OneWeb Holdings Limited

Annual Report and Accounts

For the year ended 31 March 2023

Contents

Strategic report

The Directors present the strategic report for OneWeb Holdings Limited (the "Company", or together with its subsidiaries, the "Group", the "OneWeb Group" or "OneWeb") for the year ended 31 March 2023 (the "Financial Year").

Principal activities

The Group's principal activities are the design, development and operation of a global satellite communications network to enable universal internet access. The network consists of a constellation of low-earth-orbit ("LEO") satellites that delivers high speed, low latency global connectivity to customers throughout the world. OneWeb operates a business-to-business ("B2B") model, working with governments, regulators and distribution partners, to develop and deliver global connectivity to its end user customers. OneWeb builds relationships with key strategic distribution partners in each of its key markets and provides them with access to its connectivity solutions. They, in turn, provide access through their existing network infrastructures, enabling OneWeb to reach a greater number of end users.

Operating and financial performance review

The OneWeb Directors believe that the following factors have materially affected OneWeb's results of operations and financial condition during the years under review and that such factors may continue to affect OneWeb's results of operations and financial condition in future periods.

1.1 Growth of distribution partners, network rollout and the rate of revenue realisation

OneWeb sells its services through a B2B business model to its distribution partners (customers), who are regional or local service operators. OneWeb charges for delivering capacity to its distribution partners who in turn, sell OneWeb's capacity to their end-user customer base. This is arranged via Distribution Partner Agreements ("DPAs") and OneWeb leverages its internal commercial team to pursue global distribution opportunities to roll out OneWeb's services geographically. Through this model, the distribution partners have a greater understanding of their customers' needs, which enables them to build and best manage the network of platforms their customers use. OneWeb's approach in leveraging partnerships to enter markets is different from other LEO operators which adopt a business-to-consumer ("B2C") approach, providing services directly to end-users. As such, OneWeb's revenue derives from its agreements with, and growth of, distribution partners which significantly affects OneWeb's results of operations.

OneWeb has significantly increased its network of distribution partners, from 37 at 31 March 2022 to 53 as at 31 March 2023.

OneWeb's roll out of network service is phased. OneWeb is currently serving locations north of 35° latitude (covering 2/3 of the United States in terms of geographic footprint) and expects to achieve full global coverage by the end of 2023. OneWeb's ability to provide commercial services depends on its success in securing DPAs with distribution partners serving the relevant regions.

OneWeb sells its services through a combination of "take or pay" arrangements where the distribution partner commits to a minimum amount of capacity usage and in turn, a minimum amount of committed revenue, and "pay-as-you-go" arrangements where the distribution partner pays only for the capacity that it provides to its end users. Compared to a "pay as you go" arrangement, an advanced sale and a "take or pay" arrangement provide OneWeb with greater certainty in revenue.

Recent significant "take or pay" arrangements include those entered into with Galaxy Broadband, Eutelsat and Hughes Communications India. In February 2023, OneWeb and Galaxy Broadband Communications Inc., an Ontario-based satellite service company that provides telecommunications services to enterprise customers, entered into a $50.0 million, multi-year deal to deliver OneWeb's LEO connectivity solutions across Canada including the northern territory of Nunavut.

On 25 July 2022, OneWeb's existing DPA with Eutelsat was amended. Under the terms of the amended DPA, Eutelsat takes a firm commitment to purchase $275.0 million of OneWeb's constellation capacity at pre-defined terms over a five-year duration, starting from the full availability of the GEN 1 constellation. At 31 March 2023, $100.0 million of this amount has been paid to OneWeb and is recognised as a contract liability. As part of the agreement, Eutelsat will benefit from the exclusive use of OneWeb's capacity over certain pre-determined sales regions and verticals.

In December 2021, OneWeb signed an exclusive DPA with Hughes Communications India for servicing the fast-growing Indian market. Under the terms of this agreement, OneWeb obtained a firm revenue commitment for a period of six years.

A significant prepayment partner of OneWeb is NEOM. In the year ended 31 March 2022, OneWeb entered into a joint venture agreement with NEOM Tech and Digital Company, to supply high-speed satellite connectivity to the new city of NEOM, Saudi Arabia and the wider Middle East, and neighbouring East African countries. The parties entered into a commercial distribution and services agreement which provided OneWeb with an advanced payment of $170.6 million from NEOM for services to be rendered over a number of years. The payment received has been deferred as a contract liability, with revenue to be recognised as the service is provided over the contract period. The advance payment has been concluded to provide a significant financing benefit to OneWeb. Accordingly, the revenue to be recognised has been adjusted for the effect of discounting, resulting in the unwinding of the contract liability based on the discount rate that would be reflected in a separate financing transaction with the customer.

As at 31 March 2023, OneWeb has an order book of $864 million of committed orders, consisting of $170.6 million in prepayment from advanced sales (all of which is from NEOM) and in excess of $625.0 million of committed orders received from "take or pay" arrangements. Such prepayment and committed revenues have not yet been recognised as revenue in OneWeb's financial statements and will be recognised when the services are rendered.

47% and 100% of OneWeb's revenue for the years ended 31 March 2023 and 31 March 2022 respectively was derived from the legacy business of OneWeb Technologies, Inc. ("OWT"). As OneWeb moves from its build to execution phase, OneWeb will generate an increasing proportion of revenue from such services and the revenue stream from OWT's legacy business will reduce.

In addition to the revenue generated from the sale of capacity; OneWeb recognises the sale of user terminals and equipment as revenue.

1.2 Capital expenditure

OneWeb has completed the deployment of its GEN 1 satellite constellation and will complete the full build-out of ground infrastructure over the next year. As at 31 March 2023, OneWeb has finished constructing 22 out of the 41 satellite network portals ("SNP") needed to provide global service coverage, with the remaining 19 at various stages of completion and near finalisation. In addition, at 31 March 2023, OneWeb had 20 Point of Presence ("PoP") sites and plans to have another 11 PoP sites completed by the end of 2023 as part of the GEN 1 system deployment.

OneWeb's capital expenditure has been significant in the development, manufacture and launch of satellites and in the development of ground infrastructure and spectrum. OneWeb's capital expenditure was $656.1 and $667.1 million for the years ended 31 March 2023 and 2022, respectively. The capital expenditure predominantly relates to the design, development, build and deployment of satellite infrastructure, ground infrastructure and user terminals development.

In the short term, OneWeb expects to incur capital expenditure on the completion of the ground infrastructure, the development of a variety of user terminals for its GEN 1 satellite constellation and the ongoing maintenance of GEN 1 satellites and associated ground infrastructure. OneWeb intends to deploy additional satellites to accommodate for those satellites that were launched in 2019 and 2020 and will therefore reach the end of their service life ahead of more recently launched satellites. These in-orbit spares allow OneWeb to provide continuity of service in the event of any satellite failure. OneWeb's LEO GEN 1 satellite constellation has a finite life.

In the medium term, OneWeb expects to incur significant capital expenditure on the design, development, build and deployment of its LEO GEN 2 satellites and associated ground infrastructure.

1.3 Performance of the network and technological development

The performance of OneWeb's network and service provision is integral to OneWeb's competitive advantage and in turn, its ability to attract distribution partners and generate revenue. The current saleable capacity of OneWeb's constellation is 1.4 Terabits per second ("tbps"). OneWeb's LEO GEN 1 satellites provide an average global two-way latency of 70ms. Compared to GEO satellites, OneWeb's LEO GEN 1 satellites are 30 times closer to Earth, allowing OneWeb to provide higher speed of internet and quicker service to end users.

OneWeb's spectrum priority rights provide OneWeb with a significant competitive advantage and are an important enabler of OneWeb's system. Spectrum priority rights are governed through the International Telecommunications Union ("ITU") OneWeb has secured c.6 GHz of priority non-geostationary orbit spectrum rights in the Ku and Ka bands, covering 2.5 GHz of Ku band end for user links and 3.3 GHz of Ka band gateway for feeder links. The Ku band is used by OneWeb to deliver internet connectivity to end users OneWeb has the highest priority rights in the Ku band, which places the burden on other LEO operators to coordinate with or work around OneWeb to avoid inference. The Ka band is used by OneWeb as a link between its LEO satellites and its gateways to monitor and control its LEO satellites. OneWeb has strong priority rights in the Ka band.

User terminals are a key element in OneWeb's global infrastructure and ultimately in OneWeb's ability to deliver a high-performance network. OneWeb is building a portfolio of user terminals to meet the varying requirements of government, carrier, enterprise, aviation, maritime and land mobility customers, through partnering with Intellian, Hughes, Kymeta, Stellar Blu, SatixFy and others. Diversity of user terminals is important to enable OneWeb to cater across different markets and to meet specific use cases and therefore OneWeb is developing user terminals with different capabilities, form factor, specifications, volumes and price points. For example, user terminals that are being developed for aviation are smaller in form and lighter to avoid affecting the aerodynamics of aircrafts. User terminals are either purchased by distribution partners from a third-party supplier or directly from OneWeb. The timing of availability of these user terminals affect revenue realisation and customer acquisition.

1.4 Resumption of launch programme

During the year ended 31 March 2022, OneWeb postponed six scheduled launches due to take place from Baikonur, Kazakhstan, due to geo-political tensions following Russia's invasion of Ukraine. The postponement of these scheduled launches, the loss of satellites not returned to OneWeb and the impairment of a portion of OneWeb's prepaid launch insurance resulted in an impairment charge of $229.2 million, causing OneWeb's operating loss to increase by 631% compared to the previous year. The launch postponements delayed OneWeb's initial timeline in achieving global coverage of its GEN 1 satellites. Given the ongoing conflict in Ukraine, OneWeb pivoted its launch operations to the United States and India and re-commenced launches in October 2022. New commercial partnerships were formed with launch providers, including SpaceX and the Indian Space Research Organisation – NewSpace India Limited - to facilitate the remaining launches required to attain full global coverage for GEN 1.

During the year ended 31 March 2023, linked to the events that resulted in the impairment noted above, OneWeb entered into discussions with a supplier. This resulted in an agreement under which OneWeb received a credit of $34.2 million which is recognised as other operating income. In addition, OneWeb also reversed $5.8 million of impairment as OneWeb received use of certain assets that had previously been impaired that could be deployed for the launches OneWeb executed in the financial year

2 Key performance indicators

The OneWeb Group monitors several key financial and operational metrics to track the financial and operating performance of its business. As some of these measures are not determined in accordance with IFRS, they may not be comparable with other similarly titled measures of performance of other companies.

	2023	2022
Financial KPIs	($ million)	
Revenue	30.9	9.6
Adjusted EBITDA	(182.2)	(186.9)
Capital expenditure	656.1	667.1
Cash position	226.4	481.2
Operating loss	(319 7)	(425.9)
Operational (non-financial) KPIs		
Cumulative number of launches	18	13
Cumulative number of satellites launched	620	428
Distribution partners signed	53	37
Total order book (in $ millions)	864	323
Completed satellite network portals	22	9

Adjusted EBITDA is operating profit/loss excluding depreciation and amortisation, impairment and write-off of property, plant and equipment and intangible assets, foreign exchange gains or losses, and excluding the share of results in the Group's equity accounted joint venture. This is a measure considered by management in assessing the operating performance of the business alongside statutory financial measures such as operating profit/loss.

A reconciliation of adjusted EBITDA to operating loss is included below:

	2023	2022
	($ million)	
Operating loss	(319.7)	(425.9)
Impairment charge	-	229.2
Reversal of impairment charge	(5.8)	-
Write-off of property, plant and equipment	2.1	4.2
Depreciation of property, plant and equipment	128.9	2.4
Depreciation of right of use lease assets	9.4	7.9
Write-off of intangible assets	-	0.3
Amortisation of intangible assets	36.5	0.1
Share of result of joint venture	(0.3)	(5.3)
Credit received from supplier (see note 6)	(34.2)	-
Foreign exchange loss	0.9	0.2
Adjusted EBITDA	**(182.2)**	**(186.9)**

3. Results of operations

Revenue

Revenue increased by $21.3 million or 222% to $30.9 million for the year ended 31 March 2023 from $9.6 million for the year ended 31 March 2022, which was due primarily to the launch of commercial services using the OneWeb network in May 2022. During the year ended 31 March 2023, OneWeb commenced the delivery of satellite connectivity services in territories north of 50° latitude and made equipment sales of user terminals required to connect to the OneWeb network. In addition, OWT's revenue derived from the sale of user terminals and geostationary services increased as a result of OWT being a member of the OneWeb Group for the full financial year compared to its acquisition in September 2021 in the year ended 31 March 2022.

Other operating income

Other operating income increased by $30.6 million or 528% to $36.4 million for the year ended 31 March 2023 from $5.8 million for the year ended 31 March 2022, which was due primarily to an agreement reached with a supplier that resulted in the OneWeb Group receiving a credit of $34.2 million.

Operating expenses

Operating expenses increased by $169.9 million or 78% to $387.3 million for the year ended 31 March 2023 from $217.4 million for the year ended 31 March 2022, which was due primarily to the commencement of depreciation and amortisation of property, plant and equipment and intangible assets delivering connectivity services during the year ended 31 March 2023. This resulted in an increase of $164.4 million or 1,581% to $174.8 million for the year ended 31 March 2023 from $10.4 million for the year ended 31 March 2022. In addition, an increase in network related expenses arose as a result of the provision of services using the OneWeb network from May 2022 as well as an increase in the costs incurred for the OneWeb Group's platforms which facilitate the delivery of service and customer management.

Impairment charge

Impairment charge decreased by $229.2 million or 100% to $nil for the year ended 31 March 2023 from $229.2 million for the year ended 31 March 2022, which was due to the non-reoccurrence of launch postponements which had led to the significant impairment recognised in the year ended 31 March 2022.

Share of results of joint venture

Share of results of joint venture decreased by $5.0 million or 94% to $0.3 million for the year ended 31 March 2023 from a profit of $5.3 million for the year ended 31 March 2022. This was due primarily to the receipt of a dividend from AOS in the year ended 31 March 2022, where the dividend received had resulted in the recognition of $5.3 million in share of profit of the joint venture, which did not recur in the year ended 31 March 2023. Share of profit of joint venture recognised in the year ended 31 March 2023 related to the commencement of recognition of previously eliminated profits earned by AOS, as a result of the use of certain of the assets starting from May 2022.

Operating loss

Operating loss decreased by $106.2 million or 25% to $322.4 million for the year ended 31 March 2023 from $425.9 million for the year ended 31 March 2022, which was due primarily to no impairment charge being assessed in the year ended 31 March 2023. Operating loss for the year ended 31 March 2023 was mainly driven by the increase in operating expenses due to the commencement of depreciation and amortisation of property, plant and equipment and intangible assets, and other expenses incurred to scale OneWeb's operations given the commercial launch of services in May 2022.

Merger and acquisition transaction costs

Merger and acquisition transaction costs increased to $20.7 million for the year ended 31 March 2023 from $0.5 million for the year ended 31 March 2022, which was due primarily to the costs incurred by the OneWeb Group in relation to the proposed combination with Eutelsat.

Investment income

Investment income increased by $2.5 million or 833% to $2.8 million for the year ended 31 March 2023 from $0.3 million for the year ended 31 March 2022, which was due primarily to interest income earned on cash deposits increasing due to an increase in interest rates.

Finance costs

Finance costs increased by $9.8 million or 84% to $21.5 million for the year ended 31 March 2023 from $11.7 million for the year ended 31 March 2022, which was due primarily to the interest expense recognised in relation to the financing expense for an advanced payment received with a significant financing component and the interest expense related to the Group's leased properties.

Taxation

Tax was a charge of $2.8 million for the year ended 31 March 2023 compared to a credit of $48.0 million for the year ended 31 March 2022, which was largely due to tax expenses incurred by the OneWeb Group that are primarily attributable to tax payable in the UK.

Capital expenditure

OneWeb's capital expenditure comprises additions to property, plant and equipment, and intangible assets. Space segment expenditure relates to the development of space component assets, including satellites and associated launch systems.

The following table sets out OneWeb's capital expenditure for the years ended 31 March 2023 and 2022.

	2023	2022
	($ million)	
Total capital expenditure	656.1	667.1
Of which: space segment expenditure	353.5	483.9

OneWeb's total capital expenditure was $656.1 million and $667.1 million for the years ended 31 March 2023 and 2022 respectively. During these periods, OneWeb invested a significant amount in the development of its assets, including the continued manufacture and purchase of GEN 1 satellites, the build-out of new ground stations and payment for launches. During the year ended 31 March 2023, 192 satellites were launched and a further 13 SNP sites were completed. During the year ended 31 March 2022, 282 satellites were launched, cumulatively achieving 66% of the planned constellation and five further SNPs were added to support services from the North Pole to 50° north.

Combination with Eutelsat

On 25 July 2022, Eutelsat Communications S.A. ("Eutelsat") and key OneWeb shareholders signed a Memorandum of Understanding with a view to combining Eutelsat and OneWeb in an all-share transaction ("Combined Entity"). The combination of Eutelsat and OneWeb will create a multi geo-stationary global player in space-based connectivity. The transaction builds upon the already strong foundation of collaboration between OneWeb and Eutelsat, having been established when Eutelsat first announced its investment in OneWeb in April 2021.

This combination will create an opportunity to become a unique global leader, positioned for capturing the fast-growing connectivity market with a complimentary geostationary orbit ("GEO") and LEO offering, the first of its kind. Eutelsat S.A., a subsidiary of Eutelsat, is an existing shareholder of OneWeb, holding a 23% interest. The proposed transaction is structured as an exchange of OneWeb shares by its shareholders (other than Eutelsat) with new shares issued by Eutelsat, such that, at closing, Eutelsat would own 100% of OneWeb (excluding the Class B share owned by the UK Government). On completion, OneWeb shareholders would receive 230 million newly issued Eutelsat shares, representing approximately 50% of the enlarged share capital, which will be subject to a six-month lock up period Eutelsat will continue to be listed on Euronext Paris and will apply for admission to the standard listing segment of the UK's Official List and to trading on the London Stock Exchange.

Trading under its existing name, OneWeb will continue to operate the LEO business and remain in the UK. The Combined Entity will have a balanced ownership structure, with a substantial free float for the public shareholders and private investors. It is contemplated that, upon closing, a shareholder agreement between Eutelsat's key shareholders and OneWeb's key shareholders, which does not qualify as a concerted action, will be in place. This agreement would, in substance, provide for the right for certain shareholders to propose directors for the Combined Entity. The combined board will also include independent non-executive directors.

The combination of a LEO/GEO offering for connectivity is forecast to generate substantial value. We expect synergies across revenue, as well as operating and capital expenditure. Capex optimisation is expected to generate savings by leveraging the hybrid GEO/LEO satellite infrastructure and through the improved purchasing power of the Combined Entity. Concurrent to signing the Memorandum of Understanding, on 25 July 2022 the existing Distribution Partner Agreement with Eutelsat was amended to provide for a commitment under which Eutelsat will purchase $275 million of OneWeb's constellation capacity on pre-defined terms over a five-year duration, starting from the full availability of the constellation. Under the amended agreement, Eutelsat will benefit from the exclusive use of OneWeb's capacity over certain pre-defined sales regions and verticals.

The parties signed a Framework Agreement on 14 November 2022 pursuant to which Eutelsat undertakes to acquire the OneWeb shareholders' shares (excluding the Class B share) in the share capital of OneWeb subject to the terms and conditions of the Framework Agreement. The transaction will be subject to customary regulatory conditions and is also conditional on approval by Eutelsat's shareholders at an Extraordinary General Meeting ("EGM") of Eutelsat, to take place following regulatory approval. Bpifrance and Fonds Stratégique de Participations, who each hold an interest in Eutelsat, have undertaken to vote in favour of the transaction-related resolutions at this EGM, subject to usual conditions

Principal risks and uncertainties

Protecting the success and development of OneWeb's strategy and business model through effective and strategic risk management is a key objective for the Board and Executive Committee. OneWeb's risk management framework has been significantly matured during the year to ensure the Company is competent to operate in the complex global environment in which it carries out business.

During the year, OneWeb's Audit and Risk Committee supported the adoption and endorsement of a Risk Management Policy and internal audit function. Internal Audit is managed on an independent third-party based assurance model. The Executive Committee meet on a quarterly basis to review the OneWeb Group enterprise risks, as well as business and operational risks. This regular dialogue is intended to enable OneWeb to effectively address and mitigate the key and current risks to the business.

The key principal risks and uncertainties to the OneWeb Group, identified during the year are as follows:

Risk	Risk Description & Impact	Risk Mitigation
Finance Risk	Given the nature of its business, OneWeb's operations as a satellite network operator are capital intensive. OneWeb is at risk of not meeting the targeted revenue under the long-term business plan and potentially at risk of insufficient funding or liquidity. This could reduce the Company's ability to effectively rollout the network, resulting in lower or delayed cash generation	There is a robust annual operating plan and long-term business plan which is produced in consultation with the business and approved by the Board and endorsed by the Audit and Risk Committee of the Board. The annual operating plan and long-term business plan are both reviewed on an annual basis by the Board and performance of the Company against the annual operating plan is monitored monthly. The executive committee are notified of any variances, and these are escalated to the Board where necessary. To mitigate liquidity and funding risks, OneWeb has entered into a committed unsecured loan facility with certain shareholders to provide the Group with access of up to $160.0 million (in aggregate). The facility, if drawn, is convertible to equity under certain conditions In addition, the Group has received a commitment for an external facility of $100.0 million, securitised against certain of the Group's take-or-pay commitments.
GEN 2 Rollout Delay Risk	OneWeb is at risk of delays to the rollout of its GEN 2 network due to potential complexities in the technological design, availability of launch vehicles, and the required capital expenditure to deploy the GEN 2 constellation. This would have a significant impact on the Group's cash flow, its position in the market with emerging LEO satellite operator competitors and the ability to meet the Company's future strategic objectives.	There is a dedicated OneWeb GEN 2 Technology Team focussed solely on the design, manufacture, and deployment of GEN 2 within the required schedule. The Company will also seek to secure launch slots with a range of launch vehicle providers in anticipation of the deployment of the GEN 2 constellation. Market analysts within OneWeb also stay abreast of the changing market demands and forecasts for the future of LEO connectivity offerings, to ensure that GEN 2 design will meet customer demands and offer effective solutions for the next generation of use cases. There is also a dedicated Technology Committee of the Board, which meets at least bi-monthly to discuss and review the progress of GEN 2 and approve key milestones.
Cyber Security Risk	OneWeb's information systems are at a potential risk of malfunctions, loss of data integrity, cyber-attacks, computer malware, satellite hijacking, malicious or accidental acts by employees, terrorist acts or sabotage, all of which could compromise the continuity of service, cause a temporary or permanent interruption of service or call into question the quality of the service provided.	OneWeb's cyber resilience program, headed by the Chief Information Security Officer has significantly matured during the year. Resource has been specifically allocated to further advancement of the cyber strategy and security program for the OneWeb Group. The Executive Committee meets bi-monthly to discuss and review the business' exposure to cyber security risk and annual audits are conducted to ensure the OneWeb Group is compliant with policy and regulatory standards.
Health and Safety Risk	Given the global landscape in which OneWeb operates and as OneWeb continues to scale as a business, there is a risk of non-compliance with relevant health and safety laws and regulations which could lead to major regulatory investigations or enforcement actions, which could cause distraction of management, reputational damage, higher operating costs, business interruptions and material fines and claims for damages.	OneWeb does not operate or send employees to carry out work in areas which could pose a threat to their safety as a result of geo-political tensions. As the business scales, OneWeb recognises the importance of staying abreast of global health and safety regulations and in response, OneWeb has appointed dedicated resource to oversee the Company's compliance with local and international laws and regulations for the Group. This risk is also monitored closely by the Health, Safety and Environment Committee of the Board, which meets regularly during the year to review any health and safety concerns and further actions to be taken by the Company.

Legal, Regulatory and Compliance Risk	As OneWeb scales and its operations become more global, it could be exposed to the risk of non-compliance with jurisdictional legal, regulatory or compliance laws. The result of such non-compliance includes fines, reputational damage, and/or potential negative impact on business operations including the inability or restricted ability to sell OneWeb products and services on a fully global basis and termination of existing contracts.	OneWeb has a dedicated team of qualified lawyers, company secretaries and compliance professionals, in addition to external counsel support where required, to advise on local laws and regulations in the jurisdictions in which it operates. The OneWeb Group is also audited on an annual basis to review compliance under agreements with US specific agencies. During the Financial Year, OneWeb hired a new VP, Compliance to oversee, manage and grow the OneWeb Group's global compliance framework.
Risk to completion of the combination with Eutelsat	There is a risk that the proposed combination with Eutelsat may not complete, which could impact the immediate strategies for the OneWeb Group.	OneWeb and its shareholders are in continuous communication with global regulators to obtain the necessary clearances to complete the combination. This risk is actively monitored by OneWeb's inhouse legal team and external counsel. OneWeb is operating on a business-as-usual model to ensure that the risk of not completing the proposed combination does not have a material impact on the OneWeb Group's focus to continue to generate business and revenue.

Section 172 statement

Section 172 of the Companies Act 2006 ("s172") requires the directors of the Company to act in a way that they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole. This statement demonstrates how the Board have had regard to the obligations set out in s172 during the course of their decision making. The Board ensures that where key decision making takes place, they have considered how decisions may impact various stakeholder groups and throughout the Financial Year, regular engagement is undertaken across all key stakeholder groups, both directly and indirectly, to ensure there has been sufficient regard to their interests when making material business decisions

The Board has identified its key stakeholders to ensure due consideration is given to all relevant stakeholders in the context of principal decision making. In addition to the matters set out throughout this report, examples of engagement with our key stakeholder groups are set out in this statement.

Key stakeholders:

- **Distribution partners** – providing the required customer services, quality of network and availability capacity is essential for our distribution partners to provide success for their end customers and in turn, OneWeb's success and credibility as a wholesale provider.
- **Employees** – OneWeb wants to ensure all employees and colleagues feel valued, respected, and rewarded for their contribution to the Company and business' future.
- **Communities** – bridging the digital divide is at the heart of OneWeb's strategy and OneWeb recognises that it has a duty to communities around the world to drive this initiative.
- **Suppliers** – We rely on key, industry recognised suppliers for the successful delivery of the satellites, user terminals and ground infrastructure to ensure we meet the needs of our distribution partners and end users.
- **Regulators** – OneWeb is committed to contributing meaningfully to the evolving landscape of global space and satellite industry regulation.
- **Shareholders** – Our shareholders offer industry and sector expertise, which provide valuable contributions to OneWeb's strategy and guide the Company towards success.

The table below identifies how OneWeb has engaged and continues to engage with its key stakeholders:

Stakeholder	Why we engage	How we engage
Distribution Partners	OneWeb recognises that a high quality and reliable network offering to its distribution partners is integral to the Company's credibility as a wholesale provider of internet capacity. Therefore, fostering relationships with our distribution partners as the network evolves is an essential part of maintaining our competitive position in a growing market. The quality of these relationships ensure that end customer needs are appropriately met and OneWeb is a trusted partner for our distribution partners, for the success of their business, and ours.	• Service demos and UT trial opportunities for distribution partners to live test the network for their specific use case • CEO 1 to 1 meetings with key distribution partners • Monthly distribution partner newsletters • Press releases in association with distribution partners • NPS surveys are used to improve overall customer experience. OneWeb's NPS score has improved to a rating of +16 from -33 in 2021. • Distribution partner program which includes Hypercare and monthly account management and customer success processes, marketing, sales enablement, training and incentivisation
Employees	The resilience and commitment of OneWeb's employees are the foundation of its continued success. The Board recognises the need to build engaged, talented teams who collaborate and are committed to fulfilling the OneWeb mission. OneWeb's currently has a gender diversity ratio of 79% male and 21% female employees	• The Board monitors employee matters through regular updates at Board meetings and a People Update is a standing agenda item • Employee engagement surveys are held twice per year and include a pulse and full survey. Data is gathered each year, reviewed and appropriate action plans are drawn up • Bi-annual talent breakfast forums take place to facilitate one on one engagement for the Board and employees of all levels in the organisation • There is a dedicated 'ask questions about the combination' site which is offered to all employees interested in the progress and impacts of the combination with Eutelsat • Weekly Constellation Newsletters are circulated to all employees which provide key updates on strategy and employee-wide news • Regular all-hands meetings are led by the CEO and Executive Committee • Employees are eligible to take part in the LEO Awards system, which is designed to recognise key achievements. The Board actively monitors and promotes the recognition of excellence and achievement across the workforce • Leadership and development coaching is offered to employees
Communities	OneWeb is committed to bridging the digital divide – it is at the heart of what we do. As part of our initiative, OneWeb seeks to remove barriers to connectivity that still cause a digital divide around the globe and recognises that the communities in which we operate expect responsible and effective working practices.	• Graduate STEM initiatives overseen by the Head of HR, with delegated authority from the Board • Trials have taken place in the Shetlands, Scotland with UK Government 'Very Hard to Reach Premises Connectivity Program' • First Responders initiatives are being explored to use OneWeb connectivity to save lives in remote areas / hard to reach places
Suppliers	OneWeb is reliant on key suppliers for the successful delivery and deployment of the network and through the past year, it has fostered	• Procurement VP oversees the maintenance of OneWeb's supplier programme and ERP system • Internal controls and supplier management are monitored by the Board

	new supplier relationships for the development of its user terminal program. As a business, OneWeb relies on its suppliers to deliver the required goods to meet the needs of the distribution partners and end user, but also facilitate the successful roll out and invention of new technology and product offering as the Company ventures into new markets	• High value contracts required Board approval • Robust payment practices and processes are in place • Innovation days are held to engage key suppliers in future projects • Compliance with anti-bribery, anti-money laundering, anti-corruption and similar laws are a prerequisite of doing business with OneWeb
Regulators	OneWeb operates in a highly regulated environment and is required to comply with regulations from an array of UK, US and other global regulators. The Company keeps abreast of the evolving regulatory environment and maintains dialogue with industry regulators.	• OneWeb has a direct dialogue with key industry regulators including the Federal Communications Commission, Ofcom, the Civil Aviation Authority, UK Space Agency and European Space Agency • The CEO and Chairman attended the Mobile World Congress 2023 in Barcelona • Members of Executive Management Team attended Satellite Show in Washington in 2023 • Active participation and dialogue with regulators around the world regarding industry policy and spectrum related concerns
Shareholders	OneWeb's shareholders have direct influence on strategic decision making and hold various directorship seats on the Board of directors. With a diverse range of global shareholders who bring experience and expertise to the Board, the Executive Committee regularly keep the shareholders and Board up to date with business progress and understand that shareholder views are a key input into the Group's strategy.	• Closed shareholder forums are held four times per year • OneWeb has a dedicated investor relations contact for shareholders • Robust governance framework which focuses on consistent reporting and information dissemination to the Board and the shareholders

The Strategic Report was approved by the Board on 13 June 2023 and signed on its behalf by:

Neil Masterson
Chief Executive Officer

Directors' report

The Company has chosen, in accordance with section 414C(11) of Companies Act 2006, to include matters of strategic importance to the Company in the Strategic Report which otherwise would be required to be disclosed in the 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.

- Sunil Bharti Mittal
- Neil Masterson
- Shravin Bharti Mittal
- Akhil Gupta
- Elena Ciallie
- Rob Woodward
- Hugo Robson
- Sandrine Téran (resigned 25 November 2022)
- *Pascal Homsy*
- Eva Berneke
- Michel Combes
- Jacqueline Hunt (resigned 31 March 2023)
- Dong Wan Yoo
- Dominique Cerutti (appointed 22 July 2022)
- Jean-Hubert Lenotte (appointed 25 November 2022)
- Nadia Hoosen (Company Secretary)

The Company maintains Directors' and Officers' liability insurance cover and grants indemnities under its Articles of Association to each of its directors and the Group Company Secretary to the extent permitted by law. The Company provided qualifying third-party indemnity provisions (as defined by Section 234 of the Companies Act 2006) during the period to 31 March 2023 and these remain in force as at the date of this report.

Political contributions

The Company made no political contributions during the year.

Risk information on use of financial instruments

Details of the Group's risk management processes in relation to financial instruments are available in note 19 to the financial statements.

Post balance sheet events

Details of post balance sheet events are available in note 23 to the consolidated financial statements.

Research and development

The Group undertakes significant research and development activities whilst creating its satellite constellation, ground network and user terminal technology. Development costs incurred are capitalised when it is probable that future economic benefits will be attributable to the asset and that these costs can be measured reliably (see notes 13 and 14 to the consolidated financial statements).

Existence of branches

The Group has activities operating across many jurisdictions, and a full list of the Company's subsidiaries is available in note 32 to the consolidated financial statements. As at the date of this report, the Group has three branches in Brazil, one in Martinique and one in Dubai, UAE.

Policy on employment of disabled persons

Whilst OneWeb does not have a standalone policy on employment of disabled persons, OneWeb is proud to be an equal employment opportunity Company and takes pride in ensuring that people with any disability are given full and fair consideration for all vacancies. Wherever possible, OneWeb also ensures that employees with disabilities, and/or those who become disabled while employed by OneWeb, are provided with the necessary support to continue in their roles.

Statement of engagement with employees

The Company is committed to employee engagement throughout the business and employees are kept well informed of the Company's strategy and progress through regular communications at all-hands meetings, via internal communications and live meetings with the CEO.

The Board recognises that a strong company culture is key to the successful delivery of the Company's strategy and is integral to the completion of global coverage. During the year, several events were hosted which gave employees the opportunity to engage with members of the Executive Committee, CEO and Board. Further details of employee engagement can be found in the Section 172 Statement on page 8-10.

Statement of engagement with suppliers, customers and others in a business relationship with the Company

The directors have due regard for the need to foster the Company's business relationships with suppliers, customers and those in a business relationship with the Company. The importance of a culture of trust and ethical practice is promoted throughout the Company's supply chain. Further details on how the Company has had regard to the need to foster the business relationships with suppliers, customers and others and the effect of that regard are available in the Section 172 Statement on page 8-10.

GHG emissions, energy use from activities for which the Company is responsible, action taken to increase efficiency

The GHG emissions have been assessed following the ISO 14064-1:2018 standard and has used the 2022 GHG emission conversion factors published by Department for Environment, Food and Rural Affairs ("Defra") and the Department for Business, Energy & Industrial Strategy ("BEIS"). Both the location-based and market-based scope 2 emissions have been reported. The operational control approach has been used.

The table below summarises the GHG emissions for reporting year 1st January 2022 to 31st December 2022. This is different to the financial year. However, it is consistent with One Web's previous GHG emission assessments.

The results below refer to the minimum SECR-required elements only (UK electricity and gas consumption, and car travel). One Web also separately assesses the emissions associated with its non-UK operations and wider scope 3 emission sources such as third-party logistics etc.

Activity	**Location-based GHG emissions (tCO2e)** 2023	**Market-based GHG emissions (tCO2e)** 2023	**Location-based GHG emissions (tCO2e)** 2022	**Market-based GHG emissions (tCO2e)** 2022
Natural gas	4.00	4.00	46.18	46.18
Scope 1	**4.00**	**4.00**	**46.18**	**46.18**
Electricity generation	48.59	0	45.29	9.85
Scope 2	**48.59**	**0**	**45.29**	**9.85**
Grey fleet travel	8.71	8.71	14.22	14.22
Scope 3	**8.71**	**8.71**	**14.22**	**14.22**
Total tonnes CO2e	61.30	12.71	105.69	70.25
Tonnes CO2e per employee	0.16	0.03	0.21	0.14
Total kWh	354,012		527,312	

Energy Efficiency Actions

OneWeb's London site has been on a 100% renewable electricity supply for the full reporting period and has been on a green gas supply since April 2022. OneWeb continues to promote recycling at each of its office-based sites. No further formal measures have been taken to improve energy efficiency during the year.

Going concern

In determining the appropriate basis of preparation of the financial statements for the period ended 31 March 2023, the Directors are required to consider whether the Group is a going concern, i.e. whether the Group is able to meet its liabilities as they fall due over a period of at least 12 months from the date of approval of these financial statements; they are also required to disclose, if applicable, any material uncertainties related to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern.

In considering whether it is appropriate to adopt the going concern basis, the Directors undertook an assessment of the financial projections of the Group. Specific consideration has been made of the funding position and the expected costs to be incurred to provide global services and the profile of revenue generation, together with the expected operational performance of the satellite constellation and ground network.

The Group is committed to its combination with Eutelsat and this is expected to complete within the going concern assessment period. This would result in the Group having access to funding to meets its liquidity needs as a subsidiary of Eutelsat. The completion of the transaction is not within the Group's sole control and therefore the Group has considered its forecast liquidity over the going concern period on a standalone basis by preparing cash flow projections for the period to 31 March 2025 (the going concern assessment period) that include a severe but plausible downside scenario.

As a result of the successful launches to complete the satellite constellation, the associated risks have significantly diminished and therefore the phasing of customer acquisition and level of revenue realisation are the key assumptions that underpin the Group's financial projections. The Group is already providing commercial services to customers North of 35° latitude and the Group expects to provide global coverage by the end of this calendar year following completion of the ground network. Consequently, the base case financial projections show significant growth in annual revenues as the Group monetises its newly established low-earth orbit satellite network. In considering a severe but plausible downside scenario for future revenues, the Group has taken account of its committed order book during the going concern assessment period and revenues from contract negotiations that it considers to be close to conclusion.

As set out in note 23, after the year end, the Group has obtained a convertible loan facility from certain shareholders for up to $160.0 million and a committed bank facility for $100.0 million, reducing to $75.0 million after March 2024 and repayable by 31 March 2025 (or 18 months from the drawdown date if earlier). These facilities, together with certain mitigating cost savings within management's control, provide sufficient funding for the Group to meet its liabilities as they fall due during the going concern assessment period, in the severe but plausible downside scenario.

Accordingly, the directors have a reasonable expectation that the Group and Company have adequate financial resources to continue in 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.

Statement of Directors' responsibilities in respect of the Directors' report and the financial statements

Company law requires the directors to prepare financial statements for each fiscal year. The directors have elected to prepare the group financial statements in accordance with International Financial Reporting Standards in conformity with the requirements of the Companies Act 2006 ("Adopted IFRS") and applicable law, and have elected to prepare the Company financial statements in accordance with UK accounting standards and applicable law ("UK Generally Accepted Accounting Practice"), including FRS 101: Reduced Disclosure Framework ("FRS 101").

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 Group and of the Group's profit or loss for that period. In preparing each *of the Group and Company financial statements, the directors are required to:*

- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are reasonable, relevant, reliable and prudent.
- For the Group financial statements, state whether they have been prepared in accordance with Adopted IFRS.
- For the Company financial statements, state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Assess the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern.
- Use the going concern basis of accounting, unless they either intend to liquidate the Group or the Company or to cease operations.

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 Group and the Company and enable them to ensure that its financial statements comply with the Companies Act 2006

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 mis-statement, 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 Group and to prevent and detect fraud and other irregularities.

Directors' confirmations
In the case of each director in office at the date the Directors' Report is approved:

- as 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.

The Directors' Report and Statement of Directors' Responsibilities was approved by the Board on 13 June 2023 and signed on its behalf by:

Neil Masterson
Chief Executive Officer

KPMG

Independent auditor's report to the members of OneWeb Holdings Limited

Opinion

We have audited the financial statements of OneWeb Holdings Limited ("the Company") for the year ended 31 March 2023 which comprise the Consolidated balance sheet, Consolidated statement of profit and loss and other comprehensive income, Consolidated statement of changes in equity, Consolidated cash flow statement, Company balance sheet, Company statement of changes in equity, and related notes, including the accounting policies in note 2.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 March 2023 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent Company financial statements have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*, and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the Company or to cease their operations, and as they have concluded that the Group and the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for the period to 31 March 2025 ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Group's business model and analysed how those risks might affect the Group and Company's financial resources or ability to continue operations over the going concern period

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate, and
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group or the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group or the Company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors, the audit committee and inspection of policy documentation as to the Group's high-level policies and procedures to prevent and detect fraud, and the Group's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading board and audit and risk committee meeting minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that Group and component management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because the Group continued to be in development stage during the year and has very limited revenue recognised for the year ended 31 March 2023. Therefore, the fraud risk in revenue recognition has been rebutted. We did not identify any additional fraud risks.

We performed audit procedures for fraud risks identified including:

- Identifying journal entries and other adjustments to test for all components based on risk criteria and comparing the identified entries to supporting documentation and enquiries with management to understand the rationale for the journal entry. These included those posted by senior finance management, those containing high risk keywords, specific unexpected journal pairings and material post-close entries.
- Evaluated the business purpose of significant unusual transactions.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors and other management (as required by auditing standards), and from inspection of the Group's regulatory and legal correspondence and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our audit team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, pension legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the Group's licenses to operate. We identified the following areas as those most likely to have such an effect: licensing of spectrum rights, regulations as required by communications regulators in the jurisdictions the Group operates in, regulations as required by space agencies that the Group deals with (such as the UK Space Agency & European Space Agency), health and safety, anti-bribery, employment law, environmental protection legislation, competition legislation and certain aspects of company legislation recognising the nature of the Group's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remains a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

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

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

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 14, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; assessing the Group and parent 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 they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Lynton Richmond (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL
14 June 2023

Consolidated statement of profit and loss and other comprehensive income
for the year ended 31 March 2023

	Note	**2023** **$m**	2022 $m
Revenue	*4*	**30.9**	9.6
Other operating income	*6*	**36.4**	5.8
Operating expenses	*5*	**(387.3)**	(217.4)
Impairment charge	*6*	**-**	(229.2)
Share of results of joint venture	*15*	**0.3**	5.3
Operating loss		**(319.7)**	(425.9)
Merger and acquisition transaction costs	*3*	**(20.7)**	(0.5)
Investment income	*11*	**2.8**	0.3
Finance costs	*11*	**(21.5)**	(11.7)
Loss before tax		**(359.1)**	(437.8)
Taxation (charge)/credit	*12*	**(2.8)**	48.0
Loss for the period		**(361.9)**	**(389.8)**
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations		**0.3**	0.2
Other comprehensive income for the period, net of income tax		**0.3**	0.2
Total comprehensive loss for the period		**(361.6)**	**(389.6)**

Consolidated balance sheet
At 31 March 2023

	Note	2023 $m	2022 $m
Non-current assets			
Property, plant and equipment	13	**1,848.5**	1,410.4
Right of use lease assets	20	**74.2**	60.6
Goodwill	3	**7.2**	7.2
Intangible assets	14	**561.8**	506.1
Bonds and deposits		**14.0**	17.5
Withholding tax receivable		**8.5**	8.5
Other non-current assets		**8.2**	2.7
Investment in joint ventures	15	**16.1**	15.2
		2,539.3	2,028.2
Current assets			
Inventory		**22.9**	8.2
Prepaid expenses		**55.3**	43.7
Corporation tax receivable		**3.8**	3.9
Receivables from related parties	22	**10.4**	-
Goods and services tax receivable		**11.9**	12.1
Share subscription receivables	18	**156.0**	606.0
Trade receivables		**5.8**	2.6
Other current assets		**0.2**	-
Cash and cash equivalents		**226.4**	481.2
		492.7	1,157.7
Total assets		**3,032.0**	3,185.9
Current liabilities			
Trade payables		**(59.8)**	(36.9)
Payables to related parties	22	**(1.7)**	(13.1)
Accrued expenses		**(64.7)**	(14.6)
Accrued employee compensation		**(27.5)**	(17.3)
Contract liability	4	**(40.9)**	(4.8)
Goods and services tax payable		**-**	(0.8)
Corporation tax payable		**(1.0)**	(1.1)
Other taxes payable		**(3.3)**	(3.7)
Lease liabilities	20	**(15.9)**	(13.2)
Other current liabilities		**(3.0)**	(3.0)
		(217.8)	(108.5)
Non-current liabilities			
Contract liability	4	**(254.7)**	(175.0)
Provisions	17	**(12.4)**	(10.8)
Lease liabilities	20	**(100.1)**	(93.7)
Other non-current liabilities		**(10.6)**	(4.7)
Deferred tax liabilities	12	**-**	-
		(377.8)	(284.2)
Total liabilities		**(595.6)**	(392.7)
Net assets		**2,436.4**	**2,793.2**
Equity			
Share capital	18	**-**	-
Share premium	18	**2,805.3**	2,805.3
Share based payment reserve	18	**11.5**	6.7
Foreign currency reserve	18	**0.8**	0.5
Retained earnings	18	**(381.2)**	(19.3)
Total equity		**2,436.4**	**2,793.2**

These financial statements were approved by the Board of Directors on 13 June 2023 and were signed on its behalf by.

N. I M...

Neil Masterson
Chief Executive Officer

Company registered number: 12534512

Consolidated statement of changes in equity
for the year ended 31 March 2023

	Share capital $m	Share premium $m	Share based payment reserve $m	Foreign currency reserve $m	Retained earnings $m	Total equity $m
At 1 April 2021	**-**	**1,232.5**	**0.6**	**0.3**	**370.5**	**1,603.9**
Total comprehensive income for the period						
Loss for the period	-	-	-	-	(389.8)	(389.8)
Exchange differences on foreign operations, net of tax	-	-	-	0.2	-	0.2
Total comprehensive income for the period	-	-	-	0.2	(389.8)	(389.6)
Transactions with owners, recorded directly in equity						
Issue of shares	-	1,572.8	-	-	-	1,572.8
Equity-settled share-based payment transactions	-	-	6.1	-	-	6.1
Total contributions by and distributions to owners	-	1,572.8	6.1	-	-	1,578.9
At 31 March 2022	**-**	**2,805.3**	**6.7**	**0.5**	**(19.3)**	**2,793.2**
Total comprehensive income for the period						
Loss for the period	-	-	-	-	(361.9)	(361.9)
Exchange differences on foreign operations, net of tax	-	-	-	0.3	-	0.3
Total comprehensive income for the period	-	-	-	0.3	(361.9)	(361.6)
Transactions with owners, recorded directly in equity						
Equity-settled share-based payment transactions	-	-	4.8	-	-	4.8
Total contributions by and distributions to owners	-	-	4.8	-	-	4.8
At 31 March 2023	**-**	**2,805.3**	**11.5**	**0.8**	**(381.2)**	**2,436.4**

Consolidated cash flow statement

for the year ended 31 March 2023

	Note	2023 $m	2022 $m
Cash flows from operating activities			
Cash used in operations	*21*	**(51.3)**	(329.1)
Tax paid		**(2.1)**	-
Tax credits received		**1.4**	3.7
Net cash from operating activities		**(52.0)**	(325.4)
Cash flows from investing activities			
Interest received		**2.3**	0.3
Acquisition of a subsidiary	*3*	**-**	(3.8)
Investment in joint venture	*15*	**(0.6)**	(15.0)
Dividends received	*15*	**-**	14.0
Acquisition of property, plant and equipment		**(541.1)**	(581.6)
Acquisition of intangible assets		**(92.2)**	(77.8)
Net cash from investing activities		**(631.6)**	(663.9)
Cash flows from financing activities			
Proceeds from the issue of share capital, net of issue costs		**450.0**	1,275.3
Advanced payment for services with a significant financing component	*4*	**-**	170.6
Interest paid		**(0.5)**	(0.1)
Interest payments for lease liabilities		**(6.3)**	(5.7)
Capital payments for lease liabilities		**(14.4)**	(13.2)
Net cash from financing activities		**428.8**	1,426.9
Net (decrease)/increase in cash and cash equivalents		**(254.8)**	437.6
Cash and cash equivalents at the start of the period		**481.2**	44.0
Effect of exchange rate fluctuations on cash held		**-**	(0.4)
Cash and cash equivalents at the end of the period		**226.4**	**481.2**

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

1 General information

The Company is a private company incorporated, domiciled and registered in England and Wales. The registered number is 12534512 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 2023, the Directors are required to consider whether the Group is a going concern, i.e. whether the Group is able to meet its liabilities as they fall due over a period of at least 12 months from the date of approval of these financial statements; they are also required to disclose, if applicable, any material uncertainties related to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern.

In considering whether it is appropriate to adopt the going concern basis, the Directors undertook an assessment of the financial projections of the Group Specific consideration has been made of the funding position and the expected costs to be incurred to provide global services and the profile of revenue generation, together with the expected operational performance of the satellite constellation and ground network.

The Group is committed to its combination with Eutelsat and this is expected to complete within the going concern assessment period. This would result in the Group having access to funding to meets its liquidity needs as a subsidiary of Eutelsat The completion of the transaction is not within the Group's sole control and therefore the Group has considered its forecast liquidity over the going concern period on a standalone basis by preparing cash flow projections for the period to 31 March 2025 (the going concern assessment period) that include a severe but plausible downside scenario.

As a result of the successful launches to complete the satellite constellation, the associated risks have significantly diminished and therefore the phasing of customer acquisition and level of revenue realisation are the key assumptions that underpin the Group's financial projections. The Group is already providing commercial services to customers North of 35° latitude and the Group expects to provide global coverage by the end of this calendar year following completion of the ground network. Consequently, the base case financial projections show significant growth in annual revenues as the Group monetises its newly established low-earth orbit satellite network. In considering a severe but plausible downside scenario for future revenues, the Group has taken account of its committed order book during the going concern assessment period and revenues from contract negotiations that it considers to be close to conclusion.

As set out in note 23, after the year end, the Group has obtained a convertible loan facility from certain shareholders for up to $160.0 million and a committed bank facility for $100.0 million, reducing to $75.0 million after March 2024 and repayable by 31 March 2025 (or 18 months from the drawdown date if earlier). These facilities, together with certain mitigating cost savings within management's control, provide sufficient funding for the Group to meet its liabilities as they fall due during the going concern assessment period, in the severe but plausible downside scenario

Accordingly, the directors have a reasonable expectation that the Group and Company have adequate financial resources to continue in 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 convention

The consolidated financial statements have been prepared and approved by the Directors in accordance with Adopted IFRSs. The Company has elected to prepare its parent entity only financial statements in accordance with FRS 101.

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 each period presented in these financial statements

2.3 Accounting estimates and judgements

In the preparation of consolidated financial statements in conformity with Adopted IFRSs, 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

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 following critical judgements have been made in the current and prior period:

Control of OneWeb Technologies, Inc. (see note 3)

As detailed in note 3, the Group acquired OneWeb Technologies, Inc. (previously TrustComm, Inc.) on 20 September 2021 when it purchased 100% of its issued share capital. The business is managed through a proxy agreement as required by the U.S. National Industrial Security Program, whereby a proxy board comprised entirely of U.S. citizens are responsible for the day to day running of the business. The proxy agreement enables OWT to participate in classified contracts with the U.S. Government despite being owned by a non-U.S. organisation. The proxy agreement places restrictions on the information which may be shared with the Group and the interactions that may occur between OWT and other Group companies.

Judgement is required in applying the guidance of IFRS 10: Consolidated financial statements to determine the degree of control or influence that the Group exercises. Subject to the proxy agreement rules, the Group has certain powers in relation to the appointment and remuneration of key management, and capital allocation decisions. The Group is also exposed to variable returns and can use its powers to affect those returns. Therefore, the Group has concluded that it meets the requirements of IFRS 10 with respect to control and its results are consolidated in the Group's consolidated financial statements.

Collection of receivables from shareholders (see note 18)

Included within current assets are share subscription receivables of $156.0 million (31 March 2022: $606.0 million) owed by BEIS, Bharti and Eutelsat. Judgement has been applied in considering whether these amounts are recoverable at the period end. There is not considered to be any significant risk that these amounts are not fully recoverable.

Future availability of tax losses (see note 12)

At 31 March 2023, the Group had tax losses totalling $1,643.0 million (31 March 2022: $818.2 million) which have not been recognised as a deferred tax asset, as it is not probable at the reporting date that future taxable profits will be available against which these can be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

The majority of the losses were incurred prior to the acquisition of these Group companies out of bankruptcy protection in November 2020. The details of the losses are as below:

- $1,031.7 million of trading losses incurred in the UK. $143.3 million of these losses were incurred prior to bankruptcy and are not expected to be extinguished, but will be reviewed periodically in light of business performance and/or change of control provisions.
- $145.9 million of management expenses incurred in the UK. $55.9 million of these losses were incurred prior to bankruptcy and are not expected to be extinguished but will be reviewed periodically in light of business performance and/or change of control provisions.
- $292.1 million of non-trading losses incurred in the UK, of which $277.1 million are subject to a restriction under the corporate interest restriction rules. These may be accessed in the future if there is sufficient capacity and the capital of the relevant company does not increase significantly under the change of control provisions.
- $157.7 million of trading losses incurred in the US. $116.2 million of these losses were incurred prior to bankruptcy and the utilisation of which will be restricted to small amounts each year due to the change of control provisions.
- $15.6 million of trading losses were incurred in a number of different territories.

At the balance sheet date, it is not anticipated that any of the losses will be extinguished, although this is subject to tax authority agreement and will need to be reviewed periodically in light of business performance and change of control provisions.

Key sources of estimation uncertainty

Key sources of estimation uncertainty 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. The following key sources of estimation uncertainty were identified:

Valuation of property, plant and equipment, intangible assets and goodwill

The Group has property, plant and equipment, intangible assets and goodwill with an aggregate carrying value of $2,417.5 million. The Group has performed an impairment review at 31 March 2023 which identified headroom of $1,070.5 million. Due to the potential impairment that would arise under reasonably possible scenarios, the valuation of property, plant and equipment, intangible assets and goodwill is considered to be a key source of estimation uncertainty.

The key sources of estimation uncertainty in the assessment of impairment are the assumptions related to the proportion of available network capacity sold in the terminal period and the discount rate applied. A reduction in the proportion of available network capacity sold by 9% or an increase in the discount rate by 1.2% to 10.2% would result in the assets' fair value less costs to sell being equal to their carrying value. The Group is in the early stages of its operations and therefore there is considerable uncertainty over the proportion of its network capacity that the Group will be able to sell and the risks specific to the assets reflected in the discount rate This uncertainty will be resolved through the passage of time as the Group's services become available and as customers adopt and distribute the Group's services. Further details in relation to this assessment are provided in note 6.

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

a) Measurement convention

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. The Group and Company financial statements are presented in United States dollars, rounded to the nearest $0.1 million

b) Basis of consolidation

The accompanying consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, together with the Group's interest in its joint ventures. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In assessing control, the Group takes into consideration potential voting rights.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The Group reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control above.

c) Foreign currency

The presentation currency of the Group is the U.S. dollar. Subsidiaries whose functional currency is a currency other than the U.S dollar translate their assets and liabilities into U.S dollars at the current exchange rates in effect at the end of the reporting period Income and expense accounts of such subsidiaries are translated into U.S. dollars at the average exchange rates during the period Translation adjustments are included in the foreign currency translation reserve, a separate component of equity. 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 consolidated statements of comprehensive income or loss.

2.5 Adopted IFRS not yet applied

The following Adopted IFRSs have been issued but have not been applied in these financial statements. Their adoption is not expected to have a material effect on the financial statements:

Accounting pronouncements with effective date on or after 1 January 2023:

- IFRS 17: Insurance Contracts and Amendments to IFRS 17 Insurance Contracts;
- Amendments to IAS 1: Disclosure of Accounting Policies and Amendments to IAS 8: Definition of Accounting Estimates; and
- Amendment to IAS 12. Deferred Tax related to Assets and Liabilities arising from a Single Transaction.

Accounting pronouncement with effective date on or after 1 January 2024:

- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current.

3 Acquisitions and disposals

Accounting policy

The Group has determined whether a particular set of activities and assets is a business by assessing whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs. The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. This election can be applied on a transaction-by-transaction basis. The concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The Group measures goodwill at the acquisition date as:

-the fair value of the consideration transferred; plus
-the recognised amount of any non-controlling interests in the acquiree; plus
-the fair value of the existing equity interest in the acquiree; less
-the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

When the Group loses control of a subsidiary, the gain or loss on disposal recognised in profit or loss is calculated as the difference between: (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest; and (ii) the previous carrying amount of the assets (including goodwill), less liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as required/permitted by applicable IFRS Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 when applicable, or the cost on initial recognition of an investment in an associate or a joint venture.

Part disposal in the prior period: First Tech Web Company Limited

On 24 October 2021, 50% of the Group's investment in First Tech Web Company Limited, a company incorporated in the Kingdom of Saudi Arabia was sold to NEOM Tech and Digital Company ("NEOM"), with each shareholder making an initial shareholder contribution of $5.0 million and subsequently each holding 50% of the share capital in the company ("NEOM JV"). The Group therefore no longer has control of First Tech Web Company Limited. Following these transactions, the Group has joint control of the entity and the investment is now accounted for under the equity method. Further details of the purpose of the joint venture are provided in note 15.

On disposal, the net assets of the entity were $0.5 million, which primarily comprised property, plant and equipment ($0.6 million) and employee and tax obligations ($0.2 million). The Group recognised a loss on disposal of $0.2 million and the fair value of its retained interest was $0.2 million at the point of disposal. The Group received cash consideration of $13,333 and disposed of cash of $38,819, resulting in a net cash outflow on disposal of $25,486.

At 31 March 2022, the value of the Group's 50% investment in First Tech Web Company Limited, accounted for as a joint venture, was as follows:

	$m
Fair value of interest retained on disposal of subsidiary	0.2
Subsequent investment	15.0
Share of result of joint venture	-
Carrying value of interest in joint venture	**15.2**

Acquisition in the prior period: Trustcomm Inc.

TrustComm Inc. was acquired from the Nox Trust on 20 September 2021, for cash consideration of $11.8 million

Founded in 1999, TrustComm is a provider of satellite communications with its key customers being US government agencies. This acquisition is part of the Group's strategy to commence and scale up satellite communications service to the U.S. Department of Defense, and other US government agencies, the 'Five Eyes' Alliance, NATO, United Nations and a few other US government agencies. Following acquisition, TrustComm was renamed OneWeb Technologies Inc ("OWT").

OWT is managed by the Group under a proxy agreement which places restrictions on the information which may be shared with the Group. The conclusion that the Group meets the requirements of IFRS 10 with respect to control is considered to be a critical judgement in these financial statements, further details of which are provided in note 2.3.

Effect of acquisition

The acquisition had the following effect on the Group's assets and liabilities:

	Recognised values on acquisition $m
Non-current assets	
Property, plant and equipment	1.9
Intangible assets	0.2
Bonds and deposits	0.1
	2.2
Current assets	
Prepaid expenses	0.2
Other current receivables	1.6
Cash and cash equivalents	8.0
	9.8
Total assets	12.0

	Recognised values on acquisition $m
Current liabilities	
Trade payables	(1.4)
Accrued expenses	(0.2)
Accrued employee compensation	(0.4)
Deferred revenue	(5.0)
Other current payables	(0.4)
Total liabilities	(7.4)
Net identifiable assets and liabilities at fair value	**4.6**

Consideration paid	
Cash consideration	9.0
Contingent consideration paid into escrow	2.0
Seller's transaction costs paid	0.8
Total consideration	**11.8**
Goodwill arising on acquisition	**7.2**

Net cash outflow arising on acquisition	
Cash consideration	(9.0)
Contingent consideration paid into escrow	(2.0)
Seller's transaction costs paid	(0.8)
Cash acquired	8.0
Net cash outflow	**(3.8)**

In 2022 since acquisition, OWT contributed revenue of $9.6 million, an operating loss of $1 3 million and a net loss of $1.3 million to the Group. If the acquisition had occurred on 1 April 2021, the net loss for the Group would have been $0 8 million. In determining these amounts, management has assumed that the fair value adjustments that arose on the date of acquisition would have been the same if the acquisition occurred on 1 April 2021.

Goodwill has arisen on the acquisition because of the value placed on the ability to contract with the US Department of Defense

Acquisition transaction costs

During 2022, in relation to the acquisition of OWT, the Group incurred acquisition related transaction costs of $0.5 million, primarily related to legal fees. These costs have been included in the Company's statement of comprehensive income, below operating loss. During 2023, the Group incurred merger related transaction costs of $20 7 million. This relates to the legal, professional and employee related expenses incurred by the Group in relation to the Group's planned combination with Eutelsat

4 Revenue

Accounting policy

Revenue is recognised when control of promised goods or services is transferred to the customer, valued at the consideration the Group expects to receive, net of taxes, duties and discounts.

The Group's standard contract terms include multiple promises for the delivery of goods or performance of services. At the inception of the arrangement, the Group assesses all the promises in the arrangement to determine whether they represent distinct performance obligations by assessing whether 1) the customer can benefit from good or service on its own; or together with other readily available resources, and 2) the good or service is distinct in the context of the contract. Total consideration is allocated to each performance obligation based on their relative standalone selling prices. Where there is observable evidence that a discount relates solely to a specific performance obligation, the discount is allocated entirely to that performance obligation. Revenue is recognised when, or as, each distinct performance obligation is satisfied.

The significant forms of revenue for the Group and their basis of recognition are as follows:

Service revenue

Service revenue is derived from the provision of satellite connectivity services. These contracts may include one-off charges for activation in addition to recurring charges for monthly connectivity services. These promises are accounted for together as a single distinct performance obligation reflecting the conclusion that the individual promises are not capable of being distinct.

The nature of the Group's contracts may result in variable consideration, for example in relation to revenue share or tiered discounting arrangements. This is estimated as the most likely amount based on an assessment of the expected outcome, and is included in the transaction price to the extent that it is considered highly probable that a significant reversal of the cumulative revenue recognised will not occur.

Service revenue is recognised as the service is provided over time based on the contract period.

Customers are typically billed in advance for services and to the extent cumulative cash received exceeds cumulative service, a contract liability is recognised. Conversely, where cumulative service exceeds cumulative cash received, a contract asset is recognised.

Sales of equipment

The Group assesses whether the user terminal sold can be used on its own or with other readily available resources. Where this is the case, the sale of the user terminal is assessed to constitute a separate performance obligation and revenue is recognised when control of the equipment is transferred to the customer. Where this is not the case, the user terminal is concluded to form part of the same performance obligation as the satellite connectivity services and recognised over this period.

'Indefeasible Right of Use' ("IRU") revenues

The Group enters into certain agreements to provide an 'Indefeasible Right of Use' for a portion of network capacity. At the inception of such contracts, an assessment is performed to determine whether the contracts contain a lease within the scope of IFRS 16 Leases by conferring to the customer the right to control the use of an identified asset.

None of the Group's IRU arrangements contain a lease as in each case there is no identified asset, as the service is provided through an orbiting constellation of satellites which each provide connectivity to different regions during their orbit. IRU arrangements are accounted for as service agreements with revenue recognised as the service is provided over time based on the contract period.

Upfront payments received are deferred as a contract liability to the extent these exceed cumulative revenue. An assessment is performed to identify whether advance payments provide a significant financing benefit to the Group. Where a significant financing component that is the attributable to the provision of financing is identified, the Group adjusts the revenue to be recognised for the effect of discounting and unwinds the contract liability based on the discount rate that would be reflected in a separate financing transaction with the customer. The applicable revenue and interest expense are presented on a gross basis.

Contract costs

Contract costs to obtain a contract and fulfil a contract are capitalised and amortised on a systematic basis, consistent with the pattern of transfer of the goods or services to which the capitalised cost relates, over the minimum contract period.

	2023	2022
	$m	$m
Connectivity services	**23.6**	5.9
Equipment sales	**7.3**	3.7
Total revenue	**30.9**	**9.6**

At 31 March 2023, a contract liability of $40.9 million (31 March 2022: $4.8 million) represents the revenue expected to be recognised in the next 12 months for performance obligations that are not completed. At 31 March 2023, a contract liability of $254.7 million (31 March 2022: $175.0 million) represents the revenue for performance obligations that are not expected to be satisfied within the next 12 months. Certain of the Group's contract liabilities include performance conditions related to the provision of services and these could require repayment if these conditions are not met; at 31 March 2023 and 31 March 2022, the Group expects to meet all such conditions and the amounts are therefore recognised as contract liabilities.

During 2022, The Group received advanced payment of $170.6 million from a customer for services due to be rendered over a number of years. This constitutes an IRU. The Group has performed an assessment to determine whether the contract contains a lease within the scope of IFRS 16 Leases in line with its accounting policy, and concluded that the arrangement should be accounted for as a service agreement with revenue recognised as the service is provided over time, based on the contract period.

The payment received has been deferred as a contract liability. The advance payment has been concluded to provide a significant financing benefit to the Group. Accordingly, the revenue to be recognised has been adjusted for the effect of discounting, resulting in the unwinding of the contract liability based on the discount rate that would be reflected in a separate financing transaction with the customer. The applicable revenue and interest expense are therefore presented on a gross basis. Interest expense of $14.0 million has been recognised in the year (2022: $4.4 million), a contract liability of $189.0 million (31 March 2022: $175.0 million) represents the present value of revenue expected to be recognised in future periods.

5 Operating expenses

	2023 $m	2022 $m
Staff remuneration (see note 8)	**87.1**	93.1
Other staff costs	**7.9**	6.4
Total staff costs	**95.0**	99.5
Professional fees	**27.3**	25.5
Network and facility costs	**75.1**	62.8
Travel and entertainment	**6.9**	4.6
Marketing	**3.9**	3.9
Cost of inventories recognised as an expense	**7.3**	2.9
Non-staff cost R&D expense	-	2.6
Write-off of property, plant & equipment	**2.1**	4.2
Depreciation of property, plant & equipment	**128.9**	2.4
Depreciation of right of use lease assets	**9.4**	7.9
Write-off of intangible assets	-	0.3
Amortisation of intangible assets	**36.5**	0.1
Reversal of impairment charge (see note 6)	**(5.8)**	-
Reorganisation and restructuring costs	**(0.2)**	0.5
Foreign exchange losses	**0.9**	0.2
Total operating expenses	**387.3**	**217.4**

6 Asset impairment

Accounting policy

The carrying amounts of the Group's non-financial assets, are reviewed at each reporting date to determine whether there is any indication of impairment by estimating the asset's recoverable amount and comparing to the holding value.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use ("VIU") and its fair value less costs to sell ("FVLCTS"). The FVLCTS may differ and be higher or lower than the VIU. Where the VIU exceeds the carrying value it is not necessary to estimate the FVLCTS, but where applicable the difference is considered as part of determining the appropriateness of the VIU. 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"). There was only a single CGU in the Group.

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 (or group of units) on a pro rata basis.

Impairment charge recognised in 2022 and settlement in 2023

In 2022, an impairment charge of $229.2 million was recognised to reflect the loss suffered by the Group as a result of the postponement of a planned launch on 4 March 2022, the associated postponement of subsequent scheduled launches, the loss of satellites not returned to the Group and the impairment of a portion of the Group's prepaid launch insurance.

The charge resulted in a reduction in the carrying value of property, plant and equipment of $272.3 million and prepayments of $1.0 million, and the reversal of provisions of $19.7 million and trade payables of $24.4 million. The provision and trade payables that have been de-recognised relate to the amounts that were previously due for future launches which are no longer scheduled and excludes any amounts not invoiced at 31 March 2022. The property, plant and equipment assets related to capitalised launch costs and cost of satellites and other launch connected assets, which were deemed to have no recoverable value on either a FVLCTS or VIU basis. The provision reversal related to an unfavourable contract provision recognised on the acquisition of OWC in 2020, while the reversal of trade payables related to amounts invoiced for future launches postponed.

During the year ended 31 March 2023, linked to the events that resulted in the impairment noted above, the Group entered into discussions with a supplier. This resulted in an agreement under which the Group received a credit of $34.2 million which is recognised as other operating income. In addition, the Group also reversed $5.8 million of impairment as the Group received use of certain assets that had previously been impaired that could be deployed for the launches the Group executed in the financial year.

Impairment assessment

The Group assesses goodwill, spectrum rights and licences annually for impairment by reviewing the carrying amount against the recoverable amount of the asset. In addition, the Group assesses other assets at each reporting date to determine whether an indicator of impairment exists. The Group has identified an indicator of impairment as a result of the slower than previously projected revenue realisation rate. The annual impairment review has been performed at 31 March 2023, consistent with the previous year.

The Group's property, plant and equipment, intangible assets and goodwill are assessed to constitute a single CGU because of the nature of the OneWeb network. None of the individual assets can operate to generate cash inflows independent of other assets as the space, ground segment and intangible assets are all required to deliver connectivity services to customers. The recoverable amount of the CGU was determined by measuring its FVLCTS, with fair value based on the income approach valuation technique. The income approach converts future cash flows into a single discounted value, reflecting current market expectations about those future amounts.

The financial projections underlying the FVLCTS valuation were based on the five-year period included in the Group's long-term business plan ("LTBP") approved by the Board of Directors. These are unobservable inputs from the perspective of a market participant and are therefore considered to be "Level 3" inputs as defined by IFRS 13: Fair Value Measurement. The cash-flows approved by the Board have been overlaid with the deployment of further satellites and ground network assets to maintain the CGU. As the satellite portion of the assets subject to testing have finite lives, this impairment analysis assumes their replacement, which was not included in the base long-term business plan. The financial projections do not include cash flows reflecting future improvements to the performance of the assets, but they do assume the upgrade of technology as a normal replacement programme.

The key assumption applied relates to the proportion of available network capacity that is sold by OneWeb in the terminal period, which is the key driver of revenue achieved. In addition, the discount rate and terminal growth rate assumptions applied impact upon the calculation. The discount rate applied reflects the prevailing economic environment and the risks specific to the assets, including the assessment that the execution risk of the cash-flows has reduced in the current year as a result of the completion of the satellite constellation. The long-term growth rate reflects global macro-economic growth forecasts applicable to the terminal value period. The current year calculations were derived on a post-tax basis, versus the prior year, which were derived on a pre-tax basis.

	31 March 2023	31 March 2022
Discount rate (post-tax basis)	**9.0%**	8.6%
Discount rate (pre-tax basis)	**12.0%**	11.5%
Terminal growth rate	**3.0%**	3.0%
Terminal period proportion of available network capacity sold	**64%**	81%

The 2022 post-tax discount rate and 2023 pre-tax discount rate are provided for comparison purposes only.

Sensitivity analysis

We conducted sensitivity analysis on the CGU by assessing the impact of a change in the proportion of available network capacity that is sold by OneWeb in the terminal period and the discount rate applied. The analysis indicated that a 9% reduction in the available network capacity sold to 58% or an increase in the discount rate by 1.2% to 10.2% would result in the recoverable amount being equal to the carrying value. These scenarios are not considered to be likely but are assessed to be reasonably possible given the early-stage of the Group's operations and the associated uncertainty in relation to future performance. The headroom in the base case scenario is $1,070.5 million.

7 Auditor's remuneration

KPMG LLP was the Company's auditor in the current and prior period. During the period, the following services were obtained from KPMG:

	2023	2022
	$m	$m
Audit of these financial statements	**0.9**	0.5
Audit of financial statements of subsidiaries of the Company	**0.3**	-
Total KPMG and its associates' audit fees	**1.2**	**0.5**

The level of fees paid for the audit of financial statements of subsidiaries of the Company was $0.3 million (2022: less than $0.1 million) and non-audit services rounds to less than $0.1 million in both 2023 and 2022.

8 Employee information

Accounting policy

Employees are considered to be individuals employed under contracts of service, plus any Non-executive Directors. Contracts of service include all employees, other than occasional casual workers, but exclude any individuals employed by non-consolidated entities who are contracted to work for us on a full-time basis.

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

Average number of employees

	2023	2022
Operations	**398**	312
Commercial	**71**	24
Corporate functions	**90**	75
	559	**411**

Staff remuneration

The aggregate remuneration of these persons was as follows:

	2023 $m	2022 $m
Wages and salaries	**71.3**	75.6
Share based payments (see note 10)	**4.8**	6.1
Social security costs	**8.0**	9.7
Contributions to defined contribution retirement benefit schemes	**3.0**	1.7
Total staff remuneration	**87.1**	**93.1**

9 Directors' remuneration

	2023 $m	2022 $m
Directors' remuneration other than merger related remuneration	**1.8**	2.5
Merger related Directors' remuneration (see note 3)	**2.0**	-
Directors' remuneration	**3.8**	**2.5**
Amounts receivable under long term incentive schemes (see note 10)	**1.4**	1.3
Contributions to money purchase pension plans	-	-
Amounts paid to third parties in respect of Directors' services	-	-

The highest paid Director received remuneration of $1.6 million (31 March 2022: $2.5 million) other than merger related remuneration and $2.0 million (31 March 2022: $nil) merger related remuneration, that would become payable at the time of completion of the combination with Eutelsat, for total remuneration of $3.6 million (31 March 2022: $2.5 million) and amounts receivable under long-term incentive schemes of $1.4 million (31 March 2022. $1 3 million).

10 Share-based payments

Accounting policy

The grant date fair value of share-based payments awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the awards. The fair value of the awards granted is measured using an option valuation model, taking into account the terms and conditions upon which the awards were granted. The amount recognised as an expense is adjusted to reflect the actual number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Where the Company grants options over its own shares to the employees of its subsidiaries it recognises, in its individual financial statements, an increase in the cost of investment in its subsidiaries equivalent to the equity-settled share-based payment charge recognised in its consolidated financial statements with the corresponding credit being recognised directly in equity.

Employee Share Option Plan ("ESOP")

On 7 January 2021, 10,000 ESOP awards were granted to a Director of the Company, with an exercise price of $1,000 per award.

The awards are subject to phased annual vesting and expire on 31 December 2030:

- 25% of the awards vest on 31 December 2022;
- 25% of the awards vest on 31 December 2023,
- 25% of the awards vest on 31 December 2024, and
- 25% of the awards vest on 31 December 2025.

All awards are subject to the following vesting rules regarding the individual leaving the Company:

- On or before December 2021 all unvested awards will lapse.
- On or between 1 January 2022 and December 2022 25% of the awards will vest.
- On or between 1 January 2023 and December 2023 50% of the awards will vest.
- On or between 1 January 2024 and December 2024 75% of the awards will vest.
- *On or between 1 January 2025 and December 2025 100% of the awards will vest.*

There are no performance conditions associated with these awards.

If the shares of the Company are not Listed by 31 December 2025 and the award holder has not left the Company, the holder will be able to monetise the awards as follows:

- 25% of the awards on 31 December 2026;
- 25% of the awards on 31 December 2027;
- 25% of the awards on 31 December 2028; and
- 25% of the awards on 31 December 2029.

Monetisation is based on a market valuation exercise of the Company, discounted by 20%.

The fair value of interests awarded under the ESOP was determined using a Binomial Lattice model. The Binomial Lattice model derives the value of an option by specifying a stochastic process, such as a random variable that changes through time. In a Binomial Lattice model, stock prices follow a multiplicative binomial process.

Charge for the period

The total charge for the period was $4.8 million (2022: $6.1 million). The same amount is recognised as a movement in reserves in the period.

Movement in share awards

	Number of share awards	Weighted average exercise price $
At 31 March 2021	10,000	1,000
Granted	27,300	1,000
At 31 March 2022	**37,300**	**1,000**
Granted	**3,790**	**1,000**
Forfeited	**(3,060)**	**1,000**
At 31 March 2023	**38,030**	**1,000**

Supplementary information

	2023 Years	**2023** $	2022 Years	2022 $
Weighted average remaining life	**1.3**		2.3	
Fair value of options granted		**469**		469

Assumptions

	2023 IPO	**2023** Monetising mechanism	2022 IPO	2022 Monetising mechanism
Expected life (years)	**4.7**	**6.2**	4.7	6.2
Share price ($)	**1,237**	**990**	1,237	990
Exercise price ($)	**1,000**	**1,000**	1,000	1,000
Risk free rate (%)	**0.7**	**1.0**	0.7	1.0
Volatility (%)	**43.0**	**40.2**	43.0	40.2
Probability weight (%)	**50.0**	**50.0**	50.0	50.0

The stochastic model applied to the share price calculation was simulated with 10,000 trials.

11 Investment income and finance costs

Accounting policy

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

Finance costs arising on the unwinding of assets and liabilities are recognised in profit or loss using the effective interest method.

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

	2023 $m	2022 $m
Unwinding of discount on non-current prepayment	**0.5**	-
Bank interest received	**2.3**	0.3
Total investment income	**2.8**	**0.3**
Lease interest (see note 20)	**(6.3)**	(5.7)
Unwinding of discount on unfavourable contract provision (see note 17)	**-**	(0.8)
Unwinding of discount on asset retirement obligation provision (see note 17)	**(0.7)**	(0.7)
Unwinding of discount on contract liability (see note 4)	**(14.0)**	(4.4)
Bank fees paid	**(0.5)**	(0.1)
Total finance costs	**(21.5)**	**(11.7)**

12 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

	2023 $m	2022 $m
Current tax expense		
Current year tax charge	**(1.6)**	(1.3)
Adjustment in respect of prior periods	**(1.2)**	2.2
Total current tax (charge)/credit	**(2.8)**	**0.9**
Deferred tax expense		
Effect of tax rate changes	**-**	(14.9)
Recognition of deferred tax asset regarding temporary differences	**-**	62.0
Total tax (charge)/credit	**(2.8)**	**48.0**

Reconciliation of effective tax rate

	2023 $m	2022 $m
Loss before tax	**(359.1)**	(437.8)
Tax applying the UK corporation tax rate of 19%	**68.2**	83.2
Effect of tax rates in foreign jurisdictions	**(0.3)**	0.1
Non-deductible expenses	**(35.3)**	(5.8)
Non-taxable items	**2.6**	2.2
Reversal/(origination) of temporary differences for which no deferred tax asset has been recognised	**75.3**	(44.5)
Current periods losses for which no deferred tax asset was recognised	**(150.2)**	(46.6)
Origination/reversal of temporary differences	**-**	62.0
Permanent difference as a result of the super deduction	**22.8**	-
(Under)/over provisions in respect of prior periods	**(1.2)**	2.2
Utilisation of brought forward net operating losses	**15.3**	-
Tax credits and incentives	**-**	(0.5)
Effect of tax rates changes	**-**	(4.3)
Total tax (charge)/credit	**(2.8)**	**48.0**

Factors that may affect future tax charges

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.

Deferred tax

	$m
At 31 March 2021	**(47.1)**
Effect of tax rate changes	(14.9)
Recognition of deferred tax asset regarding temporary differences	62.0
At 31 March 2022 and 31 March 2023	**-**

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

	2023		2022	
	Assets $m	**Liabilities $m**	Assets $m	Liabilities $m
Goodwill & intangible assets	**13.3**	**(62.0)**	13.3	(62.0)
Share-based payments	**1.5**	**-**	1.5	-
Property, plant and equipment	**265.4**	**-**	366.4	-
Right-of-use assets	**(6.0)**	**-**	(6.0)	-
Lease liabilities	**9.3**	**-**	9.3	-
Tax losses	**399.7**	**-**	192.8	-
Other	**7.8**	**-**	6.3	-
Total asset/(liability) before offset	**691.0**	**(62.0)**	**583.6**	**(62.0)**
Deferred tax asset/(liability) offset	**(62.0)**	**62.0**	(62.0)	62.0
Total unrecognised asset/(liability) after offset	**629.0**	**-**	521.6	-
Total recognised asset/(liability) after offset	**-**	**-**	-	-

At 31 March 2023, the Group had tax losses totalling $1,643.0 million (2022: $818.2 million), resulting in an unrecognised deferred tax asset of $399.7 million (2022: $192.8 million) and other temporary timing differences of $640.7 million (2022: $1,050.7 million), resulting in an unrecognised deferred tax asset of $229.3 million (2022: $328.8 million) of which $817.2 million (2022: $1,221.1 million) relates to unclaimed tax depreciation on fixed assets, resulting in an unrecognised deferred tax asset of $203.4 million (2022: $304.4 million). The unrecognised deferred tax in relation to the tax losses is considered to be a critical judgement in these financial statements, further details of which are provided in note 2.3.

At 31 March 2023, the Group 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.

13 Property, plant and equipment

Accounting policy

The Group's property, plant and equipment include costs for the design, manufacture, test and launch of a constellation of low earth orbit satellites (the space component), primary and backup control centres, gateways and other ground facilities (the ground component).

Property, plant and equipment are stated at cost less accumulated depreciation for those assets brought into service. Assets under construction include advances paid to vendors for work undertaken on behalf of the Group.

The cost of property, plant and equipment includes the estimated costs of dismantling and removing the asset and restoring the site on which it is located to the extent that the Group has a legal or constructive obligation as a direct consequence of acquiring or constructing the property, plant and equipment.

The cost of property, plant and equipment includes labour costs where these are concluded to be directly attributable to a specific asset and are measured based on recording of staff time.

Assets are brought into service and depreciated from the point they are operating as intended. The OneWeb network cannot operate as intended until sufficient coverage has been created to offer a commercial service. When sufficient coverage exists to be able to provide customers with a viable service, all assets associated with providing that service are placed into service and depreciation commences. Assets required to provide service to regions north of 50° latitude were assessed to be available for use in May 2022 and depreciation has commenced at that date.

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Estimated useful lives as follows:

- Satellites and directly attributable costs – the shorter of 7 years from launch or the point at which the constellation is no longer capable of delivering a viable commercial service
- Ground segment assets – 7 to 10 years
- *Other property, plant and equipment – 2 to 3 years*
- Leasehold improvements – the shorter of useful lives or the lease term

Where components of property, plant and equipment have different useful lives, they are accounted for as a separate class of property, plant and equipment. The estimated useful lives and depreciation methods are reviewed at the end of each reporting period and the effect of any changes in estimates are accounted for on a prospective basis.

Carrying value of property, plant and equipment

	Space component under construction $m	Ground component under construction $m	Space component in service $m	Ground component in service $m	Other property and equipment $m	Total $m
Cost						
At 31 March 2021	1,046.2	226.2	-	-	2.0	1,274.4
Acquisition of a subsidiary	-	-	-	0.4	1.5	1.9
Additions	483.9	104.1	-	0.6	0.7	589.3
Written off	(4.2)	-	-	-	-	(4.2)
Transfers to intangible assets	(127.9)	(47.1)	-	-	-	(175.0)
Foreign exchange	-	0.1	-	-	(0.2)	(0.1)
At 31 March 2022	**1,398.0**	**283.3**	**-**	**1.0**	**4.0**	**1,686.3**
Additions	**353.5**	**209.5**	**-**	**0.6**	**0.3**	**563.9**
Written off	**(2.1)**	**-**	**-**	**-**	**-**	**(2.1)**
Transfers	**(911.1)**	**(78.1)**	**838.1**	**151.1**	**-**	**-**
Foreign exchange	**-**	**(0.5)**	**-**	**(0.1)**	**-**	**(0.6)**
At 31 March 2023	**838.3**	**414.2**	**838.1**	**152.6**	**4.3**	**2,247.5**
Depreciation						
At 31 March 2021	-	-		-	(1.2)	(1.2)
Depreciation charge	-	-		(0.1)	(2.3)	(2.4)
Impairment charge	(272.3)	-		-	-	(272.3)
At 31 March 2022	**(272.3)**	**-**		**(0.1)**	**(3.5)**	**(275.9)**
Depreciation charge	**-**	**-**	**(104.0)**	**(24.3)**	**(0.6)**	**(128.9)**
Reversal of impairment charge	**5.8**	**-**	**-**	**-**	**-**	**5.8**
At 31 March 2023	**(266.5)**	**-**	**(104.0)**	**(24.4)**	**(4.1)**	**(399.0)**
Carrying value						
At 31 March 2023	**571.8**	**414.2**	**734.1**	**128.2**	**0.2**	**1,848.5**
At 31 March 2022	1,125.7	283.3	-	0.9	0.5	1,410.4

In 2022, an impairment charge of $272.3 million was recognised as detailed in note 6.

In 2022, transfers to intangible assets of $175.0 million relates to assets previously recognised as property, plant and equipment that are intangible in nature, primarily relating to software where this is the primary component of an asset rather than being a component of a property, plant and equipment asset

The write-off of $2.1 million (31 March 2022: $4.2 million) recognised in the space component under construction relates to satellites that are non-operational

The reversal of impairment charge of $5.8 million (2022: $nil) relates to the reversal of a portion of impairment recognised in the year ended 31 March 2022 as detailed in note 6.

Security

There are no restrictions over title of any Group owned assets or assets that are pledged as security.

14 Intangible assets

Accounting policy

Intangible assets

Intangible assets are stated at cost less accumulated amortisation and less accumulated impairment losses.

The Group classifies its intangible assets into finite and indefinite categories based upon the assessment of their useful life. An intangible asset is classified as having an indefinite useful life when, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the Group, based on the analysis of all relevant factors. All other intangible assets that arise from contractual or other legal rights are classified as intangible assets with finite useful lives.

Intangible assets with finite useful lives include internal-use computer software and patents. Intangible assets with finite useful lives are carried at cost less accumulated amortisation and any recognised impairment loss. Amortisation is recognised on a straight-line basis over the estimated useful lives of the respective assets. The estimated useful lives are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Intangible assets with indefinite useful lives are carried at cost less any recognised impairment loss. The Group's intangible assets with indefinite useful lives consist of spectrum rights and licences.

An intangible asset is derecognised on disposal or when no future economic benefits are expected from its use. Gains or losses arising from derecognition are recognised in profit or loss.

Assets under construction

Expenditure on research activities is recognised in the income statement as an expense as incurred.

Expenditure on development activities is capitalised if the product or process is technically and commercially feasible and the Group intends and has the technical ability and sufficient resources to complete development, future economic benefits are probable and if the Company can measure reliably the expenditure attributable to the intangible asset during its development. Development activities involve a plan or design for the production of new or substantially improved products or processes. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads and capitalised borrowing costs. Other development expenditure is recognised in the income statement as an expense as incurred. Capitalised development expenditure is stated at cost less accumulated amortisation and less accumulated impairment losses.

The cost of intangible assets includes labour costs where these are concluded to be directly attributable to a specific asset, and are measured based on recording of staff time.

Assets are brought into service and amortised from the point they are operating as intended. The OneWeb network cannot operate as intended until sufficient coverage has been created to offer a commercial service. When sufficient coverage exists to be able to provide customers with a viable service, all assets associated with providing that service are placed into service and amortisation commences. Assets required to provide service to regions north of 50° latitude were assessed to be available for use in May 2022 and amortisation has commenced at that date.

Amortisation

Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Intangible assets with an indefinite useful life and goodwill are systematically tested for impairment at each balance sheet date. Other intangible assets are amortised from the date they are available for use.

Spectrum rights and licences

Spectrum rights and licences represent the Group's rights, registrations and authorisations from the ITU and government agencies to enable the Group to conduct its business.

OneWeb has secured c.6.0 GHz of priority non-geostationary orbit ("NGSO") spectrum rights in the Ku and Ka bands, covering:

-2.5 GHz of Ku band end for user links
-3.3 GHz of Ka band gateway for feeder links

If OneWeb meets both the bring-into-use ("BIU") and build out milestones for main ITU filings with Ofcom (Ku band) and ANFR (Ka band) that it currently relies on, the Group will be able to preserve these spectrum rights indefinitely. Specifically, the l'Agence Nationale des Fréquences ("ANFR") authorisation was issued for 20 years, OneWeb has met *all* obligations related to the ANFR authorisation, and renewal expectancy is high. Due to the expectancy right to maintain the once awarded spectrum rights and licences, an indefinite useful economic life is applied to these assets. Assets with an indefinite life are not amortised, an annual impairment review is performed instead, or earlier if an indication of impairment is noted.

Developed software

Developed software relates to the software that the Group controls for the purpose of operating the business. Developed software is amortised on a straight-line basis over its useful economic life of seven years.

Patents

Patents are the Group's intellectual property that cover aspects of the Group's satellite system, global communication network and devices. Patents are amortised on a straight-line basis over their useful life of 15 years.

	Spectrum rights and licences $m	Developed software $m	Patents $m	Total $m
Cost				
At 31 March 2021	252.4	-	1.6	254.0
Acquisition of a subsidiary	-	-	0.2	0 2
Additions	-	77.8	-	77.8
Transfers from property, plant and equipment	-	175.0	-	175.0
Transfers to bonds and deposits	(0.4)	-	-	(0 4)
Written off	-	-	(0.3)	(0.3)
Foreign exchange	-	(0.1)	-	(0.1)
At 31 March 2022	**252.0**	**252.7**	**1.5**	**506.2**
Additions	**0.7**	**91.4**	**0.1**	**92.2**
At 31 March 2023	**252.7**	**344.1**	**1.6**	**598.4**
Amortisation				
At 31 March 2021	-	-	-	-
Amortisation charge	-	-	(0.1)	(0.1)
At 31 March 2022	**-**	**-**	**(0.1)**	**(0.1)**
Amortisation charge	**-**	**(36.3)**	**(0.2)**	**(36.5)**
At 31 March 2022	**-**	**(36.3)**	**(0.3)**	**(36.6)**
Carrying value				
At 31 March 2023	**252.7**	**307.8**	**1.3**	**561.8**
At 31 March 2022	252.0	252.7	1.4	506.1

In 2022, transfers from property, plant and equipment of $175.0 million relates to assets previously recognised as property, plant and equipment that are intangible in nature, primarily relating to software where this is the primary component of an asset rather than being a component of a property, plant and equipment asset.

15 Investment in joint ventures

Airbus OneWeb Satellites LLC ("AOS")

The Group has joint control over AOS. AOS was created as a joint venture with Airbus DS Satnet, to develop and design the first generation of OneWeb satellites. Each shareholder owns 50% of equity interest in AOS and has equal voting or similar rights with major decisions approved on unanimous basis. The risks related to AOS operations and cost overruns are equally borne by both shareholders. The Group does not have power over AOS's relevant activities and while equally is exposed to variability of returns, the Group therefore does not have the ability to use power to affect such returns.

First Tech Web Company Limited ("NEOM JV")

The Group has joint control over the NEOM JV. The NEOM JV was established as a joint venture in the Kingdom of Saudi Arabia with NEOM Tech and Digital Company for the purpose of managing the operation of ground-based infrastructure and contracting with regional customers for the sale of connectivity services. Each shareholder owns 50% of equity interest and has equal voting or similar rights with major decisions approved on unanimous basis. The Group and NEOM have equal rights in relation to the composition of the board and its committees, and each have the right to appoint certain members of executive management. The Group does not have power over the NEOM JV's relevant activities and while equally is exposed to variability of returns, the Group therefore does not have the ability to use power to affect such returns.

Accounting Policy

A joint venture is an entity where control is shared with another party. The results, assets and liabilities of the Group's joint ventures are incorporated into these financial statements using the equity method of accounting. The investment in a joint venture is initially recognised at cost. At the acquisition date, any excess of the cost of acquisition over our share of the fair value of the identifiable assets and liabilities of the associate is recognised as goodwill.

The consolidated income statement reflects the Group's share of the results of operations. Any change in other comprehensive income would be recognised as part of consolidated other comprehensive income. Unrealised profits resulting from transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the business. The profit earned by AOS for the sale of satellites to OneWeb is considered unrealised until the associated assets are placed into service, and are therefore eliminated until the assets are available for use by the Group. Certain assets were determined to be available for use by the Group in May 2022 which resulted in some of the previously eliminated profit being realised in the period.

	AOS $m	NEOM JV $m	Total $m
At 31 March 2021	8.7	-	8.7
Acquisition of joint venture	-	0.2	0.2
Funding provided to joint venture	-	15.0	15.0
Share of result of joint venture	5.3	-	5.3
Dividend received from joint venture	(14.0)	-	(14.0)
At 31 March 2022	**-**	**15.2**	**15.2**
Directly attributable costs of investment in joint venture	**-**	**0.6**	**0.6**
Share of result of joint venture	**1.5**	**(1.2)**	**0.3**
At 31 March 2023	**1.5**	**14.6**	**16.1**

Summarised financial information of AOS

	2023 $m	2022 $m
100% of the results of the business		
Revenue	**308.8**	431.4
Profit after tax	**(24.0)**	50.1
Total comprehensive (loss)/profit	**(24.0)**	50.1
Group share of the results of the business before elimination of unrealised profits and losses		
Revenue	**154.4**	215.7
Profit after tax	**(12.0)**	25.1
Total comprehensive (loss)/profit	**(12.0)**	25.1
Group share of the results of the business after elimination of unrealised profits and losses		
Revenue	**42.6**	215.7
Profit after tax	**(1.3)**	5.3
Total comprehensive (loss)/profit	**(1.3)**	5.3

	2023 $m	2022 $m
100% of the net assets of the business		
Non-current assets	**17.3**	57.3
Current assets	**88.2**	227.5
Non-current liabilities	**(2.5)**	(2.5)
Current liabilities	**(86.0)**	(240.3)
Net assets and total equity	**17.0**	**42.0**
Group share of interest in joint venture's net assets	**8.5**	21.0
Elimination of unrealised profits and losses	**(5.2)**	(19.2)
Profit realised as a result of dividends received in excess of carrying value	**(5.3)**	(5.3)
Goodwill	**3.5**	3.5
Carrying value of interest in joint venture	**1.5**	**-**

In December 2021, the Group received a dividend of $14.0 million from AOS. The dividend exceeded the carrying value of the investment in joint venture and the excess of $5.3 million was recognised in the year ended 31 March 2022 as share of profit of joint venture.

Supplementary information regarding AOS is provided below:

	2023 $m	2022 $m
Cash and cash equivalents	**28.8**	26.6
Current financial liabilities (excluding trade and other payables and provisions)	**(8.8)**	(5.7)
Non-current financial liabilities (excluding trade and other payables and provisions)	**(1.9)**	(1.9)
Depreciation and amortisation	**(4.3)**	(5.7)
Income tax expense	**(1.2)**	0.2

Summarised financial information of NEOM JV

The NEOM JV is in the process of building ground-based infrastructure in the Middle East and African regions. In the year to 31 March 2023, the entity had no revenue (2022: no revenue), total operating expenses of $1.5 million (2022. $0.2 million) and an income tax charge of $0.3 million (2022: no income tax charge), resulting in a loss after tax and total comprehensive loss of $2.4 million (2022: $0.2 million). In the period, the NEOM JV had no depreciation and amortisation. There were no transactions with the NEOM JV that required elimination by the Group.

	2023	2022
	$m	$m
100% of the net assets of the business		
Non-current assets	**12.3**	0.8
Current assets	**33.3**	36.1
Non-current liabilities	**(6.9)**	-
Current liabilities	**(10.6)**	(6.5)
Net assets and total equity	**28.1**	**30.4**
Directly attributable costs of investment in joint venture	**0.6**	-
Group share of interest in joint venture's net assets	**14.0**	15.2
Carrying value of interest in joint venture	**14.6**	**15.2**

Supplementary information regarding the NEOM JV is provided below.

	2023	2022
	$m	$m
Cash and cash equivalents	**33.2**	29.7
Current financial liabilities (excluding trade and other payables and provisions)	**(0.2)**	-
Non-current financial liabilities (excluding trade and other payables and provisions)	**-**	-

16 Commitments and contingencies

Capital commitments

The Group has contractual purchase commitments with various vendors related to the design and developments of its first-generation constellation of satellites, communications infrastructure and ground facilities.

The table below summarises contractual commitments not recorded on the consolidated balance sheet (see note 22 for commitments with related parties).

	2023	2022
	$m	$m
Less than a year	**177.4**	352.9
Between one and five years	**5.5**	91.1
More than five years	**-**	0.8
Total contractual commitments	**182.9**	**444.8**

Contingencies

There are no contingencies other than the provisions recognised on the consolidated statement of financial position that are expected to have a material adverse impact on the business, financial results or financial condition of the Company or the Group.

17 Provisions

Accounting policy

A provision is recognised in the balance sheet when a present legal or constructive obligation is held as a result of a past event, that can be reliably measured, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

The Group has two classes of provisions:

- **Unfavourable contracts**. There are unfavourable terms embedded in a certain vendor contract associated with the satellite launch programme, which existed within the OWC group purchased by the Company. A liability was recognised on acquisition of OWC, equal to the fair value at the point of acquisition. The liability was calculated based on a comparison of the contracted terms versus current market rates for similar services. The provision of $19.7 million was released during the financial year ended 31 March 2022 as detailed in note 6.

- **Asset retirement obligations**. Obligations arise on the decommissioning of certain items of property, plant and equipment. A liability is calculated based on the expected cost to decommission the assets and an equal asset is created and held within property, plant and equipment. The provision is expected to be utilised over the remaining expected asset lives, which are up to 10 years

	Unfavourable contracts $m	Asset retirement obligations $m	Total $m
At 31 March 2021	(42.6)	(3.9)	(46.5)
Additions	-	(6.2)	(6.2)
Utilised or released in the period	43.4	-	43.4
Unwinding of discount	(0.8)	(0.7)	(1.5)
At 31 March 2022	**-**	**(10.8)**	**(10.8)**
Additions	**-**	**(0.9)**	**(0.9)**
Unwinding of discount	**-**	**(0.7)**	**(0.7)**
At 31 March 2023	**-**	**(12.4)**	**(12.4)**
Current	-	-	-
Non-current	-	(12.4)	(12.4)
	-	(12.4)	(12.4)

18 Capital, reserves and shareholder funding

Shareholder funding

The movement in share subscription receivables in the period can be seen as follows:

	2023 $m	2022 $m
Share subscription receivables at start of period	**606.0**	308.5
Total subscription value in period	**-**	1,579.0
Cash receipts	**(450.0)**	(1,281.5)
Share subscription receivables at end of period	**156.0**	**606.0**

The recoverability of the share subscription receivables is considered to be a critical judgement in these financial statements, further details of which are provided in note 2.3.

Shareholder rights

Shares in the Company consist of three classes:

- Class A Shares, which have voting rights. All dividends paid are distributed to the A Shareholders pro rata according to the number of A Shares held by each of them.
- Class B Shares, which are non-voting. The holder of the B Share is not entitled to receive any income or distribution from the Company or any member of the Group in respect of the B Share, including in the event of a sale or IPO.
- Deferred Shares, which are non-voting and holders are not entitled to dividends or other distributions

In addition, certain matters cannot be undertaken without the prior written consent of the Class B shareholder. These include changes to the location of the headquarters or centre of operations, changes to activities or technical and technology security standards of the Group, or tax avoidance arrangements.

Further rights do not depend on the class of share but rather on the size of shareholding under the terms of the Shareholders' Agreement in place between the Company's significant shareholders. These rights reflect the ability of shareholders to appoint Directors and other matters of corporate governance.

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:

	2023 $	2022 $
Deferred shares of £1 each	**6**	6
Class A shares of $0.01 each	**28,366**	28,366
Class B shares of $0.01 each	**-**	-
Fully paid	**28,372**	**28,372**

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

	Deferred	Class A	Class B
Authorised and on issue at 31 March 2021	4	1,232,459	1
Issued in the year ended 31 March 2022	-	1,604,185	-
Authorised and on issue at 31 March 2022 and 31 March 2023	**4**	**2,836,644**	**1**

At 31 March 2023 and 31 March 2022

	Deferred	Class A	Class B
The Secretary of State for Business, Energy and Industrial Strategy	2	500,000	1
Bharti Space Limited	2	850,000	-
Eutelsat S.A.	-	650,000	-
SoftBank Group Capital Limited	-	500,000	-
Hanwha Systems UK Limited	-	250,000	
Echostar Operating LLC	-	50,000	-
Banco Azteca, S.A., Institución de Banca Múltiple	-	16,879	-
Airbus Defence and Space Netherlands B.V.	-	12,064	-
Qualcomm Technologies, Inc.	-	6,072	-
Rwanda Social Security Board	-	1,629	-
Authorised and on issue at 31 March 2022	**4**	**2,836,644**	**1**

On 3 May 2023, the Secretary of State for Business, Energy and Industrial Strategy transferred its entire shareholding to the Secretary of State for the Department for Science, Innovation and Technology.

Share premium

Share premium is the amount received for a share issue which exceeds the nominal value, net of transaction costs incurred on the issuance of shares.

Share-based payment reserve

The share-based payment reserve reflects the credit arising on share-based payment accounting, with the opposite entry reflecting the charge for the year recognised in the statement of profit and loss and other comprehensive income. This reserve is not considered a part of distributable earnings.

Foreign currency reserve

Exchange differences relating to the translation of the net assets, income and expenses of foreign operations, from their local functional currency into US dollars, are recognised directly in the translation reserve. This reserve is not considered a part of distributable earnings.

Retained earnings

Retained earnings are the net earnings not paid out as dividends. Consolidated retained earnings were a deficit of $381.2 million at the end of the period (31 March 2022: deficit of $19.3 million).

Dividends payable to the Company's shareholders are recognised when they have been appropriately authorised. The Company has retained earnings of $93.6 million at the end of the period (31 March 2022: $18.3 million). No amounts included in the Company's retained earnings are non-distributable. The directors do not recommend the payment of a dividend.

19 Financial instruments

Accounting policy

Overview

Financial instruments comprise financial assets and financial liabilities. All financial assets and financial liabilities are held at amortised cost. There were no transfers between fair value measurement categories in the current period and no derivative financial instruments have been entered into.

Recognition and de-recognition of financial assets and liabilities

Financial assets and financial liabilities are recognised when we become a party to the contractual provisions of the instrument. Loss allowances for financial assets are calculated applying an expected credit loss model. A financial asset or liability is only de-recognised when the contractual right that gives rise to it is settled, sold, cancelled or expires.

Fair value measurement

Certain financial instruments are measured at fair value at each balance sheet date.

The carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate their fair values.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised at fair value on a recurring basis, it is determined whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, we have determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and, the level of the fair value hierarchy as explained above.

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term deposits. Cash and cash equivalents have a maturity of three months or less.

Maturity profile of financial instruments

31 March 2023

	On demand $m	< 1 year $m	Between 1 and 2 years $m	> 2 years $m	Total 2023 $m
Non-current assets					
Bonds and deposits	-	-	-	14.8	14.8
Current assets					
Share subscription receivables	156.0	-	-	-	156.0
Receivables from related parties	-	10.4	-	-	10.4
Trade receivables	-	5.8	-	-	5.8
Cash and cash equivalents	226.4	-	-	-	226.4
Total financial assets	**382.4**	**16.2**	**-**	**14.8**	**413.4**
Current liabilities					
Trade payables	-	(59.8)	-	-	(59.8)
Payables to related parties	-	(1.7)	-	-	(1.7)
Accrued expenses	-	(64.7)	-	-	(64.7)
Accrued employee compensation	-	(27.5)	-	-	(27.5)
Other current payables	-	(3.0)	-	-	(3.0)
Non-current liabilities					
Provisions	-	-	-	(12.4)	(12.4)
Total financial liabilities	**-**	**(156.7)**	**-**	**(12.4)**	**(169.1)**

31 March 2022

	On demand $m	< 1 year $m	Between 1 and 2 years $m	> 2 years $m	Total 2022 $m
Non-current assets					
Bonds and deposits	-	-	-	17.5	17.5
Current assets					
Share subscription receivables	606.0	-	-	-	606.0
Trade receivables	-	2.6	-	-	2.6
Cash and cash equivalents	481.2	-	-	-	481.2
Total financial assets	**1,087.2**	**2.6**	**-**	**17.5**	**1,107.3**
Current liabilities					
Trade payables	-	(36.9)	-	-	(36.9)
Payables to related parties	-	(13.1)	-	-	(13.1)
Accrued expenses	-	(14.6)	-	-	(14.6)
Accrued employee compensation	-	(17.3)	-	-	(17.3)
Other current payables	-	(3.0)	-	-	(3.0)
Non-current liabilities					
Provisions	-	-	-	(10.8)	(10.8)
Total financial liabilities	**-**	**(84.9)**	**-**	**(10.8)**	**(95.7)**

Capital risk management

The objective when managing capital is to ensure that entities in the Group will be able to continue as a going concern, optimising liquidity and operating flexibility, while seeking to minimise our cost of capital. The capital structure of the Group consists of cash and cash equivalents, lease arrangements and equity attributable to shareholders of the Company, comprising issued capital, reserves and retained earnings as disclosed in note 18. No changes to our objectives or practices have taken place in the current period as these objectives were met.

The Group is not subject to any externally imposed capital requirements.

Financial risk management

The primary financial risks faced by the Group are market risk, credit risk and liquidity risk. The Group's treasury function operates under the Treasury Policy approved by the Board of Directors. The financial instruments used are set out above.

Market risk management

The Group's activities primarily create exposure to the financial risks of changes in foreign currency exchange rates.

As the Group has no external borrowings, the Group's exposure to interest rate risk is minimal.

They majority of cash inflows and outflows are in the Group's reporting currency, US dollars, together with the majority of Group assets and liabilities.

The carrying amounts of foreign currency-denominated monetary assets and monetary liabilities (non-US dollar) were as follows:

31 March 2023

	UK sterling $m	Other $m	Total $m
Bonds and deposits	**6.7**	**-**	**6.7**
Tax receivable	**3.4**	**-**	**3.4**
Cash and cash equivalents	**3.5**	**5.6**	**9.1**
Total monetary assets	**13.6**	**5.6**	**19.2**
Trade payables	**(2.3)**	**(1.2)**	**(3.5)**
Accrued employee compensation	**(18.4)**	**(0.8)**	**(19.2)**
Corporation tax payable	**-**	**(0.8)**	**(0.8)**
Lease liabilities	**(6.8)**	**(3.8)**	**(10.6)**
Provisions	**-**	**(8.0)**	**(8.0)**
Total monetary liabilities	**(27.5)**	**(14.6)**	**(42.1)**

31 March 2022

	UK sterling $m	Other $m	Total $m
Bonds and deposits	6.7	-	6.7
Goods and services tax receivable	-	0.3	0.3
Cash and cash equivalents	2.9	4.2	7.1
Total monetary assets	**9.6**	**4.5**	**14.1**
Trade payables	(4.6)	(4.9)	(9.5)
Accrued employee compensation	(8.4)	(0.1)	(8.5)
Goods and services tax payable	(3.6)	-	(3.6)
Corporation tax payable	(2.4)	-	(2.4)
Other taxes payable	(2.3)	-	(2.3)
Lease liabilities	(8.3)	(0.4)	(8.7)
Provisions	(0.2)	-	(0.2)
Total monetary liabilities	**(29.8)**	**(5.4)**	**(35.2)**

The translation risk on converting overseas currency profits or losses is not hedged and such profits or losses are converted into US dollars at average exchange rates throughout the year.

If there were a reasonably possible change in the US dollar against the relevant foreign currencies, an appreciation in the US dollar would result in a decrease of losses of $1.5 million and a depreciation in the US dollar would result in an increase in losses of $1.9 million

Credit risk management

Credit risk is the risk of financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk exposure is limited to shareholders in respect of share subscription receivables, customer receivables in relation to OWT, financial institutions in respect of cash balances and bonds, or with property landlords with regards to deposits. The recoverability of the share subscription receivables is considered to be a critical judgement in these financial statements, further details of which are provided in note 2.3.

Liquidity risk management

Liquidity risk is the risk that the Company and the Group will not be able to meet financial obligations as they fall due. Ultimate responsibility for liquidity risk management rests with the Board, which has established an appropriate liquidity risk framework for the management of our short, medium and long-term funding and liquidity management requirements. Liquidity risk is managed by maintaining adequate cash reserves, by continuously monitoring projected and actual cash flows, and by ensuring adequate funds are available over the projected periods. At 31 March 2023, the Group had no external borrowings. See note 23 for developments subsequent to the year end.

20 Financing arrangements and right of use lease assets

Accounting policy

An arrangement is accounted for as a lease where a contract gives the right to control an asset for longer than 12 months, in exchange for consideration, where substantially all of the economic benefits are obtained from the asset. Lease accounting is not applied to low-value assets (deemed to be individual assets valued at less than $5,000), for these items the lease payments is recognised as an expense on a straight-line basis over the lease term.

The Group does not act as a lessor in any arrangement, only as a lessee.

A lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted at the incremental borrowing rate. For all the lease arrangements entered into, it was impracticable to calculate the interest rate implicit in the lease.

A right of use lease asset is recognised at the inception of the lease arrangement at cost. The cost reflects the initial amount of the lease lability, adjusted for any lease payments made at or before commencement date, plus any direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or restore the underlying asset, less any lease incentives received.

The right of use lease asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

Lease arrangements

The Group has a number of property leases arising from the normal course of business activities. In addition to the office locations of the business, various ground installations are built on leased land.

Maturity analysis of contractual undiscounted cash flows

	2023 $m	2022 $m
Less than a year	**15.9**	13.2
Between one to five years	**62.0**	57.5
More than five years	**38.1**	36.2
Total	**116.0**	106.9

Carrying value of right of use lease assets

	Ground installation property $m	Other property $m	Total $m
Cost			
At 31 March 2021	15.3	20.8	36.1
Additions	32.6	1.1	33.7
Foreign exchange	-	0.1	0.1
At 31 March 2022	**47.9**	**22.0**	**69.9**
Additions	**23.0**	**-**	**23.0**
At 31 March 2023	**70.9**	**22.0**	**92.9**
Depreciation			
At 31 March 2021	(0.4)	(1.0)	(1.4)
Depreciation charge	(6.7)	(1.2)	(7.9)
At 31 March 2022	**(7.1)**	**(2.2)**	**(9.3)**
Depreciation charge	**(6.3)**	**(3.1)**	**(9.4)**
At 31 March 2023	**(13.4)**	**(5.3)**	**(18.7)**
Carrying value			
At 31 March 2023	**57.5**	**16.7**	**74.2**
At 31 March 2022	40.8	19.8	60.6

Carrying value of lease liabilities

	Ground installation property $m	Other property $m	Total $m
Lease liability			
At 31 March 2021	(58.5)	(26.7)	(85.2)
New leases entered into	(32.9)	(1.1)	(34.0)
Cash payments	14.0	4.9	18.9
Interest charges	(4.6)	(1.1)	(5.7)
Foreign exchange	-	(0.9)	(0.9)
At 31 March 2022	**(82.0)**	**(24.9)**	**(106.9)**
New leases entered into	**(22.9)**	**-**	**(22.9)**
Reclassification between lease categories	**(1.4)**	**1.4**	**-**
Cash payments	**16.0**	**4.7**	**20.7**
Interest charges	**(5.2)**	**(1.1)**	**(6.3)**
Foreign exchange	**(0.1)**	**(0.5)**	**(0.6)**
At 31 March 2023	**(95.6)**	**(20.4)**	**(116.0)**
Current lease liability	(11.8)	(4.1)	(15.9)
Non-current lease liability	(83.8)	(16.3)	(100.1)
	(95.6)	(20.4)	(116.0)

21 Reconciliation of net loss to cash used in operations

	2023 $m	2022 $m
Cash flows from operating activities		
Loss for the period	**(361.9)**	(389.8)
Adjustments for:		
Depreciation and amortisation	**174.8**	10.4
Write-off of property, plant & equipment and intangible assets	**2.1**	4.5
Impairment charge	**-**	229.2
Reversal of impairment charge	**(5.8)**	-
Foreign exchange losses	**0.9**	0.2
Share of results of joint venture	**(0.3)**	(5.3)
Investment income	**(2.8)**	(0.3)
Finance expense	**21.5**	11.7
Equity settled share-based payment expenses	**4.8**	6.1
Taxation	**2.8**	(48.0)
Movement in bonds and deposits	**2.7**	(2.8)
Movement in withholding tax receivable	**-**	(8.5)
Movement in other non-current assets	**(5.1)**	(0.5)
Movement in inventory	**(14.7)**	(8.2)
Movement in tax receivable	**(2.0)**	(4.5)
Movement in prepaid expenses	**(11.6)**	(39.5)
Movement in receivables from related parties	**(10.4)**	-
Movement in goods and services tax receivables	**0.2**	(9.4)
Movement in trade receivables	**(3.2)**	(2.6)
Movement in other current assets	**(0.2)**	7.8
Movement in trade payables	**22.9**	(61.5)
Movement in payables to related parties	**(11.4)**	12.0
Movement in accrued expenses	**33.2**	(31.6)
Movement in accrued employee compensation	**10.2**	11.8
Movement in goods and services tax payable	**(0.8)**	0.8
Movement in tax payable	**(0.1)**	0.9
Movement in contract liability current	**36.1**	(0.2)
Movement in other taxes payable	**(0.4)**	3.0
Movement in provisions current	**-**	(19.7)
Movement in other current liabilities	**(2.5)**	2.6
Movement in other non-current liabilities	**3.1**	0.1
Movement in contract liability non-current	**65.7**	-
Movement in provisions non-current	**0.9**	2.2
Cash used in operations	**(51.3)**	**(329.1)**

22 Related parties

Accounting policy

The Group's related parties are shareholders considered to have significant influence over the Company, entities where the Group has significant influence, key management personnel and their immediate relatives.

Compensation of key management personnel

"Key management personnel" are considered to be members of the Company's Board of Directors and their remuneration is disclosed in note 9

Directors of the Company and their immediate relatives control 30.0% (2022: 30.0%) of the voting shares of the Company.

Other related party transactions

Transactions with AOS

As explained in note 15, AOS is a joint venture between OneWeb and Airbus DS Satnet, which is equity accounted. All GEN 1 satellites are manufactured by AOS. A summary of the transactions with AOS is set out below.

	2023 $m	2022 $m
Cost of satellites purchased from AOS in the period	**37.4**	252.3
Payables to AOS at the period end	**(1.7)**	(13.1)
Contractual commitments for purchases at the period end	**1.1**	72.5

Transactions with NEOM JV

As explained in note 15, NEOM JV is a joint venture between OneWeb and NEOM Tech and Digital Company, which is accounted for under the equity method. During the year ended 31 March 2023, the Group paid a total of $6.4 million to NEOM JV for the operation of satellite network portals in the period to 2030 and the Group transferred property, plant and equipment to the NEOM JV for its $10.4 million carrying value. At 31 March 2023, the Group had a $10.4 million receivable due from NEOM JV (31 March 2022: $nil).

Outstanding share subscriptions

As explained in note 18, $156.0 million of share subscription proceeds was outstanding at 31 March 2023 (31 March 2022: $606.0 million).

Transactions with entities under common control with The Secretary of State for Business, Energy and Industrial Strategy

The Group entered into transactions with entities under common control with The Secretary of State for Business, Energy and Industrial Strategy in relation to ordinary course transactions with Government entities, none of which are individually significant or unusual in their nature or conditions.

Transactions with entities under common control with Bharti Space Limited

The Group entered into transactions with entities under common control with Bharti Space Limited during the financial year, primarily in relation to network and facility costs The Group incurred expenses of $1.4 million (2022: $0.3 million) and the amount payable by the Group at 31 March 2023 is $0.4 million (31 March 2022: $0.1 million).

On 9 November 2022, the Group entered into a distribution partnership agreement with Airtel Africa Services (UK) Limited. The Group has also agreed a Term Sheet including a $25.0 million take-or-pay commitment with Airtel Africa plc.

Transactions with entities in the Eutelsat S.A. group

The Group entered into transactions with members of the group of companies including Eutelsat S.A. in relation to the provision of consulting services. The Group incurred expenses of $0.1 million (2022: $0.1 million) and the amount payable by the Group at 31 March 2023 is $0.1 million (31 March 2022: $0.1 million).

On 25 July, 2022, the Group's existing Distribution Partner Agreement (signed in March 2022) with Eutelsat was amended. Under the terms of this amendment, Eutelsat takes a firm commitment to purchase $275.0 million of OneWeb's constellation capacity at pre-defined terms over a five-year duration, starting from the full availability of the constellation. As part of the agreement, Eutelsat will benefit from the exclusive use of OneWeb's capacity over certain pre-determined sales regions and verticals, in particular Continental Europe and Global Cruise segment. The Group received a payment of $100.0 million under the terms of this agreement on 30 March 2023. In March 2023, the Group entered into a further take-or-pay commitment of $42.3 million with Eutelsat.

Transactions with entities in the SoftBank Group Capital Limited group

The Group entered into transactions with members of the group of companies including SoftBank Group Capital Limited in relation to the purchase of ground-based communications equipment The equipment was purchased for $4.9 million (2022: $1.0 million) and is recognised as property, plant and equipment. In addition, the Group incurred expenses of $0.2 million in relation to network and facility costs and the amount payable by the Group at 31 March 2023 is $0.1 million (31 March 2022: $nil).

Transactions with Echostar Operating LLC and Qualcomm Technologies, Inc

The Company's shareholders, Echostar Operating LLC and Qualcomm Technologies, Inc. provide goods and services to the Group in the normal course of business on arm's length terms. These shareholders are not considered to hold significant influence over the Company.

23 Subsequent events

Subsequent to 31 March 2023, the Group has entered into a committed unsecured loan facility with certain shareholders to provide the Group with access of up to $160.0 million (in aggregate). The facility, if drawn, is convertible to equity under certain conditions and has a backstop maturity date of June 2028. If not drawn by 30 September 2024, the facility will expire. Interest accruing on any amounts drawn under the facility may either be paid or capitalised at the discretion of the Group Interest accrues at the higher of 2.5% per annum or the secured overnight financing rate ("SOFR") of the Federal Reserve Bank of New York plus 2.5% per annum. In addition, the Group has received a commitment for an external facility of $100.0 million, securitised against certain of the Group's take-or-pay commitments. This facility reduces to $75.0 million in March 2024 and matures on 31 March 2025, with a call option held by the bank for repayment 18 months from drawdown. Interest accrues at SOFR plus 3.75% per annum

OneWeb Holdings Limited
Company financial statements

Company balance sheet
At 31 March 2022

	Note	**2023 $m**	2022 $m
Non-current assets			
Loan receivable from related party	*26*	**2,239.9**	1,358.9
Investment in subsidiary entity	*27*	**318.0**	315.2
		2,557.9	1,674.1
Current assets			
Receivables from related parties	*26*	**8.2**	115.7
Prepaid expenses		**0.8**	0.8
Goods and services tax receivable		**0.7**	1.6
Share subscription receivables	*18*	**156.0**	606.0
Cash and cash equivalents		**189.7**	440.6
		355.4	1,164.7
Total assets		**2,913.3**	2,838.8
Current liabilities			
Trade payables		**-**	(4.3)
Payables to related parties		**(0.5)**	-
Accrued expenses		**(0.4)**	(1.3)
Accrued employee compensation		**(1.3)**	(2.1)
Other taxes payable		**(0.7)**	(0.8)
		(2.9)	(8.5)
Net assets		**2,910.4**	**2,830.3**
Equity			
Share capital	*18*	**-**	-
Share premium	*18*	**2,805.3**	2,805.3
Share-based payment reserve	*18*	**11.5**	6.7
Retained earnings	*18*	**93.6**	18.3
Total equity		**2,910.4**	**2,830.3**

Under Section 408 of the Companies Act 2006, the Company is exempt from the requirement to present its own profit and loss account. The profit for the Company for the year was $75.3 million (2022: $17.3 million).

These financial statements were approved by the Board of Directors on 13 June 2023 and were signed on its behalf by:

Neil Masterson
Chief Executive Officer

Company registered number: 12534512

Company statement of changes in equity

	Share capital $m	Share premium $m	Share-based payment reserve $m	Retained earnings $m	Total equity $m
At 1 April 2021					
Total comprehensive income for the period					
Profit for the period	-	-	-	17.3	17.3
Total comprehensive profit for the period	-	-	-	17.3	17.3
Transactions with owners, recorded directly in equity					
Issue of shares	-	1,572.8	-	-	1,572.8
Equity-settled share-based payment transactions	-	-	6.1	-	6.1
Total contributions by and distributions to owners	-	1,572.8	6.1	-	1,578.9
Balance at 31 March 2022	-	**2,805.3**	**6.7**	**18.3**	**2,830.3**
Total comprehensive income for the period					
Profit for the period	-	-	-	**75.3**	**75.3**
Total comprehensive profit for the period	-	-	-	**75.3**	**75.3**
Transactions with owners, recorded directly in equity					
Equity-settled share-based payment transactions	-	-	**4.8**	-	**4.8**
Total contributions by and distributions to owners	-	-	**4.8**	-	**4.8**
Balance at 31 March 2023	-	**2,805.3**	**11.5**	**93.6**	**2,910.4**

Notes to the Company's financial statements
(forming part of the financial statements)

24 General information

The Company is a private company incorporated, domiciled and registered in England and Wales. The registered number is 12534512 and the registered address is West Works Building, 195 Wood Lane, London, United Kingdom, W12 7FQ.

25 Basis of preparation

25.1 Going concern

See note 2.1.

25.2 Accounting estimates and judgements

These Company financial statements were prepared in accordance with FRS 101 and present information about the Company as a separate entity and not about its group. The recognition, measurement and disclosure requirements of Adopted IFRSs have been applied, with amendments necessary in order to comply with Companies Act 2006, together with certain disclosure exemptions. The following disclosure exemptions have been taken under FRS 101.

- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3. Business Combinations;
- *the requirements of IFRS 7: Financial Instruments: Disclosures;*
- 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 requirement of IAS 7: Statement of Cash Flows;
- 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

Under Section 408 of the Companies Act 2006, the Company is exempt from the requirement to present its own profit and loss account.

In the preparation of Company's financial statements in conformity with FRS 101, 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 financial statements. The recoverability of the share subscription receivables is considered to be a critical judgement in these financial statements, further details of which are provided in note 2.3.

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.

26 Loan receivable from related party

Accounting policy

On initial recognition, the loan receivable was measured at amortised cost. Loss allowances for financial assets are calculated applying an expected credit loss model.

Carrying value of loan receivable from related parties

	Cash flow items $m	Non-cash items $m	Total $m
Amortised cost			
At 31 March 2021	475.7	106.7	582.4
Interest receivable from OWC	-	28.5	28.5
Funding provided to OWC	748.0	-	748.0
At 31 March 2022	**1,223.7**	**135.2**	**1,358.9**
Interest receivable from OWC	**-**	**70.2**	**70.2**
Conversion of intercompany receivable from NAA to loan receivable	**-**	**115.7**	**115.7**
Funding provided to NAA	**684.0**	**-**	**684.0**
Interest receivable from NAA	**-**	**11.1**	**11.1**
At 31 March 2023	**1,907.7**	**332.2**	**2,239.9**

The Company provides funding to other Group companies. The Company has amounts receivable from OneWeb Communications Limited ("OWC") and Network Access Associates Limited ("NAA").

27 Investment in subsidiary entity

Accounting policy

Investments in subsidiaries are carried at cost.

Carrying value of investment in subsidiary entity

	$m
Cost	
At 31 March 2021	310.9
Capital contribution to OWC	4.3
At 31 March 2022	**315.2**
Capital contribution to OWC	**2.8**
At 31 March 2023	**318.0**

28 Capital, reserves and shareholder funding

See note 18.

29 Related party transactions

See note 22.

30 Ultimate controlling party

There is no single ultimate controlling party. Details of the Company's shareholders and their rights are provided in note 18

31 Subsequent events

See note 23.

32 Subsidiaries and affiliates

The UK subsidiaries annotated with an '' from the following list of subsidiaries of the Company are exempt from the* Companies Act 2006 requirements relating to the audit of their individual accounts by virtue of Section 479A of the Companies Act 2006 as this company has guaranteed the subsidiary companies under Section 479C of the Companies Act 2006.

Name	Principal activity	Registered Agent Address	Country of incorporation	Shareholding 31 March 2023 (%age)
OneWeb Communications Ltd *	Holding Company	West Works Building, 195 Wood Lane, London United Kingdom, W12 7FQ	United Kingdom	100
WorldVu Development LLC	Operating Company	701 S. Carson St., Suite 200, Carson City, NV 89701, United States	United States	100
OneWeb Communications Canada Ltd	Operating Company	Crease Harman LLP, 800-1070 Douglas Street, Victoria, BC, V8W 2C4	Canada	100
Network Access Associates Ltd. *	Operating Company	West Works Building, 195 Wood Lane, London United Kingdom, W12 7FQ	United Kingdom	100
OneWeb Ltd.	Holding Company	Level 1, IFC1, Esplanade, JE2 3BX, Jersey	Jersey	100
OneWeb Ltd (Malta)	Operating Company	SmartCity Malta, SCM 01, TMF Group (Malta) 401 Ricasoli, Kalkara, SCM 1001, Malta	Malta	100
OneWeb Network Access Holdings Ltd. (UK) *	Holding Company	West Works Building, 195 Wood Lane, London United Kingdom, W12 7FQ	United Kingdom	100
OneWeb Holdings LLC	Holding Company	50 Main Street, Suite 1000, White Plains, NY 10606, USA	United States	100
OneWeb Technologies, Inc[1]	Operating Company	11140 Aerospace Avenue, Houston, Texas, 77034	United States	100
WorldVu JV Holdings LLC	Holding Company	c/o Business Filings Incorporated, 108 West 13th St, Wilmington DE 19801, United States	United States	100
Airbus OneWeb Satellites LLC[2]	Satellite Design and Development	CT Corporation System, 1200 South Pine Island Road, Plantation, FL 33324	United States	50
Airbus OneWeb Satellites North America LLC[3]	Satellite Design and Development	Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware, 19801	United States	50
Airbus OneWeb Satellites SAS[3]	Satellite Design and Development	B612, 3 rue Tarfaya, 31400 Toulouse, France	France	50
Airbus OneWeb Satellites Florida LLC[3]	Satellite Design and Development	CT Corporation System, 1200 South Pine Island Road, Plantation, Florida 33324	United States	50
OneWeb Communications S.a.r.l	Operating Company	51 Avenue J.F. Kennedy, L-1855, Luxembourg	Luxembourg	100
OneWeb Asia PTE. Ltd.	Operating Company	38 Beach Road, #29-11 South Beach Tower, Singapore, 189767, Singapore	Singapore	100
OneWeb S.r.l.	Operating Company	Corso Vercelli 40, 20145, Milan, Italy	Italy	100
OneWeb Norway AS	Operating Company	Postboks 2334, 3003 Drammen, Norway	Norway	100
OneWeb S.A	Operating Company	Tucumán 1, Piso 4, Buenos Aires, C1049AAA, Argentina	Argentina	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	50
WorldVu, Unipessoal Lda	Operating Company	Rua Latino Coelho, nº 13, 13-A, 13-B, 3.º andar, freguesia de Avenidas Novas, 1050-132 Lisboa, Portugal	Portugal	100
OneWeb ApS	Operating Company	C/O Nuna Advokater Aps, Qullilerfik 2, 6 , Nuuk, 3900, Greenland	Greenland	100

WorldVu, Australia Pty Ltd	Operating Company	TMF Corporate Services (AUST) PTY LTD, Level 16, 201 Elizabeth Street, Sydney NSW 2000, Australia	Australia	100
OneWeb G.K.	Operating Company	c/o DLA Piper Tokyo Partnership, Meiji Seimei Kan 7F, 1-1, Marunouchi 2-chome, Chiyoda-ku Tokyo, Japan	Japan	100
OneWeb Capacidade Satelital Ltda	Operating Company	Avenida Nove de Julho, 3228, sala 604, Ed. First Office Flat, Jardim Paulista, City of São Paulo, State of São Paulo, 01406-000, Brazil	Brazil	100
WorldVu Satellites Limited	Holding Company	Level 1, IFC1, Esplanade, JE2 3BX, Jersey	Jersey	100
WorldVu Mexico S.de R.L. de C.V	Operating Company	Av. Obrero Mundial 644, Piso 2 Oficina 202, Atenor Salas, Benito Juarez, Ciudad de Mexico, Mexico, 03010	Mexico	100
OneWeb Chile SpA	Operating Company	Luz 2959-22, Las Condes, Santiago, Chile	Chile	100
OneWeb Senegal SARL	Operating Company	Immeuble Lat Dior en face grande mosque de Dakar, Dakar, 3E ÉTAGE, Senegal	Senegal	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
WorldVu South Africa (Pty) Ltd.	Operating Company	TMF Building 2 Conference Lane, Bridgewater One Block 1, Bridgeway Precinct Century City, Western Cape, 7446, South Africa	South Africa	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
OneWeb (Mauritius) Limited	Operating Company	Lislet Geoffroy Street, BCMS Corporate Services Ltd, 2nd Floor Chancery House, Port Louis, Mauritius	Mauritius	100
OneWeb Colombia Limited S.A.S.	Operating Company	Cra. 11 No. 79-35 9th floor, Bogotá D.C	Colombia	100
OneWeb Ghana Ltd	Operating Company	No 7 Airport Road, Accra, Accra Metro, Ghana	Ghana	100
OneWeb France SAS	Operating Company	3-5 rue Saint-Georges 75009 Paris	France	100
PT OneWeb Communications Indonesia	Operating Company	Indonesia Stock Exchange Building, Tower 1, 27th Floor, Jl. Jend Sudirman Kav. 52-53, Jakarta 12190	Indonesia	100
OneWeb Kazakhstan Ltd	Operating Company	Building 55/22, Mangilik El Avenue, Nur-Sultan	Kazakhstan	100
OneWeb (Bulgaria) EOOD	Operating Company	2a Saborna Street, 4th Floor, Sofia, 1000, Bulgaria	Bulgaria	100
OneWeb Sweden AB	Operating Company	Baker & McKenzie Advokatbyrå KB, Box 180, 101 23, Stockholm	Sweden	100

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

1 OWT is managed by the Group under a proxy agreement. The conclusion that the Group meets the requirements of IFRS 10 with respect to control is considered to be a critical judgement in these financial statements, further details of which are provided in note 2.3.

2 Ownership is through WorldVu JV Holdings LLC. The Group owns 50% of the equity of Airbus OneWeb Satellites LLC.

3 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.

Definitions

Adopted IFRSs: UK-Adopted International Financial Reporting Standards in conformity with the requirements of the Companies Act 2006

ANFR: l'Agence Nationale des Fréquences

AOP: Annual Operating Plan

AOS: Airbus OneWeb Satellites LLC

B2B: Business-to-business

B2C: Business-to-consumer

BEIS: United Kingdom Secretary of State for Business, Energy and Industrial Strategy

BIU: Bring-into-use

Bharti: Bharti Space Limited

CGU: 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

Company: OneWeb Holdings Limited

COVID-19: The COVID-19 global pandemic

CSI: Customer Service Introduction

DPA: Distribution Partner Agreement

ERM: Enterprise Risk Management

ESOP: Employee Share Option Plan

Eutelsat: Eutelsat S.A.

FRS 101: FRS 101: Reduced Disclosure Framework

Financial Year: Year ended 31 March 2023

FVLCTS: Fair value less costs to sell

GEO: Geostationary orbit

GEN 1: The first generation of OneWeb satellites

GEN 2: The second generation of OneWeb satellites

GNOC: Ground Network Operations Centre

Group: OneWeb Holdings Limited together with its subsidiaries

Hanwha: Hanwha Systems UK Limited

IFRSs: International Financial Reporting Standards

IOT: The internet of things

IRU: Indefeasible Right of Use

ISRO: The Indian Space Research Organisation

ITU: International Telecommunications Union

LEO: Low-earth orbit

LTBP: Long-term business plan

Major shareholders: Bharti Space Limited, UK Secretary of State for Business, Energy and Industrial Strategy, Eutelsat S.A., Hanwha Systems UK Limited, Softbank Capital Limited, EchoStar Operating LLC.

MoU: Memorandum of Understanding

NAA: Network Access Associates Limited

NEOM: NEOM Tech and Digital Company

NEOM JV: First Tech Web Company Limited

NGSO: Non geostationary orbit

OneWeb: OneWeb Holdings Limited together with its subsidiaries

OWC: OneWeb Communications Limited

OWT: OneWeb Technologies Inc. (previously Trustcomm Inc.)

PoP: Point of presence

PNT: Positioning, Navigation and Timing

PSA: Plan Support Agreement

s172: Section 172 of the Companies Act 2006

SECR: Streamlined Energy and Carbon Reporting Guidance (SECR)

Softbank: Softbank Group Capital Limited

SOC: Satellite Operations Centre

SNP: Satellite Network Portal

Tbps: Terabits per second

TT & C: Telemetry Tracking and Control Centre

UK Generally Accepted Accounting Practice: UK accounting standards and applicable law

UT: User Terminal

VIU: Value in use