors

	NOK	2020	2019
Applicable entitlements		1 587 445	483 630
Total		1 587 445	483 630

12. Share capital

The share capital of NOK 1 051 746 781 consists of 1 051 746 781 shares with a nominal value of NOK 1 each.

The shares consists of two share classes:

- Preference shares: 1 000 700 587 shares with nominal value of NOK 1 each
- Ordinary shares: 877 194 shares with nominal value of NOK 1 each

Ordinary shares holds the right to exercise fifty votes per share, while preference shares holds the right to exercise one vote per share. Ordinary- and preference shares have different dividend rights which are regulated in the company by laws.

87,04 % of the shares are owned by Colombo Topco Limited, whilst the remaining are owned by management.

The company has determined that the preference shares as detailed in note 12 do not contain features that cause the instrument not to meet the definition of an equity instrument. Both the common shares and the preference shares are only redeemable by the Company by resolution of the shareholders and therefore any decision to redeem either class of shares would be made by the shareholders acting in their role as decision makers for the Company in a General Meeting.

13. One-time charges

As described in the accounting principles, the one-time charges paid by customers are deferred in the balance sheet and recognised as revenue over the life of the contract. The below table shows the movement in the one-time charges:

	NOK	2020	2019
Current liabilities one-time charge, included in other current liabilities			
Opening balance		50 767 610	-
Acquired through business combinations 27 March 2019		-	48 864 851
Adjustments		-	3 748 981
Recognised as revenue during the year		56 263 404	-51 000 658
Reclassified from non-current liabilities		87 229 214	82 091 303
Effect of exchange rates		-129 406	-469 917
At 31 December		48 211 236	50 767 610
Non-current liabilities, included in deferred revenue			
Opening balance		230 084 754	-
Acquired through business combinations 27 March 2019		-	206 670 201
Reclassified to current liabilities		-87 323 710	-82 591 303
Paid one-time charges		68 788 677	86 328 885
Effect of exchange rates		1 800 412	-4 278 048
At 31 December		240 660 180	230 684 754



14. Finance income and costs

		2020	2019
Finance income	NOK	2020	2019
Foreign exchange gain		202 002 604	82 480 721
Other financial income		765 023	1 170 029
Finance income		202 817 628	83 650 750
Finance costs	NOK	2020	2019
Foreign exchange loss		330 741 678	127 673 402
Debt issuance costs and commitment fees		16 113 340	86 480 337
Realized loss on interest rate swaps		18 283 588	18 891 108
Other financial costs		26 212 282	16 612 836
Finance costs		410 451 348	239 964 677

15. Investment in subsidiaries

The group's subsidiaries at 31 December 2020 are set out below. Unless otherwise

Name of entity	Address of the registered office	Place of business/country of incorporation	Ownership interests held directly by the company %	Ownership interests held by the group %	Principal activities
Colombo Hidaco Limited	15 Palace street, London, UK	UK	100	100	Holding company
Colombo Hidaco Limited	15 Palace street, London, UK	UK	0	100	Group managing company
Colombo US Hidaco Incorporated	Corporation Trust Center, 1200 Orange street, USA	USA	0	100	Holding company
Tempnet UK Limited	1 Park Row, Leeds, UK	UK	0	100	UK operating company
Brent Holding AS	Johannesgaten 7, Stavanger, Norway	Norway	0	100	Holding company
Tempnet AS	Johannesgaten 7, Stavanger, Norway	Norway	0	100	Norway operating company
Tempnet Incorporated	Corporation Trust Center, 1200 Orange street, USA	USA	0	100	US operating company
Tempnet Licensee LLC	Corporation Trust Center, 1200 Orange street, USA	USA	0	100	Asset company
Tempnet Hidaco Incorporated	Corporation Trust Center, 1200 Orange street, USA	USA	0	100	Holding company
Tempnet USA LLC	Corporation Trust Center, 1200 Orange street, USA	USA	0	100	Holding company
Tempnet Telecom Do Brasil LTDA	Rua Lauro Müller, No. 116, 96.06 Jaraguá, Brazil	Brazil	0	100	Brazil operating company
Tempnet Servicios De Telecomunicaciones LTDA	Rua Lauro Müller, No. 116, 96.06 Jaraguá, Brazil	Brazil	0	100	Brazil asset company
Tempnet Netherlands B.V.	Hegmansched 20, The Netherlands	The Netherlands	0	100	Netherlands operating company
Tempnet Sweden AB	Näms Sparvstykkevägen 8 B, Skanör, Sweden	Sweden	0	100	Sweden operating company
Tempnet Canada Incorporated	130 Water street, St. John's, Canada	Canada	0	100	Canada operating company
Tempnet Overseas Pty	Level 1 29 Station street Subiaco, Australia	Australia	0	100	Australia operating company

All subsidiary undertakings are included in the consolidation. The company does not have any shareholdings in the preference shares of subsidiary undertakings included in the group.

Company

Investment in subsidiaries of NOK 1 150 711 405 refers to the ownership of Colombo Hidaco Limited. For details we refer to the table above.

16. Subsequent events

On March 20 2021 Tempnet closed the deal with BPT in acquiring BPT's 1200 km Off of Mexico deep water fibre network. After having received regulatory and governmental approvals, all documents were signed and the transaction completed at Tuesday March 30. The agreement with BPT was signed in July 2020. The contract is material and considered to have significant impact on 2021 financial statements.

17. Parent company and ultimate parent company

The immediate and ultimate parent undertaking is Colombo Topco Limited, which is jointly controlled by 3 Infrastructure plc and Arbejdsmarkedets Tilægspension (ATP). The largest group to consolidate these financial statements is Colombo Investment Holdings Limited.

The ultimate controlling parties are 3 Infrastructure plc and Arbejdsmarkedets Tilægspension (ATP).



Skattedirektoratet

Saksbehandler	Deres dato	Vår dato
Torstein Kinden Helleland	30.10.2014	07.11.2014
Telefon	Deres referanse	Vår referanse
22078139	Per Morten Torvildsen	2014/810909

BRENT HOLDING AS
Hinna Park - Stadion blokk C Jättåvågveien 7
4020 STAVANGER

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk

Vi viser til deres søknad av 30. oktober 2014 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for følgende selskaper;

Brent Holding AS org. nr. 998 622 719
Brent Invest AS org. nr. 998 622 735
Tampnet AS org. nr. 983 991 742

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering de overnevnte selskaper dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen forutsetter at 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

Brent Holding AS er morselskap til Brent Invest AS og Tampnet AS. Morselskapet til Brent Holding AS er Brent Infrastructure I BV som kontrolleres av equityfondet EQT. Konsernet driver innenfor telekommunikasjon ut til sokkel og har en strategi om å utvide til å bli en internasjonal tilbyder av disse tjenestene. Kundene er hovedsakelig oljeselskaper. Foruten aktiviteten i de norske selskapene nevnt ovenfor, har konsernet datterselskaper i Australia, Skottland og i USA. Selskapet opererer i en bransje hvor engelsk er det klart dominerende språket. Virksomheten er internasjonal og alle sentrale aktører og samarbeidspartnere innen denne bransjen behersker og benytter engelsk. Arbeidsspråket er engelsk. En norsk oversettelse vil kun ha til formål å oppfylle regnskapslovens språkkrav.

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.”*

Postadresse
Postboks 9200 Grønland
0134 Oslo

Besøksadresse:
Se www.skatteetaten.no
Org.nr: 996250318
E-post: skatteetaten.no/sendepost

Sentralbord
800 80 000
Telefaks
22 17 08 60



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.

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt særlig vekt på at selskapene inngår i et utenlandsk konsern. Eierkretsen er begrenset. Arbeidsspråket er engelsk. Videre er det vektlagt at selskapet driver virksomhet i en internasjonal bransje der alle aktører behersker og benytter engelsk språk.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Rune Tystad
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Torstein Kinden Helleland

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer