



Tel.: 89 30 78 00
nuuk@bdo.dk
www.bdo.dk

BDO Statsautoriseret revisionsaktieselskab
Imaneq 33, 7. etage, Box 20
GL-3900 Nuuk
CVR no. 20 22 26 70

ONEWEB APS

C/O NUNA ADVOKATER, QULLILERFIK 2 6., 3900 NUUK

ANNUAL REPORT

1 APRIL 2023 - 31 MARCH 2024

**The Annual Report has been presented and
adopted at the Company's Annual General
Meeting on 20 September 2024**

Sameer Karimbhai

CVR NO. 39 40 20 84

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COMPANY DETAILS**Company**

OneWeb ApS
c/o Nuna Advokater
Qullilerfik 2 6.
3900 Nuuk

CVR No.: 39 40 20 84
Established: 8 March 2018
Municipality: Sermersooq
Financial Year: 1 April 2023 - 31 March 2024

Executive Board

Sameer Karimbhai

Auditor

BDO Statsautoriseret revisionsaktieselskab
Imaneq 33, 7. etage, Box 20
GL-3900 Nuuk

MANAGEMENT'S STATEMENT

Today the Executive Board have discussed and approved the Annual Report of OneWeb ApS for the financial year 1 April 2023 - 31 March 2024.

The Annual Report is presented in accordance with the Greenlandic Financial Statements Act.

In my opinion the Financial Statements give a true and fair view of the Company's assets, liabilities and financial position at 31 March 2024 and of the results of the Company's operations for the financial year 1 April 2023 - 31 March 2024.

The Management Commentary includes in my opinion a fair presentation of the matters dealt with in the Commentary.

I recommend the Annual Report be approved at the Annual General Meeting.

Nuuk, 20 September 2024

Executive Board

Sameer Karimbhai

THE INDEPENDENT AUDITOR'S REPORT

To the Shareholder of OneWeb ApS

Conclusion

We have performed an extended review of the Financial Statements of OneWeb ApS for the financial year 1 April 2023 - 31 March 2024, which comprise income statement, Balance Sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The Financial Statements are prepared under the Greenlandic Financial Statements Act.

Based on the work performed in our opinion, the Financial Statements give a true and fair view of the Company's financial position at 31 March 2024 and of the results of the Company's operations for the financial year 1 April 2023 - 31 March 2024 in accordance with the Greenlandic Financial Statements Act.

Basis for Conclusion

We conducted our extended review in accordance with the Danish Business Authority's Assurance Standard for Small Enterprises and FSR - Danish Auditors' standard on extended review of Financial Statements prepared in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Extended Review of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Greenland, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such Internal control as Management determines 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, Management is responsible for assessing 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 in preparing the Financial Statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Extended Review of the Financial Statements

Our responsibility is to express a conclusion on the Financial Statements. This requires that we plan and perform procedures in order to obtain limited assurance for our conclusion on the Financial Statements and in addition perform specifically required supplementary procedures to obtain further assurance for our conclusion.

An extended review comprises procedures that primarily consist of making inquiries of Management and others within the Company, as appropriate, analytical procedures and the specifically required supplementary procedures as well as evaluation of the evidence obtained.

The procedures performed in an extended review are less than those performed in an audit, and accordingly, we do not express an audit opinion on the Financial Statements.

Statement on the Management Commentary

Management is responsible for the Management Commentary.

Our conclusion on the Financial Statements does not cover the Management Commentary, and we do not express any form of assurance conclusion thereon.

THE INDEPENDENT AUDITOR'S REPORT

In connection with our extended review of the Financial Statements, our responsibility is to read the Management Commentary and, in doing so, consider whether the Management Commentary is materially inconsistent with the Financial Statements or our knowledge obtained during the extended review, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management Commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management Commentary is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Greenlandic Financial Statements Act. We did not identify any material misstatement in the Management Commentary.

Nuuk, 20 September 2024

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Claus Bech
State Authorised Public Accountant
MNE no. mne31453

MANAGEMENT COMMENTARY

Principal activities

The Company is a part of the OneWeb Group headed by OneWeb Holdings Limited. The OneWeb Group's principal activities are the design, development and operation of a global satellite communications network to enable universal internet access. The initial network consists of a constellation of more than 600 low-earth orbit ("LEO") satellites that aims to deliver high speed, low latency global connectivity to customers throughout the world. The OneWeb network is designed to go beyond the limits of existing infrastructure, enabling digital connectivity for remote, rural communities and schools as well as for industries that enable global connectivity such as aviation, maritime and businesses including governmental services and strategic partnerships with other telecommunications enterprises. The advanced system design and ultra-low latency will support the emerging digital economy and enable advanced mobile application needs.

The Company's purpose within the group is the operation of a ground station in Greenland and to facilitate compliance with in-country legal, finance and tax reporting obligations.

Significant events after the end of the financial year

No events have occurred after the end of the financial year of material importance for the Company's financial position.

INCOME STATEMENT 1 APRIL - 31 MARCH

	Note	2023/24 USD	2022/23 USD
GROSS PROFIT		2,715,781	2,492,884
Depreciation, amortisation and impairment losses for tangible and intangible assets.....		-2,431,673	-2,234,235
OPERATING PROFIT		284,108	258,649
Other financial income.....		939	266
Other financial expenses.....	2	-184,902	-128,196
PROFIT BEFORE TAX		100,145	130,719
Tax on profit/loss for the year.....		0	0
PROFIT FOR THE YEAR		100,145	130,719
PROPOSED DISTRIBUTION OF PROFIT			
Retained earnings.....		100,145	130,719
TOTAL		100,145	130,719

BALANCE SHEET AT 31 MARCH

ASSETS	Note	2024 USD	2023 USD
Other plant, fixtures and equipment.....		15,073,118	17,449,713
Property, plant and equipment.....	3	15,073,118	17,449,713
NON-CURRENT ASSETS.....		15,073,118	17,449,713
Receivables from group enterprises.....		7,631,117	4,179,880
Receivables.....		7,631,117	4,179,880
Cash and cash equivalents.....		12,874	24,613
CURRENT ASSETS.....		7,643,991	4,204,493
ASSETS.....		22,717,109	21,654,206

BALANCE SHEET AT 31 MARCH

EQUITY AND LIABILITIES	Note	2024 USD	2023 USD
Share Capital.....		19,189	19,189
Retained earnings.....		193,699	93,554
EQUITY.....		212,888	112,743
Other provisions.....		1,186,029	1,113,642
PROVISIONS.....		1,186,029	1,113,642
Debt to Group companies.....		208,224	184,529
Other non-current liabilities.....		1,839,808	2,617,203
Non-current liabilities.....	4	2,048,032	2,801,732
Trade payables.....		255,860	339,338
Debt to Group companies.....		18,124,684	16,433,187
Other liabilities.....		889,616	853,564
Current liabilities.....		19,270,160	17,626,089
LIABILITIES.....		21,318,192	20,427,821
EQUITY AND LIABILITIES.....		22,717,109	21,654,206
 Contingencies etc.	5		
Going concern assumptions	6		

EQUITY

USD	Share Capital	Retained earnings	Total
Equity at 1 April 2023.....	19,189	93,554	112,743
Proposed profit allocation.....		100,145	100,145
Equity at 31 March 2024.....	19,189	193,699	212,888

NOTES

	2023/24 USD	2022/23 USD	Note
Staff costs			1
Average number of full time employees	1	1	
Other financial expenses			2
Interest expenses to group enterprises.....	22,926	20,954	
Other interest expenses.....	161,976	107,242	
	184,902	128,196	
Property, plant and equipment			3
		Other plant, fixtures and equipment	
USD			
Cost at 1 April 2023.....		19,683,948	
Additions.....		55,079	
Cost at 31 March 2024.....		19,739,027	
Depreciation and impairment losses at 1 April 2023.....		2,234,235	
Depreciation for the year.....		2,431,674	
Depreciation and impairment losses at 31 March 2024.....		4,665,909	
Carrying amount at 31 March 2024.....		15,073,118	
Long-term liabilities			4
		Debt outstanding	
USD	31/3 2024 total liabilities	Repayment next year	31/3 2023 total liabilities
Debt to Group companies.....	208,224	0	0 184,529
Other non-current liabilities.....	2,671,424	831,616	0 3,448,819
	2,879,648	831,616	0 3,633,348
Contingencies etc.			5
Contingent assets			
A deferred tax asset, USD 335k, has been calculated related to differences between accounting and tax depreciations for tangible assets.			
Going concern assumptions			6
The parent company has issued a letter of support, which ensures the going concern assumption for the company.			

ACCOUNTING POLICIES

The Annual Report of OneWeb ApS for 2023/24 has been presented in accordance with the provisions of the Greenlandic Financial Statements Act for enterprises in reporting class B and certain provisions applying to reporting class C.

The figures in the Annual Report are presented in USD because this currency is regarded as the most relevant as the main part of the Company’s activities are settled in this currency. The exchange rate of USD against DKK is 689.55 at 31 March 2024 and 715.00 at 31 March 2023.

The Annual Report is prepared consistently with the accounting principles applied last year.

INCOME STATEMENT

Net revenue

Income comprises services rendered to the parent company.

Other external expenses

Other external expenses include other production, sales, delivery and administrative costs, including costs of energy, marketing, premises, loss on bad debts, lease expenses, etc

Financial income and expenses

Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from securities, debt and transactions in foreign currencies, as well as charges and allowances under the tax-on-account scheme, etc. Financial income and expenses are recognised by the amounts that relate to the financial year. Interest income and expenses are calculated on amortised cost prices.

Tax

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the Income Statement by the share that may be attributed to the profit for the year, and is recognised directly in equity by the share that may be attributed to entries directly to equity.

BALANCE SHEET

Tangible fixed assets

Land and buildings, production plant and machinery, other plant, fixtures and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciation base is cost less estimated residual value after end of useful life.

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used.

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

	Useful life	Residual value
Other plant, fixtures and equipment.....	3-10 years	0 %

Profit or loss on sale of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the date of sale. Profit or loss is recognised in the Income Statement as other operating income or other operating expenses.

ACCOUNTING POLICIES

Impairment of fixed assets

The carrying amount of tangible assets, are assessed annually for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the recoverable amount is lower than the carrying amount, the asset is written down to the recoverable amount.

The recoverable amount is calculated at the higher of the capital value and the sales value less expected costs of a sale. The capital value is determined as the Company's share in the current value of the net cash flows which the subsidiary is expected to generate through its activities and from sale of assets after the end of their useful lives. A discount rate is used which reflects the risk-free market rate and the owners' minimum return on interest requirements for similar assets. The growth rate in the terminal period is determined in accordance with the standards within the industry.

Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is written down to meet expected losses.

Other provisions for liabilities

Other provisions for liabilities include the expected cost of warranty commitments, loss on work in progress, restructurings etc. and deferred tax.

Warranty commitments include liabilities for improvement of work within the warranty period of 1 to 5 years. The provision for liabilities is measured and recognised on the basis of experience with warranty work.

When it is likely that the total costs will exceed the total income on the contract work in progress, a provision is made for the total loss that is anticipated on the contract.

Tax payable and deferred tax

Current tax liabilities and receivable current tax are recognised in the Balance Sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carryforwards, are measured at the amount at which the asset is expected to be used within a reasonable number of years, either by setoff against tax on future earnings or by setoff against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the Balance Sheet date will be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

Liabilities

Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less transaction costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the Income Statement over the loan period.

The amortised cost of current liabilities corresponds usually to the nominal value.