



# Company Presentation

February 2021



Part of the  Group

# NSSLGlobal today | Committed to delivering high-quality voice and data services to customers anywhere in the world



**GBP 73m**  
Revenue 2020 F



**GBP 16.5m**  
EBITDA 2020 F



**220**  
Employees

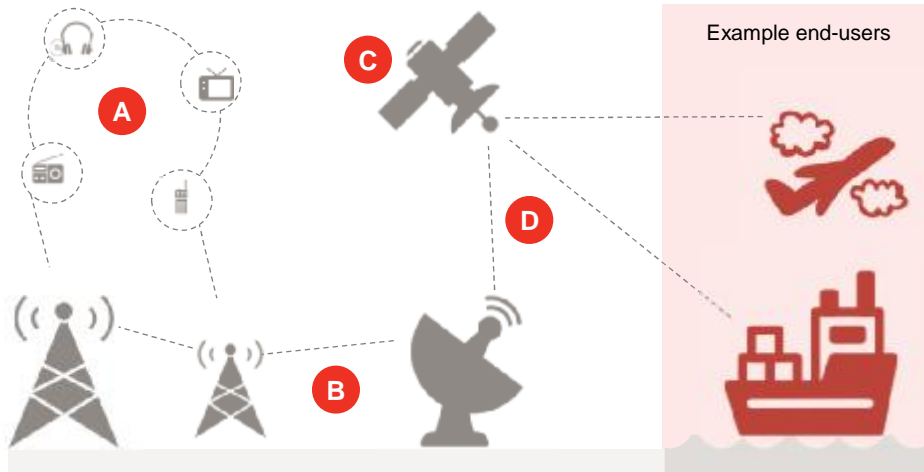


**13**  
Offices

# Satellites are unique in their ability to connect remote locations

Satellite is the “must-have” technology when no other connectivity solution is available

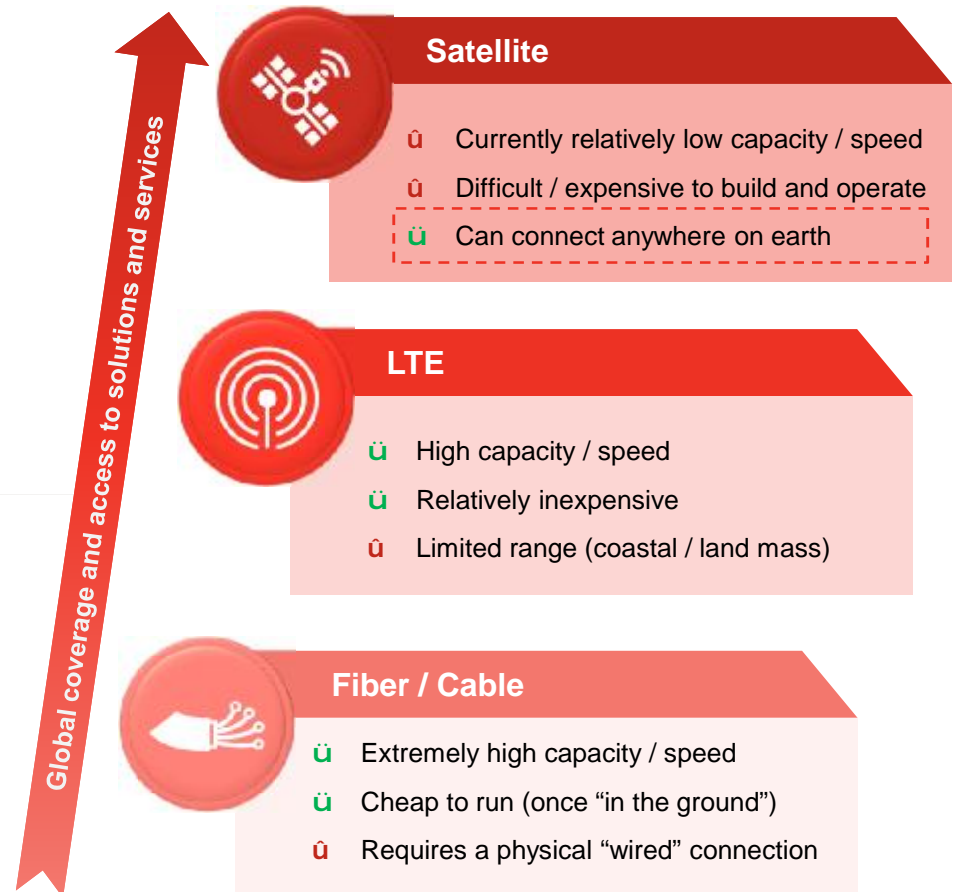
## Satellites act like big “mirrors” in the sky



Satellite companies operate and manage:

- A** Solutions and services
- B** Ground infrastructure
- C** Space infrastructure
- D** Spectrum rights

## Satellite's key attribute is its coverage





# NSSLGlobal: Leading independent provider of satellite communications and IT solutions

## Company description

- § Provides reliable and secure voice and data services for communication, crew welfare and connected operations, to predominantly maritime and military mobility markets
- § More than 50 years of experience in the maritime and military mobility markets
- § Brings together the best-in-class satellite solutions from key satellite operators to offer options across C-, L-, Ka- and Ku-band networks along with a hybrid LTE/Satellite solution
- § Partnerships with some of the largest MSS<sup>1</sup> and VSAT<sup>2</sup> satellite operators, including Inmarsat, Iridium, Thuraya, Telesat, Eutelsat, JCSAT and Intelsat
- § Committed to support customers locally, offering a large infrastructure of global sales and service offices, teleports, and local partners across all the major continents
- § 24/7 network operation centres, which provide nonstop technical support for every customer, whether on land, at sea or in the air
- § Shareholders comprise Arendals Fossekompagni ASA (80%) and the management team of NSSLGlobal (20%)

## 25 beams across 16 satellites



## Segment overview

### Maritime



Commercial cargo vessels, tankers, larger fishing boats and super-yachts



### Military / Govern.



Navy vessels, coast guard and land-based mobile command and control centers



### Other

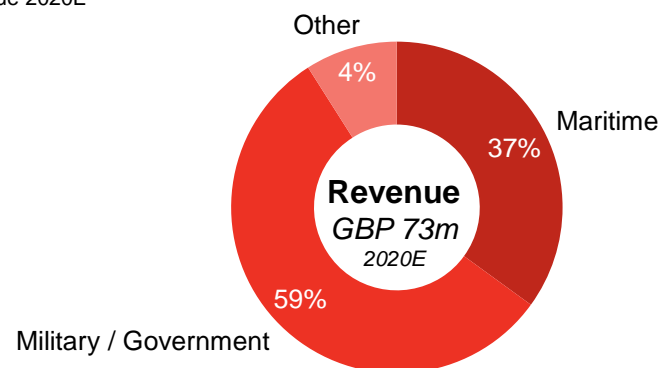


Heads of State  
Aero, offshore energy, NGOs, ESA and mining



## Revenue split by segment

Revenue 2020E

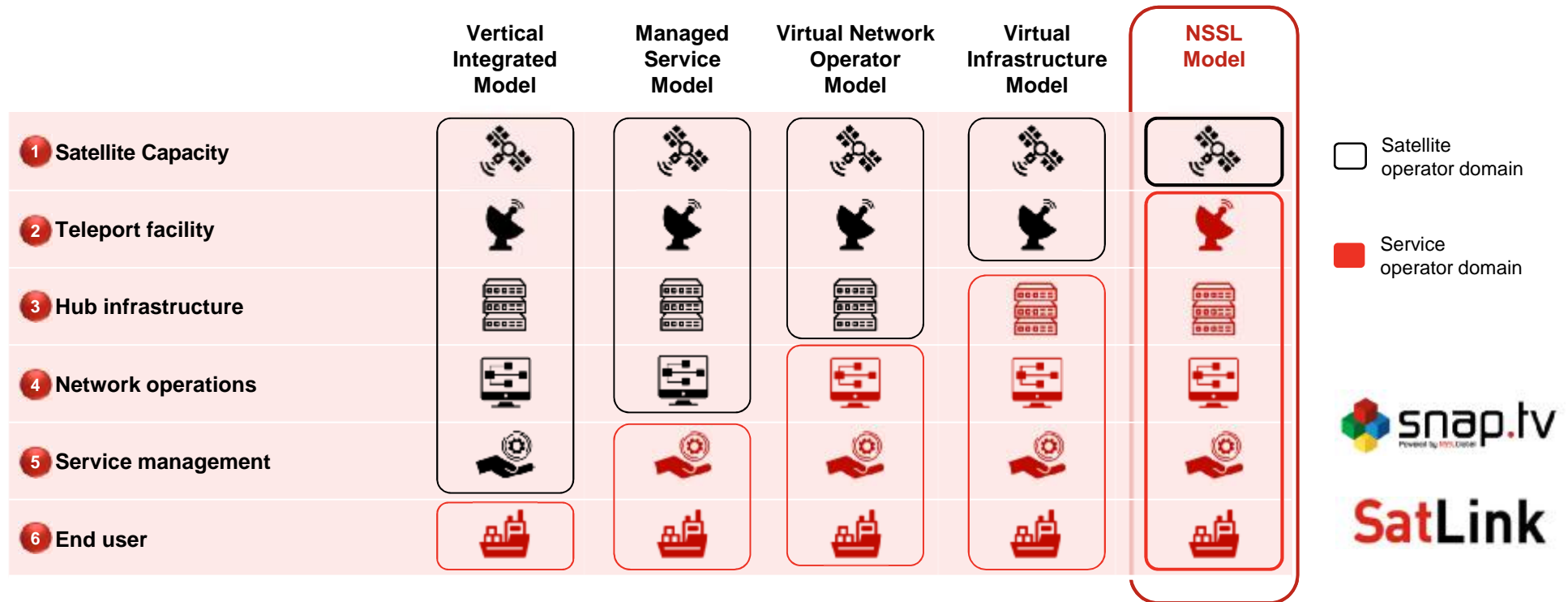


- 1) Mobile satellite services (MSS) provide two-way L-Band satellite communications to global users who are on the go or in remote locations, with terminals ranging in size from handheld to laptop-size units and typically provide less than 1 Mbits bandwidth.
- 2) A very-small-aperture terminal (VSAT) is a two-way satellite ground station with a dish antenna that is smaller than 3.8 meters

Commercial in Confidence

# NSSLGlobal is taking full responsibility from satellite to end-user

## VSAT value chain

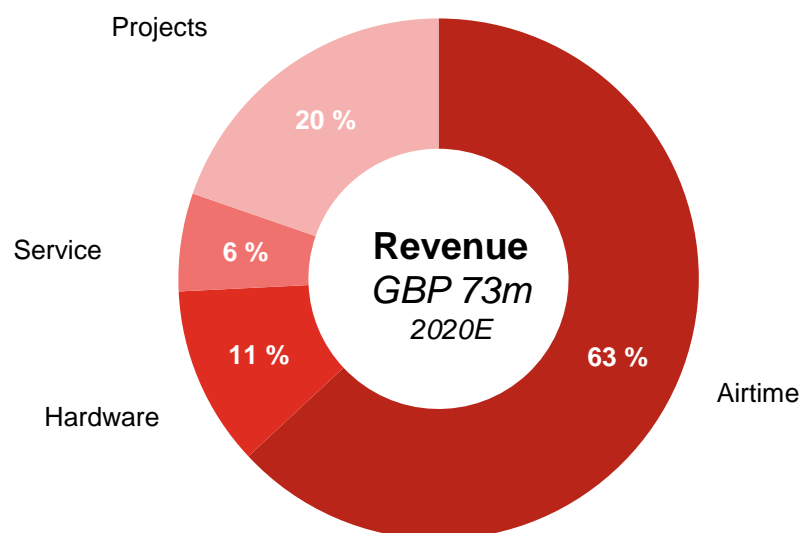


***NSSLGlobal is a Satellite Communication Provider - VSAT Network Operator, System Integrator, Engineering Solution House & Application Developer***

# Predominately subscription-based revenue model with airtime being the largest revenue contributor

## Revenue split by type - 2020

%



**60-65 % multi-year recurring revenue**

### Airtime

- § Subscription and / or usage-based pay
- § Includes value added services
- § Contract period is typically 1-3 years
- § Often bundled with hardware financing and global maintenance (3-5 year contracts)



### Projects

- § Complex engineering system integration and development. Multi-year projects which once rolled out generally include ongoing service and technology renewal contracts
- § Includes Public Finance Initiative for UK Ministry of Defence (Monthly "service availability fee" covering equipment, installation, projects, service and technology renewal)



### Hardware

- § Ad-hoc hardware purchases both direct to end users and indirect through resellers

### Service

- § Installation / engineering support or maintenance contracts, often linked to ongoing installation & service work after initial phase of Projects have been completed.



*Recurring revenue*

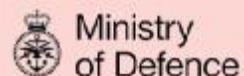
## Selected customers



**Maritime**



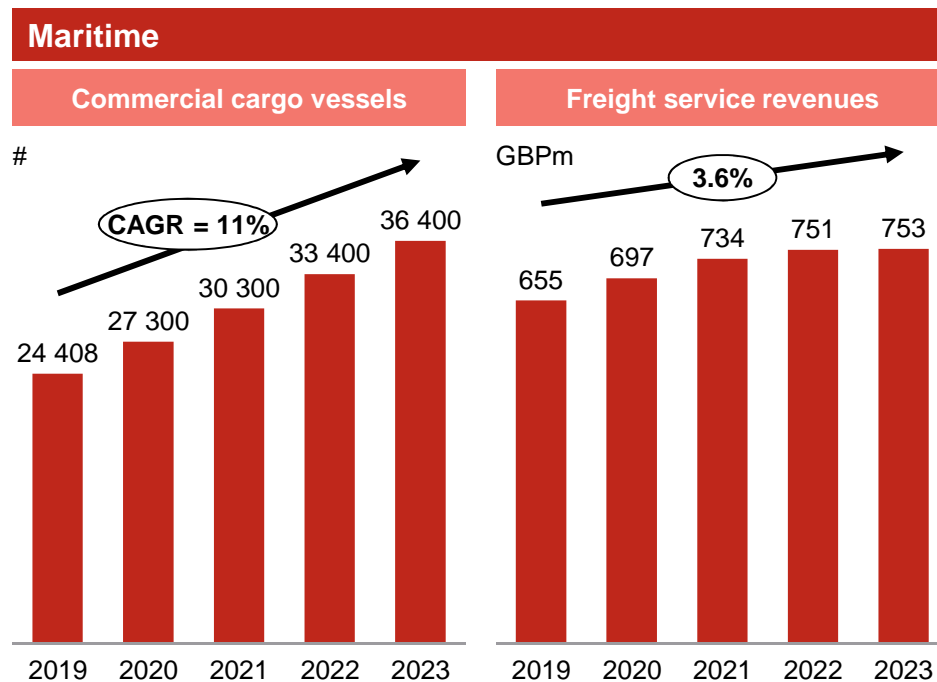
**Military / Govern.**



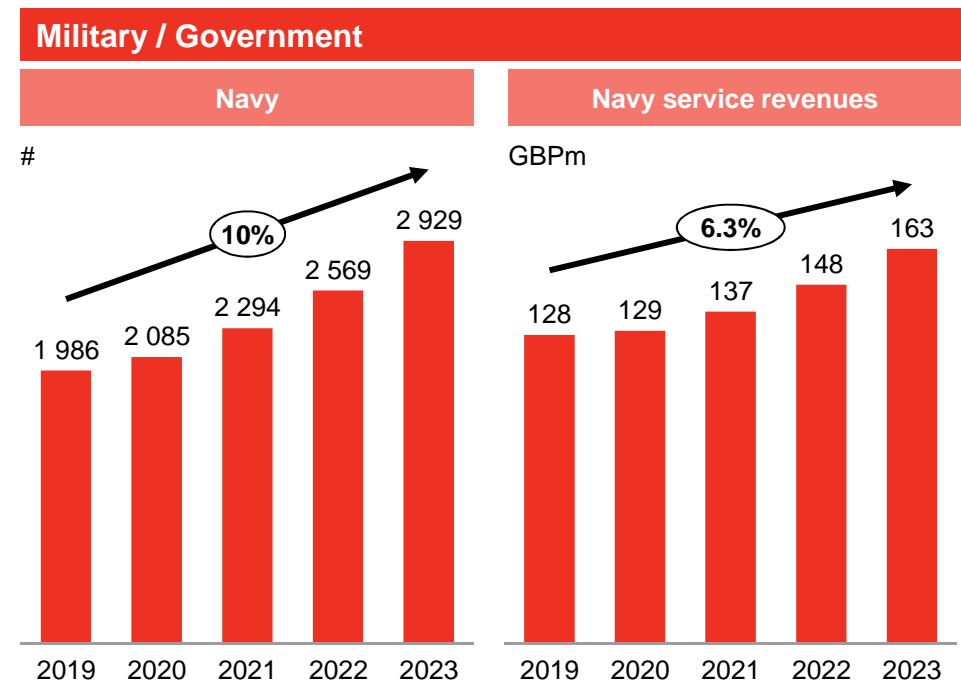
**Other**



# Key customer segments have strong outlook



- § Largest segment and expected to maintain current growth
- § Fleet owners increasingly accept that broadband connectivity brings value for money
- § Expect total numbers of vessels with VSAT to grow from 52,000 in 2019 to 81,000 in 2023








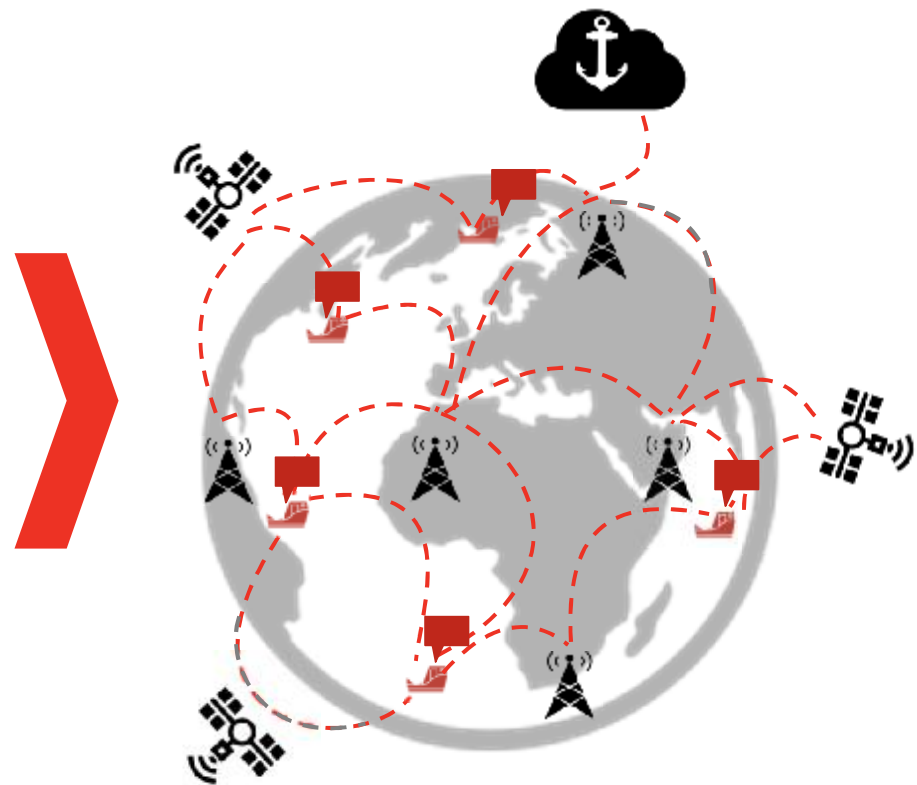
- § Growing trend amongst national navies to adopt commercial VSAT alongside other tactical milsat systems for additional capability/resilience
- § Commercial off-the-shelf products increasingly being used as base for specific customization
- § Navy crew welfare largest driver of service revenue increase

Source: The Comsys Maritime VSAT report (2020)



# Main market drivers | Communicating with the outside world

-  Proprietary, in-house-developed SatLink modems provide VSAT connectivity
-  Connectivity is agnostic in the sense that data can be communicated from VSAT, Wi-Fi, Cellular, L-band satellite (Fleet Broadband or Iridium) or even fiber when docked
-  GEO networks are still dominant, but working actively with emerging LEO/MEO providers
-  Bandwidth (speed) currently up to 100 Mbps, will increase with the new LEOs/MEOs
-  Specialized offerings targeting various niche customer segments, including VSAT Smart@Sea (maritime), Cruise-IP (superyacht), FusionIP (at dock) and Broad-IP (land based)



# Main Market Drivers | Crew welfare



Essential for staff recruiting and retention



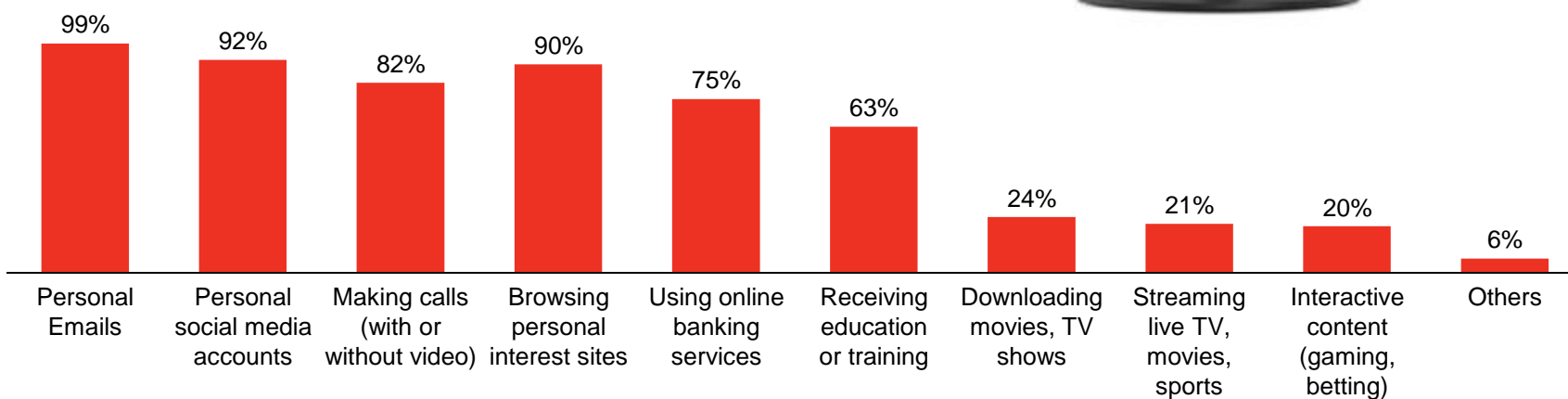
Dominant reason for purchasing VSAT Services



Insatiable demand for ever growing bandwidth



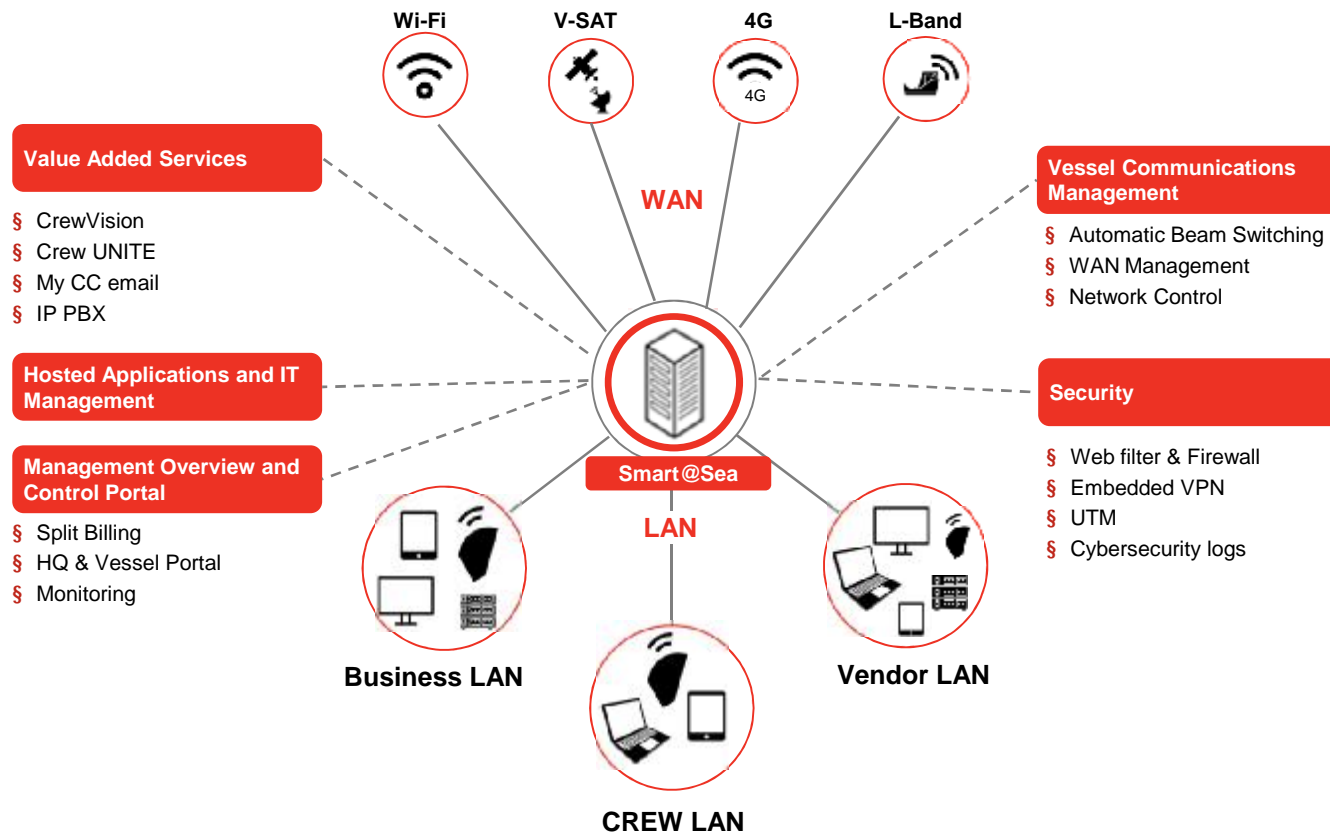
Use cases



Source: The Comsys Maritime VSAT report (2020)

# Main market drivers | Intelligent value-added services

## Turning the vessel into a strategic asset



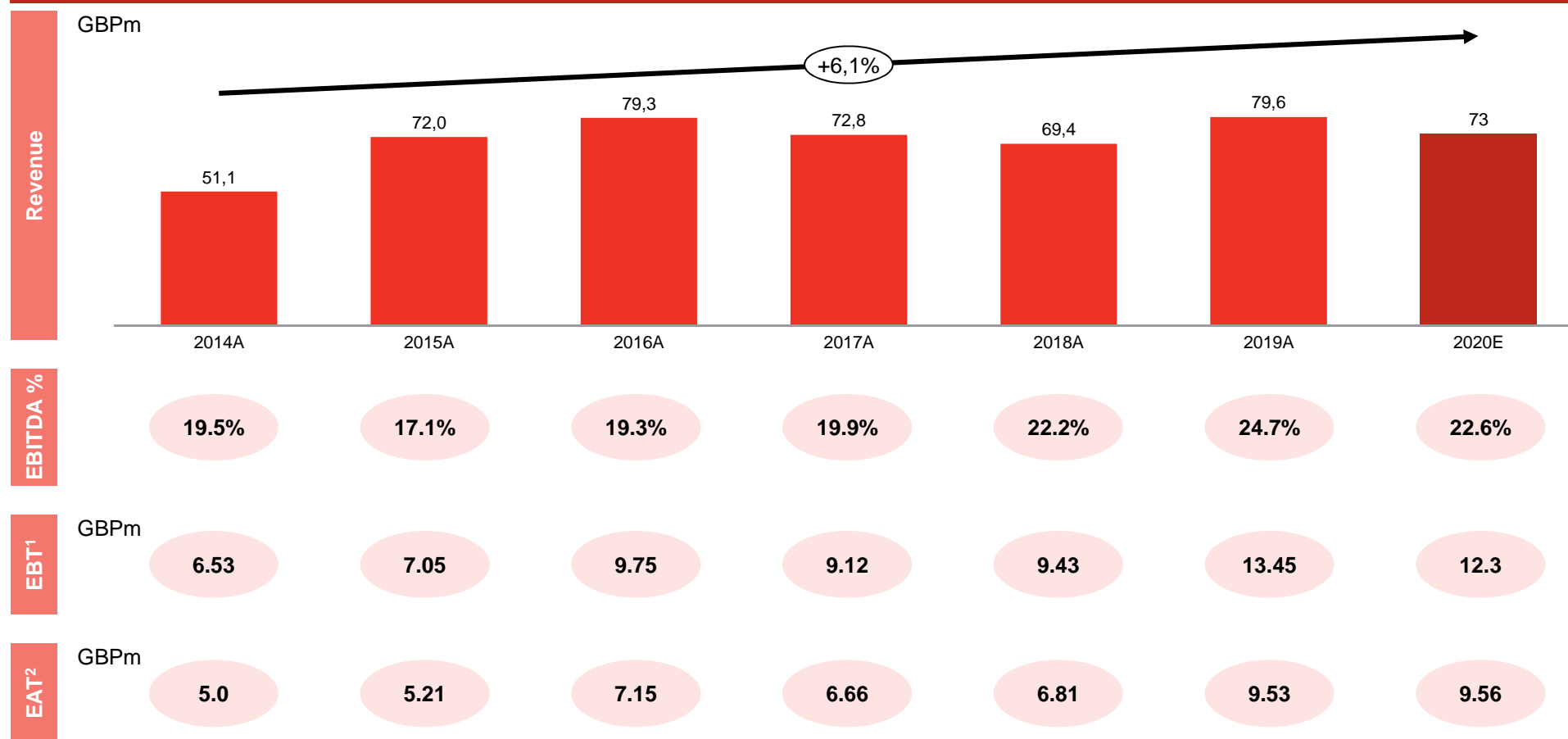
### Example use cases:

- § Route optimization
- § Real-time monitoring and preventive maintenance
- § Remote cargo management
- § “Always-on” connectivity
- § Performance monitoring system
- § Ship entertainment system

Flexible and unified communication package, fulfilling regulators requirements with regards to security, safety and emissions

# Proven financial track record with 6% average growth p.a. and healthy dividends

## Financial development 2014A – 2020E



Source: Company information

1) Earnings Before Tax

2) Earnings After Tax (net income)

# Tenured and experienced management team, with an active and supportive Board of Directors

## Management team

**Sally-Anne Ray**

**Group CEO /  
Board Member**



- § CEO since July 2013
- § 25+ years of experience in satellite communications industry

**Sara Gordon**

**CFO**



- § 20+ years of experience after joining NSSLGlobal in 1999

**Staffan Iveberg**

**CTO**



- § Joined NSSLGlobal in 2019
- § 20+ years of experience from Cobham & Ericsson (satellite Wireless & Mobile markets)

**Henrik Christensen**

**CEO Continental Europe**



- § Joined NSSLGlobal in 2014 via merger with ESL
- § 25+ years of experience in satellite communications industry

**Nikolaj Hvegholm**

**CEO Scandinavia**



- § Joined NSSLGlobal in 2014 via merger with ESL
- § 20 years of experience in satellite communications industry

## Board of Directors

**Arild Nysæther**

**Chairman**



- § More than 20 years of experience in investment management industry
- § CEO of Erik Must AS, industrial investment company with about NOK 6bn in equity



**Torkil Mogstad**

**Board Member**



- § EVP at AFK
- § 20 years experience from AFK portfolio companies
- § 10 years of experience from Boeing and McKinsey & Co



**Hege Lunde**

**Board Member**



- § Worked with Telenor Satellite AS for 20+ years in various finance and business development roles





# Key strengths

<b>Serving high-end market</b>	§ 50 years of experience providing high-end satellite communication and IT solutions to demanding customers in the governmental and maritime mobility markets
<b>Global footprint</b>	§ Worldwide presence as service and hardware provider combined with partnerships with all important satellite operators
<b>Recurring revenues and strong cash flow</b>	§ Predominantly subscription-based revenue model providing recurring revenues and consistently healthy dividends
<b>Long-term relationships</b>	§ Long established relationships (+20 years) and contracts with blue chip maritime, government and defense customers
<b>Leading engineering &amp; support capability</b>	§ Renowned for 24/7 technical support & taking full end-to-end service responsibility
<b>Huge market</b>	§ Forecasts* indicate that total annual revenues from the satellite connectivity market could approach USD 100 billion in 5-10 years
<b>Positioned for growth</b>	§ Well positioned to exploit growing market opportunities within value-added services such as crew welfare, cyber security, route optimization, remote cargo monitoring and preventive maintenance

\*Source: ARK Investment Management LLC, 2020



Part of  ARENDALS  
FOSSEKOMPANI

The text "Part of" is in a blue, sans-serif font. To its right is the AFK logo, which consists of the letters "AFK" in a stylized, blue, sans-serif font. To the right of the logo, the text "ARENDALS" and "FOSSEKOMPANI" are stacked vertically in a blue, sans-serif font.