



Annual Report

Inmarsat Group Holdings Limited



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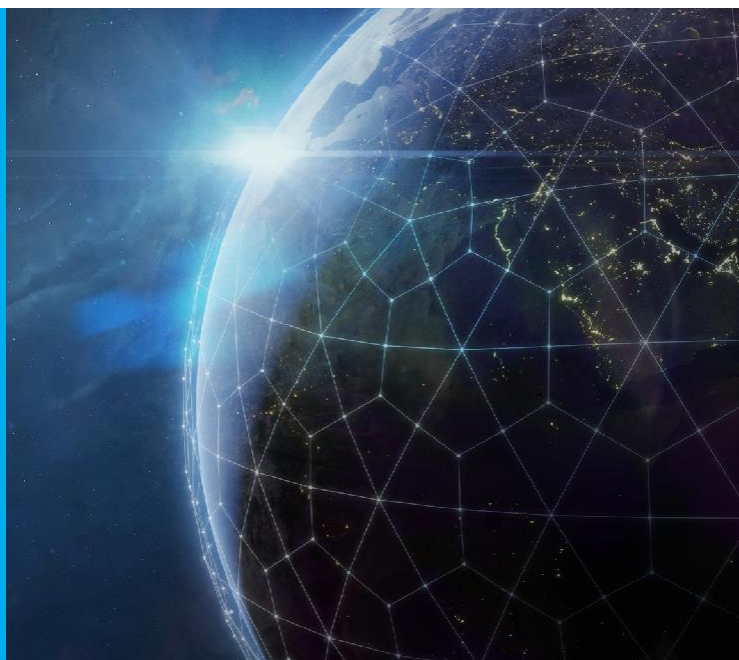
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Inmarsat Group Holdings Limited
Strategic Report

Inmarsat Group Holdings Limited | Strategic Report for the year ended 31 December 2023

Inmarsat Group Holdings Limited, previously known as Inmarsat plc (the 'Company' or, together with its subsidiaries, the 'Group') is a private Company limited by shares incorporated in the United Kingdom and domiciled in England and Wales.

On 8 November 2021, Viasat, Inc. ("Viasat") and the Company announced a definitive agreement under which Viasat would acquire Connect Topco Limited ("Topco"), which indirectly owned 100% of the share capital of the Company, in a transaction then valued at \$7.3 billion, comprised of \$850 million in cash (reduced to \$551 million, post prior distribution to shareholders), approximately 46.36 million shares of Viasat common stock valued at \$3.1 billion based on the closing price on Friday 5 November 2021, and the assumption of \$3.4 billion of net debt (the "Transaction"). Viasat is a global communications company listed on the NASDAQ stock exchange. On 30 May 2023, the Transaction was completed and Viasat acquired Topco. The shares issued to Topco's shareholders at the closing of the Transaction represented an aggregate of approximately 38% of the total shares of Viasat common stock on a fully diluted basis, with each of Topco's shareholders receiving less than 10% of Viasat's fully diluted shares.

The principal activity of the Company is that of a holding company which derives its income from its subsidiary undertakings ("Subsidiaries"). The principal activity of Group, as a leading provider of global mobile satellite communications services ("MSS"), is to provide data and voice connectivity to end-users worldwide. The Group has over 40 years' experience in designing, launching and operating satellite-based networks. The Group has an in-orbit fleet of owned and operated satellites in geostationary orbit. This includes satellites using our L-band and Ka-band platforms, and also our S-band platform. In addition to our established L-band satellite services business, our Global Xpress ("GX") services offer seamless global coverage and deliver Ka-band satellite services with broadband speeds for users in the Government, Maritime, Enterprise and Aviation sectors.

The I-6 F1 satellite, with a dual payload (L-band and Ka-band), entered into commercial service during the year, which will enable the re-orientation of our L-band capabilities towards new growth opportunities. Our seventh generation of satellites, called GX7, 8 & 9, will have an improved and fully reconfigurable Ka-band payload for GX services as part of our long-term strategy to develop the most agile, flexible, diverse and cost-effective Ka-band constellation. With focused, ultra-high-power capacity layered over high demand flight routes and airport hubs during peak hours, the satellites will revolutionise aviation connectivity. The network will immediately relocate capacity in line with real-time flight patterns, new airline routes and seasonal demand surges across the globe, future-proofing the ability for airline customers to invest in a consistently high quality of service for passengers into the future.

In Q3 2023, the I-6 F2 satellite suffered a power subsystem anomaly during its orbit raising phase, as well as permanent battery failure. The manufacturing and launch costs of the satellite were insured and the anomaly does not impact any ongoing customer services.

Review of business

Revenue increased by 10% to \$1,619.7m (2022: \$1,474.1m). The Group has continued growth across all business units. Government's revenue increase of 8.5% is attributed to growth in GX usage, increased equipment sales, and timing of contract milestones. Maritime has continued growth in revenue year on year, increasing by 4.4% primarily driven by legacy product price increases and continued strong growth of Fleet Xpress exceeding the decline in FleetBroadband. In the Aviation business unit revenue has increased by 22.3% due to strong growth in the number of Jet Xpress installed aircraft and increased In Flight Connectivity ("IFC") revenue reflecting higher passenger usage. Enterprise revenue has increased by 8.2% driven by additional satellite phone handset sales, higher airtime from strong historical handset sales, partially offset by declines in usage from legacy products.

EBITDA increased by 3% to \$879.7m (2022: \$851.1m), reflecting strong revenue growth, partially offset by higher costs in support of revenue growth, inflationary increases, and additional costs in relation to the Viasat transaction and integration.

The Group made a profit after tax for the year of \$251.2m (2022: \$362.7m) from the supply of global mobile satellite communications services. This decrease is primarily due to a net impairment of \$144.3m, primarily relating to the I-6 F2 satellite failure, partially offset by the increase in EBITDA and higher net financing income. Profit for the financial year of \$251.2m (2022: \$362.7m) will be transferred to reserves.

The Group's net assets were \$1,918.1m (2022: \$1,670.2m). The increase in net assets in the year has been driven by the profits generated in the period.

The Directors are of the opinion that the current level of activity and the year-end financial position are satisfactory and will remain so in the foreseeable future.

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Business Model

The Company has a uniquely broad and deep range of technical capabilities in products, systems and solutions. This allows us to leverage the use of technology to solve our customers’ most difficult challenges. We have a diverse customer set across a wide range of independent markets – Aviation, Maritime, Enterprise and Government - each with a willingness to pay for the types of valuable services that we deliver.

Our focus on developing a deep understanding of customer and end customer requirements across each of these markets allows us to design and deliver creative, high-impact and industry-leading solutions. In parallel, our internal organisation allows us to derive effectiveness and economies of scale through the use of common platforms, capabilities and underlying technologies.

Our Strategy

Viasat acquired the Group in May 2023, and this brought together two companies with complementary businesses and technologies, combining them with a vision to be the most successful technology company centered on satellite communications. Our objective is to drive growth sustainably in concert with a healthy space ecosystem.

As a technology leader with excellent and deep insight into our customers and end markets, we intend to continue to deploy innovative technological and business models to create differentiated products, services and platforms. This differentiated approach, building on the strengths of both legacy companies, will specifically target customers’ complex and evolving pain points and value creation in ways that are valuable, decisive and difficult to replicate. Our core markets remain anchored in Mobility (principally Aviation and Maritime) and Government where we have strong market positions, strong relationships, high levels of differentiation and where we can drive high yields and returns on capital.

We are also starting to expand into nascent, potentially high-growth markets such as Direct-to-Device, where our legacy networks, capabilities and partnerships position us well as these new markets open and their regulatory environments become clearer.

Stakeholder Engagement

We are focused on driving long-term sustainable performance for the benefit of our customers, shareholders, and wider stakeholders.

The table below illustrates how Viasat’s Executive Leadership team and the Company’s Board engages with its stakeholders to understand what matters to them and further inform the Board’s decision making and the actions taken together with any consequence. You can read more in our formal Section 172 Statement on page 7, which sets out our approach to Section 172.

Stakeholders	What matters to them	How we engage at Board / Executive Leadership level	How we engage across the organisation	How we delivered
Employees	<ul style="list-style-type: none"> - Opportunities to reach full potential. - Open and honest environment. - Diverse and inclusive workplace. - Health, safety and wellbeing. - Fair pay and reward. 	<ul style="list-style-type: none"> - The Executive Leadership team discuss culture, talent development and people strategy. - Consideration is given to employee engagement survey results and steps taken to address feedback. 	<ul style="list-style-type: none"> - Quarterly all staff meetings that are accessible to all employees, with time spent on open dialogue and Q&A. - Comprehensive internal communications plan supporting regular two-way information exchange and engagement with employees across multiple channels on strategic direction and progress, Viasat transaction, culture and values and wellbeing. 	<ul style="list-style-type: none"> - Continued work on Diversity, Equity and Inclusion (DE&I) with a full review post-transaction of how our organisations have been operating and our priorities. - Integrated our DE&I Employee Resource Groups (ERGs), which now includes our Black Professionals Alliance, Ability Alliance, Next Generation Alliance, Hispanic and Latino Alliance, and South Asian Alliance, alongside our existing groups: Pride Alliance, Ethnic Diversity Empowerment

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Stakeholders	What matters to them	How we engage at Board / Executive Leadership level	How we engage across the organisation	How we delivered
			<ul style="list-style-type: none"> - Executive level regular engagement with formal staff bodies (UK, Netherlands, Australia). - The launch of a comprehensive culture assessment in November 2023, which included a survey to gather feedback from our employees and leaders on what we need to focus on to integrate and strengthen our organisational culture. 	<p>Network, Viasat Women’s Alliance, Veterans’ Alliance, and Families Helping Families.</p> <ul style="list-style-type: none"> - Delivery of a broad portfolio of learning and development opportunities to continue building skills and capability at different levels, with a focus on development of global account manager capability and the introduction of a new learning platform and globally accessible content for all employees.
<p>Partners and Customers</p>	<ul style="list-style-type: none"> - Delivery of global network services with appropriate coverage, capacity and reliability against pre-agreed service levels. - Connectivity, where and when it matters most. - Leading, easy-to-use products and services that meet customer needs. - Dependable customer service around the clock. - Innovation, staying in tune with customer needs and investing in the future. 	<ul style="list-style-type: none"> - The executive leadership team are briefed on customer satisfaction results and contribute to a companywide action plan for improving customer experience. - Members of business units and the executive team regularly meet partners and customers - both at formal business specific conferences and more regular dedicated sessions to gather feedback and share plans. - Performance to our agreed SLA levels are tracked, reported, and acted on. - Customer insights and customer satisfaction scores are reported and reviewed at executive level. 	<ul style="list-style-type: none"> - A strategic customer satisfaction research programme takes place annually, that contacts every customer to gauge satisfaction, feedback, needs and perceptions. Results are presented to every department. - Launched a Company portal where employees can access thousands of customer insights assets directly. - The customer insights department ran over 20 studies to ensure customer needs are reflected in all offers and customer experiences. - Negative feedback gathered through all surveys is acted upon with follow-up contact. - Our customer insight & experience teams review customer feedback and made appropriate improvement plans. 	<ul style="list-style-type: none"> - The Company customer satisfaction score increased from 76% in December 2022 to 77% in December 2023, with improvements seen across 9 out of 12 areas tracked. - The target for customer satisfaction of 75% was reached, with the business remaining on track for its 2024 plan. - Our own market perception research showed leading results for factors such as network quality, industry leadership, customer support and product range. - Sustained network investment is taking place with further planned satellite launches and capacity management initiatives. - There is an ongoing programme of process improvements to reduce sources of dissatisfaction.

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Stakeholders	What matters to them	How we engage at Board/Executive Leadership level	How we engage across the organisation	How we delivered
<p>Shareholder and Lenders (our investors)</p>	<ul style="list-style-type: none"> - Strategy and business model. - Financial performance. - Reputation. - Leadership. - Financial Risk Management. 	<ul style="list-style-type: none"> - The Board approves the Annual Report and Accounts. 	<ul style="list-style-type: none"> - Executive Leadership team regularly engages with investors to proactively understand their perspectives on business, strategy, governance, compensation practices, and to address any concerns they may have. <p>During fiscal year 2024, Viasat engaged in substantive conversations with investors representing approximately 74% of its total outstanding common stock, including all the company's institutional owners prior to the acquisition.</p>	<ul style="list-style-type: none"> - 10% full year revenue growth and 3.4% EBITDA growth.
<p>Suppliers and Contractors</p>	<ul style="list-style-type: none"> - Fair engagement and payment to terms. - Projects that succeed which can be used as case studies to win new business. - Responsible end-to-end supply chain. 	<ul style="list-style-type: none"> - Commercial performance and supplier relationships are discussed at Board meetings. 	<ul style="list-style-type: none"> - Regular meetings with our suppliers through the supplier relationship management (SRM) programme and by project managers across the business to ensure both parties deliver. - Our Procurement team is responsible for the implementation and delivery of progress on sustainability in our supply chain. 	<ul style="list-style-type: none"> - Majority of suppliers paid to time in line with external benchmarks. - Supplier relationship management (SRM) programme enhanced to bring extra focus on delivery, quality, agility and closure. - New procurement sustainability strategy undergoing implementation with top strategic suppliers to deliver climate action.

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Stakeholders	What matters to them	How we engage at Board/Executive Leadership level	How we engage across the organisation	How we delivered
<p>Local Communities</p>	<ul style="list-style-type: none"> - Operational impact and disruption. - Economic contribution. - Protection of the environment 	<ul style="list-style-type: none"> - Environmental matters are regularly considered by the Board. 	<ul style="list-style-type: none"> - We offer the opportunity for our people to volunteer, for programmes they support individually. - STEM partnership continues to remain important. 	<ul style="list-style-type: none"> - Employees have been able to have contributions matched for certain donation initiatives. - Continued our 20+ years support of the charity, Télécoms Sans Frontières, with monetary and hardware support. - Volunteer time off in 2023 totalled 123 days, equivalent to 984 hours. - Significant work took place on a UK STEM initiative looking at sustainability in space – Viasat Beyond Space culminating in 1,600 students from across the UK, which narrowed down to 5 finalists, who presented to an esteemed judging panel.

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Section 172 statement

Section 172 (1) of the Companies Act 2006 requires the Directors to act in the way which 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.

In doing so Section 172 (1) requires a Director to have regard (among other matters) to:

Section 172 Matters

- (a) The likely consequence of any decision in the long-term
- (b) The interests of the Company's employees
- (c) The need to foster the Company's business relationships with suppliers, customers and others
- (d) The impact of the Company's operations on the Community and the environment
- (e) The desirability of the Company maintaining a reputation for high standards of business
- (f) The need to act fairly between members of the Company

Principal decisions

We consider our 'principal decisions' as decisions and discussions, which are material or strategic to the Company and those that are significant to any of our stakeholder groups.

Examples of decisions taken by the Board and how stakeholder views and inputs, as well as other s172 considerations, have been considered in its decision making are set out below:

Viasat Acquisition May 2023

On May 30, 2023, all of the outstanding shares of Connect Topco Limited, a parent of the Group, were acquired by Viasat. The acquisition positioned the combined company as a leading global communications innovator with enhanced scale and scope to affordably, securely and reliably connect the world. The complementary assets and resources of the combined companies position the Viasat group to provide advanced new services in mobile and fixed segments, driving greater customer choice in broadband communications and narrowband services, to create long-term value for investors, employees, partners and customers.

Key stakeholder groups considered: Employees, investors (shareholders and lenders), partners and customers

Evaluating net zero targets

The Board acknowledges the UK Government's net zero commitment and takes its responsibility for setting the climate change and environmental, social and governance (ESG) strategy of the Company seriously. Following the recent acquisition by Viasat, we are re-evaluating our long-term targets to align with Viasat's global approach to meet our climate responsibilities effectively.

Key stakeholder groups considered: Employees, investors (shareholders and lenders), suppliers and contractors and local communities.

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Effective risk management is fundamental to the Company's ability to meet both its short-term and longer-term strategic objectives. Risk comes hand-in-hand with business opportunity. Risk is not something that should be driven out of the business but rather something to be identified, intelligently assessed and managed. The aim is not to eliminate all risks, but to foster a culture supportive of effective risk management by encouraging appropriate risk-taking to achieve objectives. The Group's approach to risk is brought together under an overarching risk management policy. This policy, together with the risk management framework have been implemented to focus risk management on business objectives and mitigation of the largest risks.

The Group faces a broad range of risks reflecting the business environment in which it operates and the risks arising from the Group's business environment and operating model can be significant. Successful financial performance for the business is achieved by managing these risks through intelligent decision-making and an effective risk control environment to mitigate risk. The Group's risk appetite is set by the Viasat executive board and governs the amount of acceptable risks within which the Company operates. The Group's risk appetite is further disaggregated by principal risk and takes into consideration the acceptable level of risk across strategic, operational, financial, commercial, regulatory and technological risks faced across the Group. The Viasat board has overall responsibility for the Group's system of risk management and internal control and for reviewing its effectiveness. The Board is supported by the Executive Management team and the Central Risk Committee.

The Group's risks, and the factors which mitigate them, are set out in more detail below.

#	Risk	Trend year on year
1	Competition & Market	Increasing
2	Sector Consolidation	Stable
3	EAN Agreement	Decreasing
4	Failure to Innovate	Stable
5	Spectrum Access	Stable
6	Adverse Geopolitical & Macro-Economic Factors	Increasing
7	Key Supply Chain Dependency	Stable
8	Reliance on Key Channel Partners	Stable
9	Ligado Litigation	Stable
10	Access to Long-term Funding	Stable
11	Major Security or Cyber Event	Increasing
12	Failure of execution of smooth integration post-acquisition	Stable
13	Major Compliance Breach	Stable
14	Failure to Attract & Retain Talent	Increasing
15	Environmental, Social & Governance	Stable
16	Major Operational Failure	Stable

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Strategic		
6. Adverse geopolitical & macro-economic factors		
Risk appetite: medium	What is the risk?	How we manage it
<p>Risk trend: increasing (this risk is continuously increasing due to the overall global geopolitical and macro-economic situation continues to worsen)</p>	<p>Further deterioration of the geostrategic environment causes broad economic disruption and dislocation that could impede our ability to access key growth markets, impacting revenue growth.</p> <p>Our ability to deliver continued business performance could be significantly affected by the individual or aggregate impact of an increasingly complex set of macroeconomic factors all of which may combine to generate difficult and unpredictable headwinds.</p>	<ul style="list-style-type: none"> Strong relationships with in-country partners across the globe that help to navigate uncertainty. In-house experts who understand and manage sanctions compliance. Continuous review and adaptation of our strategy in reaction to developing political or economic situations. Emerging new risks arising from political decisions that could impact our business are continuously monitored and assessed for mitigation.
15. Environmental, social & governance		
Risk appetite: medium	What is the risk?	How we manage it
<p>Risk trend: stable</p>	<p>Failure to run our business in a sustainable way by assessing the environmental impact of our operations, which may result in damage to our corporate reputation or key stakeholder confidence.</p>	<ul style="list-style-type: none"> We have a sustainability team within the business to provide a strategy for the future. We work with our suppliers to reduce scope 3 emissions. New land earth stations are targeted to use 100% renewable energy. Decarbonising our future buildings by committing to BREEAM certification Formal and externally assured approach for reporting on carbon emissions and energy.
12. Failure of execution of smooth integration post-acquisition		
Risk appetite: medium	What is the risk?	How we manage it
<p>Risk trend: stable</p>	<p>Failure to properly integrate and adequately operate any merged entities once acquired resulting in lower-than-expected revenues, increased costs or capex (one off or ongoing), non-delivery of key strategic goals or reduced operating efficiency. For example, this could be due to the poor quality of the contractual estate that was acquired and/or lack of a well-planned integration plan.</p>	<ul style="list-style-type: none"> Creating a global operating model. Open communication. Accountability and organisation structures in place. Clear internal and external communication. Ensure that messages and output from our December 2023 culture survey are acted on and supported by senior leaders. Outcome oriented integration including bridging teams and culture to ensure focus, retention, coordination, effectiveness. Managing complexities of ways of working by continuous feedback.

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Operational		
11. Major Security or Cyber Event		
Risk appetite: medium	What is the risk?	How we manage it
<p>Risk trend: increasing (due to preponderance of ransomware and the frequency of recent vulnerabilities exposed within key software upon which the Group (and most industries) upon which we depend)</p>	<p>Failure to secure satellites, networks, information, data, systems, processes and services from a major security or cyber event which could impact business objectives, services to customers, performance, and reputation.</p>	<ul style="list-style-type: none"> • Policies, guidelines, and standards consistent with a positive security culture. • Continuous information security improvement programme in place. • In depth, state-of the art counter measures and monitoring. • Dedicated 24/7 cyber security operations centre. • Maturity assessment against the NIST framework. • Maintaining accreditations including ISO 27001 and cyber essentials plus. • Broad cyber security awareness programme and training.
14. Failure to Attract & Retain Talent		
Risk appetite: low	What is the risk?	How we manage it
<p>Risk trend: increasing (due to potential risk of losing critical talent to competitors especially with market being consolidated)</p>	<p>Failure to invest in the key skills required to maintain competitive advantage in the current business environment, could result in insufficient capacity or capability to deliver the core business plans and establish effective organisational structures.</p>	<ul style="list-style-type: none"> • A people strategy that identifies key employees, skills and skills gaps. • Succession plans for critical roles. • Mid-year and annual performance reviews. • Resource planning on an annual basis. • Investment in training and development. • Recruitment strategies to support the business with required competencies. • Employee engagement survey. • Diversity & Inclusion survey.
16. Major operational failure		
Risk level : medium	What is the risk?	How we manage it
<p>Risk trend: stable</p>	<p>If there is a major operational event affecting our satellites, launches or IT networks (IT disaster recovery) then our reputation or delivery capability may be heavily compromised, with material business impact in the near and long term.</p>	<ul style="list-style-type: none"> • Infrastructure and satellites are designed, built and maintained with a level of redundancy and resilience. • Space asset operation is in line with manufacturer instructions and industry best practices. • Protection against space weather and debris enhanced through participation in industry and international bodies. • Having a distributed teams, sites and infrastructure. • Operation of a broad regional service and global partner network to mitigate localised disruptions. • Business continuity and it disaster recovery arrangements are in place. • I-4 F1 outage has been mitigated by I-4 F2 relocation and successful acceleration of I-6 F1 in place. All services have been moved back to I-4 F2. Ground segment operations have adjusted to new operating conditions where required coordinated closely with cross functional activities. • As a result of I-6 F2 loss the Inmarsat 3 satellites will have to be kept in operation for further 4 years until the Inmarsat 8 are commissioned.

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Financial		
7. Key supply chain dependency		
Risk appetite: low	What is the risk?	How we manage it
Risk trend: stable	Supply chain disruption and our over reliance on key partners who are not aligned with our goals, may impact our ability to procure necessary hardware required to either upgrade existing customer’s technology or activate new customer accounts resulting in dissatisfied customers and restricted our revenue growth.	<ul style="list-style-type: none"> • A supplier relationship management framework is in place. • Contractual options with multiple launch vehicle providers are maintained. • Continuously looking to widen the scope and number of terminal manufacturers. • Ensuring competition, wherever possible, to avoid technical or capability lock-in with any supplier. • Advanced placing of orders to give suppliers best chance of on-time delivery. • Monitoring of geo-political impact and preparing for plan b where necessary.
10. Access to Long-term Funding		
Risk appetite: low	What is the risk?	How we manage it
Risk trend: stable	Unavailability of working capital and long-term funding necessary to fund the business model could impede our ability to continue to invest for future growth.	<ul style="list-style-type: none"> • Working to proactively minimise interest expense. Positive credit agency ratings allows the company to seek new funding if required. • Senior notes (SN26) held at 6.75% to the value of \$2.075bn, fixed to October 2026. No risk of rate change or requirement to repay early. • 2026 term Loan B (TLB) interest rate is capped. Early repayment in part or full is permitted. • There is an existing Revolving Credit Facility (RCF) operating at a floating rate. • Sound control framework and competent treasury capability in place.
Commercial		
1. Competition & market activity		
Risk appetite: high	What is the risk?	How we manage it
Risk trend: increasing (due to continuous emergence of new entrants into the competitive landscape)	Rapid, well-funded and widely publicised growth of new Low Earth orbit (LEO) or Medium Earth orbit (MEO) satellite operators and/or technologies may disrupt and cannibalise the satcom market, driving a rapid deterioration in our relative competitiveness and hence growth prospects.	<ul style="list-style-type: none"> • We have activities underway to enhance our services. • Proactively supporting satellite operators in forums, where appropriate, to defend broader satellite interests from use by terrestrial operators. • Investment in market intelligence to understand longer term pricing dynamics and prepare our response in advance. • Reinforcing our market focus and customer intimacy through our business units. • Continuously looking to increase our operational agility by mobilising our network capacity to leverage cost / bit capabilities. • Ensuring our roadmap has relevant capabilities in place to support delivery of roaming by forming strategic partnerships for a direct to device (“D2D”) service.

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2. Sector consolidation		
Risk appetite: medium	What is the risk?	How we manage it
Risk trend: stable	Further sector consolidation (vertical or horizontal) produces stronger competitors. This could enable competitors to offer more compelling solutions forcing existing customers to leave us and for new would-be customers to opt for the competitor's solutions resulting in loss of revenue/market share.	<ul style="list-style-type: none"> • Link 16 tactical data business to L3Harris Technologies for \$1.96b was sold. • Developing commercial strategies to retain customers in response to changes in the marketplace. • Developing new product capabilities or revised commercial offers to satisfy customer requirements. • Broadening of our market presence beyond pure connectivity to capture new value-added services to include empowered connectivity capabilities, managed services and related activities, and digital capabilities and partnerships.
8. Reliance on Key Channel Partners		
Risk appetite: medium	What is the risk?	How we manage it
Risk trend: stable	We have a reliance on a small number of key channel partners, which exposes us to risks associated with the misalignment of objectives between Inmarsat and the partner, or the financial or reputational failure of the partner, which could impact the good distribution capability needed to grow our market share.	<ul style="list-style-type: none"> • We are continuously working to better understand customer needs and developing new value propositions to meet these needs. • Reviewing our channel partner community in response to changing market dynamics. • Working dynamically with existing partners to grow their revenues. • Promoting fair play in our distribution channels. • Obtaining in-country market access for our distribution channel in advance, where possible, to make licensing requirements as straightforward as possible for our partners.
Legal/regulatory		
13. Major compliance breach		
Risk appetite: low	What is the risk?	How we manage it
Risk trend: stable	If there is a major compliance failure, emergent regulatory constraint or non-compliance with government performance specifications, we may face penalties and reputational damage, including exclusion from government bids that affects business plans resulting in increased costs or a market or sector being closed to us.	<ul style="list-style-type: none"> • Compliance horizon scanning operates to maintain awareness of new legislation. • Introduction of new policies and training into the business when required. • External advisors and in-house experts advise the business and help mitigate compliance risks. • Compliance teams are involved from the outset of any relevant new projects to ensure compliance risk is managed. • Compliance programmes and training in place for anti-bribery and corruption, export controls, sanctions, conflicts of interest and whistleblowing. We operate a gifts & hospitality register process which is reviewed by compliance. • Compliance policies and processes are maintained and updated regularly.

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9. Ligado Litigation		
Risk appetite: low	What is the risk?	How we manage it
Risk trend: stable	Ligado may seek to challenge us in respect of the co-operation agreement, possibly resulting in an adverse financial outcome for Inmarsat.	<ul style="list-style-type: none"> During the year, we executed and updated amendment agreements and continue to have discussions with Ligado.
2. European Aviation Network (EAN) Agreement		
Risk appetite: medium	What is the risk?	How we manage it
Risk trend: decreasing (due to Deutsche Telekom agreement being signed)	Failure to find an appropriate solution to EAN, at a cost acceptable to the business, may result in the network closure which would significantly impact our reputation and could prevent us from winning airline contracts.	<ul style="list-style-type: none"> Continuity of EAN network has been secured by signing a new agreement with Deutsche Telekom AG. Revenue stream from EAN has been secured by firm and planned narrowbody aircraft contracts.
Technology		
5. Spectrum access		
Risk appetite: medium	What is the risk?	How we manage it
Risk trend: stable	Failure to maintain adequate spectrum access (orbital slots, orbital planes, frequency licenses) that are well coordinated for our current and planned requirements could result in loss of competitive advantage, ability to offer service to customers and loss of revenue opportunities.	<ul style="list-style-type: none"> World Radiocommunication Conference 2024 has been completed and results were generally favourable to Viasat. However, the C-band issue continues to be under review. Additional International Telecommunications Union (ITU) satellite network filings have been submitted to strengthen our long-term filing position. Working with in-country partners/ regulators to secure licenses and market access to allow our services to operate in key countries. Working closely with regulators to source network licenses . Regularly improving the efficiency of our spectrum usage through innovation and system enhancements. Updating regulators and governments about the socio-economic contribution of our mobile satellite services.

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4. Failure to Innovate		
Risk appetite: medium	What is the risk?	How we manage it
Risk trend: stable	Failure to innovate/develop or delays in delivery of new technologies, deploy satellites, secure sufficient capacity in market/ customer-prioritized locations, introduce new products and services, or develop new propositions could make us uncompetitive, unattractive to customers which results in missed revenue opportunities.	<ul style="list-style-type: none"> We have an existing broad portfolio of products and services that address customer requirements and opportunities in several markets. A technology roadmap has been developed to guide options for future network capabilities and to address customer requirements. We have introduced new services with common technologies and developed more competitive pricing strategies. Maximising spectrum opportunities where possible. We prioritise investment to focus on new requirements. Our I-6 F1 satellite is now providing L- and Ka-band services.

Climate-related Financial Disclosures

This statement has been prepared in accordance with our regulatory obligation to report climate information pursuant to the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022.

	Disclosure	Section reference	Page[s]
A	A description of the governance arrangements of the Company or LLP in relation to assessing and managing climate-related risks and opportunities;	Governance	15
B	A description of how the Company or LLP identifies, assesses, and manages climate-related risks and opportunities;	Strategy, Risk Management	15 - 16
C	A description of how processes for identifying, assessing, and managing climate-related risks are integrated into the overall risk management process in the Company or LLP;	Strategy, Risk Management	15 - 16
D	(i) the principal climate-related risks and opportunities arising in connection with the operations of the Company or LLP, and (ii) the time periods by reference to which those risks and opportunities are assessed;	Strategy	15 - 16
E	A description of the actual and potential impacts of the principal climate-related risks and opportunities on the business model and strategy of the Company or LLP;	Strategy	15 - 16
F	An analysis of the resilience of the business model and strategy of the Company or LLP, taking into consideration of different climate-related scenarios;	Scenario Analysis	17
G	A description of the targets used by the Company or LLPs to manage climate-related risks and to realise climate-related opportunities and of performance against those targets; and	Metrics and Targets	17
H	The key performance indicators used to assess progress against targets used to manage climate-related risks and realise climate-related opportunities and a description of the calculations on which those key performance indicators are based.	Metrics and Targets	17

Inmarsat Group Holdings Limited | Strategic Report for the year ended 31 December 2023

Governance

Prior to Viasat’s acquisition of the Group on 30 May 2023, the Board of Inmarsat maintained responsibility for overseeing all risks and opportunities related to climate change. Principal risks for the business include climate change and ESG, and our Corporate Governance Policy requires that the Board retained oversight for all ESG matters. Day-to-day responsibilities for climate and ESG matters were delegated to the Chief Corporate Affairs Officer (CCAO) and the Company Secretary as a member of the Executive Management team. The CCAO chaired the Central Risk Committee, which reviewed all outputs from our ESG risk profile, and reports the financial impact of ESG and climate related risk to the Board. Additionally, the CCAO chaired the Environmental Steering Group which was active for the first half of the reporting period prior to the acquisition. These two management groups were responsible for decarbonisation and climate-related risk, ensuring a broad range of senior leaders are maintained as informed, involved and accountable for managing climate-related risks and opportunities. Since the acquisition, Viasat’s ESG Steering Group, which includes senior leaders and representation of the board, has oversight of the whole Group’s ESG impacts, risks and opportunities, including the responsibility for those related to Inmarsat. Going forward, this oversight and ownership structure will be further formalised to continue to consolidate the climate risks associated with Inmarsat with those of Viasat for holistic oversight and direction.

Strategy

Our top climate-related risks and opportunities have been defined across three timeframes: short term (2024-2027), medium term (2028–2038) and long term (2039–2050). This helps us understand the potential impact of climate-related risks and opportunities to our business, as well as the necessary action to mitigate risks and realise opportunities. We have determined that our previously reported climate-related risks and opportunities remain the top impacts to our business, and which we integrated into annual strategic and financial planning. The most significant risks and opportunities are outlined below. While the day-to-day management of these risks is shared across the organisation, this is driven in large part by the Sustainability and Social Impact team and ultimate responsibility resides with Viasat’s ESG Steering Committee.

Risk	Impact	Mitigation Controls
Physical Risks		
Asset damage <i>Long term (2039-2050)</i>	Given our global presence, we are potentially exposed to extreme weather events. This could lead to damage and loss of infrastructure and sites.	We review locations and proposed locations of our sites and networks to determine those that could face physical risks, especially sea level rise, floods and storms, and ensure network redundancy and recovery plans are established and effective.
Service disruption <i>Medium term (2028–2038)</i>	Extreme weather events like heatwaves could lead to operational disruption to our business, even shutdowns and service disruption to customers.	We continue to review, update and monitor our Business Continuity Plan to increase the resilience of our operations. We also enhance the resilience of our services by testing against real-life climate scenarios or simulations.
Energy <i>Medium term (2028–2038)</i>	As global temperatures rise, our cooling needs could lead to increased energy consumption. Conversely, extreme cold would require additional heating. Increased energy usage would impact costs and our energy footprint. It could also jeopardise achievement of our carbon reduction efforts.	As part of our carbon reduction planning, we are working to identify opportunities to switch our offices to electricity from renewable sources. In addition, we are increasing the sophistication and deployment of Building Management Systems (BMS) and other building certifications such as BREEAM in our London HQ office.

Inmarsat Group Holdings Limited | Strategic Report for the year ended 31 December 2023

Risk	Impact	Mitigation Controls
Transition Risks		
<p>Changing Customer Preferences</p> <p><i>Short-to-medium term (2024-2038)</i></p>	<p>As customer expectations increase, we could lose market share if competitors have stronger climate and ESG credentials.</p>	<p>In addition to using the latest technologies and keeping our product portfolio relevant, we ensure that our sustainability credentials continue to increase. Continuously improving our performance means that we qualify as customers update their tender requirements. Our procurement teams have been working together in order to streamline processes and requirements of suppliers in line with decarbonisation efforts. When our Carbon Disclosure Project (CDP) report work is completed, we will be combining our CDP responses as one company beginning in 2024.</p>
Opportunities		
<p>Products and Markets</p> <p><i>Medium-term (2028-2038)</i></p>	<p>Inmarsat could potentially access new markets and revenue, e.g. Our satellite-based communications solutions help aviation businesses enhance fuel efficiency. As weather patterns change, seafarers and airlines will require more advanced connectivity for optimal route planning.</p>	<p>To ensure our product offering remains relevant to our customers, we invest in product development and review market opportunities, e.g. Internet of Things (IOT), which becomes increasingly important to enable advance notifications and emergency communication amidst changing climate patterns This opportunity is expected to grow in the medium to long-term. We continue to remain a signatory to the European Space Agency's Statement for Responsible Space Sector initiative.</p>
<p>Renewable Energy (& Onsite Generation)</p> <p><i>Short-term (2024-2027)</i></p>	<p>Improving energy efficiency and increasing renewable sources across our sites will support our reduction efforts. Our energy resilience due to onsite generation will similarly reduce exposure to grid outages and pricing volatility.</p>	<p>We aim to continue the use and procurement of renewable energy, globally. Currently we use renewable energy across our sites in the UK, Netherlands, and Australia amongst other locations.</p>
<p>Green Financing</p> <p><i>Medium-term (2028-2038)</i></p>	<p>Access to lower cost of capital or debt with preferential interest on green financial instruments could result from our sustainability performance and emissions reduction.</p>	<p>We aim to enhance our ESG ratings and benefit from potential future lenders.</p>

Inmarsat Group Holdings Limited | Strategic Report for the year ended 31 December 2023

Scenario analysis

To assess the resilience of our business to these material risks under uncertain climate futures, we conducted a scenario analysis using scenarios from the Network for Greening the Financial System (NGFS) climate scenarios. We explored the impacts under three distinct scenarios and determined the resilience of our strategy under each. Top-line findings for each of the three scenarios were as follows:

Scenario Name	Scenario Description	Impact to our overview
Early policy action	A smooth transition; aligned to 1.5°C – this causes higher transition risks and limits potential physical risks.	This scenario would allow us to maximise climate-related opportunities earlier. It would also see only a gradual increase in both transition and physical risk but mean the lowest cost to our business.
Late policy action	A disruptive transition; aligned to well below 2°C (1.6°-2°C) – this leads to significant transition risk and higher physical risks.	Under this scenario, recognition of opportunities would be delayed. Transition risks would be delayed but subsequently see a more dramatic increase, while the increase in physical risks would also likely be more severe.
No policy action	A business-as-usual world; aligned to above 3°C (3.1°-4°C) – this limits the level of transition risk but causes significant physical risks.	Opportunities would be limited or lost. Transition risks would be minimal due to lack of a market or legal response. By contrast, physical risks are at the highest severity impacting business continuity and causing most business disruption.

Since the acquisition by Viasat, we are reevaluating our scenario analysis beyond that which was previously conducted. Under the new Group-wide structure, we will conduct risk assessment work to understand the Group-level impacts of climate change and determine the effectiveness and efficiencies of the controls in place across the organisation.

Risk management

All climate-related risks referenced in this disclosure were identified and assessed using Inmarsat’s risk framework. These risks are listed in the ESG risk register and monitored by the Central Risk Committee who reviewed all risk registers as well as the principal risks on our principal risk profile. Since climate and ESG are among our 16 principal risks, the Board received updates on climate related risks.

Metrics and targets

Prior to Viasat’s acquisition, Inmarsat was committed to a science-based target covering its Scope 1, 2 and 3. Inmarsat continued to monitor its performance against that commitment throughout 2023 and the various workstreams of decarbonisation actions continued, such as our procurement efforts around supplier engagement. Post acquisition, the Group is working towards an overarching climate ambition covering all entities. This is being determined as part of our Group-level business strategy reset as the integration of the two entities continue.

Inmarsat’s greenhouse gas inventory is now under the management of the Group systems and processes. Following the acquisition, the Viasat ESG Team took ownership of Inmarsat’s GHG inventory, in order to collate a groupwide emissions footprint. This Group footprint is being reported for the first time in Viasat’s 2024 ESG Report (<https://www.viasat.com/about/what-we-believe/>), and underwent external ISO 14064 verification for the newly established baseline year (Consolidated Group FY24 to 31 March 2024).

Alongside our climate action plans, we intend to develop key metrics at the Group-level to report our progress in managing climate-related impacts, risks and opportunities.

Inmarsat Group Holdings Limited | Strategic Report for the year ended 31 December 2023**Key performance indicators****Financial KPIs****Revenue**

Revenue is the Company's revenue generated from operations and increased to \$1,619.7m for the financial year 2023 (2022: \$1,474.1m). The Group has continued growth across all business units. Government revenue increase of 8.5% is attributed to growth in GX usage, increased equipment sales, and timing of contract milestones. Maritime has continued growth year on year, increasing by 4.4% primarily driven by legacy product price increases and continued strong growth of Fleet Xpress exceeding the decline in FleetBroadband. In the Aviation business unit, revenue has increased by 22.3% due to strong growth in the number of Jet Xpress installed aircraft and increased IFC revenue reflecting higher passenger usage. Enterprise revenue has increased by 8.2% driven by additional satellite phone handset sales, higher airtime from strong historical handset sales, partially offset by declines in usage from legacy products.

Why it is important:

Revenue growth validates the Company's business model, by demonstrating our ability to develop our customer base and increase average revenue per user (ARPU) across our product portfolio.

Link to risks and remuneration:

The achievement of these KPIs depends on the successful execution of the Group's strategic priorities and careful management of our risks. Incentive plans include financial metrics and the Group results as performance metrics, so the Company's KPIs will contribute to determining incentive plan payments.

EBITDA

EBITDA is total profit before net financing costs, taxation, depreciation and amortisation, gains/losses on disposals of assets, impairment losses and share of profit of associates. See Appendix 1 for alternative performance measure descriptions and reconciliations.

The Company's EBITDA increased to \$879.7m (2022: \$851.1m). This reflected strong revenue growth, partially offset by higher costs in support of revenue growth, inflationary increases, and additional costs in relation to the Viasat transaction and integration.

Why it is important:

EBITDA is a commonly used industry term to help our shareholders understand contributions made by our solutions and services. It reflects how the effect of growing revenues and cost management deliver value to our shareholders.

Link to risks and remuneration:

The achievement of these KPIs depends on the successful execution of the Group's strategic priorities and careful management of our risks. Incentive plans include financial metrics and the Group results as performance metrics, so the Company's KPIs will contribute to determining incentive plan payments.

Cash Capex

Cash capital expenditure (Cash capex) is the cash flow relating to tangible and intangible asset additions, it includes capitalised labour costs and excludes capitalised interest. See Appendix 1 for alternative performance measure descriptions and reconciliations.

The Company's cash capital expenditure increased to \$430.0m (2022: \$316.0m), an increase of 27% from 2022 supporting the move of the London HQ office, Inmarsat 8 satellite payments and other infrastructure costs.

Inmarsat Group Holdings Limited | Strategic Report for the year ended 31 December 2023**Non-Financial KPIs****Network availability**

Ongoing investment in our space and ground infrastructure ensures that customers are supported by an overall 99.9% availability target in each of our GX and L-band networks. We meet the maritime safety availability requirements set by the International Maritime Organization for L-band safety services.

Why it is important:

Ensuring our network is available and reliable is essential in providing the required quality of service to our customers. This reliability is critical for safety at sea and aviation cockpit services.

Link to risks and remuneration:

The risks for this KPI are set out in the principal risks section of this report and this KPI is included within the bonus objectives for relevant staff.

Emissions

We track our emissions to ensure we understand and can take action against our largest direct and indirect greenhouse gas impacts. In 2022, the Group approved long-term net zero science-based targets, which have been validated by the Science Based Targets initiative. Since the acquisition by Viasat in May 2023, we are re-evaluating our combined greenhouse gas inventory, impacts and action strategy.

For information on the Group's greenhouse gas (GHG) emissions please refer the Environmental Performance section within our Directors' reports on page 26, or refer to the Viasat ESG and GHG reports, which may be obtained at <https://www.viasat.com/about/what-we-believe/>.

Why it is important:

Unless urgent action is taken to limit global temperatures to 1.5 degrees above pre-industrial levels, climate change presents significant and systemic risks.

Link to risks and remuneration:

The achievement of this KPI is linked to the Company's corporate responsibility to reduce global greenhouse gas emissions and avoid the worst effects of climate change. This KPI is included within bonus objectives for relevant staff.

Employee engagement

Employee engagement describes an employee's level of commitment and enthusiasm to their work and their Company. We measured employee engagement through our People Pulse survey in May 2023, which helped us identify areas where we are performing well and those that need to be improved. To support the integration of Viasat and Inmarsat, a culture assessment was carried out in December 2023. This provided us with insights from our senior leaders and employees that identified areas that we need to focus on in order to further strengthen our organisation, and areas that are already strong and that will benefit our ways of working as we continue integration.

Why it is important:

It is important as higher levels of employee engagement and proactively managing the culture of an organisation have both been proven to positively impact business performance.

Link to risks and remuneration:

The achievement of high levels of employee engagement will contribute to our drive for a high-performance organisation and therefore underpins the delivery of all our strategic priorities. Many of the Company's risks are affected if we do not have engaged staff who are able to work effectively together.

Signed by:



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Alison Horrocks

Director

22 August 2024



Inmarsat Group Holdings Limited
Directors' Report

Inmarsat Group Holdings Limited | Directors' Report for the year ended 31 December 2023

Governance and Leadership Overview

Board Composition

Following the completion of the Viasat acquisition in May 2023 of Inmarsat, the Inmarsat Group Chief Executive Officer (CEO) and Chief Financial Officer (CFO) stepped down from the Company's Board. The Board currently comprises of five directors of which Viasat's Senior Vice President, General Counsel and Secretary and Viasat's CFO are both based in the USA, with the remaining three executive directors based in the UK and selected from the legacy Inmarsat Group senior leadership. In connection with the Viasat transaction, both the former Inmarsat CEO and Chairman joined the Viasat Inc. board of directors to promote the successful combination of the companies.

The Board is collectively responsible for the long-term success of the Company, and during the post-transaction period of transition and integration as part of the Viasat Group, are committed to setting a clear purpose, vision and sustainable strategy which creates value for existing and future customers, stakeholders and shareholders. The Board is collectively responsible for the long-term success of the Company, and during the post-transaction period of transition and integration as part of with the Viasat Group, are committed to setting a clear purpose, vision and sustainable strategy which creates value for existing and future customers, stakeholders and shareholders.

Director Responsibilities

The Board received regular reports on business, financial performance, employee and partner engagement as well as key business risks.

Opportunities and Risks

The Board seeks out opportunity while managing risk. The Central Risk Committee and the Executive Management team ensure risks are identified and managed appropriately.

Stakeholder Relationships and Engagement

Our strategic priorities and values are how we deliver our vision. The table on pages 3 to 6 sets out some of the engagement that takes place with key stakeholders.

Directors' Report

The Directors' Report for the year ended 31 December 2023 comprises pages 20 to 31 of this report, together with sections of the Annual Report incorporated by reference. As permitted by the legislation, some of the matters required to be included in the Directors' Report have instead been included in the Strategic Report as the Board considers them of strategic importance. This includes:

- | | |
|---|---|
| • Stakeholder engagement | 3 |
| • Future business developments throughout the Strategic Report Principal risks and uncertainties facing the Group | 8 |

Corporate Governance Statement

The Board of Inmarsat Group Holdings Limited is pleased to present its Corporate Governance Statement for the period ended 31 December 2023. This statement includes a review of how corporate governance acts as the foundation of our corporate activity and is embedded in our business and the decisions we make. The Board is committed to the creation of long-term sustainable value for the benefit of our shareholders, employees and wider stakeholders.

During the period up to the completion of the Viasat transaction in May 2023, the Company had committed to follow the Corporate Governance Policy adopted in early 2023, which was a combination of both the Wates Principles for Large Private Companies and its own pre-existing governance frameworks which provided detailed governance principles reserved for the Board and its subsidiary boards. Following the Viasat acquisition of the Inmarsat Group and its subsidiaries, the Company is maintaining the pre transaction framework, whilst working through this period of transition and integration with the Viasat Group standards of governance.

How the Board operates

The Company has established a Board with a balance of skills, backgrounds, experience and knowledge required to compliment the promotion of the long-term success of the Company and to identify the impacts of the Board's decisions on its stakeholders, and where relevant, the likely consequences of those decisions in the long-term. Individual Directors have sufficient capacity to make a valuable contribution that is aligned to the Company's activities (details of the skills and experience are set out on page 24 of this Directors' Report).

Inmarsat Group Holdings Limited | Directors' Report for the year ended 31 December 2023

The Directors are mindful of corporate governance and demonstrate an understanding of their accountability and statutory responsibilities. The Board understands its primary duties under the Companies Act 2006 and broader regulatory responsibilities e.g. General Data Protection Regulations, Anti-Money Laundering, Corporate Criminal Offence Regulations.

Role of the Board

The Board is ultimately responsible for organising and directing the affairs of the Company in a manner most likely to promote the success of the Company for the benefit of its investors and other stakeholders whilst complying with legal and regulatory frameworks.

Our Board is ultimately accountable for:

- The long-term success of the Company, having regard for the interests of all stakeholders.
- Ensuring the effectiveness and reporting on our system of governance, including retaining oversight of its delegated responsibilities.
- The performance and proper conduct of the business and ensuring a positive culture is supported.

Responsibility for developing and implementing strategy is delegated to the Viasat Executive Management team. Details of the Viasat Executive Management team can be found on our website at www.inmarsat.com/en/about/who-we-are/leadership-team-and-board and www.viasat.com/about/who-we-are/viasat-leadership. The details of the directors can be found on pages 23 to 24.

In making its decisions, the Executive Management team is required to consider the outcome of any stakeholder impact assessment that has been undertaken to support it making any recommendations. The Executive Management team reports back to the Board as part of the wider risk management and internal controls of the Viasat Group.

A formal schedule of matters specifically reserved for decision or consideration by the Board as a whole has been agreed by the Directors. This schedule covers areas such as:

- Major capital projects
- Significant capital structure changes
- Investments
- Acquisitions, divestments and M&A activity.

In 2023 we focused on the following key areas:

- Strategy review and development
- Received regular updates on the Viasat acquisition
- Ensuring appropriate financial and operational management
- Implementing governance and ethics and monitoring risk

Executive Management team

The CEO, Rajeev Suri resigned on 30 May 2023. The CFO, Tony Bates resigned on 31 August 2023 and following completion of the Viasat acquisition, both roles ceased to exist. The Viasat Executive management team reports to Guru Gowrappan, President of Viasat who has taken over the responsibilities of the former Inmarsat CEO. Shawn Duffy, Senior Vice President and Chief Financial Officer of Viasat, has taken over the responsibilities of the former Inmarsat CFO. All other governance structures remain in place.

The President chairs the Executive Management team which meets monthly with additional meetings as required. As part of its remit, this team focuses on the Group's strategy, financial reviews and long-range business planning, the competitive landscape, strategic updates from all areas of the business, risk reviews, culture, learning and development and organisational development.

Inmarsat Group Holdings Limited | Directors' Report for the year ended 31 December 2023

Board of Directors

A full list of individuals who were directors of the Company during the year ended 31 December 2023 is set out below:

Name	Title	Resignation date	Appointment date
Rajeev Suri	CEO	30 May 2023	N/a
Antony Bates	CFO	31 August 2023	N/a
Robert Blair	Director	N/a	31 August 2023
Shawn Duffy	CFO	N/a	31 August 2023
Benjamin Palmer OBE	Director	N/a	31 August 2023
Alison Horrocks	Director	N/a	16 December 2003
Jason Smith	Director	N/a	31 August 2023

Governance and Conduct of Board meetings pre-acquisition by Viasat

During the year and prior to the acquisition by Viasat, the Board met two times. The attendance at the meetings can be seen in the table below:

Name	No. of Meetings	Meeting Date	Percentage attendance
Rajeev Suri	-	N/a	N/a
Antony Bates	2	16 July 2023 and 31 August 2023	100%
Alison Horrocks	2	16 July 2023 and 31 August 2023	100%

Key roles and responsibilities

Shawn Duffy is responsible for:

- Leading the global finance function and oversees the relationship with the investment community.
- Ensure effective reporting procedures and controls are in place.

Alison Horrocks is a Director and the Company Secretary to the Board and is responsible for:

- Ensuring that all Directors have full and timely access to all relevant information.

Robert Blair is responsible for:

- Leading the global legal strategy, including overseeing all legal matters across corporate governance, securities and compliance, antitrust and corruption, employment, intellectual property, privacy and litigation.

Jason Smith is responsible for:

- Leading the global operations and service delivery, assuring the quality of service and customer experience excellence.
- Leading the Company's London headquarters.

Ben Palmer OBE is responsible for:

- Leading the global commercial strategy and execution in merchant maritime, offshore energy, fishing, maritime passenger and leisure markets.

Guru Gowrappan is the President of Viasat, and is responsible for:

- Leading the integration of the Inmarsat Group with Viasat.
- The development and implementation of the business strategy.
- The day-to-day business management of the Group's operations and its financial results.
- Recommending the strategic objectives for the Inmarsat Group, for debate, challenge and approval by the Board.
- Ensuring the wellbeing of staff is a focal point for the Company and encouraging a strong DE&I culture.
- Ensuring we meet the milestones for our key programs with a priority to focus on our customers, target revenue growth and deliver enhanced returns to shareholders.
- Guiding the Company's global services, product and technology, leading all operational divisions and driving growth for strategic investments.
- Chairing the Viasat Executive Management team.

Inmarsat Group Holdings Limited | Directors' Report for the year ended 31 December 2023Background and relevant experience**Shawn Duffy (Director and CFO)**

Shawn serves as Senior Vice President and Chief Financial Officer at Viasat, Inc., and is a member of the Executive Management Team. Shawn leads the Company's global financial operations, overseeing all financial functions from accounting, auditing, corporate development, financial planning, reporting to investor relations, tax and treasury. Shawn has been instrumental in helping Viasat grow into a multinational organisation.

Shawn joined Viasat in 2005. During her tenure with the Company, she has held several senior financial positions including Corporate Controller and Chief Accounting Officer before being named Chief Financial Officer in 2014.

Shawn is a certified public accountant in the State of California. She holds a Bachelor of Science degree in Business Administration (Accounting) from San Diego State University.

Alison Horrocks (Director and Company Secretary)

Alison joined Inmarsat in 1999 and was responsible for risk, compliance and corporate governance across the Company. She was a member of the Executive Management Team until 21 August 2023 and Chairman of the Trustee Company for the Inmarsat UK pension plans. Alison previously managed our operations in India, China and Russia and the legal and market access regulatory teams.

Following completion of the Viasat acquisition, Alison transitioned to a role in People & Culture supporting sustainability and employer reputation for the Viasat group.

Alison was Group Company Secretary of International Public Relations plc, a worldwide public relations Company, for 11 years prior to joining Inmarsat. Alison is a Fellow of the Chartered Governance Institute.

Robert Blair (Director and Senior Vice President, General Counsel and Secretary)

Robert serves as Senior Vice President, General Counsel and Secretary of Viasat, Inc. In this role, he is responsible for the Company's global legal strategy, which includes overseeing all legal matters across corporate governance, securities and compliance, antitrust and competition, employment, intellectual property, privacy and litigation. Robert also serves as Viasat's Corporate Secretary.

Robert joined Viasat in May 2008. He previously held a variety of roles within Viasat's legal organisation, including Assistant General Counsel, Associate General Counsel and Deputy General Counsel until he assumed his current position in May 2017.

Robert holds a JD degree from Stanford University and Bachelor of Art degrees in Broadcast Journalism and Policy Studies from Syracuse University.

Jason Smith (Director and Chief Operations Officer)

Jason is responsible for Inmarsat's global operations and service delivery, including the satellite fleet and ground network, business and IT systems, business transformation programmes, global service delivery and distribution, assuring the quality of service and customer experience excellence.

Prior to joining Inmarsat, Jason was the President Nuclear/ COO Nuclear/ President Submarines at Rolls-Royce from 2009 to 2015. Before that, Jason was the Deputy Managing Director/Programme and Business Management Director at AWE from 2000 to 2009.

Jason holds an MBA from Edinburgh Napier University and a BSc (Hons) in Mathematics and Physics from the University of Glasgow.

Ben Palmer OBE (Director and President, Maritime Business Unit)

Ben was appointed President of Inmarsat's maritime business in November 2021. He is responsible for the Company's global commercial strategy and execution in merchant maritime, offshore energy, fishing, maritime passenger and leisure markets.

Ben has over 25 years' experience of driving growth, performance improvement and transformation in complex technology-heavy businesses. He has a track record of building high performing teams, is committed to placing the customer at the heart of what we do and enjoys building deep relationships to deliver value.

Prior to joining Inmarsat, Ben was the Managing Director (2019-2021) of Northrop Grumman's Mission Systems Europe division.

Ben holds an MSc (Sloan) in Leadership, Strategy and Business Transformation from London Business School and a BA (Hons) in Philosophy, Politics and Economics from the University of Oxford.

No Director had during the year or at the end of the year any material interest in any contract of significance to the Company's business.

Inmarsat Group Holdings Limited | Directors' Report for the year ended 31 December 2023

Principal activities

The principal activity of the Company is the supply of global mobile satellite communications services ('MSS'), providing data and voice connectivity to end-users worldwide.

Results and Dividends

The Company's results for the financial year are shown in the Income Statement on page 33. No dividend for the year ended 31 December 2023 has been declared or paid.

Future developments

The Company intends to continue operating in the areas of provision of global mobile satellite communications services including data and voice connectivity to end users.

Events since the balance sheet date

Details of events since the balance sheet date are given in note 34 to the financial statements.

Conflicts of interests

The Company has in place procedures for managing conflicts of interests and is aware of any potential conflict through annual review of other commitments of its Directors.

Going concern

In order to confirm that the business should adopt the going concern basis in preparing the consolidated financial statements for 2023, the Board in conjunction with the Viasat Executive Management team has considered all the factors likely to affect its future development, performance and its financial position including the matters disclosed in the Strategic and Directors' Report.

The Group has a robust and resilient business model, positive free cash flow generation, and is compliant with all banking covenants. As at 31 December 2023, the Group has \$1,014.6m of liquid resources (Cash: \$284.6m, short-term deposits: \$30.0m, undrawn revolving credit facility (RCF): \$700.0m) and a continued expectation that the Group will generate positive free cash flow and reduce leverage over the medium to long term. Subsequent to year end, the Group renegotiated the RCF which resulted in a downsize from \$700m to \$550m and extended 3 years with a new maturity date of 28 March 2027, refer to note 34 for further details. As of 30 June 2024, there were no outstanding balances under the revolving credit facility. As at 30 June 2024, the Group has \$1,231.2m of liquid resources (Cash: \$681.2m, undrawn RCF: \$550.0m).

On 8 November 2021 the Connect Topco shareholders accepted an offer from Viasat Inc. to purchase the Group for approximately \$7.3 billion. On 30 May 2023, Viasat, Inc. completed the acquisition of the Company which resulted in Viasat, Inc. acquiring control of the Group. The Going concern assessment has been performed using the Group financial performance and position.

The Board and Management have also considered a number of possible scenarios and their impact on future revenues, EBITDA and liquidity. Under all scenarios there continues to be sufficient headroom to the Financial Performance Covenant under the debt agreements. The Group continues to have sufficient headroom to the Financial Performance Covenant under the debt agreements. The Group has assessed the future compliance through the most recently approved budget, which has considered the maturity profile of the existing debt facilities and the \$700 million undrawn revolving credit facility as discussed in note 20 of the annual report.

After considering current financial projections and facilities available and after making enquiries with the new owners, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Consequently, the Group continues to adopt the going concern basis in preparing the 2023 consolidated financial statements.

Inmarsat Group Holdings Limited | Directors' Report for the year ended 31 December 2023

Environmental Performance and Strategy

Greenhouse gas (GHG) emissions

This section has been prepared in accordance with our regulatory obligation to report greenhouse gas (GHG) emissions pursuant to the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 which implement the government's policy on Streamlined Energy and Carbon Reporting.

The performance tables below outline our greenhouse gas emissions for the years ended 31 December 2022 and 31 December 2023. Our emissions have been verified to a limited level of assurance by an external third party according to the ISO 14064-1: 2018 standard to ensure the reliability of our GHG reporting. These verification statements, GHG and ESG reports are published annually and can be found on our website (<https://www.viasat.com/about/what-we-believe/>).

Methodology

Due to the acquisition by Viasat, we have consolidated our GHG emissions calculations and inventory at the Group level. However, we continue to quantify and report our organisational GHG emissions according to the Greenhouse Gas Protocol, and in line with the Streamlined Energy and Carbon Reporting requirements. For purposes of meeting these requirements to report on the Inmarsat entity-related emissions, consumption data has been collated and has been converted into CO2 equivalents using the most specific emission factor available, by region. For example, our UK operations utilized the UK Government 2023 Conversion Factors, for reporting.

We quantify and report our organisational GHG emissions in alignment with the World Resources Institute's Greenhouse Gas Protocol Corporate Accounting and Reporting Standard and in alignment with the Scope 2 Guidance; we have therefore reported both a location-based and market-based Scope 2 emissions figure. The Scope 2 market-based figure reflects emissions from electricity purchasing decisions that Inmarsat has made. For the Scope 2 location-based figure, we used average emissions factors for the country in which the reported operations take place, (EPA e-grid, DEFRA, IEA, etc.). The performance table below shows our total emissions for the year ended 31 December 2023 using the two different Scope 2 accounting methodologies.

Performance

Our Scope 1 and 2 emissions intensity was 0.59 tCO2e / Rev (Million GBP) (using the market-based Scope 2 accounting approach). Details on our energy efficiency initiatives can be found on pages 27.

To meet our requirements under the Streamlined Energy and Carbon Reporting obligations, our emissions related to the UK, included in the table below, equal 664 tCO2e Scope 1 and 1,684 tCO2e Scope 2 (location-based). During the reporting period our measured Scope 1 and 2 emissions (location-based) totaled 2,348 tCO2e.

Streamlined Energy and Carbon Reporting (SECR)		2023	2022
Inmarsat Group Holdings Limited		UK	UK
Total energy (kWh)		11,760,813	11,592,000
Scope 1	Natural gas (tCO2e)	664	722
	Fuel for transport (tCO2e)	-	-
	Other fuels (tCO2e)	-	-
Scope 2	Location-based (tCO2e)	1,684	1,513
	Market-based (tCO2e)	288	59
Total Scope 1 & 2 (Location-Based) (tCO2e)		2,348	2,348
Total Scope 1 & 2 (Market-Based) (tCO2e)		952	952
Scope 1 & 2 intensity per Rev (tCO2e / Million GBP) – market-based		0.59	0.59
Scope 3	Business travel – Where fuel is directly purchased by reporting organisation e.g. hire car or reimbursed travel (tCO2e)	93	<i>data not available*</i>

*Data related to this category has not historically been reported and was not available for activities prior to 2022.

Inmarsat Group Holdings Limited | Directors' Report for the year ended 31 December 2023

Reporting boundaries and limitations

We consolidate our organisational boundary according to the operational control approach and have adopted a materiality threshold of 5% for GHG reporting purposes. We continue to include our Land Earth Stations within our Scope 1 and 2 boundary. Our network ground infrastructure, whilst operated by a third party in some cases, meet the criteria under the GHG Protocol of operational control and we have therefore chosen to include them within our 2023 reporting for completeness and transparency. Whenever data was provided by sites, the data was included in emissions calculations, even if they fall outside our materiality threshold. In some cases, where data is missing, values have been estimated using either extrapolation of available data or data from the previous year as a proxy.

For reporting purposes in line with our regulatory obligations, our Scope 1 and 2 emissions for all UK sites and Scope 3 emissions from business travel have been disclosed, these include:

- Scope 1: Natural gas combustion within boilers, gas oil combustion within generators, road fuel combustion within owned and leased vehicles, and fugitive refrigerants from air-conditioning equipment
- Scope 2: Purchased electricity and heat consumption for our own use.
- Scope 3: Business travel (where applicable)

A complete greenhouse gas footprint covering further Scope 3 emissions categories is included for the Viasat Group, in the Viasat FY24 ESG Report which will be available online in August 2024: www.viasat.com/about/what-we-believe/csr-report/.

Energy efficiency

Our London office is on a 100% renewable energy contract. In early 2024 we moved our London Headquarters from City Road to 50 Finsbury Square. At the new London Headquarters, we continue to source our electricity from 100% renewable sources and made upgrades to reduce our ongoing energy consumption:

- Removal of natural gas usage
- BREEAM New Construction Excellent Certification and working towards BREEAM In-Use Excellence
- Software tools to assist building management and operations to save energy and water

The following offices are currently on renewable energy contracts:

- London (UK) – 100% renewable
- Den Haag (Netherlands) - 100% renewable
- Sydney (Australia) - 100% renewable

Inmarsat Group Holdings Limited | Directors' Report for the year ended 31 December 2023

ESG Reporting

In 2021, Inmarsat began an in-depth review to align its business processes with the recommendations of the Taskforce on Climate-Related Financial Disclosures (TCFD) and identified risks and conducted preliminary qualitative scenario analysis. This was followed by the integration of climate-related risk into risk management, governance structures and routines. By 2022, Inmarsat submitted a near and long-term science-based targets to the SBTi for verification, progressed climate-related risk management and started work on activities to realise these goals. The near-term targets were validated in October 2022 (further information can be found in Inmarsat's 2022 CDP Climate Change Response, as well as Inmarsat's 2022 ESG report available on <https://www.inmarsat.com/en/sustainability>). Following the acquisition in May 2023, we are reviewing all previously stated commitments for the combined organisation and expect to consolidate our approach for the business moving forward.

We recognise the impact that our products and services may have on climate change and are working to review how we can reduce our environmental impacts and our carbon footprint. As an example, across the broader satellite industry, satellite launch companies are reviewing how they can become more accountable for carbon generation through innovative new satellite launch techniques. We continue to work together with our industry partners, including our launch providers to see how we can improve techniques for our future launches and reduce the footprint of our products.

We were able to reduce carbon emissions by choosing launch provider Space X and selecting its Falcon 9 reusable rocket. Both the rocket's booster and fairing have already been used for multiple launch missions and will continue to be used after the I-6 F2 satellite was launched in February 2023. This significantly reduced the environmental impact of the procurement and manufacture of a single-use rocket specifically for our satellite launch. In addition, the Falcon 9 does not use the Solid Rocket Boosters (SRBs) element, the most polluting aspect of a typical launch.

Taking account of our responsibilities socially and environmentally is important in the way we operate and interact with all our stakeholders. Our environmental impacts include the use of natural resources, the consumption of energy and water, the production of a variety of waste, as well as staff and visitor travel. We provide further details of our vision, strategy, and how we manage our environmental activities and impacts in the Viasat Group ESG report, which will be available online in August 2024 and includes further details on vision, strategy and scope 3 emissions www.viasat.com/about/what-we-believe/csr-report/.

Our People

During 2023, we continued our focus on providing employees with information as we progressed towards the completion of the acquisition of Inmarsat by Viasat, which occurred at the end of May 2023. We maintained a focus on ways of working and employee wellbeing throughout this period. Prior to the acquisition completing, we completed a staff survey to gauge feedback from staff where we had an improvement in our engagement score to 8.1/10. Since the acquisition, there has been a strong focus on integration across all business areas and transformation of the business to identify where there are synergies and opportunities. As a consequence of this review, there was a reduction in force which occurred towards the end of 2023 which meant a number of roles in the Inmarsat Group fell away.

Viasat transaction

One of the key challenges for the year from a people perspective was leading our employees through uncertainty regarding the Viasat transaction as the regulatory process progressed across the globe. This required an extensive communications and engagement plan to keep people informed and engaged, including an introduction to Viasat via an All Staff meeting with Mark Dankberg, Executive Chairman at Viasat and Q&As with some of the Executive Management team. Since the transaction, staff updates have continued and there are regular updates from the President and other Executive Management team members.

Internal transformation

We continued to transform by improving and simplifying key processes and ways of working, and increased our focus on becoming a more commercial and customer focused organisation, including delivering our sales excellence development programme for front line salespeople, focusing on the 'customer' element of our Company values.

Evolving the way we work

During 2023, we continued to focus on the ability of our employees across the globe to work flexibly. This continued following the acquisition with no change in how this was managed. This enabled us to continue to encourage work-life balance and ensure Inmarsat is considered by employees as a great place to work whilst also driving business performance. During 2023, plans progressed for the move from our headquarters where we had been located for over 25 years to new offices in London. This move to state of the art sustainably created and managed offices occurred in February 2024.

Inmarsat Group Holdings Limited | Directors' Report for the year ended 31 December 2023*Reward and recognition*

Our 2022 bonus payments were delivered to our employees in the normal timeframe in March 2023. In June 2023, in the month following the completion of the acquisition of Inmarsat by Viasat, employees received any payment for the employee stock awards which were paid out as part of the terms of the acquisition. Other stock awards were paid out or confirmed to be paid out in accordance with the terms of the acquisition for participating employees. In July 2023, there were regular salary reviews undertaken. Bonus payments for the financial year 2023 were approved and paid in March 2024. Spotbeam awards continued to be awarded during 2023 under the Inmarsat arrangements and continue while the reward schemes are brought together as one plan following the acquisition.

Learning and development

We continued to support our people to fulfil their potential via the provision of a broad portfolio of learning and development opportunities, building professional and leadership capability (e.g. MBAs, 360 feedback at Senior leader level that was extended out to all people managers), and a specific focus on building commercial capability through our new Sales Excellence programme. In addition, we continued to offer extensive employee development, including our 'Drive YOUR Career' toolkit and a broad online learning offer via our digital hub called Nebula.

Communications and engagement

Throughout the year there was ongoing focus on communications and engagement to retain and engage our people, as we were going through a complex, length transaction process up until the end of May 2023. Ensuring there was transparency regarding timing and the impact on the business was important and this was maintained with regular staff meetings, email updates and employee briefings. Since the acquisition, we have continued regular communications with all employees which range from all staff meetings, divisional meetings, leadership team updates and regular emails from the President. We also undertook a group wide culture survey at the end of 2023 to understand the benchmark for how employees thought the business was operating. There has been a summary of initial feedback shared with employees and this is an ongoing piece of work in 2024.

Diversity Equity and Inclusion (DE&I)

We continued our DE&I journey with a review of the strategy, delivery of another employee survey in early 2023, the ongoing rollout of our parent and carers and military networks and delivery of inclusive leadership training. Following the acquisition, our employees were able to participate in more employee networks which are actively supported and communicated to all employees.

Wellbeing

2023 saw the continuation of our focus on wellbeing across the four pillars that constitute our wellbeing strategy (financial, social, mental and physical) including the relaunch of our global Employee Assistance Programme, our 'March in May' philanthropic physical fitness campaign which raised money for various charities and a range of wellbeing tools and resources shared via our monthly 'Ways of Working and Wellbeing' newsletter. We continue our approach on giving back in response to employee sentiment, by setting up a donation matching scheme to support charities nominated by our people in response to some global charitable initiatives.

Our working environment

Finally, working environments are becoming increasingly important for employees and are an important factor in encouraging people back into the physical workspace. Significant progress in fitting out our new headquarters building in London to create a state-of-the-art BREEAM standard building in 2023 and into which the Company relocated to our new London headquarters in February 2024.

Environmental, Health and Safety Management

The Group is committed and continues to aim to maintain the highest environmental, wellbeing, health and safety management standards for its employees, customers, visitors, contractors and anyone affected by its business activities. During 2023, we remained focused on improving and developing the environment, health and safety management system and reviewing existing arrangements. There is a newly appointed Director for environmental, health and safety matters following the departure of the CEO. The environmental, health and safety team is supported globally by employees having roles and responsibilities whose objectives are to ensure that environmental, health and safety are managed well across the Company.

We apply a range of tools to improve environmental, health and safety, bringing together different interventions to achieve impact. We influence and engage stakeholders, create knowledge and awareness of health and safety risks, and encourage behaviour change through assessments and direct interventions including inspections and investigations.

We promote a broad variety of transparent and maturing wellbeing programmes, including fitness challenges, flexible working, nutrition, and occupational health checks. We understand that good mental and physical health contributes to better decision-making, greater productivity, and higher levels of employee satisfaction.

Inmarsat Group Holdings Limited | Directors' Report for the year ended 31 December 2023

Our aim continues to encourage strong leadership in championing the importance of meeting our moral, legal and other requirements for good environmental, health and safety management in the workplace and to raise awareness throughout.

Disabled employees

When recruiting, we value diversity in its broadest definition and work to provide opportunities for all, including for disabled employees by reviewing the requirements of their working environment to accommodate practical changes as far as possible to allow them to continue in their daily work routine. If such changes were unrealistic to implement we would review alternative employment options for the individual within the Group. We do not tolerate discrimination in any form – race, gender, age, culture, nationality and disability – against our employees, either from other employees or third parties.

Directors' indemnity

Directors' and Officers' Insurance has been established for all Directors' and Officers' in respect of liabilities incurred by them in the execution and discharge of their duties. Each of the Directors' and Officers' also benefit from an indemnity given by the Company under its Articles of Association. No payments have been made under either of these indemnities in any year.

Principal risks and uncertainties

Details of principal risks and uncertainties are provided on pages 8 to 14.

Financial risk management

Details of the financial risk management objectives and policies of the Group, including hedging policies and exposure of the entity to price risk, credit risk, liquidity risk, interest rate and cash flow risk are given in notes 3 and 31 to the consolidated financial statements.

Research and development

The Group continues to invest in new services and technology necessary to support its activities through research and development programmes. Refer notes 6, 13 & 14 of the consolidated financial statements respectively.

Political donations

During the period, no political donations were made (2022: \$nil). It remains the policy of the Company not to make political donations or incur political expenditure.

Disclosure of information to auditor

As far as each of the Directors is aware, there is no relevant audit information of which the Company's auditors are unaware and the Directors have taken all the steps that ought to have been taken to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Deloitte LLP, having expressed their willingness to act, were appointed auditors of the Company. Deloitte LLP are expected to resign as auditors of the Company and a new auditor will be appointed for the 2024 financial year.

Approved by the Board and signed on its behalf by:

Signed by:



63BCDBF93A3D451...

Alison Horrocks FCG

Company Secretary

22 August 2024

Inmarsat Group Holdings Limited | Statement of Directors responsibilities for the year ended 31 December 2023**Statement of Directors' responsibilities**

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

The Companies Act 2006 requires the Directors to prepare financial statements for each financial year. Under that law the directors are required to prepare the Group financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. The financial statements also comply with International Financial Reporting Standards (IFRSs) as issued by the IASB. The Directors have also chosen to prepare the Parent Company financial statements in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework. Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group and Company for that period.

In preparing the Company financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently.
- Make judgments and accounting estimates that are reasonable and prudent.
- State whether Financial Reporting Standard 101 Reduced Disclosure Framework has been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

In preparing the Group financial statements, International Accounting Standard 1 requires that Directors:

- Properly select and apply accounting policies.
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information.
- Provide additional disclosures when compliance with the specific requirements of IFRS are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance.
- Make an assessment of the Company's ability to continue as a going concern.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's corporate website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Responsibility statement

We confirm that to the best of our knowledge:

- The financial statements, prepared in accordance with the relevant financial reporting framework, Give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group and the undertakings included in the consolidation taken as a whole.
- The Strategic Report includes a fair review of the development and performance of the business and the position of the Group and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.
- The Annual Report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Group's performance, business model and strategy.

Approved by the Board and signed on its behalf by:

Signed by:

 63BCDBF93A3D451...
Alison Horrocks
 Company Secretary
 22 August 2024



Inmarsat Group Holdings Limited
Financial Statement Report

Inmarsat Group Holdings Limited
Consolidated Income Statement
For the year ended 31 December 2023

(\$ in millions)	Note	2023	2022
Revenue	5	1,619.7	1,474.1
Employee benefit costs	7	(392.6)	(310.5)
Network and satellite operations costs		(179.6)	(178.9)
Reversal of impairment of financial assets ¹		4.1	17.9
Other operating costs		(226.0)	(195.1)
Own work capitalised		54.1	43.6
Total net operating costs		(740.0)	(623.0)
EBITDA		879.7	851.1
Depreciation and amortisation		(399.3)	(391.5)
Loss on disposal of assets		(3.3)	(1.9)
Impairment of assets	6	(493.3)	(0.3)
Proceeds from insurance	6	349.0	-
Share of profit of associates	16	7.1	7.2
Operating profit	6	339.9	464.6
Financing income		136.2	75.4
Financing costs		(108.2)	(75.6)
Net financing income / (costs)	9	28.0	(0.2)
Profit before tax		367.9	464.4
Taxation charge	10	(116.7)	(101.7)
Profit for the year		251.2	362.7
Attributable to:			
Equity holders		251.0	362.1
Non-controlling interest ²		0.2	0.6

¹ \$30m was received from Ligado in Q2 2023 which released a \$4.5m impairment on the existing receivable, this was partially offset by \$0.4m impairment of financial assets. \$30.0m was also received from Ligado in Q4 2022 which released a \$15.3m impairment on the existing receivable owing at that time, and there was a further net \$2.6m reversal of impairment of financial assets relating to other customers. (refer note 4(a)).

² Non-controlling interest related to the Group's 51% shareholding in Inmarsat Solutions ehf. During Q2 2023 Inmarsat acquired the remaining shareholding in Inmarsat Solutions ehf.

The accompanying notes are an integral part of the financial statements.

Inmarsat Group Holdings Limited
Consolidated Statement of Comprehensive Income
For the year ended 31 December 2023

(\$ in millions)	Note	2023	2022
Profit for the year		251.2	362.7
Other comprehensive income			
Items that may be reclassified subsequently to the Income Statement:			
Foreign exchange translation differences		(0.4)	(0.2)
Items that will not be reclassified subsequently to the Income Statement:			
Re-measurement of pension assets and liabilities	27	(0.8)	3.9
Tax credited / (charged) directly to equity	10	0.2	(1.1)
Other comprehensive (expense) / income for the year, net of tax		(1.0)	2.6
Total comprehensive income for the year, net of tax		250.2	365.3
Attributable to:			
Equity holders		250.0	364.7
Non-controlling interest ¹		0.2	0.6

¹ Non-controlling interest related to the Group's 51% shareholding in Inmarsat Solutions ehf. During Q2 2023 Inmarsat acquired the remaining shareholding in Inmarsat Solutions ehf.

The accompanying notes are an integral part of the financial statements.

Inmarsat Group Holdings Limited
Consolidated Balance Sheet
As at 31 December 2023

(\$ in millions)	Note	As at 31 December 2023	As at 31 December 2022
Assets			
Non-current assets			
Property, plant and equipment	13	2,912.4	3,304.9
Intangible assets	14	802.5	788.5
Right of use assets	15	81.6	26.4
Investments	16	30.4	28.4
Lease receivable		0.2	0.4
Other receivables	18	1,248.5	1,121.6
Deferred tax asset	23	41.8	34.6
		5,117.4	5,304.8
Current assets			
Cash and cash equivalents	17	284.6	233.4
Short-term deposits	17	30.0	109.1
Trade and other receivables	18	704.7	292.2
Lease receivable		0.2	1.3
Inventories	19	71.1	57.2
Current tax assets	23	18.3	3.1
		1,108.9	696.3
		6,226.3	6,001.1
Total assets			
Liabilities			
Current liabilities			
Borrowings	20	9.9	9.9
Trade and other payables	21	1,318.8	1,351.9
Provisions	22	9.7	3.6
Current tax liabilities	23	231.0	256.8
Lease obligations	15	19.0	9.9
		1,588.4	1,632.1
Non-current liabilities			
Borrowings	20	2,176.0	2,232.4
Other payables	21	14.0	12.8
Provisions	22	4.3	3.7
Deferred tax liabilities	23	444.4	426.0
Lease obligations	15	81.1	23.9
		2,719.8	2,698.8
		4,308.2	4,330.9
Total liabilities			
Net assets			
		1,918.1	1,670.2
Shareholders' equity			
Ordinary shares	25	0.3	0.3
Share premium	25	772.1	772.1
Hedge and other reserves		(2.0)	(1.6)
Retained earnings		1,147.7	898.6
		1,918.1	1,669.4
Equity attributable to shareholders			
Non-controlling interest¹			
		-	0.8
Total equity			
		1,918.1	1,670.2

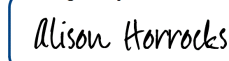
¹ Non-controlling interest related to the Group's 51% shareholding in Inmarsat Solutions ehf. During Q2 2023 Inmarsat acquired the remaining shareholding in

Inmarsat Solutions ehf.

The accompanying notes are an integral part of the financial statements.

The consolidated financial statements of the Group were approved by the Board of Directors on 22 August 2024 and were signed on its behalf by:

Signed by:



ALISON HORROCKS

Director

Inmarsat Group Holdings Limited
Consolidated Statement of Changes in Equity
For the year ended 31 December 2023

(\$ in millions)	Share capital	Share premium	Other reserves	Retained earnings	NCI ¹	Total
As at 1 January 2022	0.3	772.1	(1.4)	533.7	0.9	1,305.6
Dividend declared	-	-	-	-	(0.7)	(0.7)
<i>Comprehensive Income:</i>						
Profit for the year	-	-	-	362.1	0.6	362.7
Other Comprehensive (expense) / income – before tax	-	-	(0.2)	3.9	-	3.7
Other Comprehensive expense – tax	-	-	-	(1.1)	-	(1.1)
As at 31 December 2022	0.3	772.1	(1.6)	898.6	0.8	1,670.2
As at 1 January 2023	0.3	772.1	(1.6)	898.6	0.8	1,670.2
Dividend declared	-	-	-	-	(0.5)	(0.5)
Acquisition of remaining shares in Inmarsat Solutions ehf. ¹				(1.3)	(0.5)	(1.8)
<i>Comprehensive Income:</i>						
Profit for the year	-	-	-	251.0	0.2	251.2
Other Comprehensive expense – before tax	-	-	(0.4)	(0.8)	-	(1.2)
Other Comprehensive Income – tax	-	-	-	0.2	-	0.2
As at 31 December 2023	0.3	772.1	(2.0)	1,147.7	-	1,918.1

¹ Non-controlling interest related to the Group's 51% shareholding in Inmarsat Solutions ehf. During Q2 2023 Inmarsat acquired the remaining shareholding in Inmarsat Solutions ehf.

The accompanying notes are an integral part of the financial statements.

Inmarsat Group Holdings Limited
Consolidated Statement of Cash Flows
For the year ended 31 December 2023

(\$ in millions)	Note	2023	2022
Cash flow from operating activities			
Cash generated from operations	24	795.8	852.6
Interest received		14.0	3.0
Tax paid		(121.9)	(23.6)
Net cash flow from operating activities		687.9	832.0
Cash flow from investing activities			
Purchase of property, plant and equipment		(305.0)	(204.0)
Additions to intangible assets		(80.1)	(77.4)
Own work capitalised		(44.9)	(34.6)
Net investment in short-term deposits		79.1	(79.1)
Issue of intergroup borrowings		-	(299.3)
Net cash flow from investing activities		(350.9)	(694.4)
Cash flow from financing activities			
Dividends paid relating to NCI ¹		(0.5)	(0.7)
Acquisition of remaining shares in Inmarsat Solutions ehf. ¹		(1.7)	-
Repayment of borrowings from related parties		(73.9)	(119.6)
Drawdown of borrowings from related parties		9.9	-
Interest paid		(206.9)	(129.8)
Cash payments for the principal portion of lease obligations		(10.5)	(10.5)
Other financing activities		(1.8)	(1.8)
Net cash flow from financing activities		(285.4)	(262.4)
Net increase / (decrease) in cash and cash equivalents		51.6	(124.8)
Cash and cash equivalents			
At beginning of the year		233.4	356.2
Net increase / (decrease) in cash and cash equivalents		51.6	(124.8)
Exchange (losses) / gains on cash and cash equivalents		(0.4)	2.0
At end of the year		284.6	233.4
Comprising:			
Cash at bank and in hand		119.0	191.7
Short-term deposits with original maturity less than 3 months		165.6	41.7
Cash and cash equivalents		284.6	233.4
Net cash and cash equivalents at end of period	17	284.6	233.4

¹ Non-controlling interest related to the Group's 51% shareholding in Inmarsat Solutions ehf. During Q2 2023 Inmarsat acquired the remaining shareholding in Inmarsat Solutions ehf.

The accompanying notes are an integral part of the financial statements.

Inmarsat Group Holdings Limited
Notes to the Financial Statements
For the year ended 31 December 2023

1. General information

Inmarsat Group Holdings Limited, previously known as Inmarsat plc (the “Company” or, together with its subsidiaries, the “Group”) is a private company limited by shares incorporated in the United Kingdom and domiciled in England and Wales. The address of its registered office is 50 Finsbury Square, London EC2A 1HD, United Kingdom.

On 30 May 2023, Viasat, Inc. completed the acquisition of Connect Topco Limited (ultimate parent company of the Company) which resulted in Viasat, Inc. acquiring control of the Group.

Until 30 May 2023, the ultimate controlling party and parent of the Company is Connect Topco Limited which is an entity based in Guernsey. From completion of the transaction on 30 May 2023, the ultimate controlling party is Viasat, Inc., which is an entity based in the United States.

As at 31 December 2022 and until 30 May 2023, the smallest and largest group into which the results of the Company are consolidated is headed by Connect Topco Limited. The address of its registered office is Redwood House, St. Julian’s Avenue, St Peter Port, GY1 1WA, Guernsey.

From completion of the transaction on 30 May 2023, the smallest group into which the results of the Company will be consolidated is headed by Connect Topco Limited and largest group into which the results of the Company will be consolidated is headed by Viasat, Inc. The address of Viasat, Inc’s registered office is 6155 El Camino Real Carlsbad, California 92009.

Inmarsat Group Holdings Limited, acting as a parent undertaking, has provided guarantee to the following subsidiaries under section 479A of the Companies Act 2006:

- Inmarsat Solutions Limited (company number: 06135635).
- Inmarsat Leasing (Two) Limited (company number: 04103914).
- Inmarsat Finance III Limited (company number: 06138307).
- Inmarsat Services Limited (company number: 04379050).
- Inmarsat Solutions Global Limited (company number: 04041428).
- Inmarsat Holdings Limited (company number: 04917504).
- Inmarsat Investments Limited (company number: 04886096).
- Europasat Limited (company number: 06001119).
- Inmarsat Group Limited (company number: 04886115).
- Inmarsat Finance Limited (company number: 04930309).
- Inmarsat New Ventures Limited (company number: 11476156).
- Inmarsat Maritime Ventures Limited (company number: 12584716).

Inmarsat Group Holdings Limited
Notes to the Financial Statements (continued)
For the year ended 31 December 2023

2. Material accounting policies

The material accounting policies adopted in the preparation of these financial statements are set out below. These policies have been applied consistently to all the periods presented unless otherwise stated.

Basis of preparation

The financial statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act, 2006 and International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. The financial statements have been prepared under the historical cost convention except for certain financial instruments that have been measured at fair value, as described later in these accounting policies.

Going concern

In order to confirm that the business should adopt the going concern basis in preparing the consolidated financial statements for 2023, the Board and Management have considered compliance with banking covenants, ability to generate future profits and positive cash flows, business risks and the acquisition by Viasat. The Group has a robust and resilient business model and is compliant with all banking covenants.

The Group has a robust and resilient business model, positive free cash flow generation, and is compliant with all banking covenants. As at 31 December 2023, the Group has \$1,014.6m of liquid resources (Cash: \$284.6m, short-term deposits: \$30.0m, undrawn revolving credit facility (RCF): \$700.0m) and a continued expectation that the Group will generate positive free cash flow and reduce leverage over the medium to long term. Subsequent to year end, the Group renegotiated the RCF which resulted in a downsize from \$700m to \$550m and extended 3 years with a new maturity date of 28 March 2027, refer to note 34 for further details. As of 30 June 2024, there were no outstanding balances under the revolving credit facility. As at 30 June 2024, the Group has \$1,231.2m of liquid resources (Cash: \$681.2m, undrawn RCF: \$550.0m).

On 8 November 2021 the Connect Topco shareholders accepted an offer from Viasat Inc. to purchase the Group for approximately \$7.3 billion. On 30 May 2023 Viasat, Inc. completed the acquisition of the Company which resulted in Viasat, Inc. acquiring control of the Group. The going concern assessment has been performed using the Group financial performance and position.

The Board and Management have also considered a number of possible scenarios and their impact on future revenues, EBITDA and liquidity. Under all scenarios there continues to be sufficient headroom to the Financial Performance Covenant under the debt agreements. The Group continues to have sufficient headroom to the Financial Performance Covenant under the debt agreements. The Group has assessed the future compliance through the most recently approved budget, which has considered the maturity profile of the existing debt facilities and the \$700 million undrawn revolving credit facility as discussed in note 20 of the annual report.

After considering current financial projections and facilities available and after making enquiries with the new owners, the Directors have a reasonable expectation that the Group have adequate resources to continue in operational existence for the foreseeable future. Consequently, the Group continues to adopt the going concern basis in preparing the 2023 consolidated financial statements. Further discussion of the Groups business activities, together with factors likely to affect its future development, performance and position are set out in the Strategic and Directors' Reports.

Basis of accounting

The consolidated financial statements are presented in U.S. Dollars, which is the functional currency of the Company and most of the Group's subsidiaries. The preparation of the consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenue and expenses during the year. Although these estimates are based

Inmarsat Group Holdings Limited
Notes to the Financial Statements (continued)
For the year ended 31 December 2023

2. Material accounting policies (continued)

on management's best estimate of the amount, event or actions, the actual results ultimately may differ from these estimates. Further discussion on these estimates and assumptions are disclosed in note 4.

Accounting standard changes and amendments

New and amended accounting standards adopted by the Group during 2023 which have no material impact include amendments to IFRS 17 Insurance Contracts, amendments to IAS 1 Presentation of financial statements, amendments to IAS 8 Accounting policies, changes in accounting estimates and errors, amendments to IAS 12 income taxes, and amendments to IFRS 16 Leases.

New and amended accounting standards that have been issued but are not yet effective and have not been adopted by the Group are provided below. All are effective for years beginning on or after 1 January 2024 and none will have a material impact on the Group.

- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates
- Amendments to IAS 1 Presentation of Financial Statements: Non current liabilities with covenants
- Amendments to IAS 7 and IFRS 7 financial arrangements with suppliers
- Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and all its subsidiaries and incorporate the share of the results of associates using the equity method of accounting.

The results of subsidiary undertakings established or acquired during the period are included in the consolidated income statement from the date of establishment or acquisition of control. The results of subsidiary undertakings disposed of during the period are included until the date of disposal. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group. All transactions, balances, income and expenses with and between subsidiary undertakings have been eliminated on consolidation.

Non-controlling interests in the net assets of consolidated subsidiaries, which consist of the amounts of those interests at the date of the original business combination and the non-controlling interests' share of changes in equity since the date of the combination, are not material to the Group's financial statements.

Business combinations

Business combinations are accounted for using the acquisition method. When the Group acquires a business, it identifies the assets and liabilities of the acquiree at the date of acquisition and measures them at fair value. Only separately identifiable intangible assets are recognised. Any assets or disposal groups held for sale at the acquisition date are measured at fair value less costs to sell.

Consideration is the fair value at the acquisition date of the assets transferred and liabilities incurred in acquiring the business and includes the fair value of any contingent consideration. Changes in fair value of contingent consideration after the acquisition date are recognised in the income statement. Acquisition-related costs are expensed as incurred and included in operating costs.

Foreign currency translation

The functional currency of the Company and most of the Group's subsidiaries, as well as the presentation currency of the Group, is U.S. Dollar. This is as the majority of operational transactions and financing are denominated in U.S. Dollars.

Foreign exchange gains and losses resulting from the settlement of transactions and the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in the income statement line which most appropriately reflects the nature of the item or transactions.

Inmarsat Group Holdings Limited
Notes to the Financial Statements (continued)
For the year ended 31 December 2023

2. Material accounting policies (continued)

Foreign currency translation (continued)

On consolidation, assets and liabilities of foreign operations are translated into the Group's presentation currency at the prevailing spot rate at year end. The results of foreign operations are translated into U.S. Dollars at the average rates of exchange for the year. Foreign currency translation differences resulting from consolidating foreign operations are recognised in other comprehensive income.

Revenue

The Group applies the 5 step-model as required by IFRS 15 in recognising its revenues. A contract's transaction price is allocated to each distinct performance obligation and recognised as revenue when, or as, the performance obligation is satisfied. Revenue is only recognised when it is probable that the entity will collect the consideration to which it will be entitled in exchange for the goods or services to be transferred to the customer.

Mobile satellite communications service revenues result from utilisation charges that are recognised as revenue over the minimum contract period. The selection of the method to measure progress towards completion requires judgement and is based on the nature of the products or services to be provided. Because of control transferring over time, revenue is recognised based on the extent of progress towards completion of the performance obligation. Deferred income attributable to mobile satellite communications services or subscription fees represents the unearned balances remaining from amounts received from customers pursuant to prepaid contracts.

The Group enters into minimum spend contracts with customers, known as 'take-or-pay' contracts, whereby customers agree to purchase a minimum value of mobile satellite communications services over a fixed period. Any unused portion of the prepaid contracts or the take-or-pay contracts ('breakage') that is deemed highly probable to occur by the expiry date is estimated at contract inception and recognised over the contract period in line with the pattern of actual usage of units by the customer.

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

Revenue of terminals and other communication equipment sold are recognised at the point in time when control is transferred to the customer. Installation revenues relating to this are also recognised at a point in time. Revenue from installation of terminals and other communication equipment owned by Inmarsat and used in the delivery of the service to the customer is however recognised over the contract term.

The Group offers certain products and services as part of multiple deliverable arrangements. Consistent with all other contracts, the Group will assess whether the performance obligations are distinct by considering whether 1) the customer can benefit from the good or service on its own; or together with other readily available resources 2) the good or service is distinct in the context of the contract. The transaction price is allocated to each performance obligation based on its stand-alone selling price relative to the total of all performance obligations' stand-alone selling prices under the contract.

The nature of the contracts within the Group may give rise to variable consideration. This is estimated as the most likely amount based largely on an assessment of the anticipated performance and all information (historical, current and forecasted) that is reasonably available and is included in the transaction price to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue will not occur.

Where a contract contains a significant financing component, the Group adjusts the transaction price to a present value where the effect of discounting is deemed to be material. The Group has adopted the practical expedient whereby it is not required to adjust the transaction price for the effects of a significant financing component if, at contract inception, the period between customer payment and the transfer of goods or services is expected to be one year or less. For contracts with an overall duration greater than one year, the practical expedient also applies if the period between performance and payment for that performance is one year or less.

Inmarsat Group Holdings Limited
Notes to the Financial Statements (continued)
For the year ended 31 December 2023

2. Material accounting policies (continued)

Revenue (continued)

A contract asset or a contract liability will arise when the performance of either party exceeds the performance of the other. Contract assets are rights to consideration in exchange for goods or services that the entity has transferred to a customer when that right is conditional on something other than the passage of time. Contract liabilities are obligations to transfer goods or services to a customer for which the entity has received consideration, or for which an amount of consideration is due to the customer. These are referred to as deferred income within the Group.

Contract costs to obtain a contract and fulfil a contract are capitalised and amortised on a systematic basis, consistent with the pattern of transfer of the goods or services to which the capitalised cost relates. As a practical expedient, a cost to obtain contract with a customer will be immediately expensed if it has an amortisation period of one year or less.

Financing income and financing cost

Financing income comprises interest receivable on funds invested in short-term deposits and interest on the net defined benefit and post-employment asset/liability.

Financing costs comprise interest payable on borrowings including the Senior Notes and Term Loan, amortisation of deferred financing costs, and interest on lease liabilities. Finance charges are recognised in the income statement at the effective interest rate.

Financial assets

Trade and other receivables

Trade and other receivables, including prepaid and accrued income, are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method. The Group stratifies trade debtors based on internal credit ratings. The Group calculates the loss allowance for trade receivables and contract assets based on lifetime expected credit losses under the IFRS 9 simplified approach.

Cash and cash equivalents

Cash and cash equivalents, measured at fair value, comprises cash balances, deposits held on call with banks, money market funds and other short-term, highly liquid investments with an original maturity of three months or less. Bank overdrafts are shown as current liabilities within borrowings on the balance sheet.

Short-term deposits

Short-term deposits, measured at fair value, comprises deposits held with banks, money market funds and other short-term, highly liquid investments with an original maturity of four to twelve months.

Intergroup lending

Intergroup lending includes interest-bearing loans with other entities which are 100% owned by the ultimate parent company. This is initially recognised at fair value which equates to the proceeds provided, net of direct transaction and arrangement costs. They are subsequently measured at amortised cost. Finance income is charged to the income statement over the term of the borrowing using the effective interest rate method.

Inmarsat Group Holdings Limited
Notes to the Financial Statements (continued)
For the year ended 31 December 2023

2. Material accounting policies (continued)

Financial liabilities and equity

Equity instruments

An equity instrument is any contract that evidences a residual interest in the net assets of the Group. Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue cost.

Trade and other payables

Trade and other payables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method.

Borrowings

Borrowings, comprising interest-bearing bank loans, are initially recognised at fair value which equates to the proceeds received, net of direct transaction and arrangement costs. They are subsequently measured at amortised cost. Finance charges related to borrowings, including amortisation of direct transaction costs, are charged to the income statement over the term of the borrowing using the effective interest rate method.

Borrowings are generally classified as current liabilities unless the Group has the unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date, in which case borrowings are classified as non-current liabilities.

Net borrowings

Net borrowings consist of total borrowings less cash and cash equivalents and short-term deposits. Borrowings exclude accrued interest and any derivative financial liabilities.

Derivative financial instruments

In accordance with its treasury policy, the Group does not hold or issue derivative financial instruments for trading or speculative purposes.

Derivatives are initially recognised at fair value on the date the contract is entered into and subsequently measured at fair value. The gain or loss on remeasurement is recognised in the income statement, except where the derivative is used to hedge against risks such as fluctuations in interest rates or foreign exchange rates. The accounting policy for hedging follows below.

Hedge accounting

The Group designates certain derivatives as hedging instruments in respect of foreign currency risk and interest rate risk in fair value hedges, cash flow hedges, or hedges of net investments in foreign operations. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is effective in offsetting changes in fair values or cashflows of the hedged item attributable to the hedged risk, which is when the hedging relationship meets all the hedge effectiveness criteria.

The Group designates only the intrinsic value of option contracts as a hedged item, i.e. excluding the time value of the option. The changes in the fair value of the aligned time value of the option are recognised in other comprehensive income and accumulated in the cost of hedging reserve. If the hedged item is transaction-related, the time value is reclassified to profit or loss when the hedged item affects profit or loss. If the hedged item is time period related, then the amount accumulated in the cost of hedging reserve is reclassified to profit or loss on a rational basis – the Group applies straight-line amortisation. Those reclassified amounts are recognised in profit or loss in the same line as the hedged item.

Inmarsat Group Holdings Limited
Notes to the Financial Statements (continued)
For the year ended 31 December 2023

2. Material accounting policies (continued)

Derivative financial instruments (continued)

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income and accumulated in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the income statement within financing costs.

Where there is a material contract with a foreign currency exposure, a specific hedge to match the specific risk will be evaluated. The Group has previously hedged certain foreign currency milestone payments for the construction of the I-6 satellites.

Amounts recognised as other comprehensive income are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised, or when a forecast sale occurs. When the hedged item is the future purchase of a non-financial asset or non-financial liability, the amount recognised as other comprehensive income is transferred to the initial carrying amount of the non-financial asset or liability.

IFRS 9 requires the Group to value and account for foreign currency basis. Changes in the fair value of currency basis are recognised as a separate component of equity in other comprehensive income.

The value of a hedging derivative is classified as non-current asset or liability if the cash flows are due to be received in greater than twelve months, and as a current asset or liability if the cash flows are due to be received in less than 12 months.

IBOR Reform

The Group applies the Interest Rate Benchmark Reform – Phase 2 Amendments to IFRS 9, IAS 39 and IFRS 7 issued in August 2020 ('Phase 2 relief'). These amendments modify (provide relief to) specific hedge accounting requirements to allow hedge accounting to continue for affected hedges during the period of uncertainty before the hedged items or hedging instruments are amended as a result of the interest rate benchmark reform.

In relation to borrowing, the IFRS reliefs mean the Group can update its effective interest rate for the change to the new risk-free rate without recognising an immediate gain or loss. For hedge accounting, the reliefs mean existing hedge accounting will not terminate and updates to hedge documentation relating to IBOR reform will not result in a de-designation event for existing hedge relationships. Hedge ineffectiveness will continue to be recorded in the income statement. In order to qualify for the relief the Group will ensure that transition is economically equivalent to the previous LIBOR basis.

The group obtained the necessary lender consent to transition the credit agreement governing its term loan and revolving credit facility from LIBOR to Term SOFR as a result of the cessation of LIBOR as a reference rate which became unavailable from 1 July 2023. The group used the ISDA Fallbacks Protocol to transition the interest rate hedges applicable to the term loan from USD LIBOR to Compound SOFR effective from 30 June 2023. There were no material changes to existing systems and processes and the primary impact arose as a result of differences between LIBOR and SOFR and between Compound and Term SOFR rates.

All financial instruments with a reference rate linked to LIBOR were transitioned to the Term SOFR benchmark. At 31 December 2023 the Group has related party borrowing of \$2.2bn (2022: \$2.26bn) which is now indexed to Compound SOFR.

Inmarsat Group Holdings Limited
Notes to the Financial Statements (continued)
For the year ended 31 December 2023

2. Material accounting policies (continued)

Employee benefits

Wages, salaries, social security contributions, accumulating annual leave, bonuses and non-monetary benefits are accrued in the year in which the associated services are performed by the employees of the Group.

Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it has demonstrably committed to either terminate the employment of current employees or to provide termination benefits, as a result of an offer made to encourage voluntary redundancy.

Cash based LTIP is a remuneration scheme for executives and senior management, which runs over three years. The scheme awards are accrued in the financial statements for the duration of the award. The accrual is based on the values assessed for the applicable schemes, taking into account the duration of the individual scheme, and by comparing the Group's performance against the criteria used to award payments. These are recognised as the present value of the benefit obligation. Where the Group's performance does not meet the criteria for the LTIP to be awarded, no accruals are recognised.

Taxation

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement as it excludes items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is provided on temporary differences arising between assets and liabilities' tax bases and their carrying amounts (the balance sheet method). Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary deductible differences or tax loss carry forwards can be utilised.

Deferred tax liabilities are provided on all taxable temporary differences except on those:

- Arising from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit.
- Associated with investments in subsidiaries and associates, but only to the extent that the Group controls the timing of the reversal of the differences and it is probable that the reversal will not occur in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set them off, when they relate to income taxes levied by the same taxation authority and if the Group intends to settle its current tax assets and liabilities on a net basis.

Inmarsat Group Holdings Limited
Notes to the Financial Statements (continued)
For the year ended 31 December 2023

2. Material accounting policies (continued)

Taxation (continued)

Uncertain tax positions

The Group's policy is to comply with all enacted laws in the relevant jurisdictions in which the Group prepares its tax returns. However, tax legislation, especially as it applies to corporate taxes, is not always prescriptive and more than one interpretation of the law may be possible. In addition, tax returns in many jurisdictions are filed in arrears a year or more after the end of the accounting period to which they relate. The tax authorities often have a significant period in which to enquire into these returns after their submission. As a result, differences in view, or errors in returns, may not come to light until some time after the initial estimate of tax due is determined. This necessarily leads to a position of uncertain tax positions.

Where the Group is aware of significant areas where the law is unclear and where this has been relied upon in a filing position of a tax return, or, in an area where different outcomes and interpretations are possible and may lead to a different result, the Group provides for the uncertain tax position. A provision is made when, based on the available evidence, the Group considers that it is probable that further amounts will be payable, or a recoverable tax position will be reduced, and the adjustment can be reliably estimated.

The Group calculates the uncertain tax position using a single best estimate of the most likely outcome on a case-by-case basis.

Property, plant and equipment

General

Property, plant and equipment assets are initially recognised at cost and subsequently treated under the cost model: at cost less accumulated depreciation and any accumulated impairment losses.

Space segment assets

Space segment assets comprise satellite construction, launch and other associated costs, including ground infrastructure. Expenditure charged to space segment projects includes invoiced progress payments, amounts accrued appropriate to the stage of completion of contract milestones, external consultancy costs and direct internal costs. Internal costs, comprising primarily staff costs, are only capitalised when they are directly attributable to the construction of an asset. Progress payments are determined on milestones achieved to date together with agreed cost escalation indices.

Deferred satellite payments represent the net present value of future payments dependent on the future performance of each satellite and are recognised in space segment assets when the satellite becomes operational. The associated liability is stated at its net present value and included within borrowings. Depreciation on space segment assets is recognised over the life of the satellites from the date they become operational and are placed into service.

Assets in the course of construction

These assets are carried at cost with no depreciation charged whilst in the course of construction. The assets will be transferred and depreciated over the life of the satellites or services once they become operational and placed into service.

Inmarsat Group Holdings Limited
Notes to the Financial Statements (continued)
For the year ended 31 December 2023

2. Material accounting policies (continued)

Property, plant and equipment (continued)

Capitalised borrowing costs

The Group incurs borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to get ready for its intended use or sale. Such borrowing costs are capitalised as part of the cost of the asset. Capitalisation commences when the Group begins to incur the borrowing costs and related expenditures for the asset, and when it undertakes the activities that are necessary to prepare the asset for its intended use or sale. Capitalisation of borrowing costs ceases when substantially all of the activities necessary to prepare the asset for its intended use or sale are complete, or when the asset is no longer intended to be used.

Other fixed assets

Other fixed assets are initially recognised at cost and subsequently measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation

Depreciation is calculated to write-off the historical cost less residual values, if any, of fixed assets, except land, on a straight-line basis over the expected useful lives of the assets concerned. The Group selects its depreciation rates and residual values carefully and reviews them annually to take into account any changes in circumstances or expectations. When determining useful lives, the principal factors considered are the expected rate of technological developments, expected market requirements for the equipment and the intensity at which the assets are expected to be used. Any change in useful lives is accounted for prospectively. The Group also reviews the residual values and depreciation methods on an annual basis.

Derecognition

An item of property plant or equipment is derecognised upon disposal or when no future economic benefit is expected from its use or disposal. Any gain or loss arising on derecognition of the asset, calculated as the difference between the net disposal proceeds and the carrying amount of the asset, is recognised in the income statement.

Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attached conditions will be complied with. A grant that relates to an expense item is recognised as income on a systematic basis over the period(s) that the related costs are expensed. A grant that relates to an asset is deducted from the cost of the relevant asset, thereby reducing the depreciation charge over the useful life of the asset.

Intangible assets

Intangible assets comprise goodwill, trademarks, software, terminal development and network access costs, spectrum rights, orbital slots, unallocated launch slots and licences, customer relationships and intellectual property.

Intangible assets acquired separately are initially recognised at cost. Intangible assets acquired as part of a business combination are initially recognised at their fair values as determined at acquisition date. After initial recognition, intangible assets are carried at cost less accumulated amortisation and any accumulated impairment losses.

Inmarsat Group Holdings Limited
Notes to the Financial Statements (continued)
For the year ended 31 December 2023

2. Material accounting policies (continued)

Intangible assets (continued)

Goodwill

Goodwill is initially measured at cost as the difference between the fair value of the consideration for the acquisition and fair value of the net identifiable assets acquired, including any identifiable intangible assets other than goodwill. If the assessment of goodwill results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in the income statement. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units ('CGUs') that are expected to benefit from the business combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Research and development costs

Research costs related to internally generated intangibles are expensed in the period that the expenditure is incurred.

Development costs are expensed when the costs are incurred unless it meets criteria for capitalisation under IAS 38. Development costs are only capitalised if the technical feasibility, availability of appropriate technical, financial and other resources and commercial viability of developing the asset for subsequent use or sale have been demonstrated and the costs incurred can be measured reliably. Capitalised development costs are amortised in the income statement on a straight-line basis over the period of expected future benefit.

Amortisation

Intangible assets with a finite useful life are amortised on a straight-line basis over the useful life of the asset. The amortisation period and method are reviewed on an annual basis. Intangible assets with an indefinite useful life, such as goodwill, are not amortised but reviewed annually for impairment.

Impairment reviews

Goodwill is not amortised, but is tested at least annually for impairment. Impairment losses in respect of goodwill are not reversed.

Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the full carrying amount may not be recoverable. Indicators of impairment may include changes in technology and business performance. An asset is tested for impairment on an individual basis as far as possible to determine its recoverable amount. Where this is not possible, assets are grouped and tested for impairment in a cash generating unit. A cash generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

An asset will be impaired if the carrying amount exceeds its recoverable amount, which is the higher of the fair value less costs to sell the asset and the value in use. The impairment loss will be recognised in the income statement.

In assessing value in use, 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.

Subsequent to an impairment loss, if indications exist that an asset's recoverable amount might have increased, the recoverable amount will be reassessed and any impairment reversal recognized within operating profit in the income statement. An impairment loss is reversed only to the extent that the asset's carrying amount will not exceed the depreciated historical cost (what the carrying amount would have been had there been no initial impairment loss).

Inmarsat Group Holdings Limited
Notes to the Financial Statements (continued)
For the year ended 31 December 2023

2. Material accounting policies (continued)

Leases

Contracts which convey the right to control the use of an identified asset for a period of time in exchange for consideration are accounted for as leases by the Group.

At the commencement date, the Group, as lessee, recognises a right-of-use asset and a lease liability. The lease liability is measured at the present value of the lease payments that are not paid at that date, discounted using the rate implicit in the lease, unless such a rate is not readily determinable, in which case the incremental borrowing rate is used. The right-of-use asset comprises the amount of the initial measurement of the lease liability, adjusted for any lease payments made at or before the commencement date, less any lease incentives received and any initial direct costs incurred by the Group.

Lease term is determined as the non-cancellable period of a lease adjusted for any reasonably certain extension or termination option.

After commencement date, the right-of-use asset is depreciated on a straight-line basis to the end of the lease term. The lease liability is accounted for by reducing the carrying amount to reflect the lease payments made, and increasing the carrying amount to reflect the interest on the lease liability.

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

As lessor for operating leases, the Group recognises lease payments as income. The underlying asset is depreciated on a straight-line basis over its expected useful life. As lessor for finance leases, the Group recognises lease receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Inventories

Inventories are stated at the lower of cost (determined by the weighted average cost method) and net realisable value. Allowances for obsolescence are recognised in other operating costs when there is objective evidence that inventory is obsolete.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The expense relating to a provision is recognised in the income statement, except where the obligation is to dismantle or restore an item of property, plant or equipment, in which case the amount is capitalised to the cost of the asset. The capitalised amount is subsequently depreciated to the income statement over the remaining useful life of the underlying asset.

Provisions are discounted to a present value at initial recognition where the effect of discounting is deemed to be material. Discounted provisions will unwind over time using the amortised cost method with finance cost recognised in the income statement. Provision estimates are revised each reporting date and adjustments recognised in line with the provision's initial recognition (either in the income statement or recognised against the cost of the asset).

Inmarsat Group Holdings Limited
Notes to the Financial Statements (continued)
For the year ended 31 December 2023

2. Material accounting policies (continued)

Asset retirement obligations

The fair value of legal obligations associated with the retirement of tangible property, plant and equipment is recognised in the financial statements in the period in which the liability is incurred. Upon initial recognition of a liability for an asset retirement obligation, a corresponding asset retirement cost is added to the carrying amount of the related asset, which is subsequently amortised to income over the remaining useful life of the asset. Following the initial recognition of an asset retirement obligation, the carrying amount of the liability is increased for the passage of time by applying an interest method of allocation to the liability with a corresponding accretion cost reflected in operating expenses.

Revisions to either the timing or the amount of the original estimate of undiscounted cash flows are recognised each period as an adjustment to the carrying amount of the asset retirement obligation.

Alternative performance measures

In addition to IFRS measures the Group uses a number of Alternative Performance Measures ('APMs') in order to provide readers with a better understanding of the underlying performance of the business, and to improve comparability of our results for the period. More detail on IFRS and APMs can be found on page 93.

3. Financial risk management

Financial risk factors

The Group's operations and significant debt financing expose it to a variety of financial risks that include the effects of changes in debt market prices, foreign currency exchange rates, credit risks, liquidity risks and interest rates. The Group has in place a risk management programme that seeks to limit adverse effects on the financial performance of the Group by using forward exchange contracts to limit exposure to foreign currency risk and to limit the impact of fluctuating interest rates by minimising the amount of floating rate long-term borrowings.

The Board of Directors has delegated to the treasury department the responsibility for setting and implementing the financial risk management policies applied by the Group. The treasury department has an operating manual that sets out specific guidelines for managing foreign exchange risk, interest rate risk and credit risk (see note 30). The Group does not hold or issue derivative financial instruments for speculative or trading purposes.

(a) Market risk

(i) Foreign exchange risk

The functional currency of the Company and its principal subsidiaries is the U.S. Dollar. All of the Group's long-term borrowings are denominated in U.S. Dollars, the majority of its revenue is earned in U.S. Dollars and the majority of capital expenditure is denominated in U.S. Dollars, which are therefore not subject to risks associated with fluctuating foreign currency rates of exchange.

However, the Group operates internationally, resulting in 5% (2022: 3%) and 34% (2022: 32%) of total revenue and total expenditure, respectively, being denominated in currencies other than the U.S. Dollar. 34% (2022: 28%) of the Group's operating costs are denominated in Pounds Sterling. The Group's exposure therefore needs to be carefully managed to avoid variability in future cash flows and earnings caused by volatile foreign exchange rates.

For the year ended 31 December 2023, a hypothetical 10% increase in the U.S. Dollar/Sterling year-end exchange rate (U.S.\$1.27/£1.00 to U.S.\$1.40/£1.00) would have decreased the 2023 profit before tax and equity by \$13.5m (2022: \$1.0m). Management believes that a 10% sensitivity rate provides a reasonable basis upon which to assess expected changes in foreign exchange rates.

Inmarsat Group Holdings Limited
Notes to the Financial Statements (continued)
For the year ended 31 December 2023

3. Financial risk management (continued)

Financial risk factors (continued)

(ii) Price risk

The Group is not exposed to significant equity securities price risk or commodity price risk.

(iii) Inflation risk

The Group faces inflationary risks which cause an increase in costs across the business. The Group has partially mitigated this risk through tight cost control, and targeted price increases.

(b) Interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group has interest-bearing assets such as cash and cash equivalents, short-term deposits, and non-current other receivables, however the interest rate risk arises from its long-term borrowings specifically related party borrowing. Borrowings issued at variable rates expose the Group to cash flow interest rate risk.

The Group has three loan agreements with its group companies, including two with the indirect parent company. The first is a \$1.0bn facility with \$759.3m drawn at 31 December 2023 (2022: \$825.3m) with an interest rate of SOFR +3.7%, provided that the SOFR rate for any interest period shall neither be less than 1.0% per annum nor more than 2.0% per annum, (2022: Libor +3.7%). The second is a \$2.0bn facility with \$1.4bn drawn at 31 December 2023 (2022: \$1.4bn) with an interest rate of Libor +4.7% (2022: Libor +3.7%). The last is a loan with \$9.8m drawn at 31 December 2023 (2022: \$nil) with a fixed interest rate of 4%. The first two loan agreements were signed on 5 December 2019 and are due to mature on 5 December 2026. The last agreement was signed on 20 November 2022 and is due to mature on 29 November 2024. As at 31 December 2023, a hypothetical 1% increase in interest rate would have decreased the 2023 profit before tax by approximately \$22.8m (2022: \$24.5m). Management believes that a 1% sensitivity rate provides a reasonable basis upon which to assess expected changes in variable interest rates, given the Term Loan is supported by an interest rate cap arrangement, therefore materially mitigating interest rate risk.

(c) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. A debt will be deemed uncollectable and therefore written off based on one or more of the following criteria:

- Insolvency (formal or just ceased trading).
- Debtor cannot be located.
- Debt uneconomical to pursue.

For any write-offs, a standard procedure is followed with authorisations obtained in-line with the Group's framework.

Financial instruments that potentially subject the Group to a concentration of credit risk consist of cash and cash equivalents, short-term deposits, trade receivables, other receivables, accrued income and derivative financial instruments. The credit risk on liquid funds (cash and cash equivalents and short-term deposits) and derivative financial instruments is limited because the counterparties are highly rated financial institutions.

Inmarsat Group Holdings Limited
Notes to the Financial Statements (continued)
For the year ended 31 December 2023

3. Financial risk management (continued)

Financial risk factors (continued)

The maximum exposure to credit risk as at 31 December is:

(\$ in millions)	Note	As at 31 December 2023	As at 31 December 2022
Cash and cash equivalents	17	284.6	233.4
Short-term deposits	17	30.0	109.1
Trade receivables, other receivables and accrued income	18	651.8	249.6
Intergroup lending	18	1,238.8	1,118.2
Total credit risk exposure		2,205.2	1,710.3

The Group's average age of trade receivables as at 31 December 2023 was approximately 58 days (2022: 56 days).

At 31 December 2023, \$281.6m (2022: \$260.2m) of trade receivables were not yet due for payment. No interest is charged on trade receivables until the receivables become overdue for payment. Thereafter, interest may be charged at varying rates depending on the terms of the individual agreements.

The Group has credit evaluation, approval and monitoring processes intended to mitigate potential credit risks, and utilises both internal and third-party collection processes for overdue accounts. The Group maintains provisions for potential credit losses that are assessed on an ongoing basis. The provision for uncollectible trade receivables has decreased to \$13.7m (excluding Ligado Networks - refer note 4a) as at 31 December 2023 (2022: \$14.7m).

For 2023, the Group had one customer with revenue of 10% (\$174.6m) of the Group's total revenue, with none of the remaining customers comprising greater than 10% (2022: one customer).

(d) Liquidity risk

The Group is exposed to liquidity risk with respect to its contractual obligations and financial liabilities. Prudent liquidity risk management implies maintaining sufficient cash and short-term deposits and the availability of funding through an adequate amount of committed credit facilities.

The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The available liquidity of the Group as at 31 December is:

(\$ in millions)	Note	As at 31 December 2023	As at 31 December 2022
Cash and cash equivalents	17	284.6	233.4
Short-term deposits	17	30.0	109.1
Available but undrawn borrowing facilities ¹	20	1,510.7	1,434.7
Total available liquidity		1,825.3	1,777.2

¹ Relates to the Senior Revolving Credit Facility and the undrawn intercompany facility of \$810.7m (2022 \$734.7m) between the Group and the parent group, Connect Bidco Limited (see note 20).

The Directors currently believe the Group's liquidity position is more than sufficient to meet its needs for the foreseeable future.

Inmarsat Group Holdings Limited
Notes to the Financial Statements (continued)
For the year ended 31 December 2023

4. Critical accounting judgements and key sources of estimation uncertainty

In applying the Group's accounting policies, which are described in note 2, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. 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 the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

(a) Revenue in respect of Ligado Networks

In December 2007, Inmarsat and Ligado Networks LLP (formerly LightSquared LP and LightSquared Inc.), and Ligado Networks (Canada) Inc. (formerly Skyterra (Canada) Inc.) entered into a 100 year Cooperation Agreement for the efficient use of L-band spectrum over North America. The Cooperation Agreement has been modified a number of times, and this has been assessed against IFRS 15 as to whether the modification is treated as a new contract or an amendment to an earlier contract. Amendment 5 & 6, signed in 2020, provided a \$700m payment from Ligado which reduced all future quarterly payments by 60% and deferred Q2 2020 to Q4 2022 quarterly payments as well as all previously deferred amounts to 1 January 2023, at which date a payment of \$395m, including interest, falls due. Additionally, there is a call option available until 15 October 2025 for Ligado to buy out all remaining payment obligations to 2107 for a cash payment ranging between \$825m - \$968m.

Given the level of uncertainty around the collection of future monies, the Group ceased to apply the IFRS 15 five-step model from Q2 2020 to Amendments 5 & 6. Based on the continued level of uncertainty, no change to this assessment has arisen from Amendment 7 to 13 (as discussed below) and no revenue has been recognised in relation to spectrum and deferrals.

Should the collectability assessment change in future, the Group would re-calculate the revenue to be recognised under the contract (including all the amendments), in line with the requirements of IFRS 15 and would recognise revenue catch up between c.\$30m and c.\$200m based on a number of factors including the expected length of contract and the date from which that catch up revenue would apply. However, this could materially change based on facts and circumstances at the time this change in assessment occurs.

Amendment 7 was signed on 23 December 2022 and Ligado subsequently paid the Group \$30.0m. This was a payment on the \$395m due 1 January 2023 ("extraordinary payment") and provided a deferral of the remaining \$365m due, to 1 April 2023. After interest, \$373m was due to be payable from Ligado on 1 April 2023. Amendment 8 was signed on 31 March 2023 pursuant to which the Group granted Ligado a further 90 days to pay the deferred amounts subject to making a \$30.0m part payment, which was made on 3 April 2023 at which point \$350m was due (with interest) on 30 June 2023. Further to this, the March 2023 quarterly payment was also deferred (with interest) to 30 June 2023.

During the year, the Group and Ligado signed multiple further Amendments (Amendment 9 to 13) for no further consideration, pursuant to which the Group agreed to defer the extraordinary payment due of \$364.8m (with interest) as well as the quarterly payments due in March, June, September, and December 2023 (with interest), as well as the March 2024 quarterly payment (with interest) to 31 May 2024. This has resulted in a total amount of \$455m (with interest) due on 31 May 2024. Amendments 7 to 13 provided no further amendment to existing obligations and Ligado retained spectrum rights during this period.

Inmarsat Group Holdings Limited
Notes to the Financial Statements (continued)
For the year ended 31 December 2023

4. Critical accounting judgements and key sources of estimation uncertainty (continued)

Key sources of estimation uncertainty (continued)

Following Inmarsat's acquisition by Viasat Inc., the Group reviewed the terms of the collective agreements between all parties to date and again assessed collectability based on current facts and circumstances including current discussion between the parties regarding resolution of such matters and concluded that collectability of the spectrum rights receivables remains not probable and no revenue will be recognized in the current period in accordance with IFRS 15.

At 31 December 2023, deferred income of \$930.2m (2022: \$906.1m) was recorded on the balance sheet. \$206.1m (2022: \$206.1m) represents services not yet performed relating to issues including interference resolution for which payment has already been received from Ligado. No costs were incurred in relation to interference resolution in 2023 with no corresponding amount of revenue released (2022: \$0.4m).

Critical judgements in applying the Group's accounting policies

The following are the critical judgements, apart from those involving estimations (which are presented separately above), that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in financial statements:

(b) Capitalisation of space segment assets and associated borrowing costs

The net book value of space segment assets is currently \$2,050.3m (2022: \$1,544.1m). There have been additions of \$1.2m in the year (2022: \$0.6m) and transfers from assets in the course of construction of \$734.6m (2022: \$10.0m). The key judgements involved in the capitalisation of space segment assets and associated borrowings costs are:

- Whether the capitalisation criteria of the underlying IAS have been met.
- Whether an asset is ready for use and as a result further capitalisation of costs should cease and depreciation should commence.
- Whether an asset is deemed to be substantially complete and as a result capitalisation of borrowing costs should cease.

(c) Proxy board arrangement

The Group has made key judgements in determining the appropriateness of consolidating Inmarsat Government Inc.

The U.S. Government element of Inmarsat's Government business unit is managed through the U.S. trading entity, Inmarsat Government Inc., a wholly-owned subsidiary of the Group. The business is managed through a Proxy agreement as required by the U.S. National Industrial Security Program ('NISP'). A Proxy agreement is an instrument intended to mitigate the risk of foreign ownership, control or influence when a foreign person owns, acquires or merges with a U.S. entity that has a facility security clearance under the NISP.

The Proxy agreement conveys the foreign owner's voting rights to the Proxy Holders, comprised of the Proxy board. There are three Proxy holders who are U.S. citizens cleared and approved by the U.S. Defence Security Service ('DSS').

The Proxy holders have a fiduciary duty, and agree, to perform their role in the best interests of the Group (including the legitimate economic interest), and in a manner consistent with the national security interests of the U.S.

The DSS requires Inmarsat Government Inc. to enter into a Proxy agreement because it is indirectly owned by the Group and it has contracts with the Department of Defence which contain certain classified information. The Proxy agreement enables Inmarsat Government Inc. to participate in such contracts with the U.S. Government despite being owned by a non-U.S. corporation.

Inmarsat Group Holdings Limited
Notes to the Financial Statements (continued)
For the year ended 31 December 2023

4. Critical accounting judgements and key sources of estimation uncertainty (continued)

Critical judgements in applying the Group's accounting policies (continued)

Under the Proxy agreement, the Proxy holders have the power to exercise all privileges of share ownership of Inmarsat Government Inc. In addition, as a result of the Proxy agreement, certain limitations are placed on the information which may be shared, and the interaction which may occur, between Inmarsat Government Inc. and other Group companies.

The Group maintains its involvement in Inmarsat Government Inc.'s activities through normal business activity and liaison with the Chair of the Proxy Board. Inmarsat Government Inc.'s commercial and governance activity is included in the business update provided in regular Executive reports to the Board. This activity is always subject to the confines of the Proxy regime to ensure that it meets the requirement that Inmarsat Government Inc. must conduct its business affairs without direct external control or influence, and the requirements necessary to protect the U.S. national security interest.

In accordance with IFRS 10 'Consolidated financial statements', an assessment is required to determine the degree of control or influence the Group exercises and the form of any control to ensure that the financial statement treatment is appropriate. On the basis of the Group's ability to affect the financial and operating policies of the entity, we have concluded that the Group meets the requirements of IFRS 10 in respect of control over the entity and, therefore, consolidates the entity in the Group's consolidated accounts. There have been no changes in circumstances which impact any of the key judgements made by the Group.

(d) Impairment assessment of I-6 F2 satellite and related ground station assets

The I-6 F2 satellite suffered a power subsystem anomaly during its orbit raising phase, as well as permanent battery failure. The manufacturing and launch costs of the satellite were insured and the anomaly does not impact any ongoing customer services. The full cost of the satellite has been impaired (\$490m, including \$124m of capitalized interest), partially offset by recognition of \$349.0m with respect to the related insurance claim, which was filed before year end. As a result, a net impairment has been recognised of \$141m. Subsequent to year end 31 December 2023 the full amount (\$349.0m) of the insurance claim has been received.

Additionally, management have performed a detailed impairment review on the costs associated with the ground station of the I-6 F2 satellite. The impairment review of the related ground station assets is more complex given the nature of the ground development, the potential re-use of equipment with other networks, and the fact that there are no physical issues with any of the ground network. As at 31 December 2023, the total net book value of the related ground station assets was \$126m (including \$14.6m of capitalized interest), this includes a large portion of assets that are associated with the I-6 F1 satellite and therefore will continue to be used.

As per IAS 36 management have performed an impairment review which included a detailed review with the appropriate program managers in which each asset has been assessed to determine whether or not the asset still holds value to the Company as an asset and therefore should remain on the balance sheet. For each asset, management have assessed whether this asset is still required to support the I-6 F1 satellite operations. Where an asset does not support I-6 F1, management have further assessed whether there is the opportunity and means to re-purpose the asset to support other satellite/ infrastructure operations. This is the key judgment in determining the re-use of the assets. All remaining costs are deemed to have no residual value to the Company and have therefore been impaired. As a result of the impairment review, an impairment of \$2.6m was recognised in 2023.

As at 31 December 2023, following the thorough review of the assets management have concluded that the remaining assets do not required further impairment and should remain as assets on the balance sheet.

Inmarsat Group Holdings Limited
Notes to the Financial Statements (continued)
For the year ended 31 December 2023

5. Segmental information

The Group have identified the provision of global mobile satellite communications services to customers around the world as the only operating segment. The Board of Directors review the Group's financial reporting and approves those proposals for the allocation of the Group's resources and have therefore been identified as the chief operating decision maker. The Group's revenue is categorised by four business units, namely:

- Maritime: focusing on worldwide commercial maritime services including safety services;
- Government: focusing on military and other government services to the U.S. and other international governments;
- Aviation: focusing on commercial aviation, business and general aviation; and providing operational and safety services to support both of these segments; and
- Enterprise: focusing on worldwide land-based Internet of Things, lease, broadband, and voice segments.

These four business units are supported by 'Central Services' which includes satellite operations, technology, corporate functions, backbone infrastructure, and any income that is not directly attributable to a business unit, such as Ligado.

Segment results 2023

(\$ in millions)	Government	Maritime	Aviation	Enterprise	Central services	Total
Revenue	571.8	538.4	380.2	115.1	14.2	1,619.7
Ligado revenue	-	-	-	-	-	-
Total revenue	571.8	538.4	380.2	115.1	14.2	1,619.7
Cash capital expenditure						430.0
Financing costs capitalised in the cost of qualifying assets						98.3
Cash flow timing ¹						(15.1)
Total capital expenditure						513.2

¹ Cash flow timing represents the difference between accrued capital expenditure and the actual cash flows.

Segment results 2022

(\$ in millions)	Government	Maritime	Aviation	Enterprise	Central services	Total
Revenue	526.9	515.5	310.8	106.4	14.1	1,473.7
Ligado revenue	-	-	-	-	0.4	0.4
Total revenue	526.9	515.5	310.8	106.4	14.5	1,474.1
Cash capital expenditure						316.0
Financing costs capitalised in the cost of qualifying assets						80.1
Cash flow timing ¹						19.9
Total capital expenditure						416.0

¹ Cash flow timing represents the difference between accrued capital expenditure and the actual cash flows.

Inmarsat Group Holdings Limited
Notes to the Financial Statements (continued)
For the year ended 31 December 2023

5. Segmental information (continued)

Timing of revenue recognition

(\$ in millions)	2023	2022
At a point in time	124.3	95.6
Over time	1,495.4	1,378.5
Total	1,619.7	1,474.1

Segmental analysis by geography

The Group's operations are located in the geographical regions listed below. Revenues are allocated to countries based on the billing address of the customer. For wholesale customers, this is the distribution partner who receives the invoice for the service, and for retail customers this is the billing address of the customer for whom the service is provided. Assets and capital expenditure are allocated based on the physical location of the assets.

(\$ in millions)	2023		2022	
	Revenue	Non-current segment assets	Revenue	Non-current segment assets
United Kingdom	61.8	2,670.2	64.9	2,452.9
Rest of Europe	455.3	202.3	405.9	333.3
United States	667.9	113.4	600.2	148.6
Rest of North America	59.9	35.1	45.0	66.8
Asia and Pacific	260.6	123.6	253.9	165.7
Rest of the world	114.2	75.5	104.2	94.2
Unallocated ¹	-	1,855.6	-	2,008.7
	1,619.7	5,075.6	1,474.1	5,270.2

¹ Unallocated items relate to satellites which are in orbit.

Remaining performance obligations

The table below shows the remaining revenue to be derived from unsatisfied (or partially unsatisfied) performance obligations under non-cancellable contracts with customers at the end of the year.

(\$ in millions)	As at 31 December 2023	As at 31 December 2022
Within one year	538.4	496.0
Between two to four years	673.1	609.9
Five years and greater	498.3	282.5
	1,709.8	1,388.4

All other contracts are for periods of one year or less or are billed based on time incurred. As permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

Inmarsat Group Holdings Limited
Notes to the Financial Statements (continued)
For the year ended 31 December 2023

6. Operating profit

Costs are presented by the nature of the expense to the Group. Network and satellite operation costs comprise costs to third parties for network service contracts and services. A breakdown of employee benefit costs is given in note 7.

Operating profit is stated after charging / (recovering) the following items:

(\$ in millions)	Note	2023	2022
Depreciation of property, plant and equipment	13	304.3	286.8
Amortisation of intangible assets	14	80.9	95.6
Depreciation of right-of-use assets	15	14.1	9.3
Viasat transaction and integration costs ¹		95.8	22.8
Loss on disposal of assets		3.3	1.9
Impairment of assets ²		493.3	0.3
Insurance claim proceeds ²		(349.0)	-
IT support		43.0	39.0
Cost of inventories recognised as an expense		108.6	88.5
Write downs of inventories recognised as an expense	19	4.8	6.8
Research costs expensed		21.5	16.9

¹ Viasat transaction costs primarily relate to professional fees and other expenses supporting the Viasat acquisition and integration.

² Impairment of assets predominantly reflects the impairment of the I-6 F2 satellite (\$489.9m) and insurance claim proceeds reflects the related claim (\$349.0m). The remaining impairment of assets relates to a write-down in the value of intangible assets (\$0.7m) and other tangible assets (\$2.7m). The 2022 impairment (\$0.3m) relates to the impairment of intangible assets.

Remuneration payable to the Group's auditor, Deloitte LLP and its associates in the year:

(\$ in millions)	2023	2022
Audit fees		
Annual audit of the Company	0.1	0.1
Annual audit of subsidiary companies	1.5	1.3
Total audit fees	1.6	1.4
Audit-related assurance services ¹	0.9	0.3
Total audit and audit-related fees	2.5	1.7
Other services	0.1	0.1
Total non-audit fees	0.1	0.1
Total auditor's remuneration	2.6	1.8

¹ Fees paid for audit-related and other assurance services relate to additional assurance over historical Group financial information, in support of the Viasat acquisition including interim review and other SEC related filings.

Inmarsat Group Holdings Limited
Notes to the Financial Statements (continued)
For the year ended 31 December 2023

7. Employee benefit costs

(\$ in millions)	Note	2023	2022
Wages and salaries		342.2	265.8
Social security costs		34.6	30.2
Defined contribution pension plan costs		15.6	13.8
Defined benefit pension plan costs ¹	27	-	0.6
Post-employment benefits costs ¹	27	0.2	0.1
Total employee benefit costs		392.6	310.5

¹ Defined benefit pension plan costs and post-employment benefits costs includes current service costs (see note 27).

Employee numbers

The average monthly number of employees (including the Executive Director) employed is as follows:

	2023	2022
By activity:		
Operations	918	856
Sales and marketing	341	342
Development & engineering	214	221
Administration	399	379
	1,872	1,798
By business unit:		
Maritime	88	84
Government	250	232
Enterprise	49	51
Aviation	75	66
Central Services	1,410	1,365
	1,872	1,798

The employee headcount numbers presented above refer to permanent full time and part time employees and exclude contractors and temporary staff.

8. Key management compensation

The Group's Executive and Non-Executive Directors are the key management personnel of the business. Details of the total amounts earned during the year are as follows:

(\$ in millions)	2023	2022
Short-term benefits	11.0	5.8
	11.0	5.8

In the current year, no Director has been a member of the Group's defined contribution pension plan.

In the current year, the Director with the highest remuneration earned \$8.2m in salary and bonus (2022: \$3.5m).

Inmarsat Group Holdings Limited
Notes to the Financial Statements (continued)
For the year ended 31 December 2023

9. Net financing (income) / costs

(\$ in millions)	2023	2022
Bank interest receivable and other interest	(15.5)	(5.6)
Intergroup loan interest receivable	(120.7)	(69.8)
Total financing income	(136.2)	(75.4)
Related party loan interest	188.9	142.7
Commitment fees	1.8	1.8
Amortisation of related party loan reprice gain	7.6	7.3
Pension and post-retirement liability finance expense / (income)	1.1	(1.3)
Interest on lease obligations	6.4	1.6
Other interest	0.7	3.6
Finance costs pre amount capitalised	206.5	155.7
Less: Amounts capitalised in the cost of qualifying assets	(98.3)	(80.1)
Financing costs	108.2	75.6
Net financing (income) / costs	(28.0)	0.2

Borrowing costs capitalised in the cost of qualifying assets during the year are calculated by applying a capitalisation rate to expenditures on such assets. The average interest capitalisation rate for the year was 10.1% (2022: 7.3%).

10. Taxation

The tax charge for the year recognised in the income statement:

(\$ in millions)	2023	2022
Current tax charge:		
Current year	86.0	54.3
Adjustments in respect of prior periods	19.3	(0.3)
Total current tax charge	105.3	54.0
Deferred tax:		
Origination and reversal of temporary differences	6.8	35.0
Adjustments due to changes in corporation tax rates	-	10.0
Adjustments in respect of prior periods	4.6	2.7
Total deferred tax charge	11.4	47.7
Total taxation charge	116.7	101.7

Inmarsat Group Holdings Limited
Notes to the Financial Statements (continued)
For the year ended 31 December 2023

10. Taxation (continued)

The table below explains the differences between the expected tax expense, being the Group's profit multiplied by the UK tax rate, and the Group's total tax expense. The UK rate is used on the basis that this is our principal operating jurisdiction. The effective tax rate is 31.7% (2022: 21.9%) and is reconciled below:

(\$ in millions)	2023	2022
Profit before tax	367.9	464.4
Income tax at 23.5% (2022: 19.0%)	86.5	88.2
Differences in overseas tax rates	0.1	2.0
Adjustments in respect of prior periods	23.9	2.4
Adjustments due to changes in corporation tax rates	-	10.0
Impact of fixed asset impairment	-	0.1
Impact of UK patent box regime	-	(2.4)
Other non-deductible expenses / non-taxable income	6.2	1.4
Total taxation charge	116.7	101.7

Tax credited directly to other comprehensive income:

(\$ in millions)	2023	2022
Deferred tax on re-measurement of pension assets and liabilities	0.2	(1.1)
Total tax credited directly to other comprehensive income	0.2	(1.1)

From 1 April 2023, the main rate of corporation tax increased from 19% to 25%. The income tax rate used for 2023 is a blended rate of 23.5% accounting for the change throughout the year. The 2023 effective rate of 31.7% (2022: 21.9%) differs from the UK blended rate of 23.5% mainly due the costs associated with the Viasat Transaction being capital in nature and adjustments for the closure of the Launch Costs enquiry up to 2017.

The Group acknowledges the introduction of the OECD's Anti-Global Base Erosion Rules (more commonly known as "Pillar 2"), which address the tax challenges of the digitalisation of the economy by imposing a minimum effective tax rate of 15% on multinational enterprises. Further, on 11 July 2023, Finance (No.2) Act 2023 was enacted in the United Kingdom, introducing a global minimum effective tax rate of 15%, in line with the OECD's Pillar 2 model. The legislation implements a domestic top-up tax and a multinational top-up tax effective for accounting periods starting on or after 31st December 2023.

Based on an initial assessment using prior year financial information, the Group expects to be subject to the top-up tax in relation to its operations in Qatar and Canada. However, since the newly enacted tax legislation in the United Kingdom is only effective from 1st January 2024, there is no current tax impact for the year ended 31 December 2023.

The Group has applied a temporary mandatory relief from recognising and disclosing information about deferred tax assets and liabilities in relation to top-up tax and accounts for it as a current tax when it is incurred.

If the top-up tax had applied in 2023, the additional tax expense relating to the Group's operations for the year ended 31st December 2023 would be immaterial. However, following the acquisition of the Group by Viasat, Inc on 30 May 2023, there is significant uncertainty about the position for the Group in accounting periods commencing 1 January 2024 and thereafter, due to the inclusion of Viasat group entities in the territorial assessment under Pillar 2. The potential impact is something the Group continues to evaluate.

Inmarsat Group Holdings Limited
Notes to the Financial Statements (continued)
For the year ended 31 December 2023

11. Net foreign exchange gain

(\$ in millions)	Note	2023	2022
Pension and post-retirement liability	27	(0.5)	1.7
Other operating costs		22.1	7.2
Total foreign exchange gain		21.6	8.9

The gain in other operating costs was primarily driven by a one-off foreign exchange gain of \$27.6 million (2022: nil) relating to the provision held for the HMRC launch costs case that was settled during 2023.

12. Dividends

During 2023 the Board did not declare an interim or final dividend (2022: nil). During 2023 no dividends were paid to Company shareholders (2022: nil).

13. Property, plant and equipment

(\$ in millions)	Freehold land and buildings	Service equipment, fixtures and fittings	Space segment	Assets in the course of construction	Total
Cost					
1 January 2022	15.9	504.6	4,324.8	1,297.1	6,142.4
Additions	-	13.8	0.6	306.9	321.3
Disposals	-	(57.4)	(0.6)	-	(58.0)
Transfers	-	-	(0.3)	-	(0.3)
Transfers from assets in the course of construction	-	41.2	10.0	(51.2)	-
31 December 2022	15.9	502.2	4,334.5	1,552.8	6,405.4
Additions	0.2	8.1	1.2	402.2	411.7
Disposals	(5.6)	(67.3)	(0.4)	-	(73.3)
Impairment	-	-	-	(492.4)	(492.4)
Transfers	-	3.4	-	0.1	3.5
Transfers from assets in the course of construction	-	52.1	734.6	(786.7)	-
31 December 2023	10.5	498.5	5,069.9	679.0	6,254.9
Accumulated depreciation:					
1 January 2022	(11.6)	(264.5)	(2,578.5)	(8.8)	(2,863.4)
Charge for the period	(0.2)	(74.1)	(212.5)	-	(286.8)
Disposals	-	49.1	0.6	-	49.7
31 December 2022	(11.8)	(289.5)	(2,790.4)	(8.8)	(3,100.5)
Charge for the year	(0.2)	(74.8)	(229.3)	-	(304.3)
Disposals	5.3	56.8	0.1	-	62.2
Transfers	-	0.1	-	-	0.1
31 December 2023	(6.7)	(307.4)	(3,019.6)	(8.8)	(3,342.5)
Net book amount at 31 December 2022	4.1	212.7	1,544.1	1,544.0	3,304.9
Net book amount at 31 December 2023	3.8	191.1	2,050.3	667.2	2,912.4

Inmarsat Group Holdings Limited
Notes to the Financial Statements (continued)
For the year ended 31 December 2023

13. Property, plant and equipment (continued)

Depreciation of property, plant and equipment is charged using the straight-line method over the estimated useful lives, as follows:

- Space segment assets:
 - Satellites 13–15 years
 - Other space segment, including ground infrastructure 5–12 years
- Fixtures and fittings, and services-related equipment 3–15 years
- Buildings 50 years

Freehold land is not depreciated. At 31 December 2023, the Group was carrying various freehold land and buildings with a net book value of \$3.8m (2022: \$4.1m). The largest of the freehold land and buildings is a property held within the United Kingdom (net book value of \$nil (2022: \$nil)). If this property had been revalued on a market basis, their carrying amount at 31 December 2023 would have been \$8.9m (2022: \$12.7m). Market valuation is based on the Directors' best estimates.

In 2023, the Group received government grants in relation to the purchase and construction of certain assets. The grants have been deducted from the cost of the relevant asset to arrive at the carrying amount. Government grants received in 2023 were \$1.7m (2022: \$2.6m).

Within the services equipment, fixtures and fittings class of property, plant and equipment the Group has \$105.1m (2022: \$114.1m) of net book value related to leased equipment, this includes additions for the year of \$44.4m (2022: \$47.1m) and depreciation charge of \$43.3m (2022: \$44.1m).

The I-6 F2 satellite suffered a power subsystem anomaly during its orbit raising phase, as well as permanent battery failure. The manufacturing and launch costs of the satellite were insured and the anomaly does not impact any ongoing customer services. The full cost of the satellite has been impaired (\$489.9m, including \$124.0m of capitalised interest), partially offset by recognition of \$349.0m with respect to the related insurance claim, which was filed in 2023.

Inmarsat Group Holdings Limited
Notes to the Financial Statements (continued)
For the year ended 31 December 2023

14. Intangible assets

(\$ in millions)	Goodwill	Trademarks	Software	Intellectual property	Terminal development and network access costs	Customer relationships	Other	Total
Cost								
1 January 2022	780.6	20.1	538.9	0.6	242.2	392.3	114.1	2,088.8
Additions	-	-	58.2	-	8.3	-	28.2	94.7
Disposals	-	-	(23.5)	-	(4.5)	-	-	(28.0)
Impairments	-	-	(0.3)	-	-	-	-	(0.3)
Transfers	-	-	-	-	0.3	-	-	0.3
31 December 2022	780.6	20.1	573.3	0.6	246.3	392.3	142.3	2,155.5
Additions	0.6	-	74.4	0.1	15.0	-	11.4	101.5
Disposals	-	-	(32.4)	-	(6.4)	(1.5)	(3.0)	(43.3)
Impairments	-	-	(0.7)	-	-	-	-	(0.7)
Transfers	-	-	(3.5)	-	-	-	-	(3.5)
31 December 2023	781.2	20.1	611.2	0.7	254.9	390.8	150.7	2,209.5
Accumulated Amortisation:								
1 January 2022	(359.2)	(18.1)	(306.1)	(0.6)	(199.8)	(367.5)	(47.6)	(1,298.9)
Charge for the year	-	(1.0)	(62.3)	-	(15.8)	(10.1)	(6.4)	(95.6)
Disposals	-	-	23.2	-	4.3	-	-	27.5
31 December 2022	(359.2)	(19.1)	(345.2)	(0.6)	(211.3)	(377.6)	(54.0)	(1,367.0)
Charge for the year	-	(0.9)	(54.5)	-	(8.9)	(10.0)	(6.6)	(80.9)
Disposals	-	-	31.2	-	6.4	0.3	3.0	40.9
31 December 2023	(359.2)	(20.0)	(368.5)	(0.6)	(213.8)	(387.3)	(57.6)	(1,407.0)
Net book amount at 31 December 2022	421.4	1.0	228.1	-	35.0	14.7	88.3	788.5
Net book amount at 31 December 2023	422.0	0.1	242.7	0.1	41.0	3.5	93.1	802.5

Goodwill represents the excess of consideration paid on an acquisition over the fair value of the identifiable assets, liabilities and contingent liabilities acquired at the date of acquisition. Trademarks are being amortised on a straight-line basis over their estimated useful lives, which are between seven and twenty years.

Software includes the Group's billing system and other internally developed operational systems and purchased software, which are being amortised on a straight-line basis over its estimated useful life of three to eight years.

The Group capitalises costs associated with the development and enhancement of user terminals and associated network access costs as intangible assets and amortises these over the estimated sales life of the related services, which range from three to ten years.

Customer relationships acquired in connection with acquisitions are being amortised over the expected period of benefit of between twelve and fourteen years, using the straight-line method.

Inmarsat Group Holdings Limited
Notes to the Financial Statements (continued)
For the year ended 31 December 2023

14. Intangible assets (continued)

Other consists of orbital slots, licences, spectrum rights and unallocated launch slots. Orbital slots and licences relate to the Group's satellite programmes, and each individual asset is reviewed to determine whether it has a finite or indefinite useful life. Orbital slots are amortised over the useful life of the satellite occupying them. Unallocated launch slots are not amortised until allocated to a satellite asset where they are re-classified to Property, Plant and Equipment and depreciated in-line with Group policy discussed in note 2.

As at 31 December 2023, the Group has no indefinite useful life intangible assets, other than Goodwill.

Government grants received in 2023 were \$15.6m (2022: \$7.4m). The grants have been deducted from the cost of the relevant asset to arrive at the carrying amount.

Annual impairment review: Goodwill

An impairment review of goodwill is performed annually at the level of the Group as a whole, as the Group has a single operating segment and the goodwill is monitored at this level. The recoverable amount has been determined based on value in use calculations. The key assumptions used by management in these calculations are the cash flow projections, long-term growth rates and discount rates for each CGU.

The impairment review conducted at 31 December 2023 identified sufficient headroom in the recoverable value above their carrying value. A sensitivity analysis has been undertaken by changing key assumptions used, being an increase in the pre-tax discount rate by 2% and a decrease in the growth rate of 1%.

This sensitivity analysis, taking into account these reasonable changes in the assumptions, has not resulted in the recoverable amount of the CGU being reduced to their carrying value. We do not anticipate any changes over the next 12 months that would result in the recoverable amount of the CGU being reduced to their carrying value. Key assumptions used to calculate the recoverable amount of the CGU were a pre-tax discount rate of 9.45% and long-term growth rate of 2.0%.

The recoverable amount of the CGU is based on the value in use, which is determined using cash flow projections derived from the most recent financial budgets and forecasts approved by management covering a five-year period. The short and medium-term cash flows reflect management's expectations of future outcomes taking into account past experience, adjusted for anticipated growth from both existing and new business in line with our strategic plans for each segment of our business.

A long-term growth rate has been applied to extrapolate the cash flows into perpetuity. The growth rate has been determined using long-term industry growth rates and management's conservative expectation of future growth.

Inmarsat Group Holdings Limited
Notes to the Financial Statements (continued)
For the year ended 31 December 2023

15. Leases

Right of Use Assets:

The right-of-use assets for the Group's property and vehicle leases are presented in the table below:

(\$ in millions)	Property	Vehicles	Total
Net carrying amount:			
As at 1 January 2022	32.6	0.7	33.3
Additions	2.3	0.1	2.4
Charge for the year	(9.1)	(0.2)	(9.3)
As at 31 December 2022	25.8	0.6	26.4
Additions ¹	68.0	0.2	68.2
Change in terms	1.1	-	1.1
Charge for the year	(13.9)	(0.2)	(14.1)
As at 31 December 2023	81.0	0.6	81.6

¹ The increase was mainly driven by the recognition of new financial lease obligations relating to property leases, predominately in relation to the new London office.

The Group expenses short-term leases and low-value assets as incurred which is in accordance with the recognition exemption in IFRS 16. Expenses for short-term leases and low-value assets was \$0.4m (2022: \$0.1m) for the year. As at 31 December 2023, the Group is committed to \$0.4m (2022: \$0.1m) of short-term leases and low-value assets.

Lease liabilities:

Lease liabilities are calculated at the present value of the lease payments that are not paid at the commencement date. The Group's lease liabilities as of 31 December 2023 comprise existing contracts as well as contracts entered into during the financial year 2023.

The undiscounted maturity profile of the Group's leases is shown in the table below.

As at 31 December 2023

(\$ in millions)	Property	Vehicles	Total
Within one year	17.9	0.2	18.1
Between two to five years	35.9	0.2	36.1
Greater than five years	98.8	-	98.8
	152.6	0.4	153.0

As at 31 December 2022

(\$ in millions)	Property	Vehicles	Total
Within one year	10.8	0.2	11.0
Between two to five years	22.4	0.3	22.7
Greater than five years	2.6	-	2.6
	35.8	0.5	36.3

The total cash flow relating to all lease obligations in year was \$10.5m (2022: \$10.5m) with lease obligations denominated in various currencies. Total lease interest paid was \$1.4m (2022: \$1.6m).

The Group does not face a significant liquidity risk with regard to its lease liabilities. The Group's obligations are secured by the lessors' title to the leased assets for such leases.

Inmarsat Group Holdings Limited
Notes to the Financial Statements (continued)
For the year ended 31 December 2023

16. Investments

(\$ in millions)	As at 31 December 2023	As at 31 December 2022
Interest in associates	29.3	27.3
Other investments	1.1	1.1
Total investments	30.4	28.4

Interest in associates represents the Group's investments which have been treated as associates and have all been accounted for using the equity method of accounting. Individually, all of the investments in associates are deemed to be immaterial and as a result the associates' assets, liabilities, revenues and profits have not been presented.

Other investments represent the Group's investment in Actility S.A. and is accounted for as fair value through profit and loss.

Cash dividends received from the associates for the year ended 31 December 2023 total \$4.9m (2022: \$3.7m). The Group's aggregate share of its associates' profits from continuing operations for the year is \$7.1m (2022: \$7.2m) and has been recognised in the income statement.

17. Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held on call with banks, other short-term highly liquid investments with original maturities of three months or less.

(\$ in millions)	As at 31 December 2023	As at 31 December 2022
Cash at bank and in hand	119.0	191.7
Short-term deposits with original maturity less than 3 months	165.6	41.7
Cash and cash equivalents	284.6	233.4

Short-term deposits

At 31 December 2023, the Group has \$30.0m of cash held in short-term deposits with an original maturity of between four and twelve months (2022: \$109.1m).

Inmarsat Group Holdings Limited
Notes to the Financial Statements (continued)
For the year ended 31 December 2023

18. Trade and other receivables

(\$ in millions)	As at 31 December 2023	As at 31 December 2022
Current		
Trade receivables and contract assets	256.1	227.9
Other receivables ¹	370.0	8.4
Accrued income	24.9	9.9
Prepayments	53.7	46.0
Total trade and other receivables	704.7	292.2
Non-current		
Intergroup lending, gross of capitalised interest	1,238.8	1,118.2
Other receivables	0.8	3.4
Prepayments	8.9	-
Total other receivables	1,248.5	1,121.6

¹ The current other receivables balance includes \$349.0m relating to insurance claim proceeds for the I-6 F2 satellite.

Intergroup lending

As at 31 December 2023, a \$1,019.1m intergroup loan (2022: \$1,019.1m) has been issued to Connect Midco Limited, 100% owned by the ultimate parent of the Company. The total intergroup lending balance includes capitalised interest of \$207.0m (2022: \$88.3m) and accrued interest of \$12.7m (2022: \$10.8m). The loan is charged at 3-month SOFR +5.05% and is repayable on 21 February 2025.

Expected credit loss

The Group applies the simplified approach under IFRS 9 for the impairment of receivables and contract assets. A provisioning matrix based on internal debtor credit ratings has been used in order to calculate the lifetime loss allowances for each grouping.

Debtors have been grouped based on ageing and each debtor's internal credit rating. This rating is a measure from A to E (with E being the highest risk of default) and considers the debtors financial strength, history and magnitude of past defaults, personal credit history with the Group and the associated level of sovereign and market risk. The information used in assigning ratings is both historical and forward looking as regular contact with debtors is maintained to understand if there is any additional risk forecast. Specific allowances are made to reflect any additional risk identified.

Inmarsat Group Holdings Limited
Notes to the Financial Statements (continued)
For the year ended 31 December 2023

18. Trade and other receivables (continued)

The table below presents the lifetime expected credit losses for trade receivables within each debtor category. No loss allowance has been recognised for other receivables and accrued income.

As at 31 December 2023

(\$ in millions)	Internal rating A	Internal rating B	Internal rating C	Internal rating D/E	Total
Carrying value of trade receivables (gross)¹	50.7	210.3	57.3	0.2	318.5
Lifetime ECL	0.2	3.3	6.0	0.2	9.7
Specific allowances	-	-	4.0	-	4.0
Group loss allowance	0.2	3.3	10.0	0.2	13.7

¹ This is presented gross of credit note allowances of \$48.7m.

As at 31 December 2022

(\$ in millions)	Internal rating A	Internal rating B	Internal rating C	Internal rating D/E	Total
Carrying value of trade receivables (gross)¹	20.8	193.5	66.8	12.2	293.3
Lifetime ECL	-	2.1	6.6	0.1	8.8
Specific allowances	-	0.4	5.6	4.5	10.5
Group loss allowance	-	2.5	12.2	4.6	19.3

¹ This is presented gross of credit note allowances of \$46.1m.

The Group's trade and other receivables are stated after impairments. Movements during the year in the Group loss allowance were as follows:

(\$ in millions)	2023	2022
As at 1 January	19.3	37.7
Charged in the year	14.8	7.6
Utilised in the year	(1.6)	(0.8)
Released in the year	(14.3)	(9.9)
Ligado release in the year	(4.5)	(15.3)
As at 31 December¹	13.7	19.3

¹ The maturity of the Group's provision for uncollectable trade receivables for the period ended 31 December 2023 is \$0.6m current, \$0.4m between one and 30 days overdue, \$2.5m between 31 and 120 days overdue and \$10.2m over 120 days overdue (2022: \$0.9m current, \$0.9m between one and 30 days overdue, \$3.1m between 31 and 120 days overdue and \$14.4m over 120 days overdue).

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Notes to the Financial Statements (continued)
For the year ended 31 December 2023

19. Inventories

	As at 31 December 2023	As at 31 December 2022
(\$ in millions)		
Finished goods	69.8	55.7
Work in progress	1.3	1.5
Total inventories	71.1	57.2

The Group's inventories are stated after allowances for obsolescence. Movements in the allowance during the year were as follows:

(\$ in millions)	2023	2022
As at 1 January	27.0	20.2
Charged to the allowance in respect of the current year	5.6	8.7
Released in the year	(0.8)	(1.9)
As at 31 December	31.8	27.0

20. Net borrowings

	As at 31 December 2023			As at 31 December 2022		
(\$ in millions)	Amount	Reprice gain	Net balance	Amount	Reprice gain	Net balance
Current:						
Related party loan	9.9	-	9.9	9.9	-	9.9
Total current borrowings	9.9	-	9.9	9.9	-	9.9
Non-current:						
Related party loan	2,200.8	(24.8)	2,176.0	2,264.8	(32.4)	2,232.4
Total non-current borrowings	2,200.8	(24.8)	2,176.0	2,264.8	(32.4)	2,232.4
Total borrowings	2,210.7	(24.8)	2,185.9	2,274.7	(32.4)	2,242.3
Cash and cash equivalents	(284.6)	-	(284.6)	(233.4)	-	(233.4)
Short-term deposits	(30.0)	-	(30.0)	(109.1)	-	(109.1)
Net borrowings	1,896.1	(24.8)	1,871.3	1,932.2	(32.4)	1,899.8

Senior revolving credit facility

On 12 December 2019, the Group signed a new five-year \$700m revolving credit facility ('Senior Revolving Credit Facility'). Up until 30 June 2023, advances in U.S. dollar under the facility bore interest at a rate equal to the applicable USD LIBOR, plus a margin of between 3.0% and 3.5% determined by reference to the ratio of Senior Secured First Lien Net Leverage for the period. In line with the IBOR interest rate benchmark reform, from 1 July 2023, advances in U.S. dollar under the facility bear interest at a rate equal to the applicable Term SOFR, plus a margin of 3.5%. At 31 December 2023, there were no drawings under the Senior Revolving Credit Facility.

Related party loan

The Group has three loan agreements with its group companies, including two with the indirect parent company. The first is a \$1.0bn facility with \$759.3m drawn at 31 December 2023 (2022: \$825.3m) with an interest rate of SOFR +3.7%, provided that the SOFR rate for any interest period shall neither be less than 1.00% per annum nor more than 2.00% per annum (2022: Libor +3.7%). The second is a \$2.0bn facility with \$1.43bn drawn at 31 December 2023 (2022: \$1.44bn) with an interest rate of SOFR +4.7% (2022:

Inmarsat Group Holdings Limited
Notes to the Financial Statements (continued)
For the year ended 31 December 2023

20. Net borrowings (continued)

Libor +3.7%). The last is a loan with \$9.8m drawn at 31 December 2023 (2022: \$nil) with a fixed interest rate of 4%. The first two loan agreements were signed on 5 December 2019 and are due to mature on 5 December 2026. The last agreement was signed on 20 November 2022 and is due to mature on 29 November 2024.

Effective interest rate

The effective interest rates at the balance sheet dates were as follows:

Effective interest rate %	2023	2022
Bank overdrafts	-	-
Related party loan	8.3%	6.0%

Reconciliation of movements in liabilities to cash flows arising from financing activities:

(\$ in millions)	As at 1 January 2023	Cashflows¹	Transfers²	Deferred finance costs & reprice gain	Interest expenses	Foreign exchange	Lease adjustments	Other adjustments	As at 31 December 2023
Short-term borrowings	9.9	(9.9)	9.9	-	-	-	-	-	9.9
Related party loan	2,232.4	(238.1)	(9.9)	7.6	188.9	-	-	(4.9)	2,176.0
Lease liabilities	33.8	(11.9)	-	-	6.4	5.4	66.5	(0.1)	100.1
Total liabilities from financing activities	2,276.1	(259.9)	-	7.6	195.3	5.4	66.5	(5.0)	2,286.0

(\$ in millions)	As at 1 January 2022	Cashflows¹	Transfers²	Deferred finance costs & reprice gain	Interest expenses	Foreign exchange	Lease adjustments	Other adjustments	As at 31 December 2022
Short-term borrowings	9.9	(9.9)	9.9	-	-	-	-	-	9.9
Related party loan	2,344.7	(238.0)	(9.9)	7.3	142.7	-	-	(14.4)	2,232.4
Lease liabilities	45.5	(12.0)	-	-	-	(3.0)	2.4	0.9	33.8
Total liabilities from financing activities	2,400.1	(259.9)	-	7.3	142.7	(3.0)	2.4	(13.5)	2,276.1

¹ Cashflows relate to repayment of borrowings, interest paid, and cash payments for the principal portion of lease obligations.

² Transfers comprise debt maturing from long-term to short-term borrowings.

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Notes to the Financial Statements (continued)
For the year ended 31 December 2023

21. Trade and other payables

(\$ in millions)	Note	As at 31 December 2023	As at 31 December 2022
Current			
Trade payables		103.9	155.1
Other taxation and social security payables		9.8	4.6
Other creditors		5.7	7.6
Other accruals		125.8	147.3
Deferred income ¹		1,073.6	1,037.3
Total trade and other payables		1,318.8	1,351.9
Non-current			
Other payables		1.6	2.0
Defined benefit pension and post-employment	27	12.4	10.8
Total other payables		14.0	12.8

¹ The deferred income balance includes \$930.2m (2022: \$905.9m) relating to payments received from Ligado Networks (refer note 4).

The Directors consider the carrying value of trade and other payables to approximate to their fair value.

Deferred income

Deferred income represents obligations to transfer goods or services to a customer for which the entity has received consideration and is therefore considered a contract liability. The Group has recognised the following movements in deferred income throughout the year:

(\$ in millions)	2023	2022
As at 1 January	1,037.3	1,018.0
Contract liability raised in the year	734.8	421.9
Contract liability utilised in the year	(698.5)	(402.6)
As at 31 December	1,073.6	1,037.3

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Notes to the Financial Statements (continued)
For the year ended 31 December 2023

22. Provisions

Movements in the Group's provisions were as follows:

(\$ in millions)	Contract Restructuring obligation	Asset Deferred retirement	Deferred salary	Other	Total	
As at 1 January 2023	2.4	2.2	1.1	0.8	0.8	7.3
Charged in respect of year	9.4	-	1.1	0.8	-	11.3
Utilised in year	(2.0)	(1.3)	-	-	-	(3.3)
Reversal in the year	(0.4)	-	-	(0.1)	(0.8)	(1.3)
As at 31 December 2023	9.4	0.9	2.2	1.5	-	14.0
Non-current	-	0.6	2.2	1.5	-	4.3
Current	9.4	0.3	-	-	-	9.7
	9.4	0.9	2.2	1.5	-	14.0

A. Restructuring

The restructuring provision relates to organisational restructuring and employee severance. The provision is calculated based on the estimated costs from the terms of relevant employee contracts. The remaining provision is expected to be utilised within 1 year.

B. Contract obligation

Contract obligation provisions relate to various contracts within the Aviation business unit, which are expected to result in an outflow of economic benefit as a result of the contract terms. The provisions are calculated using various best estimate methods including weighted probability of a range of potential outcomes. The costs do not include future operating costs.

C. Asset retirement

Asset retirement obligations relate to the expected costs of removing equipment from occupied premises. This is based on contractual obligations set out in the occupation agreements and is calculated using the best estimate of the cost to remove equipment at the end of the term. The costs are expected to be utilised within 2 - 5 years.

D. Deferred salary

Deferred salary payments are regulatory provisions arising from staff located in Germany, Italy, Qatar and the United Arab Emirates, where the amounts are paid upon the termination of the employment relationship. The provision is calculated based on the estimated costs from the terms of relevant employee contracts.

Inmarsat Group Holdings Limited
Notes to the Financial Statements (continued)
For the year ended 31 December 2023

23. Current and deferred taxation

The current tax asset of \$18.3m and the current tax liability of \$231.0m (2022: \$3.1m and \$256.8m) represent the tax receivable and payable in respect of current and prior periods, less amounts paid.

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities (prior to the offsetting of balances within the same jurisdiction as permitted by IAS 12) for the year are shown below:

(\$ in millions)	As at 31 December 2023			As at 31 December 2022		
	Assets	Liabilities	Net	Assets	Liabilities	Net
Property, plant and equipment and intangible assets	-	502.7	502.7	(0.6)	545.8	545.2
Provisions	(11.4)	-	(11.4)	(10.8)	1.1	(9.7)
Other ¹	(62.2)	-	(62.2)	(89.7)	-	(89.7)
Tax losses	(26.5)	-	(26.5)	(54.4)	-	(54.4)
Net deferred tax liabilities	(100.1)	502.7	402.6	(155.5)	546.9	391.4

¹ Other relates to pensions and corporate interest restrictions.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

The value of deferred income tax assets and liabilities included in the net deferred income tax balance is shown below:

(\$ in millions)	As at 31 December 2023	As at 31 December 2022
Deferred tax assets	(41.8)	(34.6)
Deferred tax liabilities	444.4	426.0
Net deferred tax liabilities	402.6	391.4

Movement in temporary differences during the period:

(\$ in millions)	Recognised in			As at 31 December 2023
	As at 1 January 2023	Recognised in income	other comprehensive income	
Property, plant and equipment and intangible assets	545.2	(42.5)	-	502.7
Provisions	(9.7)	(1.7)	-	(11.4)
Other ¹	(89.7)	27.7	(0.2)	(62.2)
Tax losses	(54.4)	27.9	-	(26.5)
Total	391.4	11.4	(0.2)	402.6

¹ Other relates to pensions and corporate interest restrictions.

Inmarsat Group Holdings Limited
Notes to the Financial Statements (continued)
For the year ended 31 December 2023

23. Current and deferred taxation (continued)

(\$ in millions)	As at 1		Recognised in	
	January 2022	Recognised in income	other comprehensive income	As at 31 December 2022
Property, plant and equipment and intangible assets	468.1	77.1	-	545.2
Provisions	(8.6)	(1.1)	-	(9.7)
Other ¹	(64.2)	(26.6)	1.1	(89.7)
Tax losses	(52.7)	(1.7)	-	(54.4)
Total	342.6	47.7	1.1	391.4

¹ Other relates to pensions and corporate interest restrictions.

Total unrecognised deferred tax assets:

(\$ in millions)	As at 31	As at 31
	December 2023	December 2022
Unused income tax losses	-	-
Unused capital losses	(63.6)	(60.5)
Total	(63.6)	(60.5)

The unrecognised gross temporary difference relating to capital losses is \$254.3m (2022: \$242.0m), resulting in an unrecognised deferred tax asset of \$63.6m (2022: \$60.5m).

Deferred tax assets are recognised to the extent there is probable utilisation of the underlying temporary difference using existing tax laws and forecasts of future taxable profits based on Board-approved business plan forecasts.

Overseas dividends received are largely exempt from UK tax but may be subject to foreign withholding taxes. The unrecognised gross temporary difference in respect of the unremitted earnings of those overseas subsidiaries affected by such taxes is \$nil (2022: \$nil), resulting in a deferred tax liability of \$nil (2022: \$nil).

The unrecognised gross temporary difference in respect of the investments in associates is \$2.7m (2022: \$2.7m), resulting in an unrecognised deferred tax liability of \$0.8m (2022: \$0.8m).

Inmarsat Group Holdings Limited
Notes to the Financial Statements (continued)
For the year ended 31 December 2023

24. Reconciliation of cash generated from operations

Reconciliation of profit for the year to cash generated from operations:

(\$ in millions)	2023	2022
Profit for the year	251.2	362.7
<i>Adjustments for:</i>		
Taxation charge	116.7	101.7
Financing costs	108.2	75.6
Financing income	(136.2)	(75.4)
Operating profit	339.9	464.6
Depreciation and amortisation	399.3	391.5
Loss on disposal of assets	3.3	1.9
Net impairment of assets	144.3	0.3
Share of profit of associates	(7.1)	(7.2)
Dividends received from associates	4.9	3.7
Non-cash foreign exchange movements	(22.1)	(9.4)
Changes in net working capital:		
Increase in trade and other receivables	(92.5)	(36.1)
Increase in inventories	(13.9)	(20.6)
Increase in trade and other payables	33.0	68.3
Increase / (decrease) in provisions	6.7	(4.4)
Cash generated from operations	795.8	852.6

25. Share capital

(\$ in millions)	As at 31 December 2023	As at 31 December 2022
Authorised:		
1,166,610,560 ordinary shares of €0.0005 each (2022: 1,166,610,560)	0.7	0.7
Allotted, issued and fully paid:		
470,084,105 ordinary shares of €0.0005 each (2022: 470,084,105)	0.3	0.3

During the year ended 31 December 2023, no additional ordinary shares were allotted and issued by the Company (2022: nil). No shares were repurchased during 2023 or 2022.

Inmarsat Group Holdings Limited
Notes to the Financial Statements (continued)
For the year ended 31 December 2023

26. Employee long-term incentive plan

Cash Long-Term Incentive Plan (LTIP)

The cash LTIP is an executive and senior management remuneration scheme which runs over three years and started in 2020. A new LTIP is granted each year with a performance period from 1 January to 31 December. The LTIP scheme was revised on acquisition and the 2021 and 2022 plans paid out during 2023. The 2023 scheme, which included Executive management, was shortened and the amount fixed and will be paid out before the end of 2024. The maximum pay out under the scheme is 134.4% of salary.

The total cash LTIP charge for the year is \$19.0m (2022: \$4.3m), comprising of the 2021, 2022 and 2023 LTIP, bringing the accumulated cash LTIP provision to \$10.9m (2022: \$8.8m).

Employee Participation Units (EPU)

The employee participation unit scheme provides 100 participation units to all permanent employees each year, beginning in 2020. This continues until an exit-event, such as the Viasat acquisition which occurred in 2023 and therefore the EPU amount was paid out during 2023. The value of these units is based on a fixed amount of share capital issued in Connect Sub-Topco Limited, held in ownership by Connect Topco Limited, the ultimate parent of the Group. The total EPU charge for the year was \$0.7m, the final paid out was \$2.8m resulting in a year-end provision of \$nil (2022: \$2.1m).

27. Pensions and post-employment benefits

The Group operates pension schemes in each of its principal locations. The Group's pension plans are provided through both defined benefit schemes and defined contribution arrangements.

The Group operates defined benefit pension schemes in Germany and Indonesia which remain active. The Group's previous principal defined benefit pension plan was the Inmarsat Global defined benefits scheme, which was a UK funded scheme. This scheme underwent a 'buy-in' during 2020 and underwent a 'buy-out' during 2022, therefore no further obligations for the Group or trustee exist under the Inmarsat Global defined benefits scheme.

The Group also provides post-employment benefits for some of its employees. The Group's principal scheme is the Inmarsat Global post-retirement healthcare benefit scheme, which is the provision of healthcare to retired employees (and their dependants) who were employed before 1 January 1998. Employees who have 10 years of service at the age of 58 and retire are eligible to participate in the post-retirement healthcare benefit plans. Membership of this plan is multinational, although most staff are currently employed in the UK. The plans are self-funded and there are no plan assets from which the costs are paid. The cost of providing these benefits is actuarially determined and accrued over the service period of the active employee groups. The Group's post-retirement medical liability is capped at CPI +1%.

There have been no pension plan amendments, curtailments or settlements since the previous year end, other than the buy-out disclosure above. Schemes denominated in local currencies are subject to fluctuations in the exchange rate between U.S. Dollars and local currencies.

The principal actuarial assumptions used to calculate the Group's pension and post-employment benefits liabilities under IAS 19 are:

	As at 31 December 2023	As at 31 December 2022
Weighted average actuarial assumptions		
Discount rate	4.9%	5.2%
Future salary increases	7.0%	7.0%
Medical cost trend	3.1%	3.3%

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Notes to the Financial Statements (continued)
For the year ended 31 December 2023

27. Pensions and post-employment benefits (continued)

Mortality assumptions have been left unchanged and have been in place since 2018. The average life expectancy assumptions for the Company's pension and post-employment benefits liabilities are as follows:

Life expectancy	2023	2022
Mortality assumptions - male	88.5	88.5
Mortality assumptions - female	89.7	89.7

Mortality assumptions used are consistent with those recommended by the individual scheme actuaries and reflect the latest available tables, adjusted for the experience of the Group where appropriate. For the Inmarsat Global post-retirement healthcare benefits for 2023, mortality has been assumed to follow the S2PA tables with -1 year age rating for males and CMI 2017 improvement with a long-term trend of 1.75% pa.

Significant actuarial assumptions for the determination of the post-employment benefits scheme are discount rate, mortality and healthcare cost trend rates. The sensitivity analysis below is for the Group's principal post-employment benefits scheme and has been determined based on reasonable possible changes of the assumptions occurring at the end of the reporting period assuming that all other assumptions are held constant.

Inmarsat Global post-retirement healthcare benefit scheme:

(\$ in millions)	Impact on benefit obligation - increase/ (decrease)	Impact on service cost increase / (decrease)
Change in assumption:		
Increase in discount factor of 0.5%	(0.5)	-
Increase in medical price inflation trend rate of 1%	1.2	0.1
Decrease in medical price inflation trend rate of 1%	(1.0)	(0.1)

In reality, there is an expectation of inter-relationships between the assumptions, for example, between discount rate and inflation. The above analysis does not take the effect of these inter-relationships into account.

Amounts recognised in the balance sheet are:

(\$ in millions)	As at 31 December 2023	As at 31 December 2022
Present value of unfunded defined benefit obligations (pension)	(0.2)	(0.2)
Present value of unfunded defined benefit obligations (post-employment benefits)	(12.2)	(10.6)
Net defined benefit liability recognised in the Balance Sheet	(12.4)	(10.8)

Inmarsat Group Holdings Limited
Notes to the Financial Statements (continued)
For the year ended 31 December 2023

27. Pensions and post-employment benefits (continued)

Analysis of the movement in the present value of the defined benefit obligations is as follows:

(\$ in millions)	Defined benefit plan	Post-employment benefits
As at 1 January 2023	0.2	10.6
Current service cost	-	0.2
Interest cost	-	0.6
<i>Remeasurement gain:</i>		
Actuarial gain from changes in financial assumptions	-	0.8
Benefits paid	-	(0.5)
Foreign exchange gain	-	0.5
As at 31 December 2023	0.2	12.2

Analysis of the movement in the fair value of the assets of the defined benefit pension plans is as follows:

(\$ in millions)	2023	2022
At 1 January	-	124.1
Interest income	-	2.0
<i>Remeasurement loss:</i>		
Loss return on plan assets (excluding interest amounts)	-	(43.7)
Benefits paid	-	(0.1)
Expenses paid (included in service cost)	-	(0.6)
Foreign exchange loss	-	(13.3)
Defined benefit pension buy-out	-	(68.4)
At 31 December	-	-

Amounts recognised in the income statement in respect of the plans are as follows:

(\$ in millions)	2023		2022	
	Defined benefit plan	Post-employment benefits	Defined benefit plan	Post-employment benefits
Current service cost	-	0.2	0.6	0.2
Net interest expense	-	0.6	-	0.2
Foreign exchange loss / (gain)	-	0.5	-	(1.7)
	-	1.3	0.6	(1.3)

Current service cost is included within employee benefit costs (note 7). The net financing costs together with foreign exchange gains and losses are included within interest payable (note 9).

Inmarsat Group Holdings Limited
Notes to the Financial Statements (continued)
For the year ended 31 December 2023

27. Pensions and post-employment benefits (continued)

Amounts recognised in the statement of comprehensive income in respect of the plans are as follows:

(\$ in millions)	2023		2022	
	Defined benefit plan	Post-employment benefits	Defined benefit plan	Post-employment benefits
Actuarial loss / (gain) from changes in financial assumptions	-	0.8	(43.7)	(5.6)
Actuarial loss arising from changes in experience adjustment	-	-	-	1.7
Loss on plan assets (excluding interest amounts)	-	-	43.7	-
Remeasurement of the net defined benefit liability	-	0.8	-	(3.9)

28. Operating leases

During the year the Group received income from various agreements deriving revenue from leased equipment. These amounts are recorded as revenue on a straight-line basis over the respective lease terms and represent the majority of the Group's future aggregate minimum lease payments under non-cancellable operating leases expected to be received.

During the year the Group received \$40.9m (2022: \$37.2m) revenue from various agreements deriving revenue from leased equipment. The income relates predominantly to maritime antenna leases, as well as other onboard vessel equipment which is required for customers to connect to the Group's satellite network.

Customers must be deemed to be creditworthy under the Group's credit policy before any equipment is leased. Should any customer terminate its relationship with the Group, then onboard leased assets are required to be returned as these remain property of the Group. In the event of damage, or the non-return of equipment, the Group will invoice the customer for the value of the equipment. Collection of this debt falls under the Group's credit policy.

The following table summarises the future minimum lease payments:

(\$ in millions)	As at 31 December	As at 31 December
	2023	2022
Within one year	41.6	40.9
Within two to five years	36.5	52.8
	78.1	93.7

Inmarsat Group Holdings Limited
Notes to the Financial Statements (continued)
For the year ended 31 December 2023

29. Capital risk management

The following table summarises the capital of the Group:

(\$ in millions)	As at 31 December 2023	As at 31 December 2022
As per balance sheet		
Cash and cash equivalents	(284.6)	(233.4)
Short-term deposits greater than three months	(30.0)	(109.1)
Borrowings ¹	2,185.9	2,242.3
Net borrowings	1,871.3	1,899.8
Equity attributable to shareholders of the parent	1,918.1	1,669.4
Capital	3,789.4	3,569.2

¹ This excludes lease obligations of \$100.1m (2022: \$33.8m).

The Group's objective when managing its capital is to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Group continually evaluates sources of capital and may repurchase, refinance, exchange or retire current or future borrowings and/or debt securities from time to time in private or open-market transactions, or by any other means permitted by the terms and conditions of borrowing facilities and debt securities. Additionally, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group regularly monitors movements in cash and borrowings, as well as total available liquidity. The Group's liquidity is disclosed in note 3(d).

30. Financial instruments

Treasury management and strategy

The Group's treasury activities are managed by its treasury department which reports into the Chief Financial Officer (CFO). The Group has in place a risk management programme that seeks to limit adverse effects on the financial performance of the Group by monitoring foreign exchange exposures and proposing a strategy to manage this exposure to the CFO for approval on an annual basis, and using interest rate caps as required to minimise the exposure arising from floating rate debt.

The Board of Directors of the Group has delegated to the treasury department the responsibility for setting and implementing the financial risk management policies applied by the Group. The treasury department has a policy and procedures manual that sets out specific guidelines for managing foreign exchange risk, interest rate risk and credit risk.

Key features of treasury management include:

- Ensuring that the Group is in a position to fund its obligations in appropriate currencies as they fall due;
- Maintaining adequate undrawn borrowing facilities; and
- Maximising return on short-term investments based on counterparty limits and credit ratings.

The Group's foreign exchange policy is not to hedge its foreign currency transactions. Where there is a material contract with a foreign currency exposure, a specific hedge to match the specific risk will be evaluated and must be approved by the Chief Financial Officer (CFO) prior to any hedge being undertaken.

Inmarsat Group Holdings Limited
Notes to the Financial Statements (continued)
For the year ended 31 December 2023

30. Financial instruments (continued)

Financial instruments by category

The following table sets out the categorisation of financial assets and liabilities under IFRS 9:

	As at 31 December 2023	As at 31 December 2022
	Amortised cost	Amortised cost
(\$ in millions)		
Assets as per balance sheet		
Trade receivables and other ¹	651.8	249.6
Cash and cash equivalents	284.6	233.4
Short-term deposits	30.0	109.1
Intergroup lending, gross of capitalised interest	1,238.8	1,118.2
	2,205.2	1,710.3

¹ Consists of trade receivables, other receivables and accrued income (see note 18).

	As at 31 December 2023	As at 31 December 2022
	Amortised cost	Amortised cost
(\$ in millions)		
Liabilities as per balance sheet		
Borrowings	2,185.9	2,242.3
Trade payables and other ¹	237.0	312.0
Lease liabilities	100.1	33.8
	2,523.0	2,588.1

¹ Consists of trade payables, other payables, accruals and excludes pension liabilities, deferred income and other taxation and social security payables (see note 21).

Inmarsat Group Holdings Limited
Notes to the Financial Statements (continued)
For the year ended 31 December 2023

30. Financial instruments (continued)

The table below analyses the Group's financial liabilities and net-settled derivative financial instruments into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying values as the impact of discounting is not significant.

(\$ in millions)	As at 31 December 2023				
	Less than 1 year	Between	Between	Over 5 years	Total
		1 and 2 years	2 and 5 years		
Borrowings ¹	316.4	198.1	2,285.8	-	2,800.3
Trade payables and other ²	235.4	-	-	1.6	237.0
	551.8	198.1	2,285.8	1.6	3,037.3

(\$ in millions)	As at 31 December 2022				
	Less than 1 year	Between	Between	Over 5 years	Total
		1 and 2 years	2 and 5 years		
Borrowings ¹	203.2	203.0	2,652.4	-	3,058.6
Trade payables and other ²	310.0	0.1	0.2	1.7	312.0
	513.2	203.1	2,652.6	1.7	3,370.6

1 Includes interest obligations on the related party loan. The interest obligations on the borrowings are at variable rates for the term of the borrowing.

2 Consists of trade payables, other payables, accruals and excludes pension liabilities, deferred income and other taxation and social security payables (see note 21).

Financial assets and financial liabilities

Financial assets consist of cash at bank, short-term investments, trade receivables, other receivables, and accrued income.

Financial liabilities consist of borrowings, trade payables, lease liabilities, other payables, and accruals.

Fair value of financial assets and financial liabilities

With the exception of the related party loans and intergroup lending, the fair values of all financial instruments approximate to the carrying value in the balance sheet. The fair value of related party loans and intergroup lending are classified as level 2 in the fair value hierarchy according to IFRS 13.

The following methods and assumptions have been used to determine fair values:

- The fair values of cash at bank, overdrafts and short-term deposits approximate their carrying values because of the short-term maturity of these instruments (see note 17);
- The fair value of trade and other receivables and payables, accrued income and costs, lease liabilities, and deferred consideration approximate their carrying values (see notes 18 and 21 respectively);
- The related party loans are reflected in the balance sheet and the fair value is based on the net present value discounted at SOFR +3.7%, SOFR +4.7% and 4%;
- The Intergroup loan fair value is reflected in the balance sheet net of unamortised arrangement costs of nil. The fair value is based on the net present value discounted at SOFR +5.05%.

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Notes to the Financial Statements (continued)
For the year ended 31 December 2023

30. Financial instruments (continued)

(\$ in millions)	As at 31 December 2023		As at 31 December 2022	
	Carrying amount	Fair value amount	Carrying amount	Fair value amount
Related party loan	2,185.9	2,273.3	2,242.3	2,655.4
Intergroup lending	1,226.1	1,270.5	1,107.4	1,225.7

31. Capital and purchase commitments

(\$ in millions)	Total	Less than	Between 2	Greater
		1 year	and 5 years	5 years
Purchase commitments	57.1	31.8	24.5	0.8
Lease commitments	287.3	-	78.4	208.9
Capital commitments	505.4	278.7	226.7	-
Total commitments	849.8	310.5	329.6	209.7

Capital commitments primarily represent commitments in respect of the Group's GX7, 8, 9 satellite programs. Lease and purchase commitments mainly comprise the commitment for development of Arctic capabilities for GX in partnership with Space Norway.

32. Contingent liabilities

In the ordinary course of business, the Group is subject to contingencies pursuant to requirements that it complies with relevant laws, regulations and standards. Failure to comply could result in restrictions in operations, damages, fines, increased tax, increased cost of compliance, interest charges, reputational damage and other sanctions. These matters are inherently difficult to quantify.

In cases where the Group has an obligation as a result of a past event existing at the balance sheet date, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be reliably estimated, a provision will be recognised based on best estimates and management judgement.

A contingent liability is disclosed where the existence of the obligation will only be confirmed by future events, or where the amount of the obligation cannot be measured with reasonable reliability. As at 31 December 2023, the Group had no material contingent liabilities (2022: \$25m).

33. Related party transactions

In the normal course of operations, the Group engages in transactions with its equity-accounted associates (Navarino UK and JSAT Mobile), parent companies (being Connect Finco Limited, Connect Bidco Limited, Connect Midco Limited, Connect Sub-Topco Limited, and Connect Topco Limited), the ultimate parent Company (Viasat Inc.), and entities which are members of the Viasat Inc. group (most notably RigNet Inc.).

Transactions with equity-accounted associates represent sales of airtime and equipment and are measured at the amounts exchanged. Group revenue from Navarino UK and JSAT Mobile for the 2023 financial year is \$49.2m and \$27.4m respectively (2022: \$43.4m and \$24.6m, respectively). The amount receivable from Navarino UK and JSAT Mobile at 31 December 2023 is \$9.2m and \$2.5m, respectively (2022: \$9.9m and \$3.4m, respectively).

Inmarsat Group Holdings Limited
Notes to the Financial Statements (continued)
For the year ended 31 December 2023

33. Related party transactions (continued)

Transactions with the parent companies relate to \$1.7m (2022: \$0.9m) intercompany management charges, interest expense of \$188.9m (2022: \$142.6m), Borrowings outstanding with the Connect Bidco Ltd of \$2,185.9m (2022: \$2,243.3m), and lending outstanding with Connect Midco Ltd of \$1,238.9m (2022: \$1,118.2m). At 31 December 2023, the amount payable to parent companies, other than borrowings and lending, is \$2.4m (2022: \$2.6m) and \$3.6m receivable from parent companies (2022: \$3.7m payable).

Transactions with the ultimate parent company being Viasat Inc. is \$nil.

Transactions with entities which are members of the Viasat Inc. group represent sales of airtime and leased space segment revenue and are measured at the amounts exchanged. Group revenue from RigNet Inc. for the 2023 financial year from the date of the Viasat acquisition is \$3.4m. The amount of receivable from RigNet Inc. at 31 December 2023 is \$0.8m.

Transactions with the Executive and Non-executives, relating to remuneration earned in the normal course of operations, is provided in note 8.

34. Events after the balance sheet date

Ligado

On 10 January 2024, the Group and Ligado signed an amendment to the Ligado cooperation agreement pursuant to which the Group agreed to further defer (with interest) the \$365.5m as well as the March, June, September and December 2023 quarterly payments as well as the March 2024 quarterly payment, until 31 May 2024 at which the total amount owed of \$455m will be due (which includes all outstanding quarterly payments and interest). Subsequent to year end, the Group and Ligado signed a further amendment pursuant to which the Group agreed to further defer (with interest) all outstanding amounts as well as the June 2024 quarterly payment (with interest) to 6 September 2024, at which point the total amount owed of \$480.4m will be due (which includes all outstanding quarterly payments and interest). Based on the terms of the collective agreements and other considerations under IFRS 15, the Company recognized revenue in six month ended 30 June 2024, however ongoing amounts could materially change based on facts and circumstances at the end of each accounting period.

Refinancing of term loan & revolving credit facility

Subsequent to year-end, the Group extended the maturity of term loan and revolving credit facility. Of the existing \$1.75bn term loan B, \$1.3bn was extended for a period of 5.5 years with a new maturity date of 28 September 2029. Interest on the extended portion is, at the option of the Group, either the term Secured Overnight Financing Rate, plus 450 bps or the alternate base rate, plus 350 bps. Of the non-extended portion, \$300m was left in place with an original maturity date of 12 December 2026 and the remaining \$84m was retired with cash. Concurrently, the Inmarsat revolving credit facility was downsized from \$700m to \$550m and extended 3 years with a new maturity date of 28 March 2027 (or, if more than \$100m of the non-extended portion of the term loan B is outstanding on the date that is 91 days prior to the maturity thereof, such date). As of 30 June 2024, there were no outstanding balances under the revolving credit facility.

I-6 F2 insurance claim

Subsequent to year-end, the full amount (\$349.0m) of the insurance claim has been received.

Repayment and Retirement of Portion of Senior Notes 2026

Between July 8 and 12, 2024, the Group paid down and retired approximately \$101.7 million of principal of Senior Notes due 2026 by paying approximately \$99.9 million in cash (plus accrued interest).

There are no other events after balance sheet date which would require disclosure.

Inmarsat Group Holdings Limited
Notes to the Financial Statements (continued)
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35. Group entities

As at 31 December 2023, the Company had investments in the following subsidiaries and associates:

Entity name	Principal activity	Country of incorporation / registered address¹	Ownership
Inmarsat Holdings Limited	Holding company	England and Wales/A	100%
Inmarsat Group Limited	Holding company	England and Wales/A	100%
Inmarsat Finance Limited	Finance company	England and Wales/A	100%
Inmarsat Investments Limited	Holding company	England and Wales/A	100%
Inmarsat Ventures SE	Operating company Satellite	Luxembourg/AH	100%
Inmarsat Global Limited	telecommunications	England and Wales/A	100%
ISAT Global Xpress OOO	Dormant	Russian Federation/W	100%
Inmarsat Brasil Satélites LTDA	Dormant	Brazil/G	100%
Inmarsat Leasing (Two) Limited	Satellite leasing	England and Wales/A	100%
Inmarsat New Zealand Limited	Operating company	New Zealand/T	100%
Inmarsat Services Limited	Operating company	England and Wales/A	100%
PT ISAT	Operating company	Indonesia/P	100%
Inmarsat Communications Company LLC	Operating company	UAE/AB	49%
Inmarsat Group Holdings Inc.	Operating company	United States/C	100%
ISAT U.S. Inc.	Operating company	United States/C	100%
Inmarsat Government Inc.	Operating company	United States/C	100%
Stratos Government Services Inc.	Operating company	United States/C	100%
Inmarsat Commercial Services Inc.	Operating company	United States/C	100%
Inmarsat Solutions (U.S.) Inc.	Operating company	United States/C	100%
Inmarsat Inc.	Holding company	United States/C	100%
Europasat Limited	Operating company Employment	England and Wales/A	100%
Inmarsat Employment Company Limited	company	Jersey/S	100%
Inmarsat Trustee Company Limited	Dormant	England and Wales/A	100%
Inmarsat Finance III Limited	Operating company	England and Wales/A	100%
Inmarsat Solutions Limited	Holding company	England and Wales/A	100%
Inmarsat Solutions (Canada) Inc.	Operating company	Canada/B	100%
Inmarsat Holdings (Cyprus) Limited	Holding company	Cyprus/J	100%
Inmarsat Germany (GmbH)	Operating company	Germany/K	100%
Inmarsat Global Japan KK	Holding company	Japan/R	100%
Inmarsat Investments BV	Holding company	The Netherlands/U	100%
Inmarsat Solutions B.V.	Operating company	The Netherlands/U	100%
Inmarsat Solutions SA (PTY) Limited	Operating company	South Africa/Y	100%
Inmarsat Spain S.A.	Operating company	Spain/Z	100%

¹ For the list of registered addresses please refer to the table on page 88.

Inmarsat Group Holdings Limited
Notes to the Financial Statements (continued)
For the year ended 31 December 2023

35. Group entities (continued)

Investments in the following subsidiaries and associates (Continued)

Entity name	Principal activity	Country of incorporation / registered address¹	Ownership
Inmarsat Hong Kong Limited	Operating company Satellite	Hong Kong/M	100%
Inmarsat Hellas Satellite Services SA	telecommunications	Greece/L	100%
Inmarsat Navigation Ventures Limited	Operating company	England and Wales/A	100%
Inmarsat SA	Operating company	Switzerland/AA	100%
Inmarsat Solutions Global Limited	Operating company	England and Wales/A	100%
Inmarsat Solutions AS	Operating company	Norway/V	100%
Inmarsat Solutions Pte. Limited	Operating company	Singapore/X	100%
Inmarsat Solutions ehf.	Operating company	Iceland/N	100%
Inmarsat Australia Pty Limited	Operating company	Australia/E	100%
Inmarsat KK	Operating company	Japan/R	100%
Inmarsat Solutions (Shanghai) Co. Limited	Operating company	China/I	100%
Inmarsat India Private Limited	Operating company	India/O	100%
Inmarsat Licences (Canada) Inc.	Holding company	Canada/B	100%
Flysurfer Colombia S.A.S.	Operating company	Columbia/H	100%
Inmarsat New Ventures Limited	Holding company	England and Wales/A	100%
Flysurfer-Ecuador S.A.	Operating company	Ecuador/AD	100%
Inmarsat Satellite Services S.R.L.	Operating company	Romania/AE	100%
Inmarsat BH d.o.o.	Operating company	Bosnia and Herzegovina/AF	100%
Inmarsat Solutions doo Beograd	Operating company	Serbia/AG	100%
Inmarsat DOOEL Skopje	Operating company	North Macedonia, Republic of/D	100%
Inmarsat Maritime Ventures Limited	Operating company	England and Wales/A	100%
Inmarsat Turkey Telekomünikasyon Limited Şirketi	Operating company	Turkey/Q	100%
Navarino UK Limited	Associate	England and Wales/AC	49%
JSAT Mobile Communications Inc.	Associate	Japan/F	26.7%

1 For the list of registered addresses please refer to the table on page 88.

Inmarsat Group Holdings Limited
Notes to the Financial Statements (continued)
For the year ended 31 December 2023

35. Group entities (continued)

Registered address key

Key	Registered address
A	50 Finsbury Square, London EC2A 1HD, United Kingdom
B	34 Glencoe Drive, Box 5754, Donovan's Bus. Park, Mount Pearl Newfoundland A1N 4S8, Canada
C	251 Little Falls Drive, Wilmington DE 19808, United States
D	Str. Risto Ravanovski no.13a, Skopje, Republic of North Macedonia
E	Mills Oakley, Level 7, 151 Clarence Street, Sydney NSW 2000, Australia
F	Nisso Building #22 8F, Azabudai 1-11-10, Minato-ku, Tokyo 106-0041, Japan
G	Av Brig Faria Lima, 3477, Andar 16 Torre Sul Sala 47, Itaim Bibi, Sao Paulo, Brazil
H	Cra. 7 No. 71-52 Tower B 9th Floor, Bogota, DC, Colombia 110231
I	11F, Tower B, Central Towers, No.567, Lan Gao Road, Putuo District, Shanghai, 200333, China
J	1, Lampousas, Nicosia, 1095, Cyprus
K	Willy-Brandt, 23, 20457, Hamburg, Germany
L	280 Kifisias Avenue, Halandri, 152 32, Greece
M	Unit 4217- Metroplaza, Tower 1, 223 Hing Fong Road, Kwai Fong, N.T, Hong Kong, Hong Kong
N	Hlíðarsmára 10, 201 Kópavogi, Iceland
O	P-24, Green Park Extension, New Delhi, 110016, India
P	Panbil Residence 1st – 2nd Floor, Jl. Ahmad Yani, Muka Kuning – Batam – 29433, Indonesia
Q	Maltepe Mah. Eski Çırpıcı , Yolu Sk. Parima , Blok No:8 İç kapı , 14 Zeytinburnu, İstanbul, Turkey
R	Level 25 Ark Hills Sengokuyama Mori Tower, 1-9-10, Roppongi, Minato-ku, Tokyo, 106-0032, Japan
S	44 Esplanade, St. Helier, Jersey JE4 9WG, Jersey
T	24 Unity Drive North, North Harbour, Auckland, New Zealand
U	Loire 158-160, 2491 AL, The Hague, Netherlands
V	NMK – Borgundveien 340, 6009 Ålesund, Norway
W	2nd Marynoya Roschy Street, 2A, 129594, Moscow, Russian Federation
X	11 Lorong 3 Toa Payoh , #01-31, Jackson Square, 319579, Singapore
Y	Deloitte Place, The Woodlands, 20 Woodlands Drive, Woodmead, Sandton, Johannesburg, Gauteng, 2052, South Africa
Z	Príncipe de Vergara 73, 28006, Madrid, Spain
AA	Avenue Gratta-Paille 2, c/o MAZARS SA, World Trade Center, 1018, Lausanne, Switzerland
AB	Festival Tower - Unit 2303, P.O. Box 27313, Dubai Festival City, Dubai, United Arab Emirates
AC	Camburgh House, 27 New Dover Road, Canterbury, Kent CT1 3DN, United Kingdom
AD	Republica de El Salvador N35-146 y Suecia, Edif. Prisma Norte, Piso 11, Quito, C.P. 170505, Ecuador
AE	22 Tudor Vladimirescu Blv., Building Green Gate Office, Bucharest, 5th Floor 573Campus07, Sector, Bucharest, Romania
AF	Street Skenderpasina 1, Sarajevo, Bosnia and Herzegovina
AG	Cara Lazara 5-7, Belgrade, Serbia, 11000, Serbia
AH	6, rue Engene Ruppert, L-2453, Luxembourg

Inmarsat Group Holdings Limited
Company Balance Sheet
For the year ended 31 December 2023

(\$ in millions)	As at 31 December 2023	As at 31 December 2022
Assets		
Non-current assets		
Investments ¹	1,584.2	1,584.2
Deferred tax assets	-	13.1
	1,584.2	1,597.3
Current assets		
Cash and cash equivalents	1.5	1.0
Trade and other receivables ²	264.7	222.7
Income tax assets	23.4	13.8
	289.6	237.5
Total assets	1,873.8	1,834.8
Liabilities		
Current liabilities		
Trade and other payables ³	86.7	54.0
Borrowings ⁴	9.9	9.9
Provisions	0.7	-
	97.3	63.9
Non-current liabilities		
Borrowings ⁴	1,237.0	1,140.2
	1,237.0	1,140.2
Total liabilities	1,334.3	1,204.1
Net assets	539.5	630.7
Shareholders' equity		
Ordinary shares	0.3	0.3
Share premium	772.1	772.1
Other reserves	(2.9)	(2.9)
Retained earnings	(230.0)	(138.8)
Total equity	539.5	630.7

¹ Investments include a \$1,448.8m investment in Inmarsat Holdings Limited (2022: \$1,448.8m) and \$135.4m of capital contributions to Group companies in respect of historical share-based payments (2022: \$135.4m).

² Trade and other receivables consist of \$264.5m due from Group companies (2022: \$222.5m) and \$0.2m other receivables (2022: \$0.2m).

³ Trade and other payables consist of \$0.2m due to shareholders in respect of dividends paid (2022: \$0.5m), \$0.8m interest owed to Group companies (2022: \$0.5m), amounts due to Group companies of \$84.5m (2022: \$48.5m) and other amounts payable of \$1.2m (2022: \$4.6m).

⁴ Borrowings comprise of \$1.2bn loan owed to Inmarsat Group companies (2022: \$1.15bn).

The Company reported a loss for the financial year ended 31 December 2023 of \$91.2m (2022: loss of \$50.3m).

The financial statements of the Company, registered number 4886072, were approved by the Board of Directors on 22 August 2024 and signed on its behalf by:

Signed by:

Alison Horrocks

Alison Horrocks

Director

Inmarsat Group Holdings Limited
Company Statement of Changes in Equity
For the year ended 31 December 2023

(\$ in millions)	Ordinary shares	Share premium	Other reserves ¹	Retained earnings	Total
As at 1 January 2022	0.3	772.1	(2.9)	(88.4)	681.1
Loss for the year	-	-	-	(50.3)	(50.3)
As at 31 December 2022	0.3	772.1	(2.9)	(138.8)	630.7
Loss for the year	-	-	-	(91.2)	(91.2)
As at 31 December 2023	0.3	772.1	(2.9)	(230.0)	539.5

¹ The 'Other Reserve' relates to ordinary shares held by the employee share trust

Inmarsat Group Holdings Limited
Notes to the Company Financial Statements
For the year ended 31 December 2023

a) Material accounting policies

Basis of accounting

The Company meets the definition of a qualifying entity under FRS 100 'Application of Financial Reporting Requirements' issued by the Financial Reporting Council ('FRC'). Accordingly, the Company financial statements have been prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework'.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to presentation of a cash flow statement, the reconciliation of net cash from operations, capital management, presentation of comparative information in respect of certain assets, standards not yet effective, impairment of assets and related party transactions, and financial instruments. Where required, equivalent disclosures have been given in the Group accounts of Inmarsat Group Holdings Limited.

The accounting policies and financial risk management policies and objectives, where relevant to the Company, are consistent with those of the consolidated Group as set out in notes 2 and 3 to the consolidated financial statements.

Investments in subsidiaries are carried at cost less accumulated impairment losses in the Company's balance sheet. On disposal of investments in subsidiaries the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

b) Critical accounting estimates and key judgements

The critical accounting estimates and key judgements, where relevant to the Company, are consistent with those of the consolidated Group as set out in note 4 to the consolidated financial statements.

c) Income statement

The Company has taken advantage of the exemption available under Section 408 of Companies Act 2006 and has not presented an income statement. The loss for the period ended 31 December 2023 was \$91.2m (2022: loss of \$50.3m).

Auditor's remuneration

During the year, the company paid its external auditor \$0.1m for statutory audit services (2022: \$0.1m).

Employee costs and Directors' remuneration

The average monthly number of people employed during the year was one (2022: two). Total staff costs for 2023 were \$15.5m (2022: \$6.3m). Full details of Directors' remuneration are given in note 8 and 26 of the consolidated Group financial statements.

Foreign currency translation

Accounting for foreign currency transactions of the Company is consistent with that of the Group, which is disclosed in note 2 to the consolidated financial statements.

Share capital

The share capital of the Company is disclosed in note 25 to the Group's consolidated financial statements.

Inmarsat Group Holdings Limited
Notes to the Company Financial Statements
For the year ended 31 December 2023

d) Financial instruments

The IFRS 7, 'Financial Instruments' disclosures, where relevant to the Company, are consistent with that of the Group as set out in note 30 to the consolidated financial statements.

The differences between the Group and the Company in relation to intercompany balances are \$264.5m (2022: \$222.5m) due from Group companies, \$84.5m (2022: \$59.0m) due to Group companies, and \$1.2bn (2022: \$1.15bn) loans due to Group companies, all of which eliminate on consolidation. The Directors consider the carrying value of the intercompany balances to approximate to their fair value. Amounts due from and to Group undertakings are all repayable on demand.

The Group has assessed the intercompany receivables under the IFRS 9 expected credit loss model and no impairment losses have been recognised.

Borrowings comprise \$1.25bn loan owing to Inmarsat Group companies (2022: \$1.15bn). The borrowings consist of loans with Connect Bidco Limited which has quarterly principle repayment of \$9.9m per annum, repayable in December 2026 and the interest rate is SOFR +3.70%, provided that the SOFR rate for any interest period shall neither be less than 1.00% per annum nor more than 2.00% per annum, and Inmarsat Global Limited which is repayable in February 2025 and the interest rate is SOFR +5%.

Inmarsat Group Holdings Limited
Appendix 1: Alternative Performance Measures
For the year ended 31 December 2023

The Directors use Alternative Performance Measures (APMs) to better understand the underlying financial performance of the Group and to provide comparability of information between reporting periods and business units. Given that APMs are not defined by International Financial Reporting Standards they may not be directly comparable with other companies who use similar measures. APMs used in these financial statements are:

APM	Description and reconciliation
1. EBITDA	EBITDA is defined as profit for the period before net financing costs, taxation, depreciation and amortisation, gains / losses on disposal of assets, impairment losses and share of profit of associates. EBITDA is a commonly used industry measure which helps investors to understand the contribution made by each of our business units. It reflects how the effect of growing revenue and cost management deliver value for our shareholders. This measure has been reconciled to both operating profit and profit after tax on the face of the income statement.
2. Cash capital expenditure	Cash capital expenditure is the cash flow relating to tangible and intangible asset additions, it includes capitalised labour costs and excludes capitalised interest. Cash capital expenditure indicates our continued investment in the growth and development of our network and infrastructure as well as our investment in the future technologies of the business. This has been reconciled to total capital expenditure within note 5.

Inmarsat Group Holdings Limited
Independent Auditor's Report to the Members of Inmarsat Group Holdings Limited
For the year ended 31 December 2023

Report on the audit of the financial statements

Opinion

In our opinion:

- the financial statements of Inmarsat Group Holdings Limited (the 'company') and its subsidiaries (the 'group') give a true and fair view of the state of the group's and of the company's affairs as at 31 December 2023 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards and International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB);
- the company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated income statement;
- the consolidated statement of comprehensive income;
- the consolidated and company balance sheets;
- the consolidated and company statements of changes in equity;
- the consolidated cash flow statement;
- the statement of accounting policies; and
- the related notes 1 to 35 and the company notes a to d.

The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law, and United Kingdom adopted international accounting standards and IFRSs as issued by the IASB. The financial reporting framework that has been applied in the preparation of the company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the group and the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Inmarsat Group Holdings Limited
Independent Auditor's Report to the Members of Inmarsat Group Holdings Limited
For the year ended 31 December 2023

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Inmarsat Group Holdings Limited
Independent Auditor's Report to the Members of Inmarsat Group Holdings Limited
For the year ended 31 December 2023

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

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

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

We considered the nature of the group's industry and its control environment, and reviewed the group's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the group's business sector.

We obtained an understanding of the legal and regulatory frameworks that the group operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act and relevant tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty. These included data protection requirements, US Government regulations and telecom regulations.

We discussed among the audit engagement team including component audit teams and relevant internal specialists such as tax, valuation and, IT regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following area, and our procedures performed to address it are described below:

- Accounting for capitalised expenditure - valuation of the assets related to the I6 F2 satellite
 - obtaining an understanding of, and testing, relevant controls over impairment review process;
 - assessing the completeness of the I6 F2 asset population through review of the fixed asset register;
 - obtaining an understanding of the activities management performed in considering the assets relating to the I6 F2 Satellite for impairment;
 - discussing projects associated with I6 F2 with the respective project managers, challenging on the impairment conclusions reached for a sample of assets;
 - for assets categorised as "Reusable", challenging the categorisation by reviewing external evidence, where appropriate, as to their reusability; and
 - reviewing the appropriateness of the disclosures in relation to the impairment of the I6 F2 satellite and the receipt of the insurance proceeds.

Inmarsat Group Holdings Limited
Independent Auditor's Report to the Members of Inmarsat Group Holdings Limited
For the year ended 31 December 2023

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the group and of the company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 respect of these matters.

Inmarsat Group Holdings Limited
Independent Auditor's Report to the Members of Inmarsat Group Holdings Limited
For the year ended 31 December 2023

Use of our report

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.

David Sweeney, CA

For and on behalf of Deloitte LLP

Statutory Auditor

Glasgow, United Kingdom

22 August 2024

Viasat

+Inmarsat



50 Finsbury Square London, EC2A 1HD