

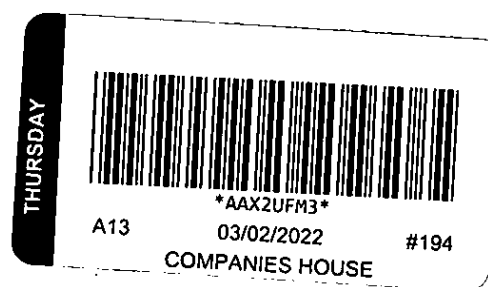
OneWeb Communications Limited

Annual Report and Accounts

Registered number 10110107

For the 15-month period ended

31 March 2021



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Strategic report

The Directors present the strategic report for OneWeb Communications Limited (“the Company”) for the 15-month period ended 31 March 2021.

Bankruptcy and acquisitions

In March 2020, as a result of challenges to raise financing, compounded by the spread of COVID-19, OneWeb Global Limited (“OWG”) and a number of group entities, including the Company, filed for bankruptcy protection under Chapter 11 of the United States bankruptcy code. Following the US Bankruptcy court of the southern district of New York approval of the Third Amended Joint Chapter 11 Plan of Reorganisation, the Company was acquired by OneWeb Holdings Limited (“OWH”) on 20 November 2020.

Principal activities

The Company acts as an investment holding company and intermediary funding entity for the group to which it belongs. As noted above, the OneWeb group was formerly headed by OWG and is now headed by OWH. The principal activities of the group headed by OneWeb Holdings Limited (“the Group”) are the design, development and operation of a global satellite communications network to enable universal internet access. The initial network consists of a constellation of more than 600 low-earth orbit (“LEO”) satellites that aims to deliver high speed, low latency global connectivity to customers throughout the world. The OneWeb network is designed to go beyond the limits of existing infrastructure, enabling digital connectivity for remote, rural communities and schools as well as for industries that enable global connectivity such as aviation, maritime and businesses including governmental services and strategic partnerships with other telecommunications enterprises. The advanced system design and ultra-low latency will support the emerging digital economy and enable advanced mobile application needs.

Review of the business

For the 15 months ended 31 March 2021, the Company reported a profit before tax of \$1,480.8 million, compared to a loss before tax of \$894.3 million for the year ended 31 December 2019. The profit before tax was entirely attributed to a gain on extinguishment of debt of \$1,662.1 million arising from the bankruptcy process. Operating expenses reduced from \$736.3 million for the year ended 31 December 2019 to \$101.1 million for the 15 months ended 31 March 2021, as a result of the impairment of investments in 2019 of \$723.9 million with no such impairment in 2021, offset by an increase in professional fees and other costs directly linked to the restructuring of the business due to the bankruptcy process.

Going concern

In determining the appropriate basis of preparation of the financial statements for the period ended 31 March 2021, the are required to consider whether the Company is a going concern, i.e. whether the Company is able to meet its debts as they fall due over a period of at least 12 months from the date of approval of these financial statements. As the Company is itself an intermediary in the Group, the key judgement is with regards to whether there is sufficient available and committed funding to allow the Group, in due course, to become revenue generating and cash positive on an on-going basis.

The Directors have considered whether it is appropriate to adopt the going concern basis, by undertaking an assessment for the financial forecasts of the Group for the period to 31 December 2022. Specific consideration has been made of the funding position and the expected costs to be incurred to achieve successful commercial launch, together with the expected operational performance of the satellite constellation and ground network as it enters service.

To date, total funding commitments of \$2.7 billion have been obtained, providing a safety margin of approximately 5% over that expected to be required for the Group to become revenue generating and cash positive on an on-going basis.

Details of funding commitments at the date of signing these financial statements is provided below:

	\$m
Initial commitment from BGL	500
Commitment from BEIS	500
Funding received from EchoStar Operating LLC in January 2021	50
Funding received from SoftBank Group Corp in April 2021	229
Funding received from Eutelsat Communications S.A. in September 2021	550
Additional commitment from BGL, pursuant to a call option	350
Additional commitment from Eutelsat Communications S.A, pursuant to a call option	150
Funding commitments at the date of signing these financial statements	2,329
Committed funding from Hanwha Systems Co., Ltd, subject to regulatory approval	300
Total estimated funding	2,629

Funding receipts exclude \$92.5 million of proceeds received for share subscriptions on 20 November 2020 which related were used to settle senior secured notes of the Company.

In 2023, it is expected that commercialisation and monetisation of the satellite network will generate cash flows necessary for the residual capital expenditure. If these plans are successful, the Directors believe there will be sufficient liquidity to finance the anticipated costs of the first-generation of OneWeb's satellite constellation.

A business plan has been prepared, covering a period to 31 December 2022, which shows that on a reasonably possible downside scenario, the business can continue to operate and discharge liabilities in the normal course of business on the basis of funding being received as noted above. The business plan shows sufficient available and committed funding to allow the Group, in due course, to become revenue generating and cash positive on an on-going basis.

However, the Directors acknowledge that there are uncertainties relating to this business plan, including:

- whether the committed funding is sufficient to cover all costs of the deployment of the satellite constellation;
- whether costs can be reduced, should the amount of anticipated revenue be lower later than expected; and
- whether the satellite constellation and ground network will operate as expected following being placed into operational service for the first time.

While the Directors recognise that there is a level of uncertainty inherent in generating revenues and controlling costs in-line with the project plan, these uncertainties are not considered to be material in light of reaching the going concern conclusion.

Accordingly, the Directors have a reasonable expectation that the wider group has adequate financial resources to continue operational existence for at least the 12-month period after the approval of these financial statements. Thus, it remains appropriate to prepare the financial statements on a going concern basis.

Connecting everyone, everywhere

The Board would like to take this opportunity to thank all of the Group's employees for their dedication and commitment through the incredibly challenging bankruptcy period and in the period since as the group sets out to achieve its commercial objectives.

The Board also acknowledges the support of all the Group's shareholders and the confidence they have in the Company.

With all our stakeholders working together as a team, OneWeb will truly be able to connect everyone, everywhere.

This report is authorised by order of the Board,



Sameer Karimbhai
Director
5 January 2022

Directors' report

Proposed dividend

The directors do not recommend the payment of a dividend.

Directors

The Directors who held office during the period and to the date of signing of this report were as follows:

- Steven Fay
- Kathleen Guerere (resigned 4 December 2020)
- Sameer Karimbhai (appointed 15 December 2020)
- Neil Masterson (appointed 15 December 2020)

All Directors benefited from qualifying third party indemnity provisions in place during the financial period and at the date of this report.

Political contributions

The Company made no political expenditure during the current or prior period.

Other information

An indication of likely future developments in the business and particulars of significant events which have occurred since the end of the financial period have been included in the Strategic Report.

Auditor

For the period ended 31 March 2021 the Company is entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies. The members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

By order of the Board



Sameer Karimbhai
Director
5 January 2022

Statement of Directors' responsibilities

The Directors are responsible for preparing the Strategic Report, the Directors' Report and financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including Financial Reporting Standard 101, Reduced Disclosure Framework.

Under company law the 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 Company and of the profit or loss for that period. In preparing financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable, relevant, reliable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting, unless they either intend to liquidate the Company or to cease operations or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Statement of profit and loss and other comprehensive income
for the period ended 31 March 2021

	Note	15-month period ended 31 March 2021 \$m	Year ended 31 December 2019 \$m
Operating expenses	3	(101.1)	(736.3)
Gain/(loss) on debt extinguishment	10	1,662.1	(1.2)
Investment income	4	3.0	2.9
Finance costs	4	(83.2)	(159.7)
Profit/(loss) before tax		1,480.8	(894.3)
Taxation	7	-	-
Profit/(loss) for the period and total comprehensive income/(loss)		1,480.8	(894.3)

There were no items of other comprehensive income in the period.

Balance sheet

At 31 March 2021

	Note	31 March 2021 \$m	31 December 2019 \$m
Non-current assets			
Loans to related parties	8	18.5	16.3
Other non-current receivables		0.6	-
Investments in subsidiaries	9	1,120.0	1,120.0
		1,139.1	1,136.3
Current assets			
Prepaid expenses		0.4	-
Receivables from other group companies	8	1,815.5	1,012.5
Goods and services tax receivable		0.2	-
Other current receivables		1.3	-
Cash and cash equivalents		4.4	216.5
		1,821.8	1,229.0
Total assets		2,960.9	2,365.3
Current liabilities			
Trade payables		(3.2)	(0.8)
Accrued expenses		(0.1)	-
		(3.3)	(0.8)
Non-current liabilities			
Senior secured notes	10	-	(1,704.4)
Loans from related parties	10	(595.8)	-
Total liabilities		(599.1)	(1,705.2)
Net assets		2,361.8	660.1
Equity			
Share capital	11	-	-
Share premium	11	220.9	-
Reorganisation reserve	11	1,567.8	1,567.8
Retained earnings	11	573.1	(907.7)
Total equity		2,361.8	660.1

For the period ended 31 March 2021 the Company is entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies. The members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The Directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements which give a true and fair view of the state of the Company as at the end of the financial period and of its profit and loss for the financial period, in accordance with the requirements of sections 394 and 395 of the Companies Act 2006 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the Company.

These financial statements were approved by the Board of Directors on 5 January 2022 and were signed on its behalf by:



Sameer Karimbhai
Director

Company registered number: 10110107

Statement of changes in equity

	Share capital \$m	Share premium \$m	Reorg. reserve \$m	Retained earnings \$m	Total equity \$m
At 1 January 2020	-	-	1,567.8	(13.4)	1,554.4
Total comprehensive income for the period					
Loss	-	-	-	(894.3)	(894.3)
Total comprehensive loss for the period	-	-	-	(894.3)	(894.3)
At 1 January 2021	-	-	1,567.8	(907.7)	660.1
Total comprehensive income for the period					
Profit	-	-	-	1,480.8	1,480.8
Total comprehensive profit for the period	-	-	-	1,480.8	1,480.8
Transactions with owners, recorded directly in equity					
Issue of shares	-	220.9	-	-	220.9
Total contributions by and distributions to owners	-	220.9	-	-	220.9
Balance at 31 March 2021	-	220.9	1,567.8	573.1	2,361.8

Notes to the financial statements (forming part of the financial statements)

1 General information

OneWeb Communications Limited ("the Company") is a private company incorporated, domiciled and registered in England & Wales. The registered number is 10110107 and the registered address is West Works Building, 195 Wood Lane, London United Kingdom, W12 7FQ.

2 Basis of preparation

2.1 Going concern

In determining the appropriate basis of preparation of the financial statements for the period ended 31 March 2021, the are required to consider whether the Company is a going concern, i.e. whether the Company is able to meet its debts as they fall due over a period of at least 12 months from the date of approval of these financial statements. As the Company it itself an intermediary in the Group, the key judgement is with regards to whether there is sufficient available and committed funding to allow the Group, in due course, to become revenue generating and cash positive on an on-going basis.

The Directors have considered whether it is appropriate to adopt the going concern basis, by undertaking an assessment for the financial forecasts of the Group for the period to 31 December 2022. Specific consideration has been made of the funding position and the expected costs to be incurred to achieve successful commercial launch, together with the expected operational performance of the satellite constellation and ground network as it enters service.

To date, total funding commitments of \$2.7 billion have been obtained, providing a safety margin of approximately 5% over that expected to be required for the Group to become revenue generating and cash positive on an on-going basis.

Details of funding commitments at the date of signing these financial statements is provided below:

	\$m
Initial commitment from BGL	500
Commitment from BEIS	500
Funding received from Echostar Operating LLC in January 2021	50
Funding received from SoftBank Group Corp in April 2021	229
Funding received from Eutelsat Communications S.A. in September 2021	550
Additional commitment from BGL, pursuant to a call option	350
Additional commitment from Eutelsat Communications S.A. pursuant to a call option	150
Funding commitments at the date of signing these financial statements	2,329
Committed funding from Hanwha Systems Co., Ltd, subject to regulatory approval	300
Total estimated funding	2,629

Funding receipts exclude \$92.5 million of proceeds received for share subscriptions on 20 November 2020 which were used to settle senior secured notes of the Company.

In 2023, it is expected that commercialisation and monetisation of the satellite network will generate cash flows necessary for the residual capital expenditure. If these plans are successful, the Directors believe there will be sufficient liquidity to finance the anticipated costs of the first-generation of OneWeb's satellite constellation.

A business plan has been prepared, covering a period to 31 December 2022, which shows that on a reasonably possible downside scenario, the business can continue to operate and discharge liabilities in the normal course of business on the basis of funding being received as noted above. The business plan shows sufficient available and committed funding to allow the Group, in due course, to become revenue generating and cash positive on an on-going basis.

However, the Directors acknowledge that there are uncertainties relating to this business plan, including:

- whether the committed funding is sufficient to cover all costs of the deployment of the satellite constellation;
- whether costs can be reduced, should the amount of anticipated revenue be lower later than expected; and
- whether the satellite constellation and ground network will operate as expected following being placed into operational service for the first time.

While the Directors recognise that there is a level of uncertainty inherent in generating revenues and controlling costs in-line with the project plan, these uncertainties are not considered to be material in light of reaching the going concern conclusion.

Accordingly, the Directors have a reasonable expectation that the wider group has adequate financial resources to continue operational existence for at least the 12-month period after the approval of these financial statements. Thus, it remains appropriate to prepare the financial statements on a going concern basis.

2.2 Accounting estimates and judgements

These financial statements were prepared in accordance with Financial Reporting Standard 101, Reduced Disclosure Framework ("FRS 101").

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of international accounting standards in conformity with the requirements of the Companies Act 2006 ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006.

The following exemptions have been taken under FRS 101:

- the requirements of IFRS 7: *Financial Instruments: Disclosures*;
- the requirements of IAS 7: *Statement of Cash Flows*;
- the requirements of paragraphs 91 to 99 of IFRS 13: *Fair value measurements*;
- the requirements of paragraphs 134 to 136 of IAS 1: *Presentation of Financial Statements*;
- the requirements of paragraph 17 and 18A of IAS 24: *Related Party Disclosures*; and
- the requirements in IAS 24: *Related Party Disclosures* to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

In the preparation of financial statements in conformity with IFRS, management is required to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, expenses and disclosures of contingent liabilities. Estimates and judgments are continually evaluated. These estimates and judgements are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and are believed to be reasonable under the circumstances at the end of the financial periods presented. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods. Due to uncertainties inherent in making estimates, actual results could differ from those estimates.

Critical judgements are those made when applying accounting policies that could have a significant impact on the amounts recognised in the consolidated financial statements. The only areas of accounting which required critical judgement to be applied was in the assessment of going concern and asset impairment.

Key sources of estimation uncertainties are those assumptions where there is a significant risk that changes to these assumptions could cause a material adjustment to the carrying value of assets and liabilities within the next 12 months. No areas of accounting required significant estimates to be made in the current period.

2.3 Significant accounting policies that relate to the financial statements as a whole

a) Measurement convention

Where an accounting policy is applicable to a specific note to the financial statements, the policy is described within that note. In accordance with Adopted IFRS, where balances are considered to be immaterial to these financial statements, no further disclosures are provided.

The accounting policies set out below have, unless otherwise stated, been applied consistently in the periods presented in these financial statements, with the exception of IFRS 10: *Consolidated Financial Statements*. An exemption has been taken under s400 of the Companies Act 2006 not to prepare consolidated financial statements in the current year. The results of the Company are included in the consolidated financial statements of OneWeb Holdings Limited, which are publicly available from Companies House, United Kingdom. In the prior period, consolidated financial statements were prepared.

The financial statements are prepared on the historical cost basis except for certain financial assets and financial liabilities required by Adopted IFRS to be measured at fair value.

b) Foreign currency

The presentation currency of the Company is the U.S. dollar. Gains or losses that arise from exchange rate fluctuations on transactions denominated in a currency other than the functional currency are recorded in profit or loss and classified as foreign exchange gain or loss on the statements of comprehensive income or loss.

c) Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit" or "CGU").

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a *pro rata* basis.

3 Operating expenses

	15-month period ended 31 March 2021 \$m	Year ended 31 December 2019 \$m
Professional fees	16.7	2.6
Office and facility costs	0.5	0.1
Travel and entertainment	0.1	0.1
Impairment of investment in subsidiaries	-	729.6
Reorganisation and restructuring costs	83.8	3.9
Total operating expenses	101.1	736.3

4 Investment income and finance costs

Accounting policy

Investment income comprises interest received from bank deposits and other advances.

Finance costs arise on lease liabilities recognised in profit or loss using the effective interest method, unwinding of the discount on provisions.

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method.

Recognised in profit or loss

	15-month period ended 31 March 2021 \$m	Year ended 31 December 2019 \$m
Interest on related party receivables	3.0	2.9
Total investment income	3.0	2.9
Interest on senior secured notes	(64.3)	(159.7)
Interest on DIP financing	(8.0)	-
Loan fees on DIP financing	(7.0)	-
Interest on related party loans	(3.9)	-
Total finance costs	(83.2)	(159.7)

5 Employee information

The Company had no employees in the current or prior period.

6 Directors' remuneration

No Directors received remuneration or contributions to a money purchase pension plan in respect of their services to the Company. The two Directors who served during the current year were paid by other group companies in respect of their services to the group and no recharges were made to the Company in respect of these services. Had a recharge been made, the amount would have been insignificant, estimated to be less than \$5,000 each for both the current and prior period.

7 Taxation

Accounting policy

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

Income tax expense

	15-month period ended 31 March 2021 \$m	Year ended 31 December 2019 \$m
Current tax expense		
Current year	-	-
Adjustments for prior years	-	-
Total tax	-	-

Reconciliation of effective tax rate

	15-month period ended 31 March 2021 \$m	Year ended 31 December 2019 \$m
Profit/(loss) before tax	1,480.8	(894.3)
Tax using the UK corporation tax rate of 19%	(281.4)	169.9
Expenses not deductible for tax	(2.4)	(137.5)
Loan release not taxable	315.1	-
Unrecognised deferred tax asset	(31.3)	(32.4)
Total tax	-	-

Factors that may affect future tax charges

A reduction in the UK corporation tax rate from 19% to 17% effective 1 April 2020 was substantively enacted on 6 September 2016. The March 2020 Budget announced that a rate of 19% would continue to apply with effect from 1

April 2020. An increase in the UK corporate tax rate from 19% to 25% (effective from 1 April 2023) was substantively enacted on 14 May 2021. This will increase the Company's future current tax charge accordingly.

Deductible temporary differences for which deferred tax assets have not been recognised at the end of each reporting period are presented below:

	15-month period ended 31 March 2021 \$m	Year ended 31 December 2019 \$m
Temporary timing differences	-	-
Unused net operating losses	367.4	202.8
Unused research and development tax credit	-	-
Total derecognised deductible temporary differences	367.4	202.8

At 31 March 2021, the Company had tax losses totalling \$367.4 million for which no deferred tax assets have been recognised, because it is not more likely than not that future taxable profits will be available against which the Group can use the benefits therefrom.

At 31 March 2021, the Company has not recognised any deferred tax liabilities relating to its investment in subsidiaries as the Group controls the timing of reversal of the related temporary differences and management is satisfied that they will not reverse in the foreseeable future.

8 Related parties

Accounting policy

The Company's related parties are other entities within the group to which the Company belongs. As the Company has no employees, there are no key management personnel.

Loans to related parties

Interest accrues on the group loan arrangements provided by the Company a daily basis on the outstanding principal amount of any advance, at a rate per annum equal to the aggregate of LIBOR + 2.5%.

Receivables from other group companies

The Company has acted as the conduit for funding from OWH to other group companies in the period. The outstanding amounts are repayable on demand.

Loans from related parties

Funding is provided by the Company's shareholder, OWH. Further details are provided in note 10.

9 Investments

Accounting policy

Investments are carried at cost less impairment.

Carrying value of investments

	31 March 2021 \$m	31 December 2019 \$m
At start of period	1,120.0	1,567.8
Additions	-	281.8
Impairment	-	(729.6)
At end of period	1,120.0	1,120.0

Listing of subsidiaries and affiliates

Name	Principal activity	Registered Agent Address	Country of incorporation	Shareholding (%)	
				31 March 2021	31 December 2019
WorldVu Development LLC	Operating Company	701 S. Carson St., Suite 200, Carson City, NV 89701, United States	United States	100	100
1021823 B.C. Ltd	Operating Company	Crease Harman LLP, 800-1070 Douglas Street, Victoria, BC, V8W 2C4	Canada	100	100
Network Access Associates Ltd.	Operating Company	WestWorks Building, 195 Wood Lane, London United Kingdom, W12 7FQ	United Kingdom	100	100
OneWeb Ltd.	Holding Company	SANNE, IFC 5, St. Helier, JE1 1ST, Jersey	Jersey	100	100
OneWeb Ltd (Malta)	Operating Company	SmartCity Malta, SCM 01, TMF Group (Malta) 401, Ricasoli, Kalkara, SCM 1001, Malta	Malta	100	100
OneWeb Network Access Holdings Ltd.	Holding Company	WestWorks Building, 195 Wood Lane, London United Kingdom, W12 7FQ	United Kingdom	100	100
OneWeb Holdings LLC	Holding Company	50 Main Street, Suite 1000, White Plains, NY 10606, USA	United States	100	100
WorldVu JV Holdings LLC	Holding Company	c/o Business Filings Incorporated, 108 West 13th St, Wilmington DE 19801, United States	United States	100	100
Airbus OneWeb Satellites LLC ¹	Satellite Design and Development	CT Corporation System, 1200 South Pine Island Road, Plantation, FL 33324	United States	100	100
Airbus OneWeb Satellites North America LLC ²	Satellite Design and Development	Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware, 19801	United States	50	50
Airbus OneWeb Satellites SAS ²	Satellite Design and Development	B612, 3 rue Tarfaya, 31400 TOULOUSE, France	France	100	100
Airbus OneWeb Satellites Florida LLC ²	Satellite Design and Development	CT Corporation System, 1200 South Pine Island Road, Plantation, Florida 33324	United States	50	50
OneWeb Communications S.a.r.l	Holding Company	51 Avenue J.F. Kennedy, L-1855, Luxembourg	Luxembourg	100	100
OneWeb Asia PTE. Ltd.	Operating Company	1 Marina Boulevard #28-00, Singapore, 018989, Singapore	Singapore	100	100
OneWeb S.r.l.	Operating Company	Corso Vercelli 40, 20145, Milan, Italy	Italy	100	100
OneWeb Norway AS	Operating Company	Postboks 2334, 3003 Drammen, Norway	Norway	100	100
OneWeb S.A	Operating Company	Tucumán 1, Piso 4, Buenos Aires, C1049AAA, Argentina	Argentina	100	100
First Tech Web Company Limited	Operating Company	28th Floor Kingdom Tower, Olaya Road, P.O. Box: 230 888, Riyadh, 11321, Saudi Arabia	Saudi Arabia	100	100
WorldVu, Unipessoal Lda	Operating Company	Rua Latino Coelho, n.º 13, 13-A, 13-B, 3.º andar, freguesia de Avenidas Novas, 1050-132 Lisboa, Portugal	Portugal	100	100
OneWeb ApS	Operating Company	c/o Deloitte, Imaneq 33, 6 - 7 floor, Postbox 20 Nuuk, 3900, Greenland	Greenland	100	100
WorldVu, Australia Pty Ltd	Operating Company	TMF Corporate Services (AUST) PTY LTD, Suite 1, Level 11, 66 Goulburn St, Sydney, NSW 2000, Australia	Australia	100	100

OneWeb G.K.	Operating Company	c/o DLA Piper Tokyo Partnership, Meiji Seimei Kan 7F, 1-1, Marunouchi 2-chome, Chiyoda-ku	Japan	100	100
OneWeb Capacidade Satelital Ltda	Operating Company	Avenida Nove de Julho, 3228, sala 604, Ed.	Brazil	100	100
WorldVu Satellites Limited	Holding Company	IFC 5, St. Heiler, JE 1 1st, Jersey	Jersey, Channel Islands	100	100
WorldVu Mexico S.de R.L. de C.V	Operating Company	Peten 27 St. 301, Piedad Narvarte, Mexico City 03000, Mexico	Mexico	100	100
OneWeb Chile SpA	Operating Company	Luz 2959-22, Las Condes, Santiago, Chile	Chile	100	100
OneWeb Senegal SARL	Operating Company	Immeuble Lat Dior en face grande mosque de Dakar, Dakar, 3E ÉTAGE, Senegal	Senegal	100	100
OneWeb Costa Rica Limitada	Operating Company	c/o Zurcher Odio & Raven, Plaza Roble Corporate Center, Los Balcones Building, fourth floor, San José, Costa Rica	Costa Rica	100	100
WorldVu South Africa (Pty) Ltd.	Operating Company	Central Office Park No 4., 257 Jean Avenue	South Africa	100	100
One Web Angola – Servicos de Telecomunicacoes (SU), LDA	Operating Company	Edificio Kilamba, 20º andar Avenida 4 de Fevereiro Marginal de Luanda, Angola	Angola	100	n/a

Unless otherwise noted below, the Company's equity interest represents the voting interests of the Group in the respective subsidiary or affiliate.

- ¹ Ownership is through WorldVu JV Holdings LLC. The Group owns 50% of the equity of Airbus OneWeb Satellites LLC.
- ² The equity interest represents the Group's ownership percentage. Entity is wholly owned by Airbus OneWeb Satellites LLC, of which the Group owns a 50% equity interest.

10 Financing arrangements

Liabilities arising from financing activities

	Senior secured notes \$m	DIP financing \$m	Related party loans \$m	Total \$m
At beginning of period	(1,704.4)	-	-	(1,704.4)
New loans	-	(362.0)	(365.8)	(727.8)
Assignment to OWH	90.0	-	(90.0)	-
Conversion to DIP	90.0	(90.0)	-	-
Conversion to shareholder loan	-	209.5	(209.5)	-
Conversion to equity	-	220.9	-	220.9
Repayments	-	29.6	-	29.6
Interest	(64.3)	(8.0)	(3.9)	(76.2)
Debt extinguishment	1,588.7	-	73.4	1,662.1
At end of period	-	-	(595.8)	(595.8)

Senior secured notes

Prior to bankruptcy, the primary form of funding of the Company was through senior secured notes. On 18 March 2019, the Company entered into a \$1.6 billion debt and warrant financing facility, the terms of which were set forth in the Amended and Restated Note Purchase Agreement NPA ("A&R NPA") and a Warrant Purchase Agreement. Under the A&R NPA, issued senior secured promissory notes were guaranteed by certain OneWeb group companies and secured by substantially all the Company's assets, including the shares of capital stock of certain subsidiary

companies in the Group. Issued promissory notes accrued interest and/or premium payments at an aggregate rate of 12.5% per annum and matured on 18 March 2024. The accrued and unpaid interest was capitalised at the end of each calendar year and the Company had no obligation to pay in cash the accrued interest prior to promissory notes maturity date.

At the time of exit from Chapter 11, \$90.0 million of the senior secured notes were assigned to OWH and \$90.0 million were converted to Debtor-in-Possession ("DIP") financing, with the remaining notes and accumulated interest thereon being derecognised as debt extinguishment. An accounting gain of \$1,588.7 million is recognised in the income statement in the period ended 31 March 2021.

DIP financing

During the bankruptcy period, funding was provided to the Company by Softbank, Grupo Elektra and OWH (known as Bidco 100 Limited at that time) in the form of super senior DIP financing. The funding was secured against all the collateral of the Company and funding fees of 2% of the committed amounts was charged, in addition to interest on the outstanding principal amounts owed. Interest was not paid in cash, rather accumulated and added to the outstanding principal amounts. The interest rate was a per annum rate of 12.5%.

Total funding of \$362.0 million was provided to the Company in addition to the \$90.0 million converted from senior secured notes, of which \$29.6 million was repaid in cash and \$220.9 million was converted into equity. At the point of acquisition of the Company by OWH, the remaining amounts owed to OWH were converted into a related party loan.

Related party loans

As a result of exiting the group headed by OWG and exit from Chapter 11, an accounting gain of \$73.4 million is recognised in the income statement in the period ended 31 March 2021 as a result of debt extinguishment.

Following exit from Chapter 11, the primary form of funding of the Company is through a facility provided by its parent company, OWH. Interest accrues on a daily basis on the outstanding principal amount of any advance at a rate per annum equal to the aggregate of LIBOR + 2.5%.

11 Capital and reserves

Share capital

Share capital is the number of shares in issue, stated at their nominal value.

The value of share capital at the end of the period was as follows:

	31 March 2021 \$	31 December 2019 \$
Preferred shares of £0.000001 each	-	1
Ordinary shares of £0.000001 each	8	8
Ordinary shares of \$0.01 each	2,209	-
Fully paid	£ 2,217	9

The number of shares issued during the period and at the period end was as follows:

	Deferred	Class A	Class B
On issue at 1 January 2019 and at 1 January 2020	5,480,734	606,061	-
Issued in the period	-	-	220,900
Conversion to different class	606,061	(606,061)	-
On issue at 31 March	6,086,795	-	220,900

Share premium

Share premium is the amount received for a share issue which exceeds the nominal value.

Reorganisation reserve

In January 2018, the Company became the sole shareholder and parent company of the Group through an assignment and transfer agreement pursuant of which, OneWeb Global Limited (the ultimate parent of the Company at the time) contributed its shares acquired in WorldVu Limited (a former parent company of the Group), via a share-for-share exchange transaction to the Company. Following the transfer, the Company became the direct parent

of WorldVu and held all outstanding shares of WorldVu and OneWeb Global Limited became the parent of the Group as well as the direct parent of the Company at the time.

IAS 27: *Separate Financial Statements*, applies to a group reorganisation where a new parent entity obtains control of the original parent by issuing equity instruments in exchange for existing equity instruments of the original parent and then transferring them to a new company, the assets and liabilities of the new group and the original group are the same immediately before and after the reorganisation and the owners of the original parent before the reorganisation have the same absolute and relative interests in the net assets of the original group and the new group immediately before and after the reorganisation.

In accordance with IAS 27, the new parent measures the carrying amount of its share of the equity items shown in the separate financial statements of the original parent at the date of the reorganisation. Therefore, the Company's investment in subsidiaries was recognised and measured at the carrying value of the equity as reported on the separate financial statements of WorldVu on the date of the reorganisation and the increase in the investment holding value was taken directly to equity, creating the reorganisation reserve.

Retained earnings

Retained earnings are the net earnings not paid out as dividends. The Company had retained profits of \$573.1 million (2019: retained loss of \$907.7 million). All retained earnings are distributable.

12 Ultimate controlling party

There is no single ultimate controlling party of the Company. The ultimate parent company is OWH, a private company incorporated, domiciled and registered in England, UK. The registered number of OWH is 12534512 and the registered address is West Works Building, 195 Wood Lane, London, United Kingdom, W12 7FQ. OWH has a number of different shareholders, including The Secretary of State for Business, Energy and Industrial Strategy, Bharti Global Limited, Eutelsat S.A. and Softbank Group Capital Limited.

13 Subsequent events

There were no events impacting the Company following the balance sheet date of 31 March 2021 that required adjustment to, or disclosure within, these financial statements, other than funding received by OWH as detailed in note 2.1.