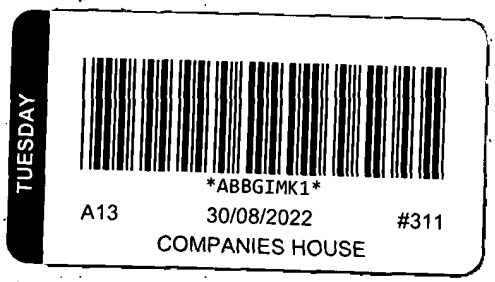
OneWeb Holdings Limited
Annual Report & Accounts 31 March 2022

OneWeb

Space is the future

OneWeb's mission continues



Greater connectivity has the power to drive business, security and societal resilience in even the most remote locations, and to change lives at scale.

OneWeb's low Earth orbit (LEO) satellite network helps governments, businesses and communities access, manage and scale better connectivity.

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Our shareholders

OneWeb is backed by experienced, diverse investors and is fully funded to complete the deployment of its first-generation constellation

bharti

Bharti, OneWeb's largest investor, is a multi-conglomerate headquartered in New Delhi, India. Bharti's telecom services business began in 1995 and has evolved into one of the world's largest telecom companies.

Bharti's flagship company, Bharti Airtel, is the world's third largest wireless operator in terms of subscribers and has operations in 17 countries across four continents. Bharti has interests in telecom infrastructure (including distribution), insurance, hospitality, food, training and skill development.

GOV.UK

The UK space sector is an economic success story, growing by more than 60% since 2010. The sector already supports £300 billion of UK economic activity through the use of satellite services.

In 2020, the UK Government invested $500 million in OneWeb. British space technology will help pioneer new approaches to energy, communications and resources. With the support of the UK Government, OneWeb has become a key contributor to the UK space sector.

eutelsat

Eutelsat, a French geostationary satellite operator, provides coverage to the entire European continent, the Middle East, Africa, Asia and the Americas.

Eutelsat brings more than 40 years' experience in the satellite industry and its investment will help OneWeb drive development of LEO technologies. Eutelsat serves TV contribution services, corporate networks, mobile communications, internet backbone connectivity and broadband access for terrestrial, maritime and in-flight applications.

SoftBank

SoftBank is a Japanese multinational conglomerate, holding investments in technology, energy and financial sectors.

SoftBank is a long-term investor and continues to support OneWeb's acceleration towards full global coverage and commercialisation. SoftBank's flagship business is the third-largest wireless carrier in Japan. SoftBank also operates across telecommunications, information technology, finance, media, marketing and other sectors.

Hanwha

Hanwha Systems is a global total solutions company that innovates in the fields of avionics and space, security and safety, and information systems services.

Hanwha's investment completed in February 2022. With Hanwha's support, OneWeb will access further opportunities in the defence market through defence-related capabilities and the latest antenna technologies, alongside relationships with new government customers and expanded geographical reach.

HUGHES
An EchoStar Company

Hughes Network Systems LLC is a wholly owned subsidiary of EchoStar Corporation, a worldwide provider of satellite communication and internet services. Hughes also markets its services to government, business and military.

With Hughes' support, OneWeb has access to top-of-the-range technologies that specifically cater for rural customers beyond the reach of wired infrastructure and has successfully deployed multiple user terminals to areas of live network coverage.

Key milestones

During the year

April 2021

SoftBank's investment completes

OneWeb opens first Service Demonstration Centre

Launch #6

May 2021

Distribution Partnership Agreements with PDI and ACS are signed

Launch #7

218
Satellites in space

July 2021

OneWeb's first Innovation Challenge

Appointment of Chief Legal Officer and Group Company Secretary

August 2021

Launch #8

Launch #9

288
Satellites in space

Sep 2021

Launch #10

Eutelsat investment completes

Bharti increases investment to become largest investor

Acquisition of OneWeb Technologies Inc.

Oct 2021

Launch #11

Joint Venture Agreement with NEOM

Distribution Partnership Agreement with BT signed

358
Satellites in space

Nov 2021

Commencement of advanced testing with distribution partners 50+ degrees north

Jan
2022

Independent non-executive director appointed to the Board of directors

March
2022

Contracts agreed for launch services with SpaceX, after Soyuz launches are postponed out of Baikonur, Kazakhstan

May
2022

Appointment of Chief Commercial Officer

Commercial service billing commences in Alaska

Dec
2021

Eutelsat increases investment to become second largest investor

Launch #12

394
Satellites in space

Feb
2022

Hanwha investment completes

Launch #13

428
Satellites in space

April
2022

Contracts signed for launch services with ISRO

June
2022

Contracts for all six additional launches required for GEN 1 are secured

OneWeb will continue to launch commercial services in 2022 and 2023 to provide full global coverage.

“Each user terminal site has its own story. Our partners in Alaska are really down-to-earth. Everyone realises who you are and what you are bringing to the town.

The opportunity to talk to the outside world makes everyone want to pitch in and help you get what you need.

You are effectively flipping a switch on to all the related network infrastructure and so many homes. You can almost hear the phones start to ring as soon as connectivity is switched on.”

Henry Schildbach, OneWeb Service Field Engineer

Strategic Report

The directors present the Strategic Report for OneWeb Holdings Limited (the Company, or together with its subsidiaries, the Group, OneWeb Group or OneWeb) for the year ended 31 March 2022 (the Financial Year).

The Group qualifies as a large company in accordance with the Companies Act 2006.

Chairman's statement

OneWeb has continued to progress its mission to provide a global LEO network. Over the past year, OneWeb built new alliances and partnerships, scaled up its operations and switched on the network ready for commercialisation. Having raised more than $2.7 billion in equity since November 2020, and with 66% of the satellite fleet now operational in space, OneWeb has live coverage from the North Pole to 50 degrees north. Demand for our service is high and we are emerging as a leader in the LEO satellite industry.

We were pleased to welcome Eutelsat and Hanwha as shareholders during the Financial Year and, with their support, we will access the highest quality technological thinking, improve our geographical reach and advance market entry opportunities.

We also acquired OneWeb Technologies Inc. (previously Trustcomm Inc.) in September 2021, a provider of managed satellite communications and professional services to US Governmental and other commercial organisations. This acquisition represents an incredible opportunity to deliver a secure, high-performance and low-latency service to the defence sector.

In November 2021, we entered into a long-term strategic partnership with NEOM, which will realise our vision of boosting connectivity in Saudi Arabia, the wider Middle East and East Africa. This partnership demonstrates the trusted global relationships we are seeking to build across the world and exemplifies the models through which our satellites will reach unconnected and poorly connected regions.

Geo-political events have challenged business operations this year and we made the difficult decision to postpone six launches from Baikonur,

> "Demand for our service is high and we are emerging as a leader in the LEO satellite industry."

Kazakhstan. Our shareholders were steadfast in supporting the business whilst it navigated the impact of this postponement. The business pivoted quickly to source replacement launches from the international market in a matter of weeks and this effort has been recognised by our investors, distribution partners, vendors and the wider industry.

The pandemic has proven our business case – the need for reliable broadband that is accessible across the entire globe, no matter how remote. We were pleased to reopen the offices and successfully continue business operations throughout the pandemic. Our people are at the heart of OneWeb and they continue to create a culture of resilience and do their best work, which is critical to OneWeb's success.

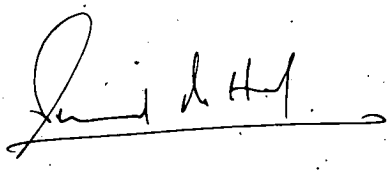
The OneWeb team have risen to every challenge throughout the roll-out of the network; their perseverance and agility during times of crisis has enabled the business to bounce back and progress our mission to connect people in hard-to-reach places.

The year has also been transformative for the OneWeb Group Board, which has grown in strength and expertise. Our Board now comprises 14 members from diverse backgrounds, including two independent non-executive directors, who provide balance and appropriate challenge in accordance with robust corporate governance practices. We have spent the past year developing a dedicated and effective Board governance framework, along with the introduction of a company secretarial function who oversee and continue to develop our Board practices, including the formal introduction of Board committees for remuneration, technology, audit and risk, nomination and health, safety and the environment, all of which meet regularly and provide oversight to the business.

People and communities need to be connected, wherever they are, to improve their lives though access to healthcare, education or work. Alaska, Canada, Greenland, Iceland, the United Kingdom, northern Europe, and the Arctic Seas have already joined the OneWeb global network. Further launches are scheduled during 2022 and 2023 and I am confident that the OneWeb team can deliver full global coverage.

Looking to the future, the prospective combination of Eutelsat and OneWeb (see page 26) represents a significant development towards our mission to connect the unconnected through a unique GEO/LEO combination.

Our shareholders are united in their support for the business. Their backing has been instrumental in OneWeb overcoming several unprecedented challenges. We continue to receive strong support from governments across all continents. Our ecosystem partners in the space and ground segments have also stood by us, and we appreciate their cooperation. Under the leadership of Neil Masterson, the OneWeb team continues to do all of us proud through their achievements, commitment and resilience.



Sunil Bharti Mittal
Executive Chairman

> "Reflecting the scale of shareholder ambition, OneWeb represented 70% of all inward investment into the UK space sector in 2021."
>
> **BryceTech Report: 'Size and Health of the UK Space Industry' for UK Space Agency**

Strategic priorities

Deliver the network

Build customer trust

Monetise the network

People first

Shape the future

CEO's strategic review

OneWeb has made progress at pace. This year, we pivoted from a conceptual technology product to a commercial trading business.

Following live alpha and beta trials with our early adopter distribution partners, OneWeb is now successfully serving customers in Alaska. Our priority remains to scale quickly and, following the roll-out of the network in Alaska and Canada, we plan to evolve and develop our service in the areas of live network coverage. We have deployed 66% of the satellite fleet through 13 successful launches and have attracted a total of $2.7 billion equity funding.

During the year, our innovative and unique technology attracted new investors who will bolster our reach, sector expertise and experience. Despite the continuing impact of COVID-19 on the global economy and unprecedented impacts of geo-politics on our launch schedule, the business has shown resilience, success and the ability to deliver. We continue to focus on five clear strategic objectives for the business: **Deliver the network; Build customer trust; Monetise the network; People first; and Shape the future.**

Deliver the network

OneWeb is fully equipped to support its satellite constellation in live coverage areas from the North Pole to 50 degrees north, with operational ground stations and 428 satellites in space.

With support from our shareholders, we successfully deployed 282 satellites in 8 launches through the Financial Year. However, our launch schedule was impacted by geo-political tensions arising from the Russia-Ukraine war and as a result, the six remaining launches required for our first generation of satellites (GEN 1) global coverage were postponed. The business responded swiftly to replace launch vehicles and has successfully procured replacement vehicles to deploy the remaining satellites. We look forward to working with SpaceX and ISRO as we strengthen the industry together and work towards global network coverage in 2023. It is encouraging to see alternative optionality in the industry for our launch activity across the globe.

The rest of the global ground network has also grown significantly this year. We have 8 operational Satellite Network Portals (SNPs) which serve the live coverage area and currently have agreements to build 38 SNPs in 27 different countries.

> "We have deployed 66% of the constellation through 13 successful launches and have attracted a total of $2.7 bn in equity funding."

CEO's strategic review continued

OneWeb has continued to protect its spectrum rights across multiple global forums through daily engagement with global regulators and by satisfying their requirements. We have landing rights in 57 of the countries where required and this will continue to grow as we scale the network.

We are committed to good customer experience and are developing specialised user terminals to suit varying performance demands and price points. OneWeb has 4 key verticals: Government, Carrier and Enterprise, Aviation and Maritime, together with a new land mobility proposition being explored in 2022. Distribution partners have been engaged across all 4 verticals to ensure we understand and meet the needs for each market segment.

Build customer trust

We recognise that customer trust is earned and have been working hard to deliver the network and provide the required capacity to areas in our live-network reach. We have continued to engage with our distribution partners with whom we are building deep and long-lasting relationships. Credibility with our distribution partners is key to our long-term success and in recognition of the need to foster business relationships, each member of my Executive Committee is individually partnered with key distribution partners. This ensures their feedback is reflected in our business and decision making. We will continue to foster these business relationships with our distribution partners and improve the quality of our Distribution Partner Programme offering.

During the year, we performed demos for a variety of customers and distribution partners in Alaska, Canada, mainland US, UK, Scandinavia and Saudi Arabia. The early demos showcased performance characteristics, such as down and upload speeds and latency. These evolved in late 2021 to become tailored customer proof-of-concept trials, during which distribution partners ran a series of applications over the OneWeb system to validate their own use cases.

OneWeb is intending to roll out a regular programme of customer feedback using the net promoter score (NPS). The NPS will be the foundation upon which we build a sustained programme of customer satisfaction measurement and improvement.

We also recognise the importance of protecting our business and stakeholders. To that end, we have made a number of key hires in this area to enable us to develop and mature our risk, compliance and cyber security practices.

Monetise the network

OneWeb was in a pre-revenue phase throughout most of the year but ended the Financial Year with distribution partners signed, followed by the first invoices prepared in May 2022, for service delivery. Strong efforts have been made with distribution partners to meet customer needs in Alaska and Canada. Looking ahead to next year, we will continue to develop as a trading commercial organisation to create a profitable business.

We have a collaborative business model built upon our distribution partnerships that enables them to succeed with their end customers. During the first financial year we signed 37 distribution partner agreements. Further business relationships are developing and we have memorandums of understanding with many of the world's leading communications providers.

We signed a path-breaking Joint Venture Agreement with NEOM, to supply high-speed satellite connectivity to the new city of NEOM, Saudi Arabia and the wider Middle East, and neighbouring East African countries, which provided significant early revenue to OneWeb. Both parties entered into a $170 million commercial distribution and services agreement, which has demonstrated confidence and validation in OneWeb's technology and mission. In December 2021, we signed one of our first exclusive distribution partnership agreements with Hughes Communications India for servicing the fast-growing Indian market. Under the terms of this agreement, OneWeb obtained a firm revenue commitment for

> "We signed a path-breaking joint venture agreement to supply high-speed satellite connectivity to the new city of NEOM, Saudi Arabia."

a period of six years. Along with our existing agreement in Indonesia and new orders from Alaska, Canada, Europe, NEOM and India, the total committed orders as at the date of this report are $0.6 billion.

People first

At OneWeb, people are integral to what we do and I thank them all for their commitment and determination to succeed. By the end of the Financial Year, our headcount had grown by 102% to 528 and our employees are united in the OneWeb mission to provide space-based connectivity and change lives at scale. The sense of purpose at OneWeb drives the culture and high performance of our team of experts and our people continue to evolve with each new phase of our business. We welcomed key senior executives during the year including Stephen Beynon, Chief Commercial Officer, Nadia Hoosen, Chief Legal Officer and Group Company Secretary, and multiple senior hires including Group Financial Controller, VP Procurement, VP Global Compliance and VP Spectrum Engineering and Strategy.

We also stood up our cyber resilience function and appointed a Chief Information Security Officer who will drive OneWeb's cyber resilience strategy.

Whilst most of the year was spent working remotely, we continud to innovate with online solutions. Our UK and US offices remained open throughout the pandemic for our 24-hour shift workers who operate the global constellation. We run regular employee engagement surveys and the latest wave showed an employee NPS of 50, 17 points above the benchmark and in the upper quartile for all technology companies.

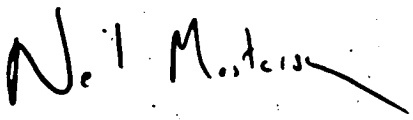
Shape the future

We have the funding, ambition and skills to successfully deliver full global coverage for GEN 1. Our immediate desire is to complete global coverage and to rapidly follow it with the roll-out of the second generation of OneWeb satellites (GEN 2.0). The challenging geo-political environment demonstrated how our unique global assets are ideal for tomorrow's needs. We are rising to the challenge, offering a platform for secure communications.

During the year, we launched a major request for information and Industry Day in association with the European Space Agency as we actively sought partners with which to verify the definition, requirements and strategy for GEN 2.0 to ensure it's built for future customer-first satellite connectivity requirements. GEN 2.0 is rapidly taking shape and sovereign players are viewing the platform with deep interest.

Our proxy subsidiary, OneWeb Technologies Inc. (OWT) (as detailed in note 2.3 to the consolidated financial statements), will enable OneWeb to service the US defence market and fellow Five Eyes nations to meet the new challenges for connectivity and security. OWT is subject to foreign ownership and control mitigation agreements, which will enable OneWeb to work with US Government classified information through an independent governance structure. To that end we have appointed an entirely new, independently run, proxy board for OWT comprising of three key senior independent Proxy Directors: Susan M. Gordon (former Principal Deputy Director of National Intelligence), Richard V. Spencer (former 76th Secretary of the US Navy) and Ryan D. McCarthy (former 24th Secretary of the US Army). They have provided a depth of experience and brought new expertise to OneWeb and overseen some key new management hires including a Chief Financial Officer, Chief Operating Officer and General Counsel. We also welcomed Tim Kopra, a former NASA astronaut, as President of OWT. Tim previously held the position of Vice President for Robotics and Space Operations at MDA.

OneWeb has overcome unprecedented challenges during the year and I am confident in the resilience of the OneWeb team to push forward the mission. The proposed combination with Eutelsat (see page 26) will accelerate our mission to deliver connectivity that will change lives at scale. We will continue to go further than anyone else to help businesses and communities to get connected and achieve their potential.



Neil Masterson
Chief Executive Officer
This Strategic Report was approved by the Board on 3 August 2022

Our distribution partners

We have a business-to-business indirect channel model which serves the needs of our end users via distribution partners

Our business model demands that we quickly enable our partners to buy, add value, bolt on, and sell OneWeb connectivity. We do this through distribution partners, whose understanding of their customers' needs enables them to build and best manage the platforms their customers use.

OneWeb has also started to initiate an exclusive partnership programme built on a shared vision of how high-speed, LEO connectivity can bring about positive change for communities and enable digitisation at scale.

We flex to each of our 4 key verticals, delivering solutions and services across the Carrier and Enterprise, Government, Maritime and Aviation. Distribution partners have access to connectivity solutions that make better use of existing network infrastructures and product portfolios, so more end-users can benefit.

Quarterly independent transactional-based NPS surveys will enable OneWeb to monitor and support continually improving service delivery for our partners.

Our distribution partner programme

SERVICE DEMOS
The distribution partner journey begins with our Proof-of-Concept demos, which can be hosted on site, online and on tour.

SERVICE SUPPORT & TRAINING
We provide technical assistance, relationship management, customer hyper care and access to our support team and training on sales and hardware, installations, order process and digital products.

SALES ENABLEMENT & MARKETING
We offer multimedia sales support, playbooks and collateral, customer lead generation, digital and advertising campaigns, and subject matter expertise.

COMMUNITY
We lead and support profile-raising activities around awareness and visibility; press release distributions; local initiatives and Voice of Customer initiatives.

RECOGNITION
As our global partner network expands, we focus on joint marketing activities, performance-related rewards, individual recognition and an individual incentives course.

Our signed partners

OneWeb products and plans

OneWeb's products and plans drive faster, larger, data-led communications and innovation flows around performance. They are flexible, scalable and easily fine-tuned to each partner's connectivity needs as well as existing operations and business support systems.

OneWeb digital products and services

OneWeb has four digital products: Account Hub, Service Hub, Device Hub and Developer Hub. Partners can manage both partner and customer relationships securely; get support for any OneWeb product and system; manage user terminals remotely; and control integrations to their own systems.

Performance review

Operational performance review

SATELLITES

OneWeb has a joint venture with Airbus DS Satnet LLC and continues to work closely with its joint venture entity, Airbus OneWeb Satellites LLC, which manufactures the OneWeb satellites. OneWeb also works closely with Qualcomm Technologies Inc. and Hughes Network Systems LLC, which provide critical network infrastructure at each satellite network portal.

LAUNCHES

OneWeb's key launch provider to date was Arianespace, which facilitated a total of 13 launches (8 during the Financial Year), with sub-contractors Starsem and RUAG. After the postponement of launches on 4 March 2022 and the ongoing long-term uncertainty, new commercial partnerships were formed with launch providers including SpaceX and ISRO – NewSpace India Limited, to facilitate the remaining launches required to attain full global coverage for GEN 1.

ACQUISITIONS AND JOINT VENTURES

In September 2021, OneWeb completed the acquisition of Texas-based OWT (previously TrustComm Inc.), a provider of managed satellite communications and professional services to commercial and US Government organisations.

OWT is a proxy subsidiary of OneWeb (see note 2.3 to the consolidated financial statements), focused on meeting the complex needs of US defence and Government customers. OWT is cleared by the US Government and is operating under foreign ownership, control or influence, overseen by the Defense Counterintelligence and Security Agency, which is a federal security agency of the US Department of Defense and requires independent day-to-day management of operations, enabling OWT to maintain its eligibility to participate in classified contracts with the US Department of Defense. OWT contributed to the Group's first revenue since acquisition.

In addition, NEOM Tech & Digital Company, an entity incorporated in the Kingdom of Saudi Arabia, and OneWeb signed a Joint Venture Agreement (NEOM JV) to bring high-speed satellite connectivity to NEOM, Saudi Arabia, the wider Middle East and neighbouring East African countries. As a result, both joint venture partners have an equal proportion of the share capital in the NEOM JV entity: First Tech Web Company Limited. Services are due to commence under a Distribution and Services Agreement in 2023.

PROOF-OF-CONCEPT (DEMOS)

Demonstrating the credibility of our product is essential to the success and deployment of the OneWeb network. During the Financial Year, OneWeb successfully performed demos and trials for a variety of customers and distribution partners in Alaska, Canada, mainland US, UK, Scandinavia and Saudi Arabia. The early demos focused on showcasing general performance characteristics, such as down and upload speeds, and latency. The demos evolved in late 2021 to tailored customer proof-of-concept trials, during which the distribution partner would run a series of applications over the OneWeb system to validate its own use cases. Successful demos to the US Department of Defense have also taken place.

USER TERMINALS

User terminals are a key element in OneWeb's global infrastructure. OneWeb is building a portfolio of user terminals to cater to the varying requirements of Government, Carrier and Enterprise, Aviation and Maritime customers. Diversity of user terminals is important to enable OneWeb to cater across different markets to meet specific use cases, which means each user terminal has different capabilities, form factor, specifications, volumes and price points.

OneWeb partnered with SatixFy, Kymeta, Intellian, GRC and Hughes for the manufacture of user terminals. The development, qualification and type approval of the dual parabolic Intellian terminal was successfully completed and these units were deployed in the summer of 2021, initially to support alpha trials with selected customers.

We have a flexible deployment model. User terminals are delivered directly to distribution partners or to regional warehouses in the live-network areas to support quick deployment following customer orders. At the end of the Financial Year units had been deployed and installed in the field, either at customer premises or as reference terminals for OneWeb's own usage, network monitoring and troubleshooting.

Key performance indicators

OPERATIONAL

CUMULATIVE NUMBER OF LAUNCHES

2022	2021
13	5

CUMULATIVE NUMBER OF SATELLITES LAUNCHED

2022	2021
428	146

DISTRIBUTION PARTNERS SIGNED

2022	2021
37	1

EMPLOYEE HEADCOUNT AT 31 MARCH

2022	2021
528	262

SATELLITE NETWORK PORTALS

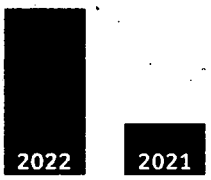
2022	2021
9	4

FINANCIAL

REVENUE

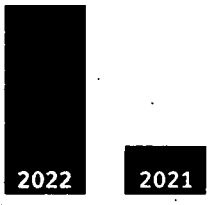
$9.6 m | -

EBITDA



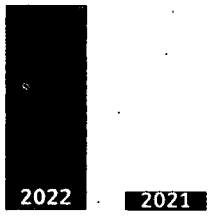
$(186.9 m) | $(51.4 m)

CAPITAL EXPENDITURE



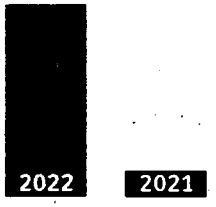
$667.1 m | $171.7 m

CASH POSITION



$481.2 m | $44.0 m

OPERATING LOSS



$(425.9 m) | $(58.3 m)

Financial performance review

Group results

Group profit and loss	2022	2021
Revenue	$9.6 m	-
Operating expenditure	$217.4 m	$58.5 m
EBITDA	$(186.9 m)	$(51.4 m)
Operating loss	$(425.9 m)	$(58.3 m)
Investment income	$0.3 m	$10.3 m
Finance costs	$11.7 m	$2.9 m
Net (loss)/profit for the period	$(389.8 m)	$370.5 m

Group balance sheet	2022	2021
Total assets	$3,185.9 m	$1,954.8 m
Total liabilities	$(392.7 m)	$(350.9 m)
Total equity	$(2,793.2 m)	$(1,603.9 m)

The Group recorded its first revenues for the year, which were earned by OWT following its acquisition by the Group in September 2021. At the end of the Financial Year, the Group had signed a total of 37 distribution partner agreements, with total committed orders of more than $300 million, including a prepaid sale of $170.6 million to NEOM.

Operating expenses increased during the year as a result of the timing of the acquisition of the Company's immediate subsidiary, OneWeb Communications Limited and its subsidiaries in November 2020, a 102% increase in headcount (comparing 31 March 2022 to 31 March 2021) and continued execution of the Group's business plan.

Investment income decreased due to the absence of the pre-acquisition interest and fees earnt from OneWeb Communications Limited when it was a third party. Finance costs increased by 303% due to an increase in lease interest and the unwinding of discounts on provisions and other liabilities. The cash flow impact of interest in the period was a net inflow of $0.2 million (2021: $nil).

The Group's operating loss increased by 631% compared to the previous year after the impact of an impairment of $229.2 million. The impairment arose from the Russia-Ukraine war resulting in 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 operating loss for the year excluding the effect of the impairment was $196.7 million.

A tax credit of $48.0 million (2021: $0.2 million tax charge) arose in the period primarily as a result of the Company's subsidiary, WorldVu Satellites Limited, migrating its tax residency from Jersey to the UK. As a result, the Group's brought-forward losses and other tax attributes in the UK were offset against previous liabilities. Further details are available in note 12 to the Consolidated Financial Statements.

Cash position

The Group ended the year in a strong cash position. OneWeb has received $2.7 billion equity funding and has no external debt other than lease liabilities.

Performance review continued

Cash position	2022	2021
Cash balance	$481.2 m	$44.0 m
Subscription receivables	$606.0 m	$308.5 m

Our investments

During the Financial Year, the Group welcomed new shareholders and increased existing shareholder subscriptions. Total equity subscriptions for the Financial Year were $1,579.0 million, a 128% increase on the previous year.

Equity subscriptions during the year	2022
Total as at 31 March 2021	$1,232.5 m
Bharti Space Limited	$350.0 m
Eutelsat S.A.	$700.0 m
Hanwha Systems UK Limited	$300.0 m
SoftBank Group Capital Limited	$229.0 m
Total as at 31 March 2022	**$2,811.5 m**

As at the end of the year, total subscribed equity stood at $2,811.5 million, of which subscription receivables were $606.0 million. See note 18 to the consolidated financial statements.

Executing the business plan

The Group invested a significant amount in the development of its assets during the year, including the continued manufacture and purchase of GEN 1 satellites, the build-out of new ground stations and payment for launches. 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 degrees north.

Capital expenditure	2022	2021
Total capital expenditure	$667.1 m	$171.7 m
Of which: space segment expenditure	$483.9 m	$135.6 m

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.

Earnings before interest, tax, depreciation and amortisation (EBITDA) is a measure considered by management in assessing the operating performance of the business alongside statutory financial measures such as operating loss and has been calculated as follows

Group profit and loss	2022	2021
Operating loss	$(425.9 m)	$(58.3 m)
Impairment charge	$229.2 m	-
Write-off of property, plant & equipment	$4.2 m	$4.7 m
Depreciation of property, plant & equipment	$2.4 m	$1.2 m
Depreciation of right of use lease assets	$7.9 m	$1.4 m
Write-off of intangible assets	$0.3 m	-
Amortisation of intangible assets	$0.1 m	-
Share of result of joint venture	$(5.3 m)	-
Foreign exchange loss/(gain)	$0.2 m	$(0.4 m)
EBITDA	**$(186.9 m)**	**$(51.4 m)**

Principal risks and uncertainties

Building trust globally is a key pillar in OneWeb's culture

OneWeb's risk exposure is becoming more complex; as services start to launch, an ever more challenging external global risk landscape evolves. As OneWeb continues to scale, we recognise that now is the time to establish and implement a practical enterprise risk management (ERM) framework and process. We know building compliance and risk frameworks into OneWeb's day-to-day culture will be a key component in our global success, to support our strategic objectives and build trust in our services.

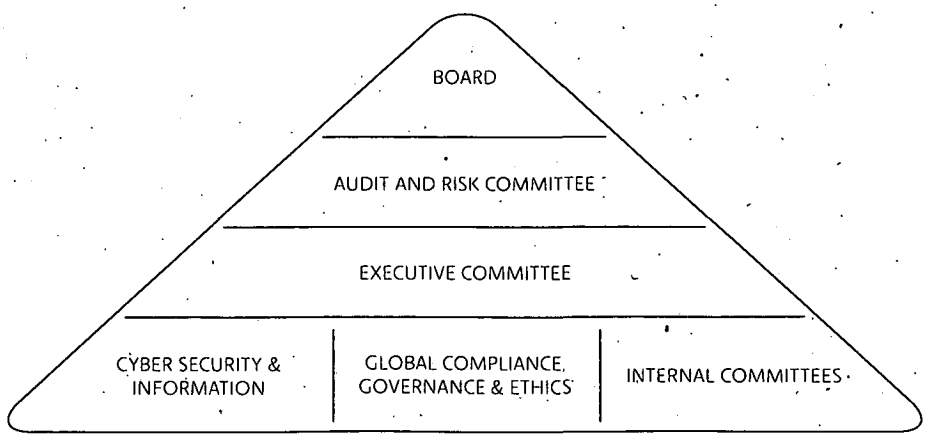
The Audit and Risk Committee, under delegated authority from the Board, is accountable for overseeing the effectiveness of OneWeb's risk management processes, including identification of the principal and emerging risks faced by OneWeb. Our commitment to investing in good practices has been demonstrated with three key hires over the year – the appointment of a Chief Legal Officer and Company Secretary, and her direct reports, a Chief Information and Security Officer and a VP – Global Compliance.

As part of OneWeb's journey to maturing its risk management, we have identified the fundamental building blocks required to create a solid foundation for OneWeb's ERM system and developed a programme that will be embedded over the next 24 months, starting with:

1. developing our ERM framework and policy;
2. defining the key risk roles, responsibilities and maturing risk management for key business areas including HR, Technology and Delivery and Operations; and
3. putting in place an effective risk register with the necessary toolkits for reporting and refreshing our initial strategic risk assessment.

OneWeb's risk reporting framework

OneWeb is committed to strengthening its risk management systems and recognises the importance of clear and transparent governance to ensure the reporting of risk is clear throughout the organisation and overseen by the Audit and Risk Committee, with delegation from the Board.



Risk continued

To develop OneWeb's risk management capabilities, a risk and compliance review was carried out in September 2021, which included an enterprise risk identification review with the Executive Committee. The risks identified as part of this compliance review included those related to: network delivery, network performance, network deployment, customer acquisition and retention, retention of talent, environment, social and governance issues, supply chain management, changes to regulation, competition risk, cyber security, the future network, the global geo-political landscape, anti-bribery and corruption, sanctions and export control. Each risk identified is linked with OneWeb's continued operations and delivery of the overall mission.

Having identified its principal risks and uncertainties, OneWeb has instructed independent external experts to support the development of the first phase of risk management, which is currently underway.

Looking ahead, we intend to produce an ERM roadmap with key activities to steadily improve and embed ERM across OneWeb.

OneWeb recognises the benefit of a three lines of defence model for its risk management system and will aim to embed the system as part of the overall ERM framework:

- **First line:** Operational business functions have direct responsibility for identifying, owning and managing risks
- **Second line:** Oversight and control functions
- **Third line:** Functions providing independent assurance

Deep dive

Cyber resilience

OneWeb's cyber security risk is evolving as the business grows and geo-politics play out. The Russia-Ukraine war has brought this into focus, particularly with GPS jamming and disruption to services following Russian cyber-attacks. As a business serving, amongst others, the needs of government and defence customers, we recognise that cyber resilience is paramount to our reputation and, in time, we aim to make this a competitive advantage. OneWeb has developed a cyber resilience strategy and action plan led by the Chief Information Security Officer and a Cyber Resilience Committee. This programme of activity will enhance OneWeb's resilience to cyber threats, ensure the business is secure by design, is able to weather disruption if it occurs, and has a strong governance framework in place to ensure regulatory and compliance requirements are met.

Sanctions risk

An enhanced risk as a result of the Russia-Ukraine war has seen changes to global sanction regimes. UK, US and European governmental sanctions mean that OneWeb is unable to engage with Russian-owned organisations and this has had a direct impact on elements of our supply chain, notably our launch activities. Additionally, the change in sanctions has impacted some of our suppliers who engage with Russian companies, thus having an indirect impact on the provision of their services to us. In the short to medium term, it is unlikely that global sanctions will be removed or amended to permit us to engage with any Russian-owned companies and therefore we are ensuring that we remodel our supply chain needs to comply with sanctions as well as protecting our long-term risk position.

CASE STUDY

COVID-19

WHAT HAVE WE LEARNT FROM THE PANDEMIC?

As many parts of the world emerge from COVID-19, the pandemic continues to have wide-ranging effects on the global economy and on OneWeb's employees, operations, suppliers and customers as a result of lockdowns, disrupted supply chains, social distancing measures and wider financial implications.

Whilst the impact of COVID-19 precipitated OneWeb's most challenging year in 2022, once successfully out of Chapter 11, the pandemic did not impact OneWeb's agile operations and ability to maintain a tight schedule of launch operations. The most material impact in the year was managing certain critical teams and several measures were implemented to protect and prioritise the operational functions that were required on site 24/7, such as the Security Operations Teams. OneWeb continues to prioritise these functions today, whilst encouraging teams back into the offices. Potential COVID-19 impacts include: reduced customer acquisition; adverse effect on trading cash generation; and an increase in volume and scale of financially motivated cyber-attacks.

Eutelsat and OneWeb combine

A leap forward in connectivity

On 25 July, 2022, Eutelsat and key OneWeb shareholders signed a Memorandum of Understanding with a view to combining Eutelsat and OneWeb in an all-share transaction. The combination of Eutelsat and OneWeb will create a single, powerful 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 GEO and LEO offering, the first of its kind. Eutelsat is an existing shareholder of OneWeb, holding a 23% interest, which is explained in more detail in Note 18 to the consolidated financial statements. The 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 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 substantially operate the LEO business and remain headquartered in the UK. The combined entity will have a balanced ownership structure, with a substantial free float alongside 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 each party to propose one director (if its shareholding is at least 7.5%) and two directors (if its shareholding is at least 15%). 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. Concurrently 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 Memorandum of Understanding has been unanimously approved by each of Eutelsat's and OneWeb's Board of directors and provides for exclusivity commitments by Eutelsat and key Eutelsat and OneWeb shareholders. It will be submitted by Eutelsat to the French Eutelsat Works Council information and consultation process. 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 by the end of the first half 2023. Bpifrance and Fonds Stratégique de Participations, who each hold an interest in Eutelsat Communications SA, have undertaken to vote in favour of the transaction-related resolutions at this EGM, subject to usual conditions. The transaction is expected to complete by the end of first half of 2023.

Going concern

This statement sets out the directors' assessment of the Group's ability to continue to operate as a going concern

In determining the appropriate basis of preparation of the financial statements for the period ended 31 March 2022, the directors are required to consider whether the Company is a going concern, i.e. whether the Company is able to meet its debts as they fall due over a period of at least 12 months from the date of approval of these financial statements. The key judgement is with regards to whether there is sufficient available and committed funding to allow the Group to become cash generative on an on-going basis.

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 has raised total equity cash funding of $2,721.5 million, of which $2,115.5 million has been paid and $606.0 million is available on demand at the request of the Company, and is expected to be received from shareholders within the next 12 months. 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.

The Group commenced the provision of commercial services North of 50° latitude in May 2022 following commencement of advanced trials with distribution partners in November 2021. Further launches are scheduled during 2022 and 2023, to provide global coverage. The business plan has been prepared showing that across this period, it is expected that commercialisation and monetisation of the satellite network will generate cash flows necessary to fund any residual capital expenditure. The phasing of customer acquisition and revenue realisation is a key assumption that underpins the Group's business plan. If these plans are successful, the directors believe there will be sufficient liquidity to finance the anticipated costs of the first generation of OneWeb's satellite constellation and allow the business to become cash positive. The Group has the ability to mitigate for slower than forecast revenue realisation, such as the deferral of non-committed capital expenditure.

A severe but plausible downside scenario has been assessed with sensitivities included to reflect the impact of delays in the provision of global commercial services, a reduction in the revenues earned compared to forecast; and a reverse stress test analysis on minimum required revenues. Based on these sensitivities, the business plan shows sufficient available and committed funding to allow the Group to continue to operate and discharge liabilities in the normal course of business and in due course, to become cash generative on an on-going basis.

On 25 July 2022, Eutelsat and key OneWeb shareholders signed a Memorandum of Understanding with a view to combining Eutelsat and OneWeb in an all-share transaction, further details of which are provided in note 23. The proposed combination does not impact the directors' assessment of the Group's ability to continue as a going concern.

Accordingly, the directors have a reasonable expectation that the Group has 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.

THE GROUP HAS RAISED

$2,721.5 M

OF WHICH $2,115.5 MILLION HAS BEEN PAID

$2,115.5 M

EQUITY RECEIVABLES EXPECTED IN THE NEXT 12 MONTHS

$606.0 M

Stakeholder engagement

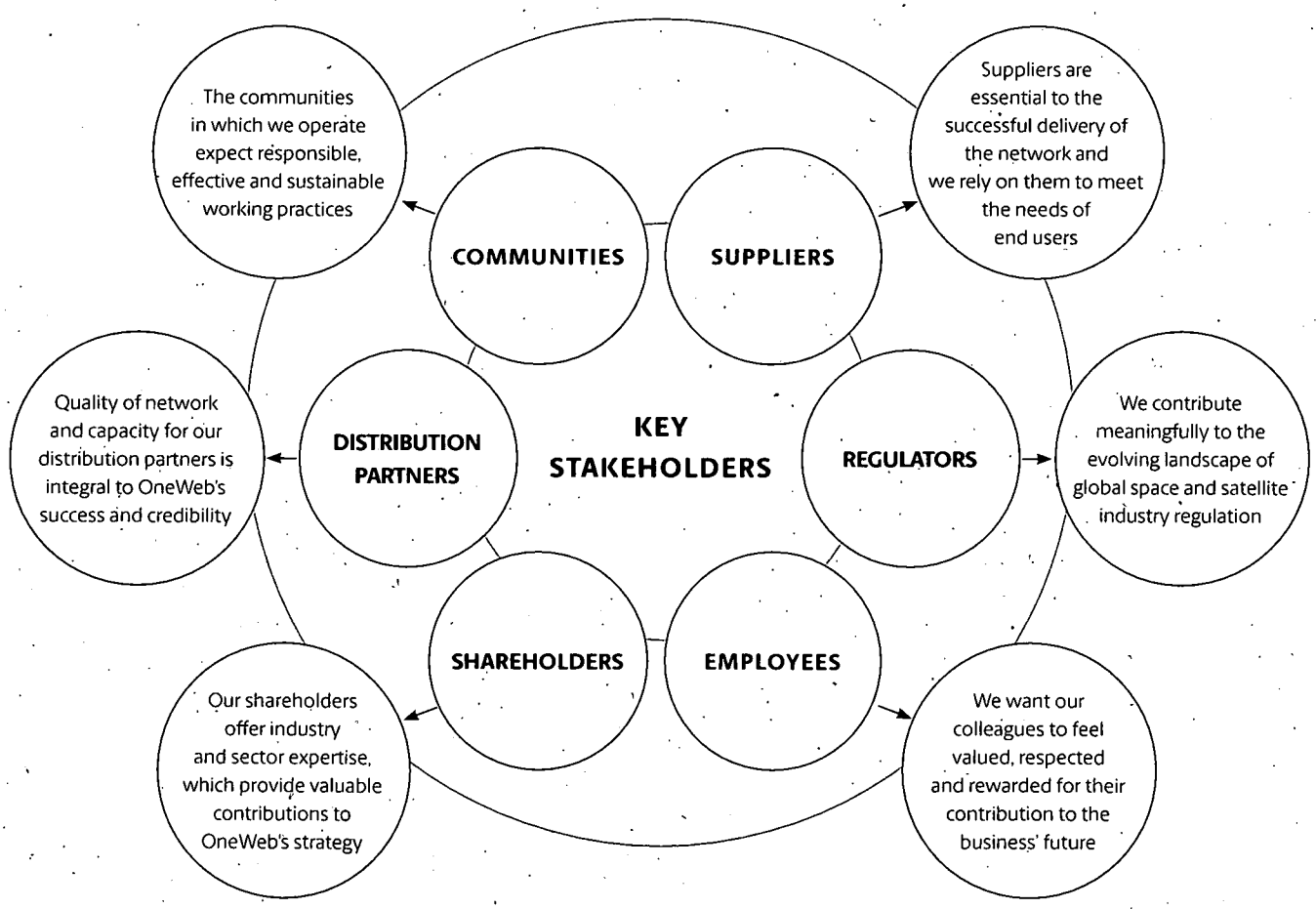
Section 172 statement

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.

Key stakeholders

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.



EMPLOYEES

WHY WE ENGAGE

OneWeb's success is built upon the commitment and resilience of its workforce. The Board recognises the need to build engaged, talented teams who collaborate and are committed to fulfilling the OneWeb mission. Employee engagement is monitored by the Board and this engagement promotes a culture of collaboration and unity to enable workforce dialogue to be heard during business decisions in the Board room.

HOW WE ENGAGE

Employee engagement surveys data is gathered each year and reviewed

Bi-annual talent forums for the Board to engage with employees at all levels

Regular people reports are a standing agenda item at Board meetings

'Ask the CEO' sessions are a way for new employees to engage directly with the CEO

Regular all-hands meetings are led by the CEO and Executive Committee

Further details of our work with employee engagement is available on pages **40 – 41**.

SHAREHOLDERS

WHY WE ENGAGE

Our shareholders have direct influence on strategic decision making and hold various 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.

HOW WE ENGAGE

Robust governance framework which focuses on consistent reporting and information dissemination to the Board and the shareholders

Closed shareholder forums are held four times per year

Investor relations Our Deputy Chief Financial Officer is the designated investor relations contact for all shareholders

REGULATORS

WHY WE ENGAGE

OneWeb operates in a highly regulated environment and is required to comply with regulations from an array of UK and global regulators. The Company keeps abreast of the evolving regulatory environment and maintains dialogue with industry regulators including, amongst others, the Federal Communications Commission, Ofcom, the Civil Aviation Authority, UK Space Agency and European Space Agency, as well as local jurisdictional regulators.

HOW WE ENGAGE

Industry sector events with regulators are attended by the CEO & Chairman

Government and regulatory updates are a standing agenda item at Board meetings

Chief of Government, Regulation and Engagement meets fortnightly with the Chairman on regulatory, market access and spectrum matters

The CEO and Chairman attended the Mobile World Congress 2022 in Barcelona

Stakeholder engagement continued

WHY WE ENGAGE

The Company recognises that its suppliers are essential to the successful delivery and deployment of the network. As a business, we rely on our suppliers to meet the needs of both our distribution partners and the end user.

HOW WE ENGAGE

Internal controls and supplier management are monitored by the Board

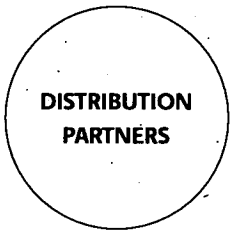
High value contracts are approved by the Board

CEO meets personally with key suppliers

Robust payment practices and processes are in place

Innovation days to engage key suppliers in future innovation projects

Anti-bribery and corruption compliance is a prerequisite of doing business with OneWeb



WHY WE ENGAGE

Without distribution partners, the OneWeb mission would not be possible. OneWeb recognises that the quality of its network and capacity offering to its distribution partners is integral to the Company's credibility as a service provider and for the quality of the end user experience. A collaborative approach to innovation and use of OneWeb's network, and the reliability of our service, is fundamental to the success for distribution partners, their end users and our overall business model.

HOW WE ENGAGE

Live demos with distribution partners

Executive Committee sponsors for key distribution partners

CEO 1 to 1 meetings with distribution partners

Regular distribution partner news updates at Board meetings

Support for partners at key trade events

NPS surveys are used to improve overall customer experience

Hypercare and monthly account management and customer success processes

A Distribution Partner Programme ensures partners have marketing, sales enablement, training and incentivisation to succeed

WHY WE ENGAGE

We recognise that the communities in which we operate expect responsible, effective and sustainable working practices. OneWeb seeks to remove barriers to connectivity that still cause a digital divide around the globe.

HOW WE ENGAGE

Graduate STEM initiatives overseen by the Chief People Officer, with delegated authority from the Board

Remote communities Board-approved partnership with ISM, an IT managed services provider for remote communities across Canada

CEO met personally with ATN leaders as part of community broadband programme

Further details of our work with communities is available on pages **42 – 43**.

CASE STUDY

4 March 2022 – POSTPONEMENT OF LAUNCHES FROM BAIKONUR

Key stakeholders impacted:
Employees; Distribution Partners; Suppliers; Shareholders

On 4 March 2022, OneWeb was scheduled to launch 36 satellites from Baikonur, Kazakhstan. In the two days before the launch, due to geo-political tensions following the invasion of Ukraine by Russia, the Russian Space Agency, Roscosmos, announced it would cancel the launch from Baikonur unless the UK Government divested its stake in the Company and OneWeb provide assurances that satellites would not be used for military purposes.

The Board reacted quickly and decisively following the announcement and considered the impact of any decision on the long-term success of the Company, together with the risks associated with the decision and the safety of its employees. The Board called for an emergency meeting and unanimously made the decision to postpone the 4 March 2022 scheduled launch, as well as five further launches due to take place from Baikonur.

The Board responded quickly and prioritised employee safety. All OneWeb employees were immediately and safely evacuated from the Baikonur cosmodrome. Following this, key suppliers and distribution partners were contacted and updated continuously regarding the launch schedule and any impacts on network availability. This event was a period of critical engagement for the Board to reassure its key stakeholders including employees, suppliers, shareholders and distribution partners, of the viability of the business and its continued operations. The Board is now confident that despite the events on 4 March 2022, OneWeb has taken the necessary steps in quick succession to be able to deliver the global network.

CASE STUDY

Alaska tribal network (ATN) – CONNECTING THE UNCONNECTED

Key stakeholders impacted:
Distribution Partners; Communities; Suppliers; Shareholders

In light of OneWeb's mission and the positive impact it can have on society, the Board are keen to ensure the Company reaches out to remote and unconnected communities. During the year, the Company partnered with ATN, which is a not-for-profit organisation led by Alaskan tribal leaders that aspires to provide 'broadband for all'. The purpose of the partnership is to provide internet access to some of the most remote and hard-to-serve communities in Alaska.

Taking into account the likely impacts of the partnership in the long term, the Board recognised the benefit of not only serving customers, but also extending the network offering to unserved and underserved communities to help bridge the global digital divide and improve quality of life. This initiative would provide internet access for numerous communities in hard-to-reach places.

OneWeb's sustainability journey

We are committed to leveraging the power of our satellite technology to make a positive economic, social and sustainable impact

OneWeb's goal is the pursuit and delivery of space-based global connectivity. We are committed to creating long-term value for society and generations to come, whilst developing a new frontier in mobility and communications.

We are an open, inclusive global community where creative thinkers, research professionals and subject matter experts can rethink and enhance connectivity. We believe it is our responsibility to demonstrate how investing in space can improve life on Earth and report on the actions we take to create resilience for the future.

As we shape and advance the future of communication, our Board recognises the increasing importance of environmental, social and governance (ESG) factors to our stakeholders and the alignment of these with our corporate strategy, risk management and long-term business growth.

During the Financial Year, we started to formalise our OneEarth initiative, a sustainability framework focusing on ESG issues. We began by identifying and prioritising the most material ESG issues facing OneWeb in order to further enhance risk management and commercial innovation. This process is guided by our corporate purpose alongside an analysis of relevant benchmarks and reporting standards, enabling us to identify the most relevant sector-specific ESG factors for us as a company and our stakeholders. Each of these will be taken into consideration as we further develop our sustainability approach.

Looking ahead, we will develop our OneEarth initiative through engagement with our internal and external stakeholders to understand their views and priorities on ESG issues as they relate to OneWeb and the industry in which we operate. These

Some of the ESG related factors we are focusing on include:

1	Climate change and environment
2	Data security and customer privacy
3	Diversity, equality and inclusion
4	Space debris management
5	Talent development
6	Bridging the digital divide
7	Access to space
8	Innovation to tackle societal and global challenges
9	Anti-corruption, governance and transparency

stakeholders include our shareholders, employees, business partners and suppliers, as well as policy makers, international organisations and community groups. Engaging in this way will enable us to set out clear and measurable goals that will help us be fully accountable. We intend to ensure that our ESG strategy drives value creation and supports innovation for OneWeb's long-term success and we will provide updates on how this approach is being embedded into our business. Our sustainability strategy focuses on various priorities, including:

Responsible space and the environment
We believe sustainable business practices are important to support the long-term use of space for all. The orbital environment must support healthy competition and cannot become polluted, dangerous or disruptive to scientific, educational, government and commercial endeavours. We are doing our part to leave as little trace in space as possible when taking into account the design and operations of our satellite constellation.

Our people
Our people are an important asset for us. We know we are part of an industry which historically struggles with diversity and inclusion, yet our industry can help drive science, technology, engineering and maths (STEM) education and employment across communities and regions. We believe that for diversity and inclusion to flourish we need good role models, supportive mentors, education about our unconscious biases and flexible working environments to help our workforce achieve a meaningful work-life balance.

Communities
We recognise the emerging space industry's potential to support an innovative and vibrant ecosystem for the benefit of all. We know we have a responsibility to work with governments, scientific communities and enterprise to advance causes in connectivity that have transformational impact.

New technology for government, enterprise and community initiatives can solve some of the world's most challenging problems. To have the greatest impact, these efforts require the combined strength of an industry of innovators.

Governance
We recognise the value in strong corporate governance practices and have taken significant strides towards improving the Company's governance framework during the Financial Year. Further details are available in our Governance Report.

Responsible space

Responsible space is the term OneWeb uses to describe practices that drive sustainability within the space industry, respecting the LEO environment whilst developing a new frontier in mobility, communications and connectivity, so that it is built for, and benefits, future generations to come

OUR COMMITMENTS

Employing responsible design and operational practices

OneWeb recognises that sustainable business practices should support the long-term use of space as a shared resource for all. Companies should support healthy competition and take account of the fact that the orbital environment should not become overpolluted, dangerous or uncooperative amongst scientific, educational, government and commercial endeavours. We are doing our part by respecting space as a finite resource in the design and operation of our satellite constellation.

Developing the space ecosystem

OneWeb believes the industry and governments have a shared goal and opportunity to facilitate the development of new technologies, jobs and industries, as well as increasing investment, diversity and inclusion in local communities to bridge the digital divide. The emerging space industry has the potential to support an innovative and vibrant ecosystem for the benefit of all its stakeholders.

Supporting policy outcomes through collaboration

OneWeb believes the space industry has a responsibility to work with governments to advance causes where it can have a transformational impact and solve some of the world's most challenging problems. To have the greatest impact, these efforts will need to leverage the combined strength of an industry of innovators.

Responsible space continued

OneWeb aspires to play its part in supporting sustainability in the space industry. As part of our responsible space initiative and to help progress our initiatives, we have developed six macro elements, which are key to sustainable space practices:

1. SPACE SITUATIONAL AWARENESS (SSA)
SSA is about knowing where our space assets are, where current space debris is and avoiding collisions with other space objects. OneWeb believes that the risks associated with SSA should be evaluated on a system-wide basis; space is a shared resource and satellite operators should ensure that constellations do not overlap in altitude.

2. SPACE TRAFFIC MANAGEMENT (STM)
STM is about retaining control of each satellite for as long as possible before losing contact with it. OneWeb aims to act responsibly so as to allay the concerns requesting top-down traffic control imposed by regulators. We would like to see transparent coordination among operators by actively engaging with the World Economic Forum on satellite collision avoidance and adhering to global regulation.

3. ASSISTED DISPOSAL AND REMOVAL (ADR)
ADR is OneWeb's initiative to reduce the risk of space debris as a result of its operations and to stay abreast of any regulatory developments on the number of satellites operated by any single business. OneWeb is working with various groups to determine the best approach to this global issue.

4. RADIO ASTRONOMY
Space is a shared resource and OneWeb operates in the Ku band spectrum in which astronomers conduct measurements. OneWeb's current practice is to coordinate with other spectrum users and the GEN 1 satellites already accommodate the radio astronomy community. OneWeb is also in discussions with the National Science Foundation, which commits to projecting radio astronomy sites to find mutually acceptable and creative solutions for all parties to effectively use the available spectrum resource.

5. BRIGHTNESS
OneWeb is making strong progress on issues of optical astronomy and will aim to reduce brightness of satellites and their effect on observatories' fields of view. A series of observation campaigns with a scientific professional observatory which study the brightness of satellites in the night sky to measure OneWeb's light pollution footprint have begun. As part of this, a brightness model has been formulated, which will help reduce the brightness in the design of the GEN 2.0 satellites.

6. CARBON FOOTPRINT
OneWeb intends to continue monitoring the impact of its operations on the environment and its carbon footprint. Details of our greenhouse gas (GHG) emissions during the year are available on page 38.

Key moments during the year

Space Sustainability Rating

OneWeb is a beta testing partner for the world's first Space Sustainability Rating (SSR). Created by the Massachusetts Institute of Technology and the World Economic Forum, it is being administered by the EPFL (École Polytechnique Fédérale de Lausanne, in Switzerland) in summer 2022.

The SSR is a momentous shift in the industry, as it will quantify how responsible space practices can be measured (for example, getting a better rating for spacecraft that are designed for demise, or for choosing a reusable launch vehicle). The SSR will be a self-imposed standard which operators choose to evaluate themselves by. It will be used by customers and investors, as well as the financial and insurance industries, to evaluate the ESG value of a space operator. OneWeb's early involvement is a strong indicator of our commitment to supporting the improvement of ESG-related issues in space.

SSA

A contract has been signed with LeoLabs Collision Avoidance (LeoLabs) for space traffic management and situational awareness. By partnering with LeoLabs, OneWeb's information database about its fleet will be enhanced even further – receiving streaming, real-time data feeds about the locations of other satellites and space debris to ensure the OneWeb constellation continues to be deployed in a sustainable and collaborative manner.

ADR

OneWeb is working with Astroscale (a technological partner) on the Sunrise Project with the European Space Agency and the UK Space Agency on issues of ADR and assisted de-orbit and retrieval missions. Every OneWeb satellite is designed to be de-orbited and OneWeb is committed to not contributing to space junk.

CASE STUDY

June 2022

THE CASE FOR TYING RESPONSIBLE SPACE TO MARKET ACCESS

In June 2022, OneWeb published the white paper 'The case for tying Responsible Space to market access' prior to attending, as a key sponsor, the Secure World Foundation's two-day summit on sustainability in space.

OneWeb is leading the call for forward-looking regulatory frameworks that tie responsible design and operational practices in the commercialisation of space to market access licensing.

Small satellites are being launched in unprecedented numbers, and proposals for large, LEO constellations are a reality.

As space activities increase, we must preserve an operating environment where the safety, security, and sustainability of the orbital environment is upheld. Space surveillance networks currently track and catalogue more than 23,000 debris objects 10 cm in size or larger for the purposes of collision avoidance. OneWeb wants to ensure a global space economy can flourish sustainably and bring to life new opportunities for future generations, in communications, economic development, global education, rural healthcare, location-based services and advancements in environmental science.

Advocating for better, more uniform safety practices does not require draconian measures and overly burdensome or overly prescriptive regulation. It requires a fresh assessment of industry trends and practices, and measures that will hold operators accountable for their behaviour.

The OneEarth environment

Whilst protecting and minimising our impact on space is key, OneWeb also recognises that its ground operations should be sustainable where possible. At OneWeb, our aim is to leave a better world for the future generations who will benefit from our service. To have a positive impact on the natural environment, we will aspire to reduce our GHG emissions. We will continue to monitor the trends of our GHG emissions year on year and aspire to reduce our environmental impacts where possible.

As a large company, OneWeb is required to disclose its emissions under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013. The Company instructed an independent firm to assess its GHG emissions in accordance with the UK Government's Environmental Reporting Guidelines Including Streamlined Energy and Carbon Reporting Guidance (SECR).

GHG emissions disclosures

The GHG emissions have been assessed following the ISO 14064-1:2018 standard and by using the 2021 emission conversion factors published by the Department for Environment, Food & Rural Affairs and the Department for Business, Energy and Industrial Strategy. Both the location-based and market-based scope 2 emissions have been reported. The operational control approach has been used.

The results below refer to the SECR-required elements only (UK electricity and gas consumption, and car travel). As OneWeb's sustainability and ESG journey progresses, we aim to further assess the emissions associated with non-UK operations and wider scope 3 emission sources such as third-party emissions, as part of our ongoing commitment to monitor our carbon footprint. Energy efficiency actions taken during the year included the London site switching to a 100% renewable energy supply in March 2021. No other measures were taken.

Activity	Location-based GHG emissions (tCO2e)	Market-based GHG emissions (tCO2e)
Natural gas	46.18	46.18
SCOPE 1	46.18	46.18
Electricity generation	45.29	9.85
SCOPE 2	45.29	9.85
Hire cars	14.22	14.22
SCOPE 3	14.22	14.22
TOTAL tonnes CO2e	**105.69**	**70.25**
Tonnes CO2e per employee	**0.21**	**0.14**
Tonnes CO2e per £m turnover	**11**	**7.3**
TOTAL kWh		**527,312**

Our people

Highlights & Stats

KEY HIRES IN 2021/2022

- Chief Legal Officer & Group Company Secretary
- Chief Commercial Officer
- VP, Group Financial Controller
- VP, International Government & Trade Engagement & Chief Information Security Officer
- VP, Procurement
- VP, Spectrum Engineering & Strategy

155
NUMBER OF PRE-CHAPTER 11 EMPLOYEES

102%
HEADCOUNT HEADCOUNT GROWTH IN THE FINANCIAL YEAR

DIVERSITY

80%
Male

20%
Female

AGE DISTRIBUTION

40%
● Under 35

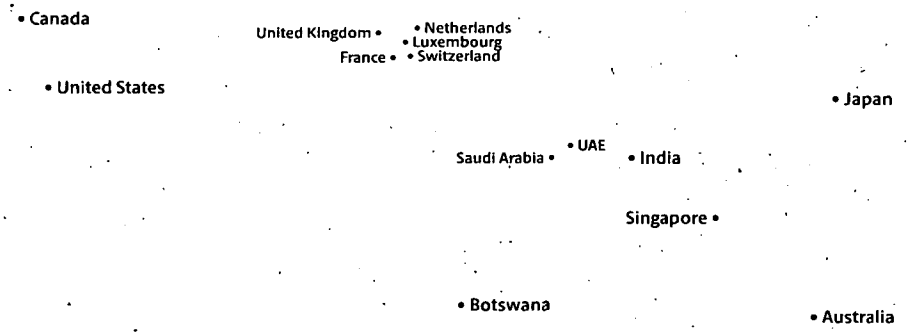
39%
● 35-50

21%
● 50 and over

HUB OFFICES

US **UK**

WHERE OUR EMPLOYEES WORK



Our people continued

Our people are critical to OneWeb's success, and achievement of our strategic goals is dependent on an engaged workforce who are motivated to deliver the OneWeb mission.

Employee engagement

The Group scaled rapidly during the Financial Year, with a 102% headcount growth. The Board recognises the need to continuously engage with the workforce to ensure employees feel valued, rewarded and respected. We care about our people; we listen to them through everyday interaction with our leaders and managers, and formally through our engagement survey.

OneWeb launched its first annual engagement survey in June 2021, following Chapter 11, and was proud to receive an employee engagement score in excess of 8.0. Our first pulse survey was launched in January 2022 to temperature check our focus areas of workload and wellbeing. Our results showed a positive trend, confirming that our focused efforts were beneficial. We value our employee feedback and will continuously collect employee voice insights to influence our people agenda.

To support our people leaders at a time of significant scale, and using insights from our engagement survey, a coaching programme was rolled out in September 2021. This programme was designed to support leaders individually and to provide additional support to our leaders during a period of significant growth.

Ground network operational centre, London, UK

Reward

OneWeb's Board actively support and recognise the importance of rewarding employees and has ensured that OneWeb's total reward offering is aligned to market. Our pay is underpinned by a performance philosophy and we pay competitive base salaries, with all of our people included in our bonus plan. OneWeb continually reviews its benefits package to identify opportunities for enhancement. In 2021, we launched OneWeb's first 401k employer match plan and look forward to designing and creating further benefit offerings as our commercial business develops.

Health, safety and wellbeing

Health, safety and wellbeing is always a top priority. Wellbeing runs through our coaching and management support programmes, with flexibility at its heart. We encourage leaders to be available to their people to support wellbeing as well as offering a number of mental health support services to employees and their families. During 2021 we launched new initiatives including MindGym and the Headspace app.

Our global satellite network requires 24/7 operations. In 2021, OneWeb's operational employees moved to a shift-based model. Through policy and protocols, we regulate working hours, safeguard our people and engage with them to continuously assess their wellbeing. In addition to corporate wellness offerings; we underpin our business with flexibility by promoting balance through hybrid working. We are proud of our offices becoming our collaboration hubs as they give our employees the opportunity to connect and innovate with each other. Our business grew significantly during the COVID-19 pandemic, with many of our people not having the opportunity to engage in person. As we emerged from this period, we held a series of 'Reconnected' events to give employees the chance to connect with their colleagues socially at OneWeb's offices and engage with members of the leadership team.

Whistleblowing

At OneWeb, we have an independent, comprehensive and confidential reporting tool, called EthicsPoint, which assists employees to

work together in addressing fraud, abuse and other misconduct in the workforce. We encourage our employees to raise concerns confidentially so that an investigation can take place in an independent, timely and effective manner.

Talent acquisition and development

Since July 2020, OneWeb has created more than 500 positions globally, of which more than 50% are STEM roles. OneWeb's commitment to diversifying our talent represents a tangible opportunity for candidates with transferrable skills to enter the 'space sector' from a variety of industries. To support leaders, as the business scales, we rolled out a 'hiring manager essentials' programme, which shares interview and selection skills, and helps ensure interview processes are approached in an objective, unbiased way. We attract many international candidates and are proud of the significant, organic diversity we have across the business.

OneWeb has prioritised the hiring of STEM graduates to develop their skills and passions with us so we can foster the technology leaders of tomorrow. We engage in a number of STEM activities which has included an interactive session with aeronautical engineering students from Imperial College London and SSPI-UK/SEDS-supported events for students to learn more about 'Launching a career in space'.

Development is an important foundational tenet of OneWeb's success and retention of top talent. In 2021, we launched a pilot high-potential (HiPo) programme, which was designed around the experiential development model and supported by external coaching and internal mentoring relationships. During the year we also launched talent breakfasts which give employees an opportunity to meet with the Board. We also offer a coaching programme, "leading high-performing teams through significant growth and scale", which gives leaders access to group and personal coaching for tailored development experiences.

Diversity and inclusion

At OneWeb, we celebrate diversity and inclusion and pride ourselves in being an inclusive place to work with a global workforce representing more than 50 nationalities. OneWeb celebrates its innovation, collaboration and ability to deliver across multiple regions by aspiring to foster diversity and inclusion at all levels and areas of the business. In 2021, we rolled out our OneTeam Workshop, establishing our collaborative approach to the foundations of our inclusive culture.

To support our women and invest in their development, we have commenced a women's coaching programme and through the year, we have launched strong initiatives in these areas. Our engagement survey tells us that our women are our most engaged demographic, and we are determined to continue investment and support in this area of diversity and inclusion.

ONEWEB'S OUTREACH INITATIVES

London Science Museum

OneWeb is proud to have taken part in a night at the London Science Museum in November 2021, at which one of its model satellites was displayed. Starting in February 2023, OneWeb will participate in the museum's Engineers Gallery. This prominent new gallery, funded by the Queen Elizabeth Prize for Engineering, will explore how engineers work sustainably, with precision, and in collaboration across three broad areas – homes, bodies, and connections. OneWeb will feature in the connections section.

OneWeb has also had its satellite displayed at the new Spaceport in Cornwall and latterly the Royal Cornwall Museum to support the regions' growing space cluster.

OneWeb's colleagues participate actively in trade organisations, speeches, webinars and live events to educate stakeholders on the opportunity of LEO technology.

Our communities

OneWeb is working to address the digital divide

Unfortunately, a digital divide persists, with approximately three billion people around the world unable to access reliable terrestrial infrastructure. We work with governments and distribution partners everywhere who want the next generation to be better connected than the last, with greater opportunities for sustainable change, greater inclusion and an improved quality of life.

Connecting islanders in the South Atlantic

The residents of Tristan da Cunha, one of the most remote archipelagos on the planet, will soon be connected to the world via OneWeb. OneWeb has secured permission for a ground station on St Helena. Both are remote British Overseas Territories in the South Atlantic. This will enable Tristan's citizens to connect with the global fibre network, via compact and self-adjusting antennas that are less prone to wind damage. High-speed connectivity with low latency will support and enhance the existing public services on the islands, including inter-island classrooms in schools, and more storm-resilient communications systems.

Benefits of LEO connectivity to remote communities include:

MARITIME SAFETY: Access to high resolution weather reports and Marine Safety Information Bulletins will contribute to safer oceans along some of the world's busiest shipping lanes.

AVIATION SAFETY: Broadband satellite internet enables real-time weather information for pilots and could, as a future use case, enable live black boxes – making air travel outside of controlled air space safer.

SITUATIONAL AWARENESS: High bandwidth onboard coastguard and navy vessels supports the fight against piracy and illegal fishing.

ENVIRONMENTAL PROTECTION: Natural habitats of the oceans, coasts and wildlife will benefit through better monitoring and enforcement of environmental requirements.

> "Connections are very slow on Tristan da Cunha and we can't even chat through social media as the GEO satellite link freezes and keeps dropping off."

CASE STUDY

Akiak Native Community

Akiak Native Village lies 380 miles due west of Anchorage and is one of 229 Alaskan native villages dotted across some of the most remote corners of Alaska. Like many villages in rural Alaska, Akiak is hard to reach, with limited roads and no fibre network. Transportation during the year is by plane, boat and dogsled.

In 2021, Akiak Chief, Mike Williams, requested LEO network services to improve access to reliable high-speed, low-latency internet. In 2022, OneWeb's distribution partner Pacific Dataport Inc, (PDI), launched high-speed, low-latency connectivity services to Akiak for the first time. Working closely with the community, OneWeb and PDI supervised the mounting, provision and activation of user terminal equipment to serve the whole village. We immediately saw high usage of data and local residents say the benefits have been transformative.

A local storekeeper now manages their stock more effectively. Residents have increased their self-reliance through learning on YouTube how to fix or repair goods. Families enjoy video calls to each other and high school students are making more informed choices about college education.

Shawna Williams, Akiak resident, on Facetime with her daughter for the first time

OneWeb with partners PDI at the installation site of two parabolic antennas in Akiak, Alaska

“We are at the beginning of our governance journey. The Board recognises that good governance is a key cornerstone to a successful, trusted and global business.”

Nadia Hoosen, Chief Legal Officer and Group Company Secretary

Governance Report

The directors present the Governance Report for OneWeb Holdings Limited (the Company, or together with its subsidiaries, the Group, OneWeb Group or OneWeb) for the year ended 31 March 2022 (the Financial Year).

The Group qualifies as a large company in accordance with the Companies Act 2006.

Our Board

EXECUTIVE CHAIRMAN
Sunil Bharti Mittal
Appointed: November 2020

Sunil is the Executive Chairman of OneWeb. He is the Founder and Chairman of Bharti Enterprises and Bharti Airtel, which operates across 17 countries in South Asia and Africa and is ranked among the top three mobile operators globally. A member of the India-UK CEO Forum and a Commissioner of the ITU/UNESCO Broadband Commission, Sunil has served as the Chairman of GSM Association and the International Chamber of Commerce. He has been conferred the Padma Bhushan, one of India's highest civilian honours. Sunil is closely associated with spearheading the Indian industry's global trade and investments initiatives. He has served as the President of the Confederation of Indian Industry and has served on the Prime Minister of India's Council on Trade and Industry. He is Co-Chair of the ICT and Emerging Technologies Working Group of the India-US CEO Forum and a member of the India-UK, India-Japan and India-Sweden CEO Forums. He is Co-Chair of the India-Africa Business Council. Sunil believes that a responsible corporate has a duty to give back to the community in which it operates.

DIRECTOR
Neil Masterson
Appointed: December 2020

Neil is the CEO of OneWeb. As a chartered accountant, Neil previously spent more than 20 years at Thomson Reuters, latterly as co-Chief Operations Officer of the global news, information and software group, where he was responsible for more than $6 bn of revenue and 20,000 staff. Neil has served on the board of the financial information company Refinitiv and on the board of advisors for IBM.

DIRECTOR
Shravin Bharti Mittal
Appointed: June 2020

Shravin is the Founder of Unbound and MD of Bharti Global Ltd. Previously, Shravin was an Investor at SoftBank (2016-2017) and Assistant Director at Better Capital (2014-2015). Shravin has an MBA from Harvard Business School (2014) and founded Airtel Rising Stars (a youth football initiative in Africa and India).

DIRECTOR
Akhil Gupta
Appointed: November 2020

Akhil is the Vice Chairman of Bharti Enterprises. He has played a pivotal role in Bharti's phenomenal growth since inception – both organically and by way of various acquisitions. He is a Chartered Accountant by qualification, with more than 40 years of professional experience and has also completed an Advanced Management Program at Harvard Business School.

DIRECTOR
Pascal Homsy
Appointed: September 2021

Pascal Homsy is Chief Technical Officer at Eutelsat. Pascal's prior positions include: Executive Vice President of Thales Alenia Space's Telecommunications Business Line; Global Head of Sales, Big Data and Security Division for ATOS (Bull SAS); and President of the Europe and MEA Regional Business Centre, Software and Services, for Nokia/Alcatel-Lucent.

DIRECTOR
Eva Berneke
Appointed: January 2022

Eva joined Eutelsat in January 2022, as CEO, from KMD, Denmark's leading IT and software company. Previously Eva held senior positions at TDC, formerly TeleDanmark, and began her career at McKinsey, where she developed a specialisation in the technology, media and telecom sectors. Eva sits on the board of international groups Lego, Vestas Wind systems and Ecole Polytechnique.

DIRECTOR
Michel Combes
Appointed: April 2021

Michel is a director of SoftBank Group Capital and has more than 30 years of experience in the telecommunications industry. He serves on several boards of directors of SoftBank portfolio companies, as well as the boards of Philip Morris International, Etisalat Group and TelevisaUnivision. He is a proven veteran in the telecommunications industry.

DIRECTOR
Hugo Robson
Appointed: July 2020
Hugo is Chief Negotiator at the Department of Business, Energy and Industrial Strategy. He entered the UK Civil Service in 2003 as a director of the Shareholder Executive (now UKGI). In 2008 he was appointed Corporate Finance Director at Royal Mail and then Commercial Director at the Department of Energy and Climate Change. Prior to joining the Civil Service, Hugo was a Managing Director at ABN Amro.

DIRECTOR
Rob Woodward
Appointed: May 2021
Rob has significant experience in the technology, media and telecommunications industry, having previously been CEO of STV Group plc and an executive director of Channel 4 Television, a Managing Director with UBS Corporate Finance and the lead partner for Deloitte's TMT Industry Group in Europe. Rob also chairs the UK's Met Office, Ebiquity plc and Blancco plc.

DIRECTOR
Elena Ciallie
Appointed: November 2021
Elena Ciallie joined UKGI as executive director in October 2020, focusing on providing corporate governance and corporate finance advice to the UK Government. In addition to her role at UKGI, Elena is a non-executive director at Illimity Bank, a digital-only SME-focused bank headquartered in Milan, Italy. Previously, Elena worked in investment banking at Citibank, Goldman Sachs and Ondra Partners.

DIRECTOR
Sandrine Téran
Appointed: September 2021
Sandrine is Group CFO and member of the Executive Committee of Eutelsat, having previously held position as Head of Taxation, Corporate Finance and Internal Audit. Sandrine held key executive positions including Managing Director, Global Head of Tax and Corporate Secretary and Global CFO for the Louis Dreyfus Group of companies. She is an independent Director of Spie S.A. and Burelle S.A.

DIRECTOR
Dongwan Yoo
Appointed: February 2022
After seven years in consulting, Dongwan has spent 16 years with the Hanwha Group, leading strategy and business development and managing an aero engines business across the US and Asia. Today, his focus is on Hanwha's established space businesses, plus innovative mobile satcom antennas and advanced air mobility. Dongwan holds an MBA from Stanford University.

NON-EXECUTIVE DIRECTOR
Jacqueline Hunt
Appointed: January 2022
Jackie is an experienced independent non-executive director and global business leader. In addition to her role on the OneWeb board she is an independent non-executive director of Man Group plc, Rothesay plc, and a Strategic Consultant to the Group CEO of Allianz SE. She was previously a board member at Allianz SE, at Prudential plc (where she was also CEO of the UK, European and African businesses), Standard Life plc (where she was CFO) and at National Express Group.

NON-EXECUTIVE DIRECTOR
Dominique Cerutti
Appointed: July 2022
Dominique is chairman of Adarma, one of the largest independent security services companies in the UK, a board member of IDEMIA, the global leader in augmented identity, and board member of Altamir, a listed private equity firm based in Paris. Previously, Dominique held senior executive positions at the Altran Group, Euronext, the NYSE and IBM. He is a graduate from ESTP, Paris.

GROUP COMPANY SECRETARY
Nadia Hoosen
Appointed: November 2021
Nadia is the Chief Legal Officer and Group Company Secretary for OneWeb. She is responsible for leading all legal, compliance and governance aspects of the business including corporate transactions, mergers and acquisitions, legal, regulatory, privacy and risk management. She also oversees cyber security, executive remuneration and corporate governance/company secretarial.

Board composition and meeting cadence

GENDER

- Male 10
- Female 4

NATIONALITY

- British 4
- French 4
- Danish 1
- Indian 2
- Dual nationality 2
- South Korean 1

DIRECTOR COMPOSITION*

*the Board comprises shareholder directors, non-executive directors and executive directors

- Bharti ..... 3 (inc. executive chairman)
- UK gov't 3
- Eutelsat 3
- Hanwha 1
- SoftBank 1
- Independent 2
- Chief Executive 1

BOARD SKILLS MATRIX

- Technology
- Telecommunications
- Banking/financing
- Governance
- Global strategy
- Scaling organisations/start-ups
- Risk management
- Satellite industry/space industry
- ESG
- Global operations
- Regulatory

Our Board

The Board is collectively responsible for the long-term success of the OneWeb Group.

The Company has a robust governance framework with a clear division of responsibilities, which ensures the Board's oversight of the Group is well informed. Five committees of the Board have been formally enacted, and these operate through delegated authority from the Board in accordance with agreed terms of reference.

Our robust governance framework supports the Board to make decisions effectively and facilitates efficient and productive meetings to ensure the Board is confident the Executive Committee will deliver OneWeb's strategy effectively.

Annual meeting cadence

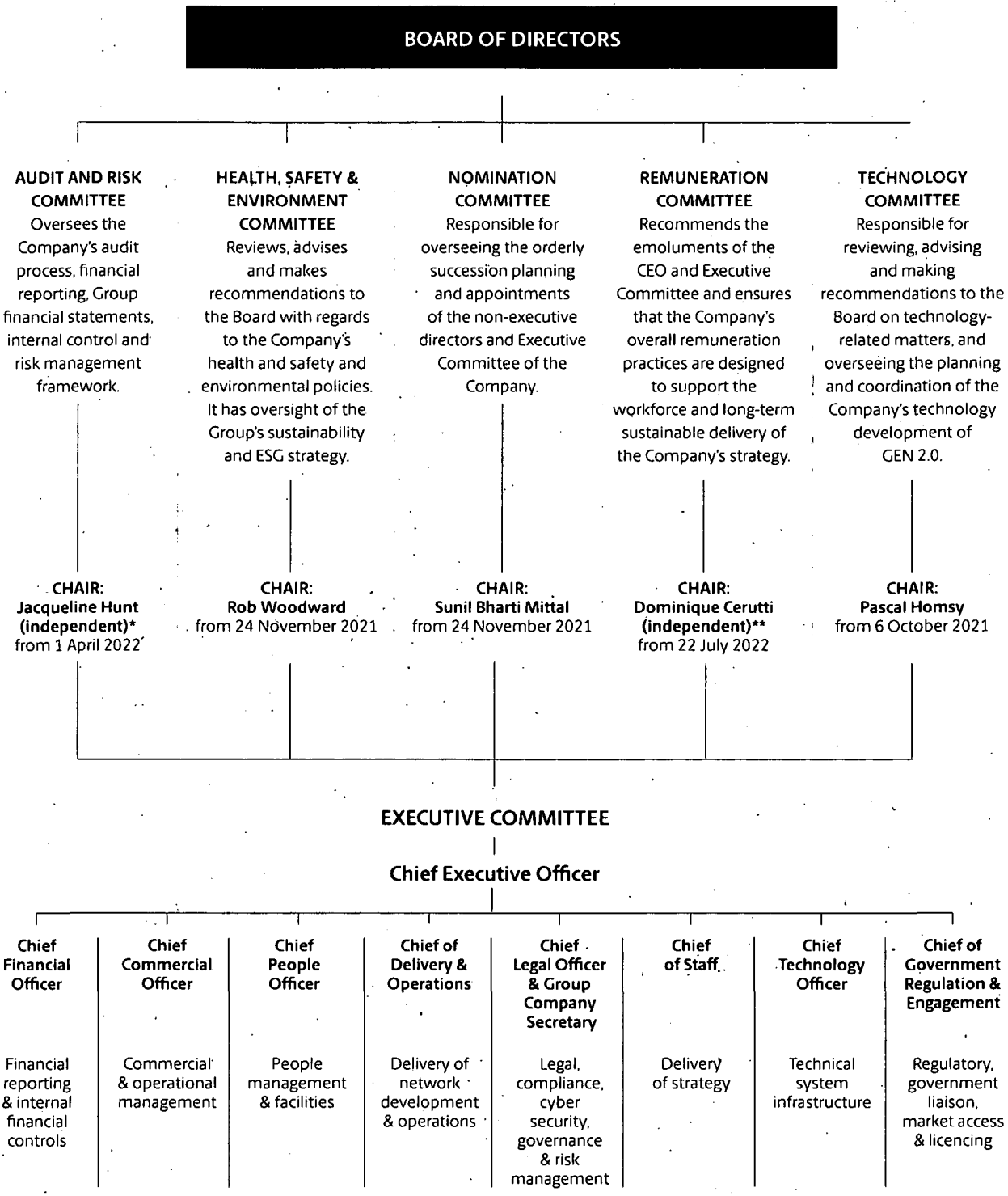
A comprehensive Board cadence was implemented during the year. This ensures consistency of information sharing and clear accountability between the Board and the Executive Committee, and enables each director to carry out their role more effectively to promote the overall success of OneWeb.

In the period to 31 March 2022 there were meetings of the Board, as well as CEO update calls scheduled in alternate months, to maintain Board coverage over key business developments, emerging issues and opportunities. Aside from the scheduled calls, there have also been a number of emergency Board and Committee meetings to address urgent matters for consideration.

Board and Committee agendas are prepared and agreed with their respective chairs and the Group Company Secretary before each meeting. The table below details the current meeting cadence for the Board and Committee meetings which are scheduled at appropriate intervals during the year to facilitate effective decision making and discussion.

Annual meeting cadence	Board	Audit & Risk Committee	Nomination Committee	Remuneration Committee	Technology Committee	Health, Safety & Environment Committee
Number of meetings per year	6	6	2	2	6	2

Our governance framework



* Akhil Gupta chaired the Audit and Risk Committee during the Financial Year
** Hugo Robson chaired the Remuneration Committee during the Financial Year

Principal Committees

During the year, in line with good governance practices and the Company's Shareholders Agreement, Board committees were formed and meet on a regular basis. Key matters discussed during the Financial Year are provided below.

Audit & Risk Committee
- Approval of Group Treasury Policy
- Auditor RFP tender
- Approval of annual budget and long-term business plan
- Risk Management Framework

Remuneration Committee
- Workforce annual bonus pool
- Remuneration of independent non-executive directors

Nomination Committee
- Appointment of independent non-executive directors (Jacqueline Hunt & Dominique Cerutti)
- Appointment of Chief Legal Officer & Group Company Secretary and Chief Commercial Officer

Technology Committee
- Sourcing alternative launch providers following postponement of launches
- Roadmap for development of GEN 2.0 constellation
- User terminal development

Health, Safety & Environment Committee
- Roll-out and development of Group ESG strategy
- Health, safety and wellbeing of workforce

Other Boards

Proxy Board

OneWeb Technologies Inc. (OWT) is operating under foreign ownership control or influence. It is the policy of the US Government to allow foreign investment consistent with the national security interest of the United States. The governance of the OWT board is managed through a Proxy Agreement overseen by the Defense Counterintelligence and Security Agency, under which three Proxy Directors maintain independence of OWT from the wider Group. Within the parameters of the Proxy Agreement, the Proxy Directors provide regular updates to the Company's Board on business and strategic initiatives. The Group Company Secretary also frequently meets with the OWT General Counsel to discuss and align governance practices with OWT and the Company.

Joint Ventures

OneWeb Airbus Satellites LLC (AOS JV) is governed by an LLC Agreement. The board of the AOS JV meet on a regular basis and three members of the Company's Executive Committee hold board positions on AOS to ensure effective oversight of its operations. The Company is actively involved in the running of the AOS JV and monitors the manufacture of GEN 1 satellites through the AOS JV factory in Florida, US.

First Tech Web Company Limited (NEOM JV), is governed by a Joint Venture Agreement under which comprehensive governance procedures are in place, including shareholder and board reserved matters, to ensure the Company maintains oversight of business and strategic decisions and is involved in material decision making. Three members of the Company's senior management team are on the board of the NEOM JV alongside three NEOM directors representing the joint venture partner and one independent non-executive director. The NEOM JV Board meets regularly to discuss the development of ground stations, the roll-out of the OneWeb network in NEOM and neighbouring regions, as well as other business and governance matters.

Director induction

The Company welcomed several new Board directors, including independent non-executive directors. We are proud to have a truly diverse global Board, which will allow for rich thought leadership and constructive challenge.

The Board has sponsored the investment in a Company Secretarial team, which has allowed OneWeb to implement comprehensive governance and onboarding processes for each new director.

A formal induction process is followed, which provides a thorough understanding of the business, key issues and upcoming events so that new directors are prepared and engaged from the start of their appointment.

The induction process involves 1-1s with members of the Executive Committee, other Board members, Committee Chairs, the Group Company Secretary and the Chairman. Directors are encouraged to request training and additional information where they feel it is required. They are also provided with a comprehensive corporate governance overview as part of their induction.

Independent non-executive directors onboarded during the year:
In recognition of our desire to promote good corporate governance practices, the Nomination Committee recently completed the independent search for two independent non-executive directors through globally recognised search agency, Korn Ferry, and were pleased to welcome:

Jacqueline Hunt
The Company's first independent non-executive director was appointed to the Board on 26 January 2022 and later appointed Audit and Risk Committee Chair on 1 April 2022.

Dominique Cerutti
The Company's second independent non-executive director was appointed to the Board and as Remuneration Committee Chair on 22 July 2022.

Both Jacqueline and Dominique will provide essential independent perspectives on the Board and facilitate balance, oversight and appropriate challenge.

Director independence and conflicts of interest

We believe that each Board member's experience strengthens the capability and composition of the Board and creates invaluable insight and diverse perspectives.

The Board recognises that most Board members are non-independent and considers that its two non-executive directors bring strong independent oversight. In anticipation of potential conflicts that may arise from time to time, directors are required to report actual or potential conflicts of interest to the Board, at each Board meeting, for consideration and, if appropriate, authorisation. If such conflicts exist, directors may be asked to excuse themselves from all discussions and decisions in connection with the relevant subject matter. The Company keeps abreast of and records all declared conflicts of interest.

Directors' Report

The directors present their report, together with the audited consolidated financial statements

The Directors' Report meets the requirements set out in the Companies Act 2006, the Large and Medium-sized Companies and Group (Accounts and Reports) Regulations 2008, and the Companies (Miscellaneous Reporting) Regulations 2018. Some disclosures are included in other sections of the Annual Report and Accounts and are incorporated into this Directors' Report by way of cross-reference.

Amount of dividend if any

The directors do not recommend the payment of a dividend.

Any qualifying indemnity provisions for the benefit of one or more directors

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 2022 and these remain in force as at the date of this report.

Full names of directors and company secretaries who served as directors during the Financial Year

	Appointed	Resigned
Sunil Bharti Mittal	20/11/2020	
Neil Masterson	15/12/2020	
Shravin Bharti Mittal	30/06/2020	
Akhil Gupta	20/11/2020	
Elena Ciallie	24/11/2021	
Rob Woodward	01/05/2021	
Hugo Robson	01/07/2020	
Sandrine Teran	08/09/2021	
Pascal Homsy	08/09/2021	
Eva Berneke	01/01/2022	
Michel Combes	07/04/2021	
Jacqueline Hunt	26/01/2022	
Dong Wan Yoo	28/02/2022	
Dominique Cerutti	22/07/2022	
Tom Cooper	20/11/2020	23/11/2021
Rodolphe Belmer	08/09/2021	31/12/2021
Joanna Shanmugalingam	20/11/2020	30/04/2021
Nadia Hoosen (Company Secretary)	06/10/2021	
Sameer Karimbhai (Company Secretary)	15/12/2020	06/10/2021

Political donations
There were no political donations made during the year to 31 March 2022.

Risk information on use of financial instruments
Details of the Group's principal risks and uncertainties are available on pages 23 – 25 and in note 19 to the consolidated 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 Company has activities operating across many jurisdictions, and a full list of the Company's subsidiaries is available on page 101. As at the date of this report, the Company has three branches in Brazil 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 and CEO. Further details of employee engagement can be found in the Section 172 Statement on page 28 and Our People on page 40.

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 28.

GHG emissions, energy use from activities for which the Company is responsible, action taken to increase efficiency
See page 38 for further details.

Going concern
The directors continue to believe the Group has a robust business model. The directors' stance on going concern is set out on page 26.

Statement of Directors' responsibilities

The directors are responsible for preparing the annual report and financial statements in accordance with applicable law and regulations

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.

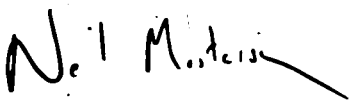
The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material mis-statement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them 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 2 August 2022 and signed on its behalf by:



Neil Masterson
Chief Executive Officer
3 August 2022

Financial Statements

The directors (Directors) present the Consolidated and Company Financial Statements for OneWeb Holdings Limited (the Company, or together with its subsidiaries, the Group, OneWeb Group or OneWeb) for the year ended 31 March 2022 (the Financial Year).

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 2022 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, Company Cash Flow Statement 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 2022 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 at least a year from the date of approval of the financial statements ("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;
- 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 is in a development stage and has very limited revenue recognised for the year ended 31 March 2022. 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 full scope components based on risk criteria and comparing the identified entries to supporting documentation. These included those posted by senior finance management, those containing high risk keywords, entries posted by users who posted one entry 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 license to operate. We identified the following areas as those most likely to have such an effect: licensing of spectrum rights, health and safety, anti-bribery, employment law, environmental protection legislation, foreign corrupt practices act, 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 remained 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 55, 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.

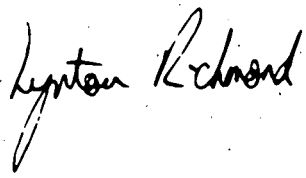
Auditor's responsibilities

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

3 August 2022

OneWeb Holdings Limited Consolidated Financial Statements

For the year ended 31 March 2022

Consolidated statement of profit and loss and other comprehensive income for the year ended 31 March 2022

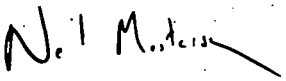
	Note	2022 $m	2021 $m
Revenue	4	9.6	-
Other operating income		5.8	0.2
Operating expenses	5	(217.4)	(58.5)
Impairment charge	6	(229.2)	-
Share of results of joint venture	15	5.3	-
Operating loss		(425.9)	(58.3)
Gain on bargain purchase	3	-	430.4
Acquisition transaction costs	3	(0.5)	(8.8)
Investment income	11	0.3	10.3
Finance costs	11	(11.7)	(2.9)
(Loss)/profit before tax		(437.8)	370.7
Taxation credit/(charge)	12	48.0	(0.2)
(Loss)/profit for the period		**(389.8)**	**370.5**
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations		0.2	0.3
Other comprehensive income for the period, net of income tax		0.2	0.3
Total comprehensive (loss)/profit for the period		**(389.6)**	**370.8**

Consolidated balance sheet

At 31 March 2022

	Note	2022 $m	2021 $m
Non-current assets			
Property, plant and equipment	13	1,410.4	1,273.1
Right of use lease assets	20	60.6	34.7
Goodwill	3	7.2	-
Intangible assets	14	506.1	254.0
Bonds and deposits		17.5	14.2
Withholding tax receivable		8.5	-
Other non-current assets		2.7	2.2
Investment in joint ventures	15	15.2	8.7
		2,028.2	1,587.0
Current assets			
Inventory		8.2	-
Prepaid expenses		43.7	5.0
Corporation tax receivable		3.9	2.2
Goods and services tax receivable		12.1	1.9
Share subscription receivables	18	606.0	308.5
Trade receivables		2.6	-
Other current assets		-	6.2
Cash and cash equivalents		481.2	44.0
		1,157.7	367.8
Total assets		3,185.9	1,954.8
Current liabilities			
Trade payables		(36.9)	(122.1)
Payables to related parties	22	(13.1)	(1.1)
Accrued expenses		(14.6)	(42.9)
Accrued employee compensation		(17.3)	(5.1)
Contract liability	4	(4.8)	-
Goods and services tax payable		(0.8)	-
Corporation tax payable		(1.1)	(0.2)
Other taxes payable		(3.7)	(0.7)
Provisions	17	-	(38.6)
Lease liabilities	20	(13.2)	(10.1)
Other current liabilities		(3.0)	-
		(108.5)	(220.8)
Non-current liabilities			
Contract liability	4	(175.0)	-
Provisions	17	(10.8)	(7.9)
Lease liabilities	20	(93.7)	(75.1)
Other non-current liabilities		(4.7)	-
Deferred tax liabilities	12	-	(47.1)
		(284.2)	(130.1)
Total liabilities		(392.7)	(350.9)
Net assets		**2,793.2**	**1,603.9**
Equity			
Share capital	18	-	-
Share premium	18	2,805.3	1,232.5
Share-based payment reserve	18	6.7	0.6
Foreign currency reserve	18	0.5	0.3
Retained earnings	18	(19.3)	370.5
Total equity		**2,793.2**	**1,603.9**

These financial statements were approved by the Board of Directors on 2 August 2022 and were signed on its behalf by:



Neil Masterson
Chief Executive Officer
3 August 2022

Company registered number: 12534512

Consolidated statement of changes in equity
for the year ended 31 March 2022

	Share capital $m	Share premium $m	Share-based payment reserve $m	Foreign currency reserve $m	Retained earnings $m	Total equity $m
Total comprehensive income for the period						
Profit for the period	-	-	-	-	370.5	370.5
Exchange differences on foreign operations, net of tax	-	-	-	0.3	-	0.3
Total comprehensive income for the period	-	-	-	0.3	370.5	370.8
Transactions with owners, recorded directly in equity						
Issue of shares	-	1,232.5	-	-	-	1,232.5
Equity-settled share-based payment transactions	-	-	0.6	-	-	0.6
Total contributions by and distributions to owners	-	1,232.5	0.6	-	-	1,233.1
At 31 March 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, net of issue costs	-	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**

Consolidated cash flow statement
for the year ended 31 March 2022

	Note	2022 $m	2021 $m
Cash flows from operating activities			
Cash used in operations	21	(329.1)	(267.2)
Net tax credits received		3.7	-
Net cash from operating activities		(325.4)	(267.2)
Cash flows from investing activities			
Interest received		0.3	-
Acquisition of a subsidiary	3	(3.8)	(43.6)
Funding to joint venture		(15.0)	-
Dividends received		14.0	-
Pre-acquisition funding to OWC, converted to equity on acquisition		-	(210.7)
Acquisition of property, plant and equipment		(581.6)	(171.4)
Acquisition of intangible assets		(77.8)	(0.3)
Net cash from investing activities		(663.9)	(426.0)
Cash flows from financing activities			
Proceeds from the issue of share capital, net of issue costs		1,275.3	741.5
Advanced payment for services with a significant financing component	4	170.6	-
Interest paid		(0.1)	-
Capital and interest payments for lease liabilities		(18.9)	(4.3)
Net cash from financing activities		1,426.9	737.2
Net increase in cash and cash equivalents		437.6	44.0
Cash and cash equivalents at the start of the period		44.0	-
Effect of exchange rate fluctuations on cash held		(0.4)	-
Cash and cash equivalents at the end of the period		**481.2**	**44.0**

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 2022, the Directors are required to consider whether the Company is a going concern, i.e. whether the Company is able to meet its debts as they fall due over a period of at least 12 months from the date of approval of these financial statements. The key judgement is with regards to whether there is sufficient available and committed funding to allow the Group to become cash generative on an on-going basis.

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 has raised total equity cash funding of $2,721.5 million, of which $2,115.5 million has been paid and $606.0 million is available on demand at the request of the Company, and is expected to be received from shareholders within the next 12 months. 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.

The Group commenced the provision of commercial services North of 50° latitude in May 2022 following commencement of advanced trials with distribution partners in November 2021. Further launches are scheduled during 2022 and 2023, to provide global coverage. The business plan has been prepared showing that across this period, it is expected that commercialisation and monetisation of the satellite network will generate cash flows necessary to fund any residual capital expenditure. The phasing of customer acquisition and revenue realisation is a key assumption that underpins the Group's business plan. If these plans are successful, the Directors believe there will be sufficient liquidity to finance the anticipated costs of the first generation of OneWeb's satellite constellation and allow the business to become cash positive. The Group has the ability to mitigate for slower than forecast revenue realisation, such as the deferral of non-committed capital expenditure.

A severe but plausible downside scenario has been assessed with sensitivities included to reflect the impact of delays in the provision of global commercial services, a reduction in the revenues earned compared to forecast, and a reverse stress test analysis on minimum required revenues. Based on these sensitivities, the business plan shows sufficient available and committed funding to allow the Group to continue to operate and discharge liabilities in the normal course of business and in due course, to become cash generative on an on-going basis.

On 25 July 2022, Eutelsat and key OneWeb shareholders signed a Memorandum of Understanding with a view to combining Eutelsat and OneWeb in an all-share transaction, further details of which are provided in note 23. The proposed combination does not impact the directors' assessment of the Group's ability to continue as a going concern.

Accordingly, the Directors have a reasonable expectation that the Group has 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 IFRS. 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. The comparative period presented is the period from 25 March 2020 to 31 March 2021.

2.3 Accounting estimates and judgements
In the preparation of consolidated financial statements in conformity with adopted IFRSs, management is required to make estimates, judgements and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, expenses and disclosures of contingent liabilities. Estimates and judgements 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 period:

Control of OneWeb Technologies, Inc. (see note 3)
As detailed in note 3, the Group acquired OneWeb Technologies, Inc. (OWT) (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 US National Industrial Security Program, whereby a proxy board comprised entirely of US citizens are responsible for the day-to-day running of the business. The proxy agreement enables OWT to participate in classified contracts with the US Government despite being owned by a non-US 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 $606.0 million (31 March 2021: $308.5 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 2022, the Group had tax losses totalling $818.2 million (31 March 2021: $638.1 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 used. Unrecognised deferred tax assets are reassessed 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 bankruptcy. The details of the losses are as below:
- $308.2 million of trading losses incurred in the UK. $142.3 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.

- $39.9 million of management expenses incurred in the UK. $39.4 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.
- $284.0 million of non-trading losses incurred in the UK, of which $276.2 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.
- $173.7 million of trading losses incurred in the US. $116.2 million of these losses were incurred prior to bankruptcy and the use of which will be restricted to small amounts each year due to the change of control provisions.
- $12.5 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. There were no such key sources of estimation uncertainty identified in the current year.

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 US 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 US dollar. Subsidiaries with a functional currency other than the US dollar translate their assets and liabilities into US 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 US 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 a foreign exchange gain or loss on the consolidated statements of comprehensive income or loss.

d) Impairment of non-financial assets

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 it with 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). 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, which 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.

Details of the Group's impairment assessments are provided in note 6.

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 2022:

- amendments to IAS 37: Onerous Contracts – Cost of Fulfilling a Contract;
- amendments to References to the Conceptual Framework in IFRS 3;
- amendments to IAS 16: Property, Plant and Equipment – Proceeds before Intended Use; and
- annual Improvements to IFRS Standards 2018-2020.

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

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

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 current 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 current 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, and its key customers are US Government agencies. This acquisition is part of the Group's strategy to commence and scale up satellite communications service to the US Department of Defense and other US Government agencies, the Five Eyes Alliance, NATO and the United Nations.

TrustComm has now been renamed OneWeb Technologies Inc. (OWT).

OWT is managed by the Group under a proxy agreement which places restrictions on the information that 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**
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)**

Since acquisition, OWT has 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 had 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.

Fair values determined on a provisional basis

The following fair values have been determined on a provisional basis:

	$m
Property, plant and equipment	1.9
Intangible assets	0.2

Acquisition transaction costs

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.

Acquisitions in the previous period: OneWeb Communications Limited (OWC)

On 20 November 2020, the Company acquired 100% of the voting shares of OWC, a non-listed company, in exchange for cash and shares of the Company. OWC specialises in the development of a LEO constellation of satellites to deliver high-speed, low-latency global connectivity and capacity to customers throughout the world. The Company acquired OWC to progress it to commercial operations and secure the Company's position as a global leader in low-latency connectivity.

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	1,107.1
Right of use lease assets	33.3
Intangible assets	253.6
Bonds and deposits	7.4
Other non-current receivables	8.5
Investment in joint venture	8.7
	1,418.6
Current assets	
Corporation tax receivable	4.9
Prepaid expenses	5.0
Goods and services tax receivable	0.2
Other current receivables	2.5
Cash and cash equivalents	35.3
	47.9
Total assets	**1,466.5**
Current liabilities	
Trade payables	(321.1)
Payables to related parties	(2.3)
Accrued expenses	(26.7)
Accrued employee compensation	(4.7)
Corporation tax payable	(0.2)
Other taxes payable	(3.2)
Provisions	(40.9)
Lease liabilities	(9.1)
	(408.2)
Non-current liabilities	
Provisions	(23.2)
Lease liabilities	(75.3)
Deferred tax liabilities	(47.1)
	(145.6)
Total liabilities	**(553.8)**
Net identifiable assets and liabilities at fair value	**912.7**

	$m
Consideration paid	
Paid to former creditors of OWC, used to subscribe for shares in the Company	92.5
Paid to former creditors of OWC	29.6
Equity instruments issued to former creditors of OWC	90.0
Cash paid to settle acquisition-related costs of OWC	49.3
Pre-acquisition funding to OWC, converted to equity on acquisition	220.9
Total consideration	**482.3**
Bargain purchase arising on acquisition	**430.4**
Net cash outflow arising on acquisition	
Paid to former creditors of OWC	(29.6)
Cash paid to settle acquisition-related costs of OWC	(49.3)
Cash acquired	35.3
Net cash outflow	**(43.6)**
Contribution since control obtained	
Revenue	-
Loss for the period	(61.2)

If the acquisition had occurred on 25 March 2020, the net profit for the Group for the period ended 31 March 2021 would have been $108.9 million. In determining these amounts, management assumed that the fair value adjustments that arose on the date of acquisition would have been the same if the acquisition had occurred on 25 March 2020. The group headed by OWC made a loss of $270.9 million in the period from 25 March 2020 to 31 March 2021, excluding the gain on debt extinguishment arising from the bankruptcy process.

A bargain purchase arose on the acquisition because the business was acquired as part of a distressed sale following bankruptcy.

Consideration paid

Under the terms of the plan support agreement (PSA), the Company issued 182,459 ordinary shares to former creditors of OWC as part of consideration paid. A total of 92,459 shares were paid for with cash of $92.5 million by the subscriber at the same instant as them receiving this amount from OWC, following a loan being made by the Company to OWC. The remaining 90,000 shares were provided to the creditors to pay down $90.0 million of debt. The fair value of the shares was calculated with reference to the price of the Company's shares in other transactions on and around the acquisition date, which was $1,000 per share. A further $29.6 million was paid to former creditors of OWC, which was retained by the creditors and not used to subscribe for shares in the Company. All of these amounts were part of the consideration paid by the Company to acquire OWC.

The PSA also required the Company to fund the selling costs of the former shareholders of OWC of $49.3 million. As the payments were entirely for the benefit of the OWC's former shareholders, these were included in the consideration paid.

The Company and OWC were parties to a pre-existing debt financing arrangement in which the Company was the lender. At the acquisition date this pre-existing relationship was effectively settled as part of the acquisition. The fair value of the debt financing arrangement at the acquisition date was $220.9 million. The terms of the loan were comparable with current market transactions for similar items. As a result, consideration transferred included $220.9 million, representing termination of the pre-existing debt financing relationship.

Fair values determined on a provisional basis

The following fair values had been determined on a provisional basis:

	$m
Property, plant and equipment	1,107.1
Right of use lease assets	33.3
Intangible assets	253.6
Investment in joint venture	8.7

No changes were required to the fair values previously determined during the year ended 31 March 2022.

Acquisition transaction costs

The Group incurred acquisition-related transaction costs of $8.8 million, primarily related to legal fees. These costs were included in the Company's statement of comprehensive income, below operating loss.

4 Revenue

Revenue of $9.6 million is attributable to equipment sales and the provision of satellite connectivity services by OWT. Equipment sales revenue is recognised when control of the equipment is transferred to the customer and satellite connectivity service revenue is recognised over the period that services are delivered. At 31 March 2022, a contract liability of $4.8 million represents the revenue expected to be recognised in the next 12 months for performance obligations that are not completed.

The Group received advanced payment of $170.6 million from a customer for services to be rendered over a number of years, due to commence in the calendar year 2023. This constitutes an indefeasible right of use. The Group has performed an assessment to determine whether the contract contains a lease within the scope of IFRS 16: Leases by conferring to the customer the right to control the use of an identified asset. The arrangement was concluded not to

contain a lease as there is no identified asset, as the service is provided through an orbiting constellation of satellites that each provide connectivity to different regions during their orbit. The arrangement is therefore accounted for as a service agreement, with revenue recognised as the service provided over 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 $4.4 million has been recognised in the period in relation to this and at 31 March 2022 a contract liability of $175.0 million represents the present value of revenue expected to be recognised in future periods.

5 Operating expenses

	2022 $m	2021 $m
Staff remuneration (see note 8)	93.1	20.8
Other staff costs	6.4	1.7
Total staff costs	99.5	22.5
Professional fees	25.5	16.9
Network and facility costs	62.8	6.8
Travel and entertainment	4.6	0.2
Marketing	3.9	0.7
Cost of inventories recognised as an expense	2.9	-
Non-staff cost R&D expense	2.6	3.8
Write-off of property, plant and equipment	4.2	4.7
Depreciation of property, plant and equipment	2.4	1.2
Depreciation of right of use lease assets	7.9	1.4
Write-off of intangible assets	0.3	-
Amortisation of intangible assets	0.1	-
Reorganisation and restructuring costs	0.5	0.7
Foreign exchange losses/(gains)	0.2	(0.4)
Total operating expenses	**217.4**	**58.5**

6 Asset impairment

Impairment charge

An impairment charge of $229.2 million has been 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 derecognised 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 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. Negotiations are ongoing with the related vendors with regards to the recoverability of assets and the undelivered services. As the outcome of these negotiations is uncertain, no asset has been recognised.

Impairment assessments

The Group assesses goodwill, spectrum rights and licences annually for impairment by reviewing the carrying amount against the recoverable amount of the asset. Other assets are reviewed at each reporting date to determine whether an indication of impairment exists.

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 and ground segment assets are both required to deliver connectivity services to customers. The recoverable amount of the CGU was determined by measuring its VIU.

As disclosed above in this note, a specific impairment has been recognised in relation to property, plant and equipment. No other impairment charge has been recognised in the period (2021: no impairment charge) as a result of the impairment assessments. In the prior year, the assets subject to impairment review had been newly acquired in November 2020 and therefore no formal impairment review was performed.

The impairment assessments were performed based on the position at 31 March 2022. While the projections used were approved by the Board of Directors in June 2022, the forecasts were based on decisions made by the Board before 31 March 2022 and therefore reflect in all material respects the facts and circumstances at 31 March 2022. The projections were based on the annual budget for the year ended 31 March 2023 and the additional five-year period included in the Group's long-term business plan (LTBP). The period to 31 March 2028 in the LTBP reflects the end of the natural life of GEN 1 if no launches are made beyond current commitments, which is a reasonable period to be considered for the impairment analysis, given relative stability in network capacity and operating expenses expected in the final years of the projections.

The cash flows beyond the six-year period of the LTBP were extrapolated using a terminal growth rate. The LTBP reflected the committed position of the business at 31 March 2022 and did not assume a second generation of satellites will be developed. As the technology associated with any generation of satellites has a finite technological life, a terminal technological obsolescence decline rate was applied, reflecting a gradual loss of competitiveness when compared with newer technologies entering the market. The key assumptions applied includes the proportion of available network capacity that is sold by OneWeb, which is the key driver of revenue achieved, and the required capital expenditure to finalise the network. In addition, the discount rate and terminal growth assumptions applied impact upon the value in use calculation.

	2022
Discount rate applied	11.5%
Terminal growth rate	3.0%
Terminal technological obsolescence decline rate applied to terminal growth	5.0%

The sensitivity assumptions applied to the VIU calculations are set out in the table below.

	2022
Increase in discount rate	1.5%
Reduction in terminal growth rate	3.0%
Reduction in proportion of capacity sold	10.0%
Increase in capital expenditure	10.0%

None of the sensitivity assumptions applied caused the asset values to exceed the recoverable amount.

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:

	2022 $m	2021 $m
Audit of these financial statements	0.5	0.8
Audit of financial statements of subsidiaries of the Company	-	-
Total KPMG and its associates' audit fees	**0.5**	**0.8**

The level of fees paid for the audit of financial statements of subsidiaries of the Company and non-audit services rounds to less than $0.1 million.

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

	2022	2021
Operations	312	178
Commercial	24	10
Corporate functions	75	41
	411	**229**

Staff remuneration

The aggregate remuneration of these persons was as follows:

	2022 $m	2021 $m
Wages and salaries	75.6	18.7
Share-based payments (see note 10)	6.1	0.6
Social security costs	9.7	1.1
Contributions to defined contribution retirement benefit schemes	1.7	0.4
Total staff remuneration	**93.1**	**20.8**

9 Directors' remuneration

	2022 $m	2021 $m
Directors' remuneration	2.5	0.6
Amounts receivable under long-term incentive schemes (see note 10)	1.3	0.6
Contributions to money purchase pension plans	-	-
Amounts paid to third parties in respect of Directors' services	-	-

The highest paid Director received remuneration of $2.5 million (31 March 2021: $0.6 million) and amounts receivable under long-term incentive schemes of $1.3 million (31 March 2021: $0.6 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. The cost increase is 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. During the year, a total of 27,300 options were granted to other employees of the Group, with an option price of $1,000.

The awards are subject to gradual 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 $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 25 March 2020	-	-
Granted	10,000	1,000
At 31 March 2021	**10,000**	**1,000**
Granted	27,300	1,000
At 31 March 2022	**37,300**	**1,000**

Supplementary information

	2022		2021	
	Years	$	Years	$
Weighted average remaining life	2.3		3.3	
Fair value of options granted		469		865

Assumptions

	2022		2021	
	Initial public offering (IPO)	Monetising mechanism	IPO	Monetising mechanism
Expected life (years)	4.7	6.2	5.0	6.5
Share price ($)	1,237	990	1,800	1,440
Exercise price ($)	1,000	1,000	1,000	1,000
Risk-free rate (%)	0.7	1.0	0.5	0.7
Volatility (%)	43.0	40.2	41.5	39.0
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 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.

Recognised in profit or loss

	2022 $m	2021 $m
Interest received on pre-acquisition financing of OneWeb (see note 26)	-	6.0
Funding arrangement fees on pre-acquisition financing of OneWeb (see note 26)	-	4.3
Bank interest received	0.3	-
Total investment income	**0.3**	**10.3**
Lease interest (see note 20)	(5.7)	(2.0)
Unwinding of discount on unfavourable contract provision (see note 17)	(0.8)	(0.7)
Unwinding of discount on asset retirement obligation provision (see note 17)	(0.7)	(0.2)
Unwinding of discount on contract liability (see note 4)	(4.4)	-
Bank interest paid	(0.1)	-
Total finance costs	**(11.7)**	**(2.9)**

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 used.

Income tax expense

	2022 $m	2021 $m
Current tax expense		
Current year tax charge	(1.3)	(0.2)
Adjustment to tax charge in respect of prior periods	2.2	-
Total current tax credit/(charge)	**0.9**	**(0.2)**
Deferred tax expense		
Effect of tax rate changes	(14.9)	-
Recognition of deferred tax asset regarding temporary differences	62.0	-
Total tax credit/(charge)	**48.0**	**(0.2)**

Reconciliation of effective tax rate

	2022 $m	2021 $m
(Loss)/profit before tax	(437.8)	370.7
Tax applying the UK corporation tax rate of 19%	83.2	(70.4)
Effect of tax rates in foreign jurisdictions	0.1	1.2
Non-deductible expenses	(5.8)	(2.9)
Non-taxable items	2.2	81.8
Origination of temporary differences for which no deferred tax asset has been recognised	(44.5)	-
Current periods' losses for which no deferred tax asset was recognised	(46.6)	(9.9)
Origination/reversal of temporary differences	62.0	-
Under/overprovisions in respect of prior periods	2.2	-
Tax credits and incentives	(0.5)	-
Effect of tax rates changes	(4.3)	-
Total tax credit/(charge)	**48.0**	**(0.2)**

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 25 March 2020	-
Acquisition of a subsidiary	(47.1)
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	**-**

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

	2022 $m	2021 $m
Temporary timing differences	328.8	278.1
Unused net operating losses	192.8	120.3
Total unrecognised deductible temporary differences	**521.6**	**398.4**

As part of the business combination of OWC during the prior year, spectrum rights and licences were valued at $252.0 million, which resulted in a deferred tax liability of $47.1 million. The deferred tax liability arose because the assets were held by a Jersey incorporated and tax resident company, WorldVu Satellites Limited, which had no tax attributes to offset against the liability. As a result of the tax rate changes substantively enacted during the year, the liability increased to $62.0 million. During the year, WorldVu Satellites Limited migrated its tax residency from Jersey to the UK and as a result brought-forward losses and other tax attributes in the UK Group can now be offset against the liability. As a result, a tax credit of $47.1 million arose in the period to reflect the impact of the offset. This reflects that

the deferred tax asset has been recognised only to the extent required to offset the deferred tax liability related to the spectrum rights and licences.

At 31 March 2022, the Group had tax losses totalling $818.2 million (2021: $638.1 million), resulting in an unrecognised deferred tax asset of $192.8 million (2021: 120.3 million) and other temporary timing differences of $1,050.7 million (2021: $1,375.6 million), resulting in an unrecognised deferred tax asset of $328.8 million (2021: $278.1 million), of which $1,221.1 million (2021: $1,327.7 million) relates to unclaimed tax depreciation on fixed assets, resulting in an unrecognised deferred tax asset of $304.4 million (2021: $266.9 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 2022, 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 LEO 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 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.

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 viable commercial service. When sufficient coverage exists to be able to provide customers with a viable commercial service, all assets associated with providing that service will be put into service and depreciation will start.

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.

Included within other property and equipment are assets with estimated useful lives as follows:

- Furniture and computer equipment – two to three years
- Vehicles – three 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	Ground component in service $m	Other property and equipment $m	Total $m
Cost					
At 25 March 2020	-	-	-	-	-
Acquisition of a subsidiary	915.0	190.4	-	1.7	1,107.1
Additions	135.6	35.7	-	0.1	171.4
Written off	(4.4)	(0.3)	-	-	(4.7)
Foreign exchange	-	0.4	-	0.2	0.6
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**
Depreciation					
At 25 March 2020	-	-	-	-	-
Depreciation charge	-	-	-	(1.2)	(1.2)
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)**
Carrying value					
At 31 March 2022	**1,125.7**	**283.3**	**0.9**	**0.5**	**1,410.4**
At 31 March 2021	1,046.2	226.2	-	0.8	1,273.2

An impairment charge of $272.3 million is recognised as detailed in note 6.

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 $4.2 million (31 March 2021: $4.7 million) recognised in the space component under construction relates to satellites that are non-operational.

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 developed 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 Group is currently building various assets that will form part of the wider OneWeb network. When sufficient coverage exists to be able to provide customers with a viable commercial service, all assets associated with providing that service will be put into service and amortisation will start.

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 International Telecommunications Union (ITU) and government agencies to enable the Group to conduct its business.

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
- 3.3 GHz of Ka band gateway for feeder links

If OneWeb meets both the bring-into-use and build-out milestones for main ITU filings with Ofcom (Ku band) and l'Agence Nationale des Fréquences (ANFR) (Ka band) that it currently relies on, the Group will be able to preserve these spectrum rights indefinitely. Specifically, the 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.

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 lives of 15 years.

	Spectrum rights and licences $m	Developed software $m	Patents $m	Total $m
Cost				
At 25 March 2020	-	-	-	-
Acquisition of a subsidiary	252.0	-	1.6	253.6
Additions	0.3	-	-	0.3
Foreign exchange	0.1	-	-	0.1
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**
Amortisation				
At 25 March 2020 and 31 March 2021	-	-	-	-
Amortisation charge	-	-	(0.1)	(0.1)
At 31 March 2022	**-**	**-**	**(0.1)**	**(0.1)**
Carrying value				
At 31 March 2022	**252.0**	**252.7**	**1.4**	**506.1**
At 31 March 2021	252.4	-	1.6	254.0

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 GEN 1. 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 a 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.

As the investment in NEOM JV was acquired on 24 October 2021, no comparative information is provided for this investment.

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.

	AOS $m	NEOM JV $m	Total $m
At 25 March 2020	-	-	-
Acquisition of joint venture	8.7	-	8.7
Share of result of joint venture	-	-	-
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**

Summarised financial information of AOS

	2022 $m	2021 $m
100% of the results of the business		
Revenue	431.4	102.0
Profit after tax	50.1	0.6
Total comprehensive profit	50.1	10.8
Group share of the results of the business before elimination of unrealised profits and losses		
Revenue	215.7	51.0
Profit after tax	25.1	4.8
Total comprehensive profit	25.1	5.4
Group share of the results of the business after elimination of unrealised profits and losses		
Revenue	215.7	51.0
Profit after tax	5.3	-
Total comprehensive profit	5.3	-

	2022 $m	2021 $m
100% of the net assets of the business		
Non-current assets	57.3	86.8
Current assets	227.5	323.1
Non-current liabilities	(2.5)	(2.4)
Current liabilities	(240.3)	(386.4)
Net assets and total equity	**42.0**	**21.1**
Group share of interest in joint venture's net assets	21.0	10.6
Elimination of unrealised profits and losses	(10.5)	(5.4)
Dividends received	(14.0)	-
Goodwill	3.5	3.5
Carrying value of interest in joint venture	**-**	**8.7**

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

Supplementary information regarding AOS is provided below:

	2022 $m	2021 $m
Cash and cash equivalents	26.6	49.6
Current financial liabilities (excluding trade and other payables and provisions)	(5.7)	(5.0)
Non-current financial liabilities (excluding trade and other payables and provisions)	(1.9)	(1.9)
Depreciation and amortisation	(5.7)	(8.9)
Income tax expense	0.2	1.0

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 period from 24 October 2021 to 31 March 2022, the entity had no revenue and total operating expenses of $0.2 million, resulting in a loss after tax and total comprehensive loss of $0.2 million. In the period, the NEOM JV had no depreciation and amortisation or income tax expense. There were no transactions with the NEOM JV that required elimination by the Group.

	2022 $m
100% of the net assets of the business	
Non-current assets	0.8
Current assets	36.1
Non-current liabilities	-
Current liabilities	(6.5)
Net assets and total equity	**30.4**
Group share of interest in joint venture's net assets	15.2
Carrying value of interest in joint venture	**15.2**

Supplementary information regarding the NEOM JV is provided below.

	2022 $m
Cash and cash equivalents	29.7
Current financial liabilities (excluding trade and other payables and provisions)	-
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).

	2022 $m	2021 $m
Less than a year	352.9	218.6
Between one and five years	91.1	208.9
More than five years	0.8	-
Total contractual commitments	**444.8**	**427.5**

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, which 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 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 used over the remaining expected asset lives, which are up to 10 years.

	Unfavourable contracts $m	Asset retirement obligations $m	Total $m
At 25 March 2020	-	-	-
Acquisition of a subsidiary	(60.4)	(3.7)	(64.1)
Used in the period	18.5	-	18.5
Unwinding of discount	(0.7)	(0.2)	(0.9)
At 31 March 2021	(42.6)	(3.9)	(46.5)
Additions	-	(6.2)	(6.2)
Used 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)**
Current	-	-	-
Non-current	-	(10.8)	(10.8)
	-	**(10.8)**	**(10.8)**

18 Capital, reserves and shareholder funding

Shareholder funding

On 7 April 2021, SoftBank Group Capital Limited subscribed for 354,185 of shares for $229.0 million, paid for in cash.

On 27 April 2021 it was announced that Eutelsat S.A. would subscribe for 500,000 shares for $550.0 million, which was fully paid for in cash on 8 September 2021.

On 8 September 2021, Bharti Global Limited subscribed for a further 350,000 shares under the terms of a call option. Bharti Global Limited has paid up $35.0 million, being 10% of the subscription amount. The option allowed for Bharti Global Limited to subscribe for a total of 500,000 shares at $1,000 per share, it being acknowledged that such subscription and funding would be reduced if Eutelsat chose to exercise its participation notice in respect to 30% of the call option. Eutelsat submitted its participation notice on 5 October 2021 for the subscription of 150,000 shares to Eutelsat at $1,000 per share. Eutelsat has paid up $15.0 million, being 10% of the subscription amount.

On 28 February 2022 Hanwha Systems UK Limited subscribed to 250,000 shares at a value of $300.0 million, which was fully paid in cash on 1 March 2022.

On 9 March 2022 Bharti Global Limited transferred its entire shareholding to Bharti Space Limited.

Transaction costs of $6.2 million were incurred on the issue of shares and are recognised as a reduction in share premium.
The movement in share subscription receivables in the period can be seen as follows:

	2022 $m	2021 $m
Share subscription receivables at start of period	308.5	-
Total subscription value in period	1,579.0	1,232.5
Proceeds used to settle shareholder loans	-	(369.0)
Cash receipts	(1,281.5)	(465.0)
Issued to creditors of OWC for no cash	-	(90.0)
Share subscription receivables at end of period	**606.0**	**308.5**

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:

	2022 $	2021 $
Deferred shares of £1 each	6	6
Class A shares of $0.01 each	28,366	12,325
Class B shares of $0.01 each	-	-
Fully paid	**28,372**	**12,331**

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

	Ordinary	Deferred	Class A	Class B
Issued on incorporation	2	4	-	-
Issued in the period	2	-	1,232,459	1
Conversion to different class	(4)	-	-	-
Authorised and on issue at 31 March 2021	-	**4**	**1,232,459**	**1**
Issued in the period	-	-	1,604,185	-
Authorised and on issue at 31 March 2022	-	**4**	**2,836,644**	**1**

At 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 Group Proj 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**

At 31 March 2021

	Deferred	Class A	Class B
The Secretary of State for Business, Energy and Industrial Strategy	2	500,000	1
Bharti Global Limited	2	500,000	-
SoftBank Group Capital Limited	-	145,815	-
Echostar Operating LLC	-	50,000	-
Banco Azteca, S.A., Institución de Banca Múltiple	-	16,879	-
Airbus Group Proj B.V.	-	12,064	-
Qualcomm Technologies, Inc.	-	6,072	-
Rwanda Social Security Board	-	1,629	-
Authorised and on issue at 31 March 2021	**4**	**1,232,459**	**1**

Share premium

Share premium is the amount received for a share issue that 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 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 $19.3 million at the end of the period (31 March 2021: surplus of $370.5 million).

Dividends payable to the Company's shareholders are recognised when they have been appropriately authorised. The Company has retained earnings of $18.3 million at the end of the period (31 March 2021: $1.0 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 derecognition 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 derecognised 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 reassessing 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 2022

	On demand $m	< one year $m	Between one and two years $m	> two 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)**

31 March 2021

	On demand $m	< one year $m	Between one and two years $m	> two years $m	Total 2021 $m
Non-current assets					
Bonds and deposits	-	-	-	14.2	14.2
Current assets					
Share subscription receivables	308.5	-	-	-	308.5
Other current receivables	-	6.2	-	-	6.2
Cash and cash equivalents	44.0	-	-	-	44.0
Total financial assets	**352.5**	**6.2**	**-**	**14.2**	**372.9**
Current liabilities					
Trade payables	-	(122.1)	-	-	(122.1)
Payables to related parties	-	(1.1)	-	-	(1.1)
Accrued expenses	-	(42.9)	-	-	(42.9)
Accrued employee compensation	-	(5.1)	-	-	(5.1)
Provisions	-	(38.6)	-	-	(38.6)
Non-current liabilities					
Provisions	-	-	(7.9)	-	(7.9)
Total financial liabilities	**-**	**(209.8)**	**(7.9)**	**-**	**(217.7)**

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. The 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 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)**

31 March 2021

	UK sterling $m	Other $m	Total $m
Current receivables	0.2	-	0.2
Cash and cash equivalents	0.9	0.6	1.5
Total monetary assets	**1.1**	**0.6**	**1.7**
Trade payables	(1.6)	(1.7)	(3.3)
Accrued employee compensation	(2.3)	-	(2.3)
Goods and services tax payable	(1.7)	-	(1.7)
Corporation tax payable	(2.6)	-	(2.6)
Other taxes payable	(0.6)	-	(0.6)
Lease liabilities	(11.0)	-	(11.0)
Provisions	(0.4)	-	(0.4)
Total monetary liabilities	**(20.2)**	**(1.7)**	**(21.9)**

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 $1.0 million and a depreciation in the US dollar would result in an increase in losses of $1.1 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. The Group currently has no external borrowings, but will continue to assess whether such facilities are necessary.

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 liability, 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

	2022 $m	2021 $m
Less than a year	13.2	13.0
Between one and five years	57.5	49.6
More than five years	36.2	35.5
Total	**106.9**	**98.1**

Carrying value of right of use lease assets

	Ground installation property $m	Other property $m	Total $m
Cost			
At 25 March 2020	-	-	-
Acquisition of a subsidiary	12.5	20.8	33.3
Additions	2.8	-	2.8
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**
Depreciation			
At 25 March 2020	-	-	-
Depreciation charge	(0.4)	(1.0)	(1.4)
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)**
Carrying value			
At 31 March 2022	**40.8**	**19.8**	**60.6**
At 31 March 2021	14.9	19.8	34.7

Carrying value of lease liabilities

	Ground installation property $m	Other property $m	Total $m
Lease liability			
At 25 March 2020	-	-	-
Acquisition of a subsidiary	(57.8)	(26.6)	(84.4)
New leases entered into	(2.9)	-	(2.9)
Cash payments	3.3	1.0	4.3
Interest charges	(1.1)	(0.9)	(2.0)
Foreign exchange	-	(0.2)	(0.2)
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)**
Current lease liability	(10.0)	(3.2)	(13.2)
Non-current lease liability	(72.0)	(21.7)	(93.7)
	(82.0)	**(24.9)**	**(106.9)**

21 Reconciliation of net profit to cash used in operations

	2022 $m	2021 $m
Cash flows from operating activities		
(Loss)/profit for the period	(389.8)	370.5
Adjustments for:		
Depreciation and amortisation	10.4	2.6
Write-off of property, plant and equipment and intangible assets	4.5	4.7
Impairment charge	229.2	-
Foreign exchange gains	0.2	(0.4)
Share of results of joint venture	(5.3)	-
Gain on bargain purchase	-	(430.4)
Investment income	(0.3)	(10.3)
Finance expense	11.7	2.9
Equity settled share-based payment expenses	6.1	0.6
Taxation	(48.0)	0.2
Movement in bonds and deposits	(2.8)	(6.8)
Movement in withholding tax receivable	(8.5)	-
Movement in other non-current assets	(0.5)	6.3
Movement in inventory	(8.2)	-
Movement in tax receivable	(4.5)	2.7
Movement in prepaid expenses	(39.5)	-
Movement in goods and services tax receivables	(9.4)	(1.7)
Movement in trade receivables	(2.6)	-
Movement in other current assets	7.8	(3.7)
Movement in trade payables	(61.5)	(199.7)
Movement in payables to related parties	12.0	(1.2)
Movement in accrued expenses	(31.6)	16.2
Movement in accrued employee compensation	11.8	0.4
Movement in goods and services tax payable	0.8	-
Movement in tax payable	0.9	-
Movement in contract liability current'	(0.2)	-
Movement in other taxes payable	3.0	(2.5)
Movement in provisions current	(19.7)	(2.3)
Movement in other current liabilities	2.6	-
Movement in other non-current liabilities	0.1	-
Movement in provisions non-current	2.2	(15.3)
Cash used in operations	**(329.1)**	**(267.2)**

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 the Group's Executive Committee. Key management personnel compensation is shown in the table below:

	2022 $m	2021 $m
Remuneration	7.8	1.6
Amounts receivable under long-term incentive schemes	4.2	0.6
Company contributions to money purchase pension plans	0.2	0.1
Employer's social security expense	0.5	0.1
	12.7	**2.4**

Directors of the Company and their immediate relatives control 30% (2021: 40.6%) 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:

	2022 $m	2021 $m
Cost of satellites purchased from AOS in the period	252.3	82.8
Payables to AOS at the period end	(13.1)	(1.1)
Contractual commitments for purchases at the period end	72.5	246.5

Outstanding share subscriptions

As explained in note 18, $606.0 million of share subscription proceeds was outstanding at 31 March 2022 (31 March 2021: $308.5 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 $0.3 million (2021: $nil) and the amount payable by the Group at 31 March 2022 is $0.1 million (31 March 2021: $nil).

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 (2021: $nil) and the amount payable by the Group at 31 March 2022 is $0.1 million (31 March 2021: $nil).

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 $1.0 million (2021: $nil) and is recognised as property, plant and equipment. No amounts remain payable at 31 March 2022 (31 March 2021: $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.

Transactions of the Company

Details of the related party transactions of the Company are provided in note 22.

23 Subsequent events

Subsequent to 31 March, 2022, the Group has entered into further agreements for the purpose of completing the OneWeb network with an aggregate effect of increasing total contractual commitments by $181.3 million. This includes a $42.0 million reduction in contractual commitment to AOS.

On 25 July, 2022, Eutelsat and key OneWeb shareholders signed a Memorandum of Understanding (MOU) with a view to combining Eutelsat and OneWeb in an all-share transaction. Eutelsat is an existing shareholder of OneWeb which is explained in more detail in Note 18. The transaction would be 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 Secretary of State for Business, Energy and Industrial Strategy). OneWeb shareholders would receive 230 million newly issued Eutelsat shares, representing 50% of the enlarged share capital. Eutelsat will continue to be listed on Euronext Paris and apply for admission to standard listing on the London Stock Exchange. The MOU has been unanimously approved by each of Eutelsat's and OneWeb's Board of Directors. Eutelsat will be required to complete Eutelsat S.A.'s works council information consultation process. The transaction will be subject to customary regulatory conditions. The MOU includes customary exclusivity and interim operating conditions. The transaction will also be conditional on approval by Eutelsat's shareholders at an Extraordinary General Meeting of Eutelsat, to take place by end of first half 2023. The transaction is expected to close by the end of first half of 2023.

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. The amounts will be paid in 3 instalments of $100.0 million, $100.0 million and $75.0 million over the next 3 financial years starting from FY 2022-23. 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.

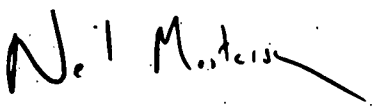
OneWeb Holdings Limited
Company Financial Statements

Company balance sheet
At 31 March 2022

	Note	2022 $m	2021 $m
Non-current assets			
Loan receivable from related party	27	1,358.9	582.4
Investment in subsidiary entity	28	315.2	310.9
		1,674.1	893.3
Current assets			
Receivables from related parties	27	115.7	1.2
Prepaid expenses		0.8	-
Goods and services tax receivable		1.6	0.8
Share subscription receivables	18	606.0	308.5
Cash and cash equivalents		440.6	35.2
		1,164.7	345.7
Total assets		2,838.8	1,239.0
Current liabilities			
Trade payables		(4.3)	-
Accrued expenses		(1.3)	(4.4)
Accrued employee compensation		(2.1)	(0.4)
Other taxes payable		(0.8)	(0.1)
		(8.5)	(4.9)
Net assets		**2,830.3**	**1,234.1**
Equity			
Share capital	18	-	-
Share premium	18	2,805.3	1,232.5
Share-based payment reserve	18	6.7	0.6
Retained earnings	18	18.3	1.0
Total equity		**2,830.3**	**1,234.1**

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 $17.3 million (2021: $1.0 million).

These financial statements were approved by the Board of Directors on 2 August 2022 and were signed on its behalf by:



Neil Masterson
Chief Executive Officer
3 August 2022

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
Total comprehensive income for the period					
Profit for the period	-	-	-	1.0	1.0
Total comprehensive profit for the period	-	-	-	1.0	1.0
Transactions with owners, recorded directly in equity					
Issue of shares	-	1,232.5	-	-	1,232.5
Equity-settled share-based payment transactions	-	-	0.6	-	0.6
Total contributions by and distributions to owners	-	1,232.5	0.6	-	1,233.1
Balance at 31 March 2021	**-**	**1,232.5**	**0.6**	**1.0**	**1,234.1**
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**

Company cash flow statement for the period ended 31 March 2022

	2022 $m	2021 $m
Cash flows from operating activities		
Profit for the period	17.3	1.0
Adjustments for:		
Foreign exchange gains	(0.2)	-
Investment income	(28.8)	(14.2)
Equity settled share-based payment expenses	1.8	0.6
Movement in prepaid expenses	(0.8)	-
Movement in receivables from related parties	(114.5)	(1.2)
Movement in goods and services tax receivables	(0.8)	(0.8)
Movement in trade payables	4.3	-
Movement in accrued expenses	(3.1)	4.4
Movement in accrued employee compensation	1.7	0.4
Movement in other taxes payable	0.7	0.1
Net cash from operating activities	(122.4)	(9.7)
Cash flows from investing activities		
Interest received	0.3	-
Pre-acquisition funding to OWC, converted to equity on acquisition	-	(210.7)
Funding to OWC	(748.0)	(485.9)
Net cash from investing activities	(747.7)	(696.6)
Cash flows from financing activities		
Proceeds from the issue of share capital, net of issue costs	1,275.3	741.5
Net cash from financing activities	1,275.3	741.5
Net increase in cash and cash equivalents	**405.2**	**35.2**
Cash and cash equivalents at the start of the period	35.2	-
Effect of exchange rate changes on cash held	0.2	-
Cash and cash equivalents at the end of the period	**440.6**	**35.2**

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 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, judgements and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, expenses and disclosures of contingent liabilities. Estimates and judgements 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 Prior period acquisition and funding provided

The Company only has one investment, OWC, purchased on 20 November 2020.

During the period ended 31 March 2021, the Company provided funding to OWC prior to the acquisition of $220.9 million, including $6.0 million of accrued interest. This receivable was converted into equity of OWC on completion of the acquisition. The Company received a further $4.3 million of fees in relation to this funding raised, taken as 2% of the funding received.

On completion of the acquisition, the Company issued share capital with a subscription value of $182.5 million to certain creditors of OWC, following which OWC owed the Company a further $182.5 million, $90.0 million of which was subsequently waived.

Further funding of $485.9 million was provided by the Company to OWC subsequent to 20 November 2020, with interest of $3.9 million earned in the period ended 31 March 2021.

27 Loan receivable from related party

Accounting policy

On initial recognition, the loan receivable was measured at amortised cost.

Carrying value of loan receivable from related party

	Cash flow items $m	Non-cash items $m	Total $m
Amortised cost			
At 25 March 2020	-	-	-
Pre-acquisition funding provided to OWC	210.7	-	210.7
Funding arrangement fees receivable from OWC prior to acquisition	-	4.3	4.3
Interest receivable from OWC prior to acquisition	-	6.0	6.0
Conversion of OWC loan to equity	(220.9)	-	(220.9)
Post-acquisition funding provided to OWC	485.9	-	485.9
Settlement of OWC creditors though subscription in Company shares	-	92.5	92.5
Interest receivable from OWC post acquisition	-	3.9	3.9
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**

Further details are provided in note 26.

28 Investment in subsidiary entity

Accounting policy

Investments in subsidiaries are carried at cost.

Carrying value of investment in subsidiary entity

	$m
Cost	
At 25 March 2020	-
Conversion of OWC loan to equity	220.9
Waiver of loans owed by OWC	90.0
At 31 March 2021	**310.9**
Capital contribution to OWC	4.3
At 31 March 2022	**315.2**

Further details are provided in note 26.

29 Capital, reserves and shareholder funding

See note 18.

30 Related party transactions

See note 22.

31 Ultimate controlling party

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

32 Subsequent events

See note 23.

33 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 2022 (%)
OneWeb Communications Ltd*	Holding company / borrowing company	WestWorks Building, 195 Wood Lane, London, W12 7FQ, United Kingdom	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	Canada	100
Network Access Associates Ltd.*	Operating company	WestWorks Building, 195 Wood Lane, London, W12 7FQ, United Kingdom	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	WestWorks Building, 195 Wood Lane, London, W12 7FQ, United Kingdom	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, TX 77034, USA	United States	100
WorldVu JV Holdings LLC	Holding company	c/o Business Filings Incorporated, 108 West 13th St, Wilmington, DE 19801, USA	United States	100
Airbus OneWeb Satellites LLC[2]	Satellite Design and Development	CT Corporation System, 1200 South Pine Island Road, Plantation, FL 33324, USA	United States	100

Name	Principal activity	Registered agent address	Country of incorporation	Shareholding 31 March 2022 (%)
Airbus OneWeb Satellites North America LLC[2]	Satellite design and development	Corporation Trust Center, 1209 Orange Street, Wilmington, DE 19801, USA	United States	50
Airbus OneWeb Satellites SAS[2]	Satellite design and development	B612, 3 rue Tarfaya, 31400 Toulouse, France	France	100
Airbus OneWeb Satellites Florida LLC[3]	Satellite design and development	CT Corporation System, 1200 South Pine Island Road, Plantation, FL 33324, USA	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	1 Marina Boulevard #28-00, Singapore, 018989, 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, n.º13, 13-A, 13-B, 3.º andar, freguesia de Avenidas Novas, 1050-132 Lisboa, Portugal	Portugal	100
OneWeb ApS	Operating company	c/o Deloitte, Imaneq 33, 6 - 7 floor, Postbox 20 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	Peten 27 St. 301, Piedad Narvarte, Mexico City 03000, Mexico	Mexico	100
OneWeb Chile SpA	Operating company	Luz 2959-22, Las Condes, Santiago, Chile	Chile	100

Name	Principal activity	Registered agent address	Country of incorporation	Shareholding 31 March 2022 (%)
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	Central Office Park No 4., 257 Jean Avenue Centurion, Gauteng, 0157, South Africa	South Africa	100
One Web Angola – Servicos de Telecomunicacões (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	Colombia	100
OneWeb Ghana Ltd	Operating company	No. 7 Airport Road, Accra, Accra Metro, Ghana	Ghana	100
OneWeb Kazakhstan Ltd	Operating company	Building 55/22, Mangilik El Avenue, Nur-Sultan , Kazakhstan	Kazakhstan	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

AOP: Annual operating plan

AOS: Airbus OneWeb Satellites LLC

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

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

Chapter 11: The filing of Chapter 11 bankruptcy in March 2020 by the Company

Company: OneWeb Holdings Limited

COVID-19: The COVID-19 global pandemic

CSI: Customer service introduction

DPA: Distribution partner agreement

EBITDA: Earnings before interest tax depreciation and amortisation

ERM: Enterprise risk management

ESOP: Employee share option plan

Eutelsat: Eutelsat S.A.

FRS 101: Reduced disclosure framework

Financial Year: Period from 1 April 2021 to 31 March 2022

GEO: Geostationary orbit

GEN 1: The first generation of OneWeb satellites

GEN 2.0: 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

ISRO: 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

NEOM: NEOM Tech and Digital Company

NEOM JV: First Tech Web Company Limited

OneWeb: OneWeb Holdings Limited together with its subsidiaries

OWC: OneWeb Communications Limited

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

Period ended 31 March 2021: The period from incorporation on 25 March 2020 to 31 March 2021

PNT: Positioning, navigation and timing

PoP: Point of presence

PSA: Plan support agreement

SECR: Streamlined Energy and Carbon Reporting Guidance (SECR)

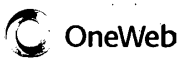
SNP: Satellite Network Portal

SOC: Satellite Operations Centre

SoftBank: SoftBank Group Capital Limited

TT & C: Telemetry Tracking and Control Centre

UT: User terminal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