OneWeb Holdings Limited

Registered office: West Works Building, 195 Wood Lane, London, England, W12 7FQ

CONSOLIDATED FINANCIAL STATEMENTS

AS OF 31 MARCH 2021

Consolidated statement of profit and loss and other comprehensive income

for the period ended 31 March 2021

	Note	2021 $m
Revenue		-
Other operating income		0.2
Operating expenses	4	(58.5)
Share of results of joint venture	13	-
Operating loss		(58.3)
Gain on bargain purchase	3	430.4
Acquisition transaction costs	3	(8.8)
Investment income	9	10.3
Finance costs	9	(2.9)
Profit before tax		370.7
Taxation	10	(0.2)
Profit for the period		**370.5**
Other comprehensive income		
Items that are or may be reclassified subsequently to profit or loss:		
Exchange differences on translating foreign operations		0.3
Other comprehensive income for the period, net of income tax		0.3
Total comprehensive profit for the period		**370.8**

Consolidated balance sheet

At 31 March 2021

	Note	2021 $m
Non-current assets		
Property, plant and equipment	11	1,273.2
Right of use lease assets	18	34.7
Intangible assets	12	254.0
Bonds and deposits		14.2
Other non-current receivables		2.2
Investment in joint venture	13	8.7
		1,587.0
Current assets		
Corporation tax receivable		2.2
Prepaid expenses		5.0
Goods and services tax receivable		1.9
Share subscription receivables	16	308.5
Other current receivables		6.2
Cash and cash equivalents		44.0
		367.8
Total assets		1,954.8
Current liabilities		
Trade payables		(122.1)
Payables to related parties	19	(1.1)
Accrued expenses		(42.9)
Accrued employee compensation		(5.1)
Corporation tax payable		(0.2)
Other taxes payable		(0.7)
Provisions	15	(38.6)
Lease liabilities	18	(10.1)
Non-current liabilities		
Provisions	15	(7.9)
Lease liabilities	18	(75.1)
Deferred tax liabilities	10	(47.1)
		(130.1)
Total liabilities		(350.9)
Net assets		**1,603.9**
Equity		
Share capital	16	-
Share premium	16	1,232.5
Share based payment reserve	16	0.6
Foreign currency reserve	16	0.3
Retained earnings	16	370.5
Total equity		**1,603.9**

These financial statements were approved by the Board of Directors on 29 October 2021 and were signed on its behalf by:

Neil Masterson
Chief Executive Officer
Company registered number: 12534512

FINANCIAL STATEMENTS

Consolidated statement of changes in equity

	Share capital $m	Share premium $m	Share based payment reserve $m	Foreign currency reserve $m	Retained earnings $m	Total equity $m
Total comprehensive income for the period						
Profit for the period	-	-	-	-	370.5	370.5
Exchange differences on foreign operations, net of tax	-	-	-	0.3	-	0.3
Total comprehensive income for the period	-	-	-	0.3	370.5	370.8
Transactions with owners, recorded directly in equity						
Issue of shares	-	1,232.5	-	-	-	1,232.5
Equity-settled share-based payment transactions	-	-	0.6	-	-	0.6
Total contributions by and distributions to owners	-	1,232.5	0.6	-	-	1,233.1
Balance at 31 March 2021	**-**	**1,232.5**	**0.6**	**0.3**	**370.5**	**1,603.9**

Consolidated cash flow statement

for the period ended 31 March 2021

	2021 $m
Cash flows from operating activities	
Profit for the period	370.5
Adjustments for:	
Depreciation and amortisation	2.6
Write-off of property, plant & equipment	4.7
Foreign exchange losses	(0.4)
Gain on bargain purchase	(430.4)
Investment income	(10.3)
Finance expense	2.9
Equity settled share-based payment expenses	0.6
Taxation	0.2
Movement in deposits	(6.8)
Movement in other non-current receivables	6.3
Movement in tax receivable	2.7
Movement in goods and services tax receivables	(1.7)
Movement in other current receivables	(3.7)
Movement in trade payables	(199.7)
Movement in payables to related parties	(1.2)
Movement in accrued expenses	16.2
Movement in accrued employee compensation	0.4
Movement in other taxes payable	(2.5)
Movement in provisions current	(2.3)
Movement in provisions non-current	(15.3)
Net cash from operating activities	**(267.2)**
Cash flows from investing activities	
Interest received	-
Acquisition of a subsidiary (see note 3)	(43.6)
Pre-acquisition funding to OWC, converted to equity on acquisition	(210.7)
Capitalised assets under construction	(171.4)
Acquisition of other intangible assets	(0.3)
Net cash from investing activities	**(426.0)**
Cash flows from financing activities	
Proceeds from the issue of share capital	741.5
Capital lease payments	(4.3)
Net cash from financing activities	**737.2**
Net increase in cash and cash equivalents	**44.0**
Effect of exchange rate fluctuations on cash held	-
Cash and cash equivalents at 31 March	**44.0**

Notes to the consolidated financial statements

(forming part of the financial statements)

1. General information

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

2. Basis of preparation

2.1 Going concern

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

The Directors have considered whether it is appropriate to adopt the going concern basis, by undertaking an assessment for the financial forecasts of the Group for at least 12 months from the date of approval of these financial statements. Specific consideration has been made of the funding position and the expected costs to be incurred to achieve successful commercial launch, together with the expected operational performance of the satellite constellation and ground network as it enters service.

On 1 July 2020, the Company entered into a PSA with OWG and its subsidiaries in order to set out the steps for the purchase of OWC and its subsidiaries. OWG, and certain of its subsidiaries had filed voluntary petitions for relief under the provisions of the United States Chapter 11 bankruptcy protection process in March 2020. OWC represents the trading portion of the OneWeb business, below OWG in the company organisation structure. The PSA was authorised by the US bankruptcy court southern district of New York on 13 July 2020.

The shareholders of the Company at that time were BGL and BEIS. Under the terms of the PSA, the shareholders committed $1.0 billion in capital financing and a further $1.3 billion was projected to be needed to deploy the full OneWeb satellite constellation.

Between July and October 2020, OWG began negotiations with creditors to resolve outstanding and disputed claims which culminated in the confirmation of a Third Amended Joint Chapter 11 Plan of Reorganisation by the US bankruptcy court on 2 October 2020. In addition, OWG sought to complete the conditions to the consummation of the transactions contemplated under the PSA, including obtaining several regulatory approvals. Once all such conditions were met, the bankruptcy court entered an order on 20 November 2020 issuing a final decree to allow the Company to complete the purchase of the newly reorganised OneWeb group consisting of OWC and its subsidiaries who were discharged from all previous indebtedness.

Fund-raising activities continued during 2021 following the success of bringing OneWeb out of bankruptcy, with Group representatives meeting various potential investors. Equity funding commitments of $2.7 billion (including the $1.0 billion above) have been obtained, which has significantly strengthened the financial position of the Group.

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

	$m
Initial commitment from BGL	500
Commitment from BEIS	500
Funding received from Echostar Operating LLC in January 2021	50
Equity commitments at 31 March 2021	**1,050**
Funding received from SoftBank Group Corp in April 2021	229
Funding received from Eutelsat Communications S.A. in September 2021	550
Additional commitment from BGL, pursuant to a call option	350
Funding commitments/received at the date of signing these financial statements	**2,179**
Additional commitment from Eutelsat Communications S.A, pursuant to a call option	150
Committed funding from Hanwha Systems Co., Ltd, subject to regulatory approval	300
Total estimated funding	**2,629**

Against the above total estimated funding of $2,629.0 million, as at the date of signing these financial statements, $1,800.0 million has been paid up by the investors. Funding receipts as of 31 March 2021 and as at the date of approval of these financial statements, exclude $92.5 million of proceeds received for share subscriptions on 20 November 2020 which related to amounts paid by the Company to OWC, which in turn were used to settle outstanding creditors of OWC.

A number of satellites and ground stations are already operational which will allow the business to begin operations North of 50° latitude coverage in this final calendar quarter of 2021. There are a number of further launches planned during 2022 to scale up to full global coverage by the end of calendar year 2022. In 2023, it is planned that the network will be complete, and commercialisation and monetisation of the satellite network will generate cash flows necessary to fund any residual capital expenditure. If these plans are successful, the Directors believe there will be sufficient liquidity to finance the anticipated costs of the first generation of OneWeb's satellite constellation and allow the business to become cash positive.

A business plan has been prepared, covering a period to the third calendar quarter of 2023, which shows that on a severe but plausible downside scenario, the business can continue to operate and discharge liabilities in the normal course of business on the basis of funding being received as noted above. The business plan shows sufficient available and committed funding to allow the Group, in due course, to become revenue generating and cash positive on an on-going basis.

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

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

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

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

2.2 Accounting convention

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

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

The accounting policies set out below have, unless otherwise stated, been applied consistently in the period presented in these financial statements.

2.3 Accounting estimates and judgements

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

Critical judgements

Critical judgements are those made when applying accounting policies that could have a significant impact on the amounts recognised in the consolidated financial statements. The following critical judgements have been made in the current period:

<u>Cash projections made in assessing the going concern opinion (see note 2.1)</u>

In performing the assessment of going concern, the Group's business plan has been used to conclude on whether the Group has adequate financial resources to continue in operational existence for at least the 12-month period after the approval of these financial statements. The business plan has a number of key assumptions regarding the operational success of the satellite constellation and ground network, the ability to generate the expected level of revenue and for the Group's cost base to meet expectations. As a pioneering company, there is a significant level of judgement involved in the business plan, but performance has been within expected parameters to date. However, if the conclusion had been reached that the company was not a going concern, the amounts recognised in the consolidated financial statements would have been significantly different.

These cash projections have also been used in assessing whether there were any indicators of asset impairment in the reporting period subsequent to the acquisition by the Company of OWC, which there were not.

<u>Acquisition of OWC (see note 3)</u>

One of the key judgements made regarding the acquisition of OWC was with regards to the timing at which control over the business took place. Prior to 20 November 2020, the Group was the key source of funding for OWC and consideration was made regarding the level of influence held up to the point that legal control was obtained on that date. Management of OWC was considered to be independent of the Group up to the point legal control was obtained on 20 November 2020.

Another critical judgement relates to the composition of consideration paid for OWC. Part of the consideration paid to acquire the business required payments to be made to OWC's creditors, either in cash or through the issue of share capital of the Company. As these payments were directly incremental to the Company obtaining control of OWC, they are treated as part of the consideration paid. Included within these amounts was $92.5 million paid which was immediately invested by the OWC creditor into the Company through a share subscription. While legally, this was considered to be an instantaneous cash payment and receipt, no cash was actually transferred and the transaction is therefore excluded from the Group's consolidated cash flow statement.

<u>Evaluation of control over OneWeb Satellites LLC (see note 13)</u>

This entity is a joint venture in which the two shareholders each owns 50% of issued share capital and has equal voting or similar rights with major decisions approved on a unanimous basis. Judgement was exercised over whether the Group has control over the joint venture, which determines whether the results of the business are consolidated by the Group. Given that the Group accounts for almost all of the business operations of the joint venture, careful consideration was made of both the legal structure of the joint venture and the commercial arrangements with the Group. The Group is considered to have joint control of the business and therefore it is treated as equity accounted, not consolidated.

Collection of receivables from shareholders (see note 16)

Included within current assets are share subscription receivables of $308.5 million owed by BEIS and BGL. Judgement has been applied in considering whether these amounts are recoverable at the period end. There is not considered to be any significant risk that these amounts are not fully recoverable.

Future availability of tax losses (see note 10)

At 31 March 2021, the Group had tax losses totalling $638.1 million which have not been recognised as a deferred tax asset, as it is not probable at the reporting date that future taxable profits will be available against which these can be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

The majority of the losses were incurred prior to the bankruptcy. The details of the losses are as below:

- **$142.2 million of trading losses and $39.4 million of management expenses incurred in the UK are not expected to be extinguished but will be reviewed periodically in light of business performance and/or change of control provisions.**
- **$276.7 million of non-trading losses incurred in the UK were subject to a restriction under the corporate interest restriction rules. These may be accessed in the future if there is sufficient capacity and the capital of the relevant company does not increase significantly under the change of control provisions.**
- **$116.2 million of losses incurred in the US, the utilisation of which will be restricted to small amounts each year due to the change of control provisions.**
- **$63.6 million of losses were incurred following bankruptcy and/or are not impacted by the change of control provisions.**

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

Key sources of estimation uncertainty

Key sources of estimation uncertainty are those assumptions where there is a significant risk that changes to these assumptions could cause a material adjustment to the carrying value of assets and liabilities within the next 12 months. The following area of accounting required significant estimates to be made in the current period:

The valuation of the business combination of OWC (see note 3)

The acquisition of OWC for a purchase consideration of $482.3 million, together with the cash acquired of $35.3 million and lease liabilities of $81.6 million, indicates an enterprise acquisition value of $528.6 million (before deferred tax liabilities). However, given the unique situation of OWC emerging from Chapter 11 bankruptcy proceedings and being pre-revenue, a business enterprise value ("BEV") which was judged to be $2.2 billion (using cash flow forecasts with an implied IRR of 19.1%) at the time of the bidding process, represented a more appropriate basis to determine the purchase price allocation.
To determine the quantum of any economic obsolescence of the tangible assets associated with the first generation of satellites ("Gen.1") project, cash flows specific to this project were carved out from the above BEV exercise and discounted using a market participant rate of 10.75% to arrive at a more appropriate fair value of the acquired tangible assets.

A summary of the provisional fair value of the net assets acquired and purchase consideration paid is as follows:

	Recognised values on acquisition
	$m
Property, plant and equipment	1,107.1
Spectrum assets (indefinite life)	250.0
Right of use lease assets	33.3
Deferred tax liabilities	(47.1)
Other assets and liabilities	(430.6)
Net identifiable assets and liabilities at fair value	912.7
Total consideration	482.3
Bargain purchase arising on acquisition	**430.4**

Any adjustment to the value attributable to Gen.1 assets will impact the economic obsolescence adjustment, the fair value of net assets acquired and the resultant bargain gain. An increase of 1% in the market participant rate of 10.75% applied to the Gen.1 cash flows would reduce the fair value of net assets acquired and the bargain gain by c.$136 million; conversely, a reduction of 1% in the rate would increase the fair value of net assets acquired and the bargain gain by c.$146 million.

The value of the spectrum assets sits within a calculated valuation range from $200 million to $300 million, with the mid-point of the range ($250 million) being representative of fair value. Any change in the assumptions used for this valuation would have an impact on the range and its midpoint and consequently also change the amount of the bargain purchase gain.

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

a) Measurement convention

The financial statements are prepared on the historical cost basis except for certain financial assets and financial liabilities required by Adopted IFRS to be measured at fair value. The Group and Company financial statements are presented in United States dollars, rounded to the nearest $0.1 million.

b) Basis of consolidation

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

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

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

c) Foreign currency

The presentation currency of the Group is the U.S. dollar. Subsidiaries whose functional currency is a currency other than the U.S. dollar translate their assets and liabilities into U.S. dollars at the current exchange rates in effect at the end of the reporting period. Income and expense accounts of such subsidiaries are translated into U.S. dollars at the average exchange rates during the period. Translation adjustments are included in the foreign currency translation reserve, a separate component of equity. Gains or losses that arise from exchange rate fluctuations on transactions denominated in a currency other than the functional currency are recorded in profit or loss and classified as foreign exchange gain or loss on the consolidated statements of comprehensive income or loss.

d) Impairment of non-financial assets

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

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

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

2.5 Adopted IFRS not yet applied

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

- **Amendments to IFRS 9, IAS 39, IFRS 7 and IFRS 16: Interest Rate Benchmark Reform – Phase 2 (effective date 1 January 2021).**
- **Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current and Classification of as Current or Non-current (effective date to be confirmed).**
- **Amendments to IAS 37: Onerous Contracts —Cost of Fulfilling a Contract (effective date to be confirmed).**
- **Amendments to References to the Conceptual Framework in IFRS 3 (effective date to be confirmed).**
- **Amendments to IAS 16: Property, Plant and Equipment—Proceeds before Intended Use (effective date to be confirmed).**
- **Annual Improvements to IFRS Standards 2018-2020 (effective date to be confirmed).**

3. Acquisitions

Accounting policy

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

The Company measures goodwill at the acquisition date as:

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

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

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

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

Acquisitions in the current period

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

The acquisition of OWC is considered to be an area of both critical judgement and a major source of estimation uncertainty, further details of which are provided in note 2.3.

Effect of acquisition

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

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

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

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

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

Consideration paid

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

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

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

Fair values determined on a provisional basis

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

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

Acquisition transaction costs

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

4. Operating expenses

	2021 $m
Staff remuneration (see note 6)	20.8
Other staff costs	1.7
Total staff costs	22.5
Professional fees	16.9
Office and facility costs	6.8
Travel and entertainment	0.2
Marketing	0.7
Non-staff cost R&D expense	3.8
Write-off of property, plant & equipment	4.7
Depreciation of property, plant & equipment	1.2
Depreciation of right of use lease assets	1.4
Amortisation of intangible assets	-
Reorganisation and restructuring costs	0.7
Foreign exchange gains	(0.4)
Total operating expenses	**58.5**

5. Auditor's remuneration

KPMG LLP was the Company's auditor in the current period.

During the period, the following services were obtained from KPMG:

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

No non-audit services were provided by KPMG LLP or its associates in the period. The level of fees paid for the audit of financial statements of subsidiaries of the Company rounds to less than $0.1 million.

6. Employee information

Accounting policy

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

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

Average number of employees

	2021
Operations	178
Commercial	10
Corporate functions	41
	229

Staff remuneration

The aggregate remuneration of these persons was as follows:

	2021 $m
Wages and salaries	18.7
Share based payments (see note 8)	0.6
Social security costs	1.1
Contributions to defined contribution retirement benefit schemes	0.4
Total staff remuneration	**20.8**

7. Directors' remuneration

	2021 $m
Directors' remuneration	0.6
Amounts receivable under long term incentive schemes (see note 8)	0.6
Contributions to money purchase pension plans	-
Amounts paid to third parties in respect of Directors' services	-

Only one Director received remuneration and contributions to a money purchase pension plan in respect of their services as an employee of the Group. All other Directors serving during the period, with the exception of Peregrine Secretarial Services Limited, were representatives of shareholders and no Director fees were paid.

8. Share-based payments

Accounting policy

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

Where the Company grants options over its own shares to the employees of its subsidiaries it recognises, in its individual financial statements, an increase in the cost of investment in its subsidiaries equivalent to the equity-settled share-based payment charge recognised in its consolidated financial statements with the corresponding credit being recognised directly in equity. No such awards were granted in the current period, but have taken place subsequent to the balance sheet date.

Employee Share Option Plan ("ESOP")

Employee Share Option Plan ("ESOP")", can we change the wording to say "On 7 January 2021, Directors of the Company were granted 10,000 ESOP awards, with an exercise price of $1,000 per award.

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

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

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

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

There are no performance conditions associated with these awards.

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

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

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

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

Charge for the period

The total charge for the period was $0.6 million. The same amount is recognised as a movement in reserves in the period.

Movement in share awards

	Number of share awards	Weighted average exercise price $
At 25 March 2020	-	-
Granted	10,000	1,000
At 31 March 2021	**10,000**	**1,000**

Supplementary information	**Years**	**$**
Weighted average remaining life	3.3	
Fair value of options granted		865

Assumptions	**IPO**	**Monetising mechanism**
Expected life (years)	5.0	6.5
Share price ($)	1,800	1,440
Exercise price ($)	1,000	1,000
Risk free rate (%)	0.5	0.7
Volatility (%)	41.5	39.0
Probability weight (%)	50.0	50.0

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

9. Investment income and finance costs

Accounting policy

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

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

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

Recognised in profit or loss

	2021 $m
Interest received on pre-acquisition financing of OneWeb (see note 23)	6.0
Funding arrangement fees on pre-acquisition financing of OneWeb (see note 23)	4.3
Total investment income	**10.3**
Lease interest (see note 18)	(2.0)
Unwinding of discount on unfavourable contract provision (see note 15)	(0.7)
Unwinding of discount on asset retirement obligation provision (see note 15)	(0.2)
Total finance costs	**(2.9)**

10. Taxation

Accounting policy

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

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

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

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

Income tax expense

	2021 $m
Current tax expense	
Current period	(0.2)
Deferred tax expense	
Reversal of temporary differences	-
Total tax credit	**(0.2)**

Reconciliation of effective tax rate

	2021 $m
Profit before tax	370.7
Tax applying the UK corporation tax rate of 19%	(70.4)
Effect of tax rates in foreign jurisdictions	1.2
Non-deductible expenses	(2.9)
Non-taxable gain on bargain purchase	81.8
Current period losses for which no deferred tax asset was recognised	(9.9)
Total tax credit	**(0.2)**

Factors that may affect future tax charges

A reduction in the UK corporation tax rate from 19% to 17% effective 1 April 2020 was substantively enacted on 6 September 2016. The March 2020 Budget announced that a rate of 19% would continue to apply with effect from 1 April 2020. An increase in the UK corporate tax rate from 19% to 25% (effective from 1 April 2023) was substantively enacted on 14 May 2021. This will increase the Company's future current tax charge accordingly.

Deferred tax

	Acquired intangibles (liabilities) $m
At 25 March 2020	-
Acquisition of a subsidiary	(47.1)
Recognised in income	-
At 31 March 2021	**(47.1)**

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

	2021 $m
Temporary timing differences	278.1
Unused net operating losses	120.3
Total derecognised deductible temporary differences	**398.4**

As at 31 March 2021, the Group had tax losses totalling $638.1 million (unrecognised deferred tax asset of $120.3 million) and other temporary timing differences of $1,375.6 million (unrecognised deferred tax asset of $278.1 million) of which $1,327.7 million relates to unclaimed tax depreciation on fixed assets (unrecognised deferred tax asset of $266.9 million). The unrecognised deferred tax in relation to the tax losses is considered to be a critical judgement in these financial statements, further details of which are provided in note 2.3.

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

11. Property, plant and equipment

Accounting policy

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

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

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

Assets are brought into service and depreciated from the point they are operating as intended. At 31 March 2021, all assets associated with the space and ground components of the Group's infrastructure are under construction. The OneWeb network cannot operate as intended until sufficient coverage has been created to offer a commercial service. When sufficient coverage exists to be able to provide customers with a viable service, all assets associated with providing that service will be put into service and depreciation will start. This is expected to take place in Q4 of calendar year 2021.

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

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

- **Furniture and computer equipment – 2 to 3 years**
- **Vehicles - 3 years**
- **Leasehold improvements - the shorter of useful lives or the lease term**

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

Carrying value of property, plant and equipment

	Space component under construction $m	Ground component under construction $m	Other property and equipment $m	Total $m
Cost				
At 25 March 2020	-	-	-	-
Acquisition of a subsidiary	915.0	190.4	1.7	1,107.1
Additions	135.6	35.7	0.1	171.4
Written off	(4.4)	(0.3)	-	(4.7)
Foreign exchange	-	0.4	0.2	0.6
At 31 March 2021	1,046.2	226.2	2.0	1,274.4
Depreciation				
At 25 March 2020	-	-	-	-
Depreciation charge	-	-	(1.2)	(1.2)
At 31 March 2021	-	-	(1.2)	(1.2)
Carrying value				
At 31 March 2021	**1,046.2**	**226.2**	**0.8**	**1,273.2**

Security

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

12. Intangible assets

Accounting policy

Intangible assets

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

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

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

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

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

Assets under construction

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

Expenditure on development activities is capitalised if the product or process is technically and commercially feasible and the Group intends and has the technical ability and sufficient resources to complete development, future economic benefits are probable and if the Company can measure reliably the expenditure attributable to the intangible asset during its development. Development activities involve a plan or design for the production of new or substantially improved products or processes. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads and capitalised borrowing costs. Other development expenditure is recognised in the income statement as an expense as incurred. Capitalised development expenditure is stated at cost less accumulated amortisation and less accumulated impairment losses. The Group is currently building various assets which will form part of the wider OneWeb network. When sufficient coverage exists to be able to provide customers with a viable service, all assets associated with providing that service will be put into service and amortisation will start. This is expected to take place in Q4 of calendar year 2021.

Amortisation

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

Spectrum rights and licences

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

OneWeb has secured c.6.0 GHz of priority NGSO spectrum rights in the Ku and Ka bands, covering:

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

If OneWeb meets both the BIU and build out milestones for main ITU filings with Ofcom (Ku band) and ANFR (Ka band) that it currently relies on, the Group will be able to preserve these spectrum rights indefinitely. Specifically, the ANFR authorisation was issued for 25 years, OneWeb has met all obligations related to the ANFR authorisation, and renewal expectancy is high. Due to the expectancy right to maintain the once awarded spectrum rights and licenses, an indefinite useful economic life is applied to these assets. Assets with an indefinite life are not amortised, an annual impairment review is performed instead, or earlier if an indication of impairment is noted.

Patcnts

Patents are the Group's intellectual property that cover aspects of the Group's satellite system, global communication network and devices. Patents are amortised on a straight-line basis over their useful lives of between 15 and 19 years. The current period amortisation charge is less than $0.1 million.

	Spectrum rights and licenses $m	Patents $m	Total $m
Cost			
At 25 March 2020	-	-	-
Acquisition of a subsidiary	252.0	1.6	253.6
Additions	0.3	-	0.3
Foreign exchange	0.1	-	0.1
At 31 March 2021	252.4	1.6	254.0
Amortisation			
At 25 March 2020	-	-	-
Amortisation charge	-	-	-
At 31 March 2021	-	-	-
Carrying value			
At 31 March 2021	**252.4**	**1.6**	**254.0**

13. Investment in joint venture

Accounting policy

A joint venture is an entity where control is shared with another party. During the period, the Group obtained joint control over Airbus OneWeb Satellites' LLC ("AOS") through the acquisition of OWC. AOS was created as a joint venture between the OneWeb Communications Group and Airbus DS Satnet, to develop and design the first generation of OneWeb satellites ("Gen.1"). Each shareholder owns 50% of equity interest in AOS and has equal voting or similar rights with major decisions approved on unanimous basis. The risks related to AOS operations and cost overruns are equally borne by both shareholders. The Group does not have power over AOS's relevant activities and while equally is exposed to variability of returns from AOS, the Group therefore does not have the ability to use power over AOS to affect such returns.

The results, assets and liabilities of the Group's joint venture is incorporated into these financial statements using the equity method of accounting. This is considered to be a critical judgement in these financial statements, further details of which are provided in note 2.3. The investment in a joint venture is initially recognised at cost. At the acquisition date, any excess of the cost of acquisition over our share of the fair value of the identifiable assets and liabilities of the associate is recognised as goodwill.

The consolidated income statement reflects the Group's share of the results of operations of AOS. Any change in other comprehensive income would be recognised as part of consolidat6ed other comprehensive income. Unrealised profits resulting from transactions between the Group and AOS are eliminated to the extent of the Group's interest in the business.

Summarised financial information of AOS at acquisition on 20 November 2020

	$m
100% of the net assets of the business	
Non-current assets	89.8
Current assets	370.3
Non-current liabilities	(7.4)
Current liabilities	(442.4)
Net assets and total equity	**10.3**
Group share of interest in joint venture's net assets	5.2
Goodwill	3.5
Carrying value of interest in joint venture	**8.7**

Summarised financial information of AOS for the period from 25 March 2020 to 31 March 2021

	2021 $m
100% of the results of the business	
Revenue	102.0
Profit after tax	9.6
Total comprehensive profit	10.8
Group share of the results of the business before elimination of unrealised profits and losses	
Revenue	51.0
Profit after tax	4.8
Total comprehensive profit	5.4
Group share of the results of the business after elimination of unrealised profits and losses	
Revenue	51.0
Loss after tax	-
Total comprehensive loss	-

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

Supplementary information regarding AOS is provided below:

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

14. Commitments and contingencies

Capital commitments

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

The table below summarises contractual commitments not recorded on the consolidated balance sheet (see note 19 for commitments with related parties).

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

Contingencies

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

15. Provisions

Accounting policy

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

The Group has two classes of provisions:

- **Unfavourable contracts. There are unfavourable terms embedded in a certain vendor contract associated with the satellite launch programme, which existed within the OWC group purchased by the Company. A liability was recognised on acquisition of OWC, equal to the fair value at the point of acquisition. The contract in question ends in May 2022. The liability was calculated based on a comparison of the contracted terms versus current market rates for similar services.**
- **Asset retirement obligations. Obligations arise on the decommissioning of certain items of property, plant and equipment. A liability is calculated based on the expected cost to decommission the assets and an equal asset is created and held within property, plant and equipment. The provision is expected to be utilised over the remaining expected asset lives, which are up to 10 years.**

	Unfavourable contracts $	Asset retire-ment obliga-tions $	Total $m
At 25 March 2020	-	-	-
Acquisition of a subsidiary	(60.4)	(3.7)	(64.1)
Utilised in the period	18.5	-	18.5
Unwinding of discount	(0.7)	(0.2)	(0.9)
At 31 March 2021	**(42.6)**	**(3.9)**	**(46.5)**
Current	(38.6)	-	(38.6)
Non-current	(4.0)	(3.9)	(7.9)
	(42.6)	**(3.9)**	**(46.5)**

16. Capital, reserves and shareholder funding

Shareholder funding

The Company was incorporated on 25 March 2020 with share capital of £2 (made up of two Ordinary Shares with a nominal value of £1 each), owned by Peregrine Secretarial Services Limited. The 2 Ordinary Shares were transferred from Peregrine to BGL on 30 June 2020.

On 1 July 2020, the Company issued two Ordinary Shares to BEIS.

All four Ordinary Shares in the Company were converted into Deferred Shares with a nominal value of £1 on 20 November 2020.

On 20 November 2020, the Company issued 500,000 Class A Shares to BGL and 500,000 Class A Shares to BEIS for a total subscription value of $1.0 billion.

Up to November 2020, the Company received funding from BGL and BEIS in the form of shareholder loans. BGL and BEIS issued shareholder loans of $184.5 million each. On 20 November 2020, these loans were deemed to be repaid and the amounts used to settle a portion of the subscription proceeds. Interest was owed under the original loan agreement but this was waived by the lenders during conversion to equity and interest charges have therefore not been reflected in these financial statements.

Payments have been made in cash from 20 November 2020 to 31 March 2021 totalling $177.5 million from BGL and $145.0 million from BEIS, with a further $32.5 million from BEIS on 8 April 2021. These shares are therefore considered to be fully paid at 31 March 2021, with any remaining amounts owed considered to be share premium outstanding.

On 20 November 2020, SoftBank Group Corp. subscribed to 92,459 A Ordinary Shares with a subscription value of $92.5 million. These shares were subsequently transferred to SoftBank Group Capital Limited.

On 20 November 2020, $90.0 million of secured loan notes issued by OWC were assigned to the Company, which were paid down through the issue of 90,000 Class A Shares to the note holders. The loan notes were subsequently waived in accordance with the PSA, resulting in an increase to the Company's investment in OWC.

On 20 November 2020, the Company issued one Class B Share to BEIS. Class B Shares have a nominal value of $0.01.

On 19 January 2021, the Company issued 50,000 Class A Shares to Echostar Operating LLC for $50.0 million in cash.

On 7 April 2021, SoftBank Group Corp. subscribed for 354,185 of shares for $229.0 million, paid for in cash. These shares were subsequently transferred to SoftBank Group Capital Limited.

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

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

On 12 August 2021 it was announced that Hanwha Systems Co., Ltd, of South Korea will subscribe to 250,000 shares at a value of $300.0 million. This has not been completed at the date of signing these financial statements, as it is subject to regulatory approvals.

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

	2021 $m
Total subscription value	1,232.5
Proceeds used to settle shareholder loans (see note 18)	(369.0)
Cash receipts post 20 November 2020	(465.0)
Issued to creditors of OWC for no cash	(90.0)
Share subscription receivables at 31 March	**308.5**

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

Shareholder rights

Shares in the Company consist of three classes:

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

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

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

Share capital

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

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

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

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

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

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

Share premium

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

Share-based payment reserve

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

Foreign currency reserve

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

Retained earnings

Retained earnings are the net earnings not paid out as dividends. Consolidated retained earnings were $370.5 million at the end of the period.

Dividends payable to the Company's shareholders are recognised when they have been appropriately authorised. The Company has retained earnings of $1.0 million at the end of the period. No amounts included in the Company's retained earnings are non-distributable. The directors do not recommend the payment of a dividend.

17. Financial instruments

Accounting policy

Overview

Financial instruments comprise financial assets and financial liabilities. All financial assets and financial liabilities are held at amortised cost.

There were no transfers between fair value measurement categories in the current period and no derivative financial instruments have been entered into.

Recognition and de-recognition of financial assets and liabilities

Financial assets and financial liabilities are recognised when we become a party to the contractual provisions of the instrument.

A financial asset or liability is only de-recognised when the contractual right that gives rise to it is settled, sold, cancelled or expires.

Fair value measurement

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

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

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

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

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

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

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

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

Cash and cash equivalents

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

Maturity profile of financial instruments

	On demand $m	< 1 year $m	Between 1 and 2 years $m	> 2 years $m	Total 2021 $m
Non-current assets					
Bonds and deposits	-	-	-	14.2	14.2
Current assets					
Share subscription receivables	308.5	-	-	-	308.5
Other current receivables	-	6.2	-	-	6.2
Cash and cash equivalents	44.0	-	-	-	44.0
Total financial assets	**352.5**	**6.2**	**-**	**14.2**	**372.9**
Current liabilities					
Trade payables	-	(122.1)	-	-	(122.1)
Payables to related parties	-	(1.1)	-	-	(1.1)
Accrued expenses	-	(42.9)	-	-	(42.9)
Accrued employee compensation	-	(5.1)	-	-	(5.1)
Provisions	-	(38.6)	-	-	(38.6)
Non-current liabilities					
Provisions	-	-	(7.9)	-	(7.9)
Total financial liabilities	**-**	**(209.8)**	**(7.9)**	**-**	**(217.7)**

Capital risk management

The objective when managing capital is to ensure that entities in the Group will be able to continue as a going concern, optimising liquidity and operating flexibility, while seeking to minimise our cost of capital. The capital structure of the Group consists of cash and cash equivalents, lease arrangements and equity attributable to shareholders of the Company, comprising issued capital, reserves and retained earnings as disclosed in note 16. No changes to our objectives or practices have taken place in the current period as these objectives were met.

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

Financial risk management

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

Market risk management

The Group's activities primarily create exposure to the financial risks of changes in foreign currency exchange rates. As the Group has no external borrowings, the Group's exposure to interest rate risk is minimal.

The carrying amounts of foreign currency-denominated monetary assets and monetary liabilities were as follows:

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

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

If there were a reasonably possible depreciation in US dollars against the relevant foreign currencies, the impact is not considered to be significant and has not been presented here.

Credit risk management

Credit risk is the risk of financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. As the Group is currently in a pre-revenue stage, credit risk exposure is limited to shareholders in respect of share subscription receivables, financial institutions in respect of cash balances and bonds, or with property landlords with regards to deposits. Credit risk is not considered to be a significant risk.

Liquidity risk management

Liquidity risk is the risk that the Company and the Group will not be able to meet financial obligations as they fall due. Ultimate responsibility for liquidity risk management rests with the Board, which has established an appropriate liquidity risk framework for the management of our short, medium and long-term funding and liquidity management requirements. Liquidity risk is managed by maintaining adequate cash reserves, by continuously monitoring projected and actual cash flows, and by ensuring adequate funds are available over the projected periods. The Group currently has no external borrowings, but will continue to assess whether such facilities are necessary.

18. Financing arrangements and right of use lease assets

Accounting policy

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

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

No Covid-19 related rent concessions exist.

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

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

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

The leases acquired as a result of the OWC business combination were recognised at fair value, being the present value of the lease payments that are not paid at the acquisition date, discounted at the incremental borrowing rate.

Liabilities arising from financing activities

From incorporation to 20 November 2020, the only financing arrangement of the Group other than lease arrangements was a shareholder loan, the movements of which are provided below:

	2021 **$m**
At 25 March 2020	-
Draw down of facility	(369.0)
Conversion of debt to equity	369.0
At 31 March 2021	-

Lease arrangements

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

Maturity analysis of contractual undiscounted cash flows

	2021 **$m**
Less than a year	13.0
Between one to five years	49.6
More than five years	35.5
At 31 March 2021	**98.1**

Carrying value of right of use lease assets

	Ground installation property $m	Other property $m	Total $m
Cost			
At 25 March 2020	-	-	-
Acquisition of a subsidiary	12.5	20.8	33.3
Additions	2.8	-	2.8
At 31 March 2021	15.3	20.8	36.1
Depreciation			
At 25 March 2020	-	-	-
Depreciation charge	(0.4)	(1.0)	(1.4)
At 31 March 2021	(0.4)	(1.0)	(1.4)
Carrying value			
At 31 March 2021	**14.9**	**19.8**	**34.7**

Carrying value of lease liabilities

	Ground installation property $m	Other property $m	Total $m
Lease liability			
At 25 March 2020	-	-	-
Acquisition of a subsidiary	(57.8)	(26.6)	(84.4)
New leases entered into	(2.9)	-	(2.9)
Cash payments	3.3	1.0	4.3
Interest charges	(1.1)	(0.9)	(2.0)
Foreign exchange	-	(0.2)	(0.2)
At 31 March 2021	**(58.5)**	**(26.7)**	**(85.2)**
Current lease liability	(7.0)	(3.1)	(10.1)
Non-current lease liability	(51.6)	(23.5)	(75.1)
	(58.6)	(26.6)	(85.2)

19. Related parties

Accounting policy

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

Compensation of key management personnel

"Key management personnel" are considered to be members of the Company's Board of Directors and the Group's Executive Committee. Key management personnel compensation is shown in the table below:

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

Directors of the Company and their immediate relatives control 40.6% of the voting shares of the Company.

Other related party transactions

Transactions with AOS

As explained in note 13, AOS is a joint venture between OneWeb and Airbus DS Satnet, which is equity accounted. All Gen.1 satellites are manufactured by AOS. A summary of the transactions with AOS in the period from 25 March 2020 to 31 March 2021 is set out below:

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

Outstanding share subscriptions

As explained in note 16, $308.5 million of share subscription proceeds was outstanding at 31 March 2021.

Transactions with Echostar Operating LLC and Qualcomm Technologies, Inc

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

Transactions of the Company

Details of the related party transactions of the Company are provided in note 24.

20. Subsequent events

Share subscriptions

Subsequent to 31 March 2021, share subscriptions have been made or announced as set out in note 16.

Acquisition of TrustComm

Subsequent to the balance sheet date, the Company announced the planned acquisition of TrustComm from the Nox Trust. Founded in 1999, TrustComm is a provider of satellite communications with its key customers being US government agencies. This acquisition is part of the Company's strategy to commence and scale up satellite communications service to the U.S. Department of Defense, and other US government agencies, the 'Five Eyes' Alliance, NATO, United Nations and a few other US government agencies. After receipt of necessary approvals, this acquisition was completed on 20 September 2021. TrustComm has now been renamed OneWeb Technologies.

Joint Venture in Saudi Arabia

On 22 October 2021, OneWeb entered into a shareholders' agreement with NEOM Tech and Digital Company ("NEOM") to form a joint venture for (i) servicing customers in the NEOM region, rest of Saudi Arabia and neighbouring countries in the Middle East and Africa and (ii) the design, construction and operation of ground stations. The joint venture was formed on 24 October 2021 using OneWeb's existing Saudi entity – First Tech Web Company Limited, with each shareholder making an initial shareholder contribution of $5.0 million and subsequently each holding 50% of the share capital in the company. Together with the joint venture, a commercial distribution and services agreement with a value of $170.0 million was entered into between OneWeb and NEOM to enable NEOM to purchase capacity from OneWeb and have the right to sell and supply such capacity in the above-mentioned geographies.

OneWeb Holdings Limited

Company financial statements

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Company balance sheet

At 31 March 2021

	Note	2021 $m
Non-current assets		
Loan receivable from related party	24	582.4
Investment in subsidiary entity	25	310.9
		893.3
Current assets		
Receivables from related parties		1.2
Goods and services tax receivable		0.8
Share subscription receivables	16	308.5
Cash and cash equivalents		35.2
		345.7
Total assets		1,239.0
Current liabilities		
Accrued expenses		(4.4)
Accrued employee compensation		(0.4)
Other taxes payable		(0.1)
		(4.9)
Net assets		**1,234.1**
Equity		
Share capital	16	-
Share premium	16	1,232.5
Share-based payment reserve	16	0.6
Retained earnings	16	1.0
Total equity		**1,234.1**

These financial statements were approved by the Board of Directors on 29 October 2021 and were signed on its behalf by:

Neil Masterson
Chief Executive Officer

Company registered number: 12534512

Company statement of changes in equity

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

Company cash flow statement

for the period ended 31 March 2021

	2021 $m
Cash flows from operating activities	
Profit for the year	1.0
Adjustments for:	
Investment income	(14.2)
Equity settled share-based payment expenses	0.6
Movement in receivables from related parties	(1.2)
Movement in goods and services tax receivables	(0.8)
Movement in accrued expenses	4.4
Movement in accrued employee compensation	0.4
Movement in other taxes payable	0.1
Net cash from operating activities	(9.7)
Cash flows from investing activities	
Pre-acquisition funding to OWC, converted to equity on acquisition	(210.7)
Movement in loan receivable from related party	(485.9)
Net cash from investing activities	(696.6)
Cash flows from financing activities	
Proceeds from the issue of share capital	741.5
Net cash from financing activities	741.5
Net increase in cash and cash equivalents	**35.2**
Cash and cash equivalents at the start of the period	-
Net increase in cash and cash equivalents	35.2
Effect of exchange rate changes on cash held	-
Cash and cash equivalents at the end of the period	**35.2**

Notes to the Company's financial statements

(forming part of the financial statements)

21. General information

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

22. Basis of preparation

22.1 Going concern

See note 2.1.

22.2 Accounting estimates and judgements

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

- **The requirements of paragraphs 62, B64(d), B64(l), B64(g), B64(h), B64(j), B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3: Business Combinations;**
- **The requirements of IFRS 7: Financial Instruments: Disclosures;**
- **The requirements of paragraphs 91 to 99 of IFRS 13: Fair value measurements;**
- **The requirements of paragraphs 134 to 136 of IAS 1: Presentation of Financial Statements;**
- **The requirements of paragraph 17 and 18A of IAS 24: Related Party Disclosures; and**
- **The requirements in IAS 24: Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.**

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

In the preparation of Company's financial statements in conformity with FRS 101, management is required to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, expenses and disclosures of contingent liabilities. Estimates and judgments are continually evaluated. These estimates and judgements are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and are believed to be reasonable under the circumstances at the end of the financial periods presented. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods. Due to uncertainties inherent in making estimates, actual results could differ from those estimates.

Critical judgements are those made when applying accounting policies that could have a significant impact on the amounts recognised in the consolidated financial statements. No areas of accounting required critical judgement to be applied in the current period.

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

23. Acquisition and funding provided

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

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

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

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

24. Loan receivable from related party

Accounting policy

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

Carrying value of loan receivable from related party

	Cash flow items $m	Non-cash items $m	Total $m
Amortised cost			
At 25 March 2020	-	-	-
Pre-acquisition funding provided to OWC	210.7	-	210.7
Funding arrangement fees receivable from OWC prior to acquisition	-	4.3	4.3
Interest receivable from OWC prior to acquisition	-	6.0	6.0
Conversion of OWC loan to equity	(220.9)	-	(220.9)
Post-acquisition funding provided to OWC	485.9	-	485.9
Settlement of OWC creditors though subscription in Company shares	-	92.5	92.5
Interest receivable from OWC post acquisition	-	3.9	3.9
At 31 March 2021	**475.7**	**106.7**	**582.4**

Further details are provided in note 23.

25. Investment in subsidiary entity

Accounting policy

Investments in subsidiaries are carried at cost.

Carrying value of investment in subsidiary entity

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

Further details are provided in note 23.

26. Capital, reserves and shareholder funding

See note 16.

27. Related party transactions

See note 19.

28. Ultimate controlling party

There is no single ultimate controlling party. Details of the Company's shareholders and their rights are provided in note 16.

29. Subsequent events

See note 20.

30. Subsidiaries and affiliates

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

Name	Principal activity	Registered Agent Address	Country of incorporation	Share holding 31 March 2021 (%age)
OneWeb Communications Ltd	Holding Company / Borrowing Company	WestWorks Building, 195 Wood Lane, London United Kingdom, W12 7FQ	United Kingdom	100
WorldVu Development LLC	Operating Company	701 S. Carson St., Suite 200, Carson City, NV 89701, United States	United States	100
1021823 B.C. Ltd	Operating Company	Crease Harman LLP, 800-1070 Douglas Street, Victoria, BC, V8W 2C4	Canada	100
Network Access Associates Ltd *	Operating Company	WestWorks Building, 195 Wood Lane, London United Kingdom, W12 7FQ	United Kingdom	100
OneWeb Ltd	Holding Company	SANNE, IFC 5, St. Helier, JE1 1ST, Jersey	Jersey	100
OneWeb Ltd (Malta)	Operating Company	SmartCity Malta, SCM 01, TMF Group (Malta) 401. Ricasoli, Kalkara, SCM 1001, Malta	Malta	100
OneWeb Network Access Holdings Ltd. (UK) *	Holding Company	WestWorks Building, 195 Wood Lane, London United Kingdom, W12 7FQ	United Kingdom	100
OneWeb Holdings LLC	Holding Company	50 Main Street, Suite 1000, White Plains, NY 10606, USA	United States	100
WorldVu JV Holdings LLC	Holding Company	c/o Business Filings Incorporated, 108 West 13th St, Wilmington DE 19801, United States	United States	100

Airbus OneWeb Satellites LLC[1]	Satellite Design and Development	CT Corporation System, 1200 South Pine Island Road, Plantation, FL 33324	United States	100
Airbus OneWeb Satellites North America LLC[2]	Satellite Design and Development	Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware, 19801	United States	50
Airbus OneWeb Satellites SAS[2]	Satellite Design and Development	B612, 3 rue Tarfaya, 31400 TOULOUSE, France	France	100
Airbus OneWeb Satellites Florida LLC[2]	Satellite Design and Development	CT Corporation System, 1200 South Pine Island Road, Plantation, Florida 33324	United States	50
OneWeb Communications S.a.r.l	Holding Company	51 Avenue J.F. Kennedy, L-1855, Luxembourg	Luxembourg	100
OneWeb Asia PTE. Ltd.	Operating Company	1 Marina Boulevard #28-00, Singapore, 018989, Singapore	Singapore	100
OneWeb S.r.l.	Operating Company	Corso Vercelli 40, 20145, Milan, Italy	Italy	100
OneWeb Norway AS	Operating Company	Postboks 2334, 3003 Drammen, Norway	Norway	100
OneWeb S.A	Operating Company	Tucumán 1, Piso 4, Buenos Aires, C1049AAA, Argentina	Argentina	100
First Tech Web Company Limited	Operating Company	28th Floor Kingdom Tower, Olaya Road, P.O. Box: 230 888, Riyadh, 11321, Saudi Arabia	Saudi Arabia	100
WorldVu, Unipessoal Lda	Operating Company	Rua Latino Coelho, n.º 13, 13-A, 13-B, 3.º andar, freguesia de Avenidas Novas, 1050-132 Lisboa, Portugal	Portugal	100
OneWeb ApS	Operating Company	c/o Deloitte, Imaneq 33, 6 - 7 floor, Postbox 20 Nuuk, 3900, Greenland	Greenland	100
WorldVu, Australia Pty Ltd	Operating Company	TMF Corporate Services (AUST) PTY LTD, Level 16, 201 Elizabeth Street, Sydney NSW 2000, Australia	Australia	100
OneWeb G.K.	Operating Company	c/o DLA Piper Tokyo Partnership, Meiji Seimei Kan 7F, 1-1, Marunouchi 2-chome, Chiyoda-ku Tokyo, Japan	Japan	100

OneWeb Capacidade Satelital Ltda	Operating Company	Avenida Nove de Julho, 3228, sala 604, Ed. First Office Flat, Jardim Paulista, City of São Paulo, State of São Paulo, 01406-000, Brazil	Brazil	100
WorldVu Satellites Limited	Holding Company	IFC 5, St. Heiler, JE 1 1st, Jersey	Jersey, Channel Islands	100
WorldVu Mexico S.de R.L. de C.V	Operating Company	Peten 27 St. 301, Piedad Narvarte, Mexico City 03000, Mexico	Mexico	100
OneWeb Chile SpA	Operating Company	Luz 2959-22, Las Condes, Santiago, Chile	Chile	100
OneWeb Senegal SARL	Operating Company	Immeuble Lat Dior en face grande mosque de Dakar, Dakar, 3E ÉTAGE, Senegal	Senegal	100
OneWeb Costa Rica Limitada	Operating Company	c/o Zurcher Odio & Raven, Plaza Roble Corporate Center, Los Balcones Building, fourth floor, San José, Costa Rica	Costa Rica	100
WorldVu South Africa (Pty) Ltd.	Operating Company	Central Office Park No 4., 257 Jean Avenue Centurion, Gauteng, 0157 South Africa	South Africa	100
One Web Angola – Servicos de Telecomunicacoes (SU), LDA	Operating Company	Edifício Kilamba, 20° andar Avenida 4 de Fevereiro Marginal de Luanda, Angola	Angola	100

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

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

[2] The equity interest represents the Group's ownership percentage. Entity is wholly owned by Airbus OneWeb Satellites LLC, of which the Group owns a 50% equity interest.

Definitions

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

AOS: Airbus OneWeb Satellites LLC

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

BEV: Business Enterprise Value

BGL: Bharti Global Limited

Company: OneWeb Holdings Limited

CGU: The smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets

ESOP: Employee Share Option Plan

FRS 101: FRS 101: Reduced Disclosure Framework

GEN 1: The first generation of OneWeb satellites

GNOC: Ground Network Operating Centre

Group: OneWeb Holdings Limited together with its subsidiaries

IFRSs: International Financial Reporting Standards

IOT: The internet of things

ITU: International Telecommunications Union

LEO: Low-earth orbit

OneWeb: OneWeb Holdings Limited together with its subsidiaries

OWC: OneWeb Communications Limited

OWG: OneWeb Global Limited

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

PNT: Positioning, Navigation and Timing

PSA: Plan Support Agreement

SOC: Satellite Operating Centre

TrustComm: TrustComm Inc.

TT & C: Telemetry Tracking and Control Centre

UT: User Terminal

OneWeb Holdings Limited

Registered office: West Works Building, 195 Wood Lane, London, England, W12 7FQ

CONSOLIDATED FINANCIAL STATEMENTS

AS OF 31 MARCH 2022

OneWeb Holdings Limited Consolidated Financial Statements

For the year ended 31 March 2022

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

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

Consolidated balance sheet
At 31 March 2022

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

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

N. l M.

Neil Masterson
Chief Executive Officer
3 August 2022

Company registered number: 12534512

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

	Share capital $m	Share premium $m	Share-based payment reserve $m	Foreign currency reserve $m	Retained earnings $m	Total equity $m
Total comprehensive income for the period						
Profit for the period	-	-	-	-	370.5	370.5
Exchange differences on foreign operations, net of tax	-	-	-	0.3	-	0.3
Total comprehensive income for the period	-	-	-	0.3	370.5	370.8
Transactions with owners, recorded directly in equity						
Issue of shares	-	1,232.5	-	-	-	1,232.5
Equity-settled share-based payment transactions	-	-	0.6	-	-	0.6
Total contributions by and distributions to owners	-	1,232.5	0.6	-	-	1,233.1
At 31 March 2021	**-**	**1,232.5**	**0.6**	**0.3**	**370.5**	**1,603.9**
Total comprehensive income for the period						
Loss for the period	-	-	-	-	(389.8)	(389.8)
Exchange differences on foreign operations, net of tax	-	-	-	0.2	-	0.2
Total comprehensive income for the period	-	-	-	0.2	(389.8)	(389.6)
Transactions with owners, recorded directly in equity						
Issue of shares, net of issue costs	-	1,572.8	-	-	-	1,572.8
Equity-settled share-based payment transactions	-	-	6.1	-	-	6.1
Total contributions by and distributions to owners	-	1,572.8	6.1	-	-	1,578.9
At 31 March 2022	**-**	**2,805.3**	**6.7**	**0.5**	**(19.3)**	**2,793.2**

Consolidated cash flow statement
for the year ended 31 March 2022

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

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

1 General information

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

2 Basis of preparation

2.1 Going concern

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

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

The Group has raised total equity cash funding of $2,721.5 million, of which $2,115.5 million has been paid and $606.0 million is available on demand at the request of the Company, and is expected to be received from shareholders within the next 12 months. The recoverability of the share subscription receivables is considered to be a critical judgement in these financial statements, further details of which are provided in note 2.3.

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

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

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

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

2.2 Accounting convention

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

Where an accounting policy is applicable to a specific note to the financial statements, the policy is described within that note. In accordance with adopted IFRS, where balances are considered to be immaterial to these financial statements, no further disclosures are provided.
The accounting policies set out below have, unless otherwise stated, been applied consistently in each period presented in these financial statements. The comparative period presented is the period from 25 March 2020 to 31 March 2021.

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

Critical judgements
Critical judgements are those made when applying accounting policies that could have a significant impact on the amounts recognised in the consolidated financial statements. The following critical judgements have been made in the current period:

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

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

Collection of receivables from shareholders (see note 18)
Included within current assets are share subscription receivables of $606.0 million (31 March 2021: $308.5 million) owed by BEIS, Bharti and Eutelsat. Judgement has been applied in considering whether these amounts are recoverable at the period end. There is not considered to be any significant risk that these amounts are not fully recoverable.

Future availability of tax losses (see note 12)
At 31 March 2022, the Group had tax losses totalling $818.2 million (31 March 2021: $638.1 million) which have not been recognised as a deferred tax asset, as it is not probable at the reporting date that future taxable profits will be available against which these can be used. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

The majority of the losses were incurred prior to the bankruptcy. The details of the losses are as below:
- $308.2 million of trading losses incurred in the UK. $142.3 million of these losses were incurred prior to bankruptcy and are not expected to be extinguished, but will be reviewed periodically in light of business performance and/or change of control provisions.

- $39.9 million of management expenses incurred in the UK. $39.4 million of these losses were incurred prior to bankruptcy and are not expected to be extinguished but will be reviewed periodically in light of business performance and/or change of control provisions.
- $284.0 million of non-trading losses incurred in the UK, of which $276.2 million are subject to a restriction under the corporate interest restriction rules. These may be accessed in the future if there is sufficient capacity and the capital of the relevant company does not increase significantly under the change of control provisions.
- $173.7 million of trading losses incurred in the US. $116.2 million of these losses were incurred prior to bankruptcy and the use of which will be restricted to small amounts each year due to the change of control provisions.
- $12.5 million of trading losses were incurred in a number of different territories.

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

Key sources of estimation uncertainty

Key sources of estimation uncertainty are those assumptions where there is a significant risk that changes to these assumptions could cause a material adjustment to the carrying value of assets and liabilities within the next 12 months. There were no such key sources of estimation uncertainty identified in the current year.

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

a) Measurement convention

The financial statements are prepared on the historical cost basis except for certain financial assets and financial liabilities required by adopted IFRS to be measured at fair value. The Group and Company financial statements are presented in US dollars, rounded to the nearest $0.1 million.

b) Basis of consolidation

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

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

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

c) Foreign currency

The presentation currency of the Group is the US dollar. Subsidiaries with a functional currency other than the US dollar translate their assets and liabilities into US dollars at the current exchange rates in effect at the end of the reporting period. Income and expense accounts of such subsidiaries are translated into US dollars at the average exchange rates during the period. Translation adjustments are included in the foreign currency translation reserve, a separate component of equity. Gains or losses that arise from exchange rate fluctuations on transactions denominated in a currency other than the functional currency are recorded in profit or loss and classified as a foreign exchange gain or loss on the consolidated statements of comprehensive income or loss.

d) Impairment of non-financial assets

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

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

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

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

2.5 Adopted IFRS not yet applied

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

<u>Accounting pronouncements with effective date on or after 1 January 2022:</u>

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

<u>Accounting pronouncements with effective date on or after 1 January 2023:</u>

- amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current;
- IFRS 17: Insurance Contracts and Amendments to IFRS 17 Insurance Contracts;
- amendments to IAS 1: Disclosure of Accounting Policies and Amendments to IAS 8: Definition of Accounting Estimates; and
- amendment to IAS 12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction.

3 Acquisitions and disposals

Accounting policy

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

The Group measures goodwill at the acquisition date as:
- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

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

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

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

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

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

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

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

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

Acquisition in the current period: Trustcomm Inc.
TrustComm Inc. was acquired from the Nox Trust on 20 September 2021, for cash consideration of $11.8 million.

Founded in 1999, TrustComm is a provider of satellite communications, and its key customers are US Government agencies. This acquisition is part of the Group's strategy to commence and scale up satellite communications service to the US Department of Defense and other US Government agencies, the Five Eyes Alliance, NATO and the United Nations.

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

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

Effect of acquisition

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

	Recognised values on acquisition $m
Non-current assets	
Property, plant and equipment	1.9
Intangible assets	0.2
Bonds and deposits	0.1
	2.2
Current assets	
Prepaid expenses	0.2
Other current receivables	1.6
Cash and cash equivalents	8.0
	9.8
Total assets	**12.0**
Current liabilities	
Trade payables	(1.4)
Accrued expenses	(0.2)
Accrued employee compensation	(0.4)
Deferred revenue	(5.0)
Other current payables	(0.4)
Total liabilities	**(7.4)**
Net identifiable assets and liabilities at fair value	**4.6**
Consideration paid	
Cash consideration	9.0
Contingent consideration paid into escrow	2.0
Seller's transaction costs paid	0.8
Total consideration	**11.8**
Goodwill arising on acquisition	**7.2**
Net cash outflow arising on acquisition	
Cash consideration	(9.0)
Contingent consideration paid into escrow	(2.0)
Seller's transaction costs paid	(0.8)
Cash acquired	8.0
Net cash outflow	**(3.8)**

Since acquisition, OWT has contributed revenue of $9.6 million, an operating loss of $1.3 million and a net loss of $1.3 million to the Group. If the acquisition had occurred on 1 April 2021, the net loss for the Group would have been $0.8 million. In determining these amounts, management has assumed that the fair value adjustments that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 April 2021.

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

Fair values determined on a provisional basis

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

	$m
Property, plant and equipment	1.9
Intangible assets	0.2

Acquisition transaction costs

The Group incurred acquisition-related transaction costs of $0.5 million, primarily related to legal fees. These costs have been included in the Company's statement of comprehensive income, below operating loss.

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

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

Effect of acquisition

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

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

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

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

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

Consideration paid

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

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

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

Fair values determined on a provisional basis

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

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

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

Acquisition transaction costs

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

4 Revenue

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

The Group received advanced payment of $170.6 million from a customer for services to be rendered over a number of years, due to commence in the calendar year 2023. This constitutes an indefeasible right of use. The Group has performed an assessment to determine whether the contract contains a lease within the scope of IFRS 16: Leases by conferring to the customer the right to control the use of an identified asset. The arrangement was concluded not to contain a lease as there is no identified asset, as the service is provided through an orbiting constellation of satellites that each provide connectivity to different regions during their orbit. The arrangement is therefore accounted for as a service agreement, with revenue recognised as the service provided over the contract period.

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

5 Operating expenses

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

6 Asset impairment

Impairment charge

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

The charge resulted in a reduction in the carrying value of property, plant and equipment of $272.3 million and prepayments of $1.0 million, and the reversal of provisions of $19.7 million and trade payables of $24.4 million. The provision and trade payables that have been derecognised relate to the amounts that were previously due for future launches – which are no longer scheduled – and excludes any amounts not invoiced at 31 March 2022. The provision reversal related to an unfavourable contract provision recognised on the acquisition of OWC in 2020, while the reversal of trade payables related to amounts invoiced for future launches postponed. Negotiations are ongoing with the related vendors with regards to the recoverability of assets and the undelivered services. As the outcome of these negotiations is uncertain, no asset has been recognised.

Impairment assessments

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

The Group's property, plant and equipment, intangible assets and goodwill are assessed to constitute a single CGU because of the nature of the OneWeb network. None of the individual assets can operate to generate cash inflows independent of other assets as the space and ground segment assets are both required to deliver connectivity services to customers. The recoverable amount of the CGU was determined by measuring its VIU.

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

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

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

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

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

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

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

7 Auditor's remuneration

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

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

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

8 Employee information

Accounting policy

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

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

Average number of employees

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

Staff remuneration

The aggregate remuneration of these persons was as follows:

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

9 Directors' remuneration

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

The highest paid Director received remuneration of $2.5 million (31 March 2021: $0.6 million) and amounts receivable under long-term incentive schemes of $1.3 million (31 March 2021: $0.6 million).

10 Share-based payments

Accounting policy

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

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

Employee share option plan (ESOP)

On 7 January 2021, 10,000 ESOP-awards were granted to a Director of the Company, with an exercise price of $1,000 per award. During the year, a total of 27,300 options were granted to other employees of the Group, with an option price of $1,000.

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

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

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

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

There are no performance conditions associated with these awards.

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

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

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

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

Charge for the period

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

Movement in share awards

	Number of share awards	Weighted average exercise price $
At 25 March 2020	-	-
Granted	10,000	1,000
At 31 March 2021	**10,000**	**1,000**
Granted	27,300	1,000
At 31 March 2022	**37,300**	**1,000**

Supplementary information

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

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Assumptions

	2022		2021	
	Initial public offering (IPO)	**Monetising mechanism**	**IPO**	**Monetising mechanism**
Expected life (years)	4.7	6.2	5.0	6.5
Share price ($)	1,237	990	1,800	1,440
Exercise price ($)	1,000	1,000	1,000	1,000
Risk-free rate (%)	0.7	1.0	0.5	0.7
Volatility (%)	43.0	40.2	41.5	39.0
Probability weight (%)	50.0	50.0	50.0	50.0

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

11 Investment income and finance costs

Accounting policy

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

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

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

Recognised in profit or loss

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

12 Taxation

Accounting policy

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

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

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

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

Income tax expense

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

Reconciliation of effective tax rate

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

Factors that may affect future tax charges

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

Deferred tax

	$m
At 25 March 2020	-
Acquisition of a subsidiary	(47.1)
At 31 March 2021	**(47.1)**
Effect of tax rate changes	(14.9)
Recognition of deferred tax asset regarding temporary differences	62.0
At 31 March 2022	-

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

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

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

At 31 March 2022, the Group had tax losses totalling $818.2 million (2021: $638.1 million), resulting in an unrecognised deferred tax asset of $192.8 million (2021: 120.3 million) and other temporary timing differences of $1,050.7 million (2021: $1,375.6 million), resulting in an unrecognised deferred tax asset of $328.8 million (2021: $278.1 million), of which $1,221.1 million (2021: $1,327.7 million) relates to unclaimed tax depreciation on fixed assets, resulting in an unrecognised deferred tax asset of $304.4 million (2021: $266.9 million). The unrecognised deferred tax in relation to the tax losses is considered to be a critical judgement in these financial statements, further details of which are provided in note 2.3.

At 31 March 2022, the Group has not recognised any deferred tax liabilities relating to its investment in subsidiaries as the Group controls the timing of reversal of the related temporary differences and management is satisfied that they will not reverse in the foreseeable future.

13 Property, plant and equipment

Accounting policy

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

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

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

Assets are brought into service and depreciated from the point they are operating as intended. The OneWeb network cannot operate as intended until sufficient coverage has been created to offer a viable commercial service. When sufficient coverage exists to be able to provide customers with a viable commercial service, all assets associated with providing that service will be put into service and depreciation will start.

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

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

- Furniture and computer equipment – two to three years
- Vehicles – three years
- Leasehold improvements – the shorter of useful lives or the lease term

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

Carrying value of property, plant and equipment

	Space component under construction $m	Ground component under construction $m	Ground component in service $m	Other property and equipment $m	Total $m
Cost					
At 25 March 2020	-	-	-	-	-
Acquisition of a subsidiary	915.0	190.4	-	1.7	1,107.1
Additions	135.6	35.7	-	0.1	171.4
Written off	(4.4)	(0.3)	-	-	(4.7)
Foreign exchange	-	0.4	-	0.2	0.6
At 31 March 2021	**1,046.2**	**226.2**	**-**	**2.0**	**1,274.4**
Acquisition of a subsidiary	-	-	0.4	1.5	1.9
Additions	483.9	104.1	0.6	0.7	589.3
Written off	(4.2)	-	-	-	(4.2)
Transfers to intangible assets	(127.9)	(47.1)	-	-	(175.0)
Foreign exchange	-	0.1	-	(0.2)	(0.1)
At 31 March 2022	**1,398.0**	**283.3**	**1.0**	**4.0**	**1,686.3**
Depreciation					
At 25 March 2020	-	-	-	-	-
Depreciation charge	-	-	-	(1.2)	(1.2)
At 31 March 2021	**-**	**-**	**-**	**(1.2)**	**(1.2)**
Depreciation charge	-	-	(0.1)	(2.3)	(2.4)
Impairment charge	(272.3)	-	-	-	(272.3)
At 31 March 2022	**(272.3)**	**-**	**(0.1)**	**(3.5)**	**(275.9)**
Carrying value					
At 31 March 2022	**1,125.7**	**283.3**	**0.9**	**0.5**	**1,410.4**
At 31 March 2021	1,046.2	226.2	-	0.8	1,273.2

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

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

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

Security

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

14 Intangible assets

Accounting policy

Intangible assets

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

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

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

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

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

Assets under construction

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

Expenditure on development activities is capitalised if the product or process is technically and commercially feasible and the Group intends and has the technical ability and sufficient resources to complete development, future economic benefits are probable and if the Company can measure reliably the expenditure attributable to the intangible asset during its development. Development activities involve a plan or design for the production of new or substantially improved products or processes. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads and capitalised borrowing costs. Other development expenditure is recognised in the income statement as an expense as incurred. Capitalised development expenditure is stated at cost less accumulated amortisation and less accumulated impairment losses. The Group is currently building various assets that will form part of the wider OneWeb network. When sufficient coverage exists to be able to provide customers with a viable commercial service, all assets associated with providing that service will be put into service and amortisation will start.

Amortisation

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

Spectrum rights and licences

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

OneWeb has secured c.6 GHz of priority non-geostationary orbit spectrum rights in the Ku and Ka bands, covering:
• 2.5 GHz of Ku band end for user links
• 3.3 GHz of Ka band gateway for feeder links

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

Developed software

Developed software relates to the software that the Group controls for the purpose of operating the business.

Patents

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

	Spectrum rights and licences $m	Developed software $m	Patents $m	Total $m
Cost				
At 25 March 2020	-	-	-	-
Acquisition of a subsidiary	252.0	-	1.6	253.6
Additions	0.3	-	-	0.3
Foreign exchange	0.1	-	-	0.1
At 31 March 2021	**252.4**	-	**1.6**	**254.0**
Acquisition of a subsidiary	-	-	0.2	0.2
Additions	-	77.8	-	77.8
Transfers from property, plant and equipment	-	175.0	-	175.0
Transfers to bonds and deposits	(0.4)	-	-	(0.4)
Written off	-	-	(0.3)	(0.3)
Foreign exchange	-	(0.1)	-	(0.1)
At 31 March 2022	**252.0**	**252.7**	**1.5**	**506.2**
Amortisation				
At 25 March 2020 and 31 March 2021	-	-	-	-
Amortisation charge	-	-	(0.1)	(0.1)
At 31 March 2022	**-**	**-**	**(0.1)**	**(0.1)**
Carrying value				
At 31 March 2022	**252.0**	**252.7**	**1.4**	**506.1**
At 31 March 2021	252.4	-	1.6	254.0

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

15 Investment in joint ventures

Airbus OneWeb Satellites LLC (AOS)

The Group has joint control over AOS. AOS was created as a joint venture with Airbus DS Satnet, to develop and design GEN 1. Each shareholder owns 50% of equity interest in AOS and has equal voting or similar rights with major decisions approved on unanimous basis. The risks related to AOS operations and cost overruns are equally borne by both shareholders. The Group does not have power over AOS's relevant activities and while equally is exposed to variability of returns, the Group therefore does not have the ability to use power to affect such returns.

First Tech Web Company Limited (NEOM JV)

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

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

Accounting policy

A joint venture is an entity where control is shared with another party. The results, assets and liabilities of the Group's joint ventures are incorporated into these financial statements using the equity method of accounting. The investment in a joint venture is initially recognised at cost. At the acquisition date, any excess of the cost of acquisition over our share of the fair value of the identifiable assets and liabilities of the associate is recognised as goodwill. The consolidated income statement reflects the Group's share of the results of operations. Any change in other comprehensive income would be recognised as part of consolidated other comprehensive income. Unrealised profits resulting from transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the business. The profit earned by AOS for the sale of satellites to OneWeb is considered unrealised until the associated assets are placed into service, and are therefore eliminated until the assets are available for use by the Group.

	AOS $m	NEOM JV $m	Total $m
At 25 March 2020	-	-	-
Acquisition of joint venture	8.7	-	8.7
Share of result of joint venture	-	-	-
At 31 March 2021	**8.7**	**-**	**8.7**
Acquisition of joint venture	-	0.2	0.2
Funding provided to joint venture	-	15.0	15.0
Share of result of joint venture	5.3	-	5.3
Dividend received from joint venture	(14.0)	-	(14.0)
At 31 March 2022	**-**	**15.2**	**15.2**

Summarised financial information of AOS

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

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

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

Supplementary information regarding AOS is provided below:

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

Summarised financial information of NEOM JV

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

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

Supplementary information regarding the NEOM JV is provided below.

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

16 Commitments and contingencies

Capital commitments

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

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

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

Contingencies

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

17 Provisions

Accounting policy

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

The Group has two classes of provisions:

- **Unfavourable contracts**. There are unfavourable terms embedded in a certain vendor contract associated with the satellite launch programme, which existed within the OWC group purchased by the Company. A liability was recognised on acquisition of OWC, equal to the fair value at the point of acquisition. The liability was calculated based on a comparison of the contracted terms versus current market rates for similar services. The provision of $19.7 million was released during the Financial Year as detailed in note 6.
- **Asset retirement obligations**. Obligations arise on the decommissioning of certain items of property, plant and equipment. A liability is calculated based on the expected cost to decommission the assets and an equal asset is created and held within property, plant and equipment. The provision is expected to be used over the remaining expected asset lives, which are up to 10 years.

	Unfavourable contracts $m	Asset retirement obligations $m	Total $m
At 25 March 2020	-	-	-
Acquisition of a subsidiary	(60.4)	(3.7)	(64.1)
Used in the period	18.5	-	18.5
Unwinding of discount	(0.7)	(0.2)	(0.9)
At 31 March 2021	(42.6)	(3.9)	(46.5)
Additions	-	(6.2)	(6.2)
Used or released in the period	43.4	-	43.4
Unwinding of discount	(0.8)	(0.7)	(1.5)
At 31 March 2022	-	**(10.8)**	**(10.8)**
Current	-	-	-
Non-current	-	(10.8)	(10.8)
	-	**(10.8)**	**(10.8)**

18 Capital, reserves and shareholder funding

Shareholder funding

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

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

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

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

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

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

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

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

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

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

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

Share capital
Share capital is the number of shares in issue, stated at their nominal value.
The value of share capital at the end of the period was as follows:

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

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

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

At 31 March 2022

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

At 31 March 2021

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

Share premium

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

Share-based payment reserve

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

Foreign currency reserve

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

Retained earnings

Retained earnings are the net earnings not paid out as dividends. Consolidated retained earnings were a deficit of $19.3 million at the end of the period (31 March 2021: surplus of $370.5 million).

Dividends payable to the Company's shareholders are recognised when they have been appropriately authorised. The Company has retained earnings of $18.3 million at the end of the period (31 March 2021: $1.0 million). No amounts included in the Company's retained earnings are non-distributable. The directors do not recommend the payment of a dividend.

19 Financial instruments

Accounting policy

Overview

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

Recognition and derecognition of financial assets and liabilities

Financial assets and financial liabilities are recognised when we become a party to the contractual provisions of the instrument.

Loss allowances for financial assets are calculated applying an expected credit loss model.

A financial asset or liability is only derecognised when the contractual right that gives rise to it is settled, sold, cancelled or expires.

Fair value measurement

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

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

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

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

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

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

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

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

Cash and cash equivalents

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

Maturity profile of financial instruments
31 March 2022

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

31 March 2021

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

Capital risk management

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

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

Financial risk management

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

Market risk management

The Group's activities primarily create exposure to the financial risks of changes in foreign currency exchange rates. As the Group has no external borrowings, the Group's exposure to interest rate risk is minimal. The majority of cash inflows and outflows are in the Group's reporting currency, US dollars, together with the majority of Group assets and liabilities. The carrying amounts of foreign currency-denominated monetary assets and monetary liabilities (non-US dollar) were as follows:

31 March 2022

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

31 March 2021

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

The translation risk on converting overseas currency profits or losses is not hedged and such profits or losses are converted into US dollars at average exchange rates throughout the year. If there were a reasonably possible change in the US dollar against the relevant foreign currencies, an appreciation in the US dollar would result in a decrease of losses of $1.0 million and a depreciation in the US dollar would result in an increase in losses of $1.1 million.

Credit risk management

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

Liquidity risk management

Liquidity risk is the risk that the Company and the Group will not be able to meet financial obligations as they fall due. Ultimate responsibility for liquidity risk management rests with the Board, which has established an appropriate liquidity risk framework for the management of our short, medium and long-term funding and liquidity management requirements. Liquidity risk is managed by maintaining adequate cash reserves, by continuously monitoring projected and actual cash flows, and by ensuring adequate funds are available over the projected periods. The Group currently has no external borrowings, but will continue to assess whether such facilities are necessary.

20 Financing arrangements and right of use lease assets

Accounting policy

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

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

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

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

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

Lease arrangements

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

Maturity analysis of contractual undiscounted cash flows

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

Carrying value of right of use lease assets

	Ground installation property $m	Other property $m	Total $m
Cost			
At 25 March 2020	-	-	-
Acquisition of a subsidiary	12.5	20.8	33.3
Additions	2.8	-	2.8
At 31 March 2021	15.3	20.8	36.1
Additions	32.6	1.1	33.7
Foreign exchange	-	0.1	0.1
At 31 March 2022	**47.9**	**22.0**	**69.9**
Depreciation			
At 25 March 2020	-	-	-
Depreciation charge	(0.4)	(1.0)	(1.4)
At 31 March 2021	(0.4)	(1.0)	(1.4)
Depreciation charge	(6.7)	(1.2)	(7.9)
At 31 March 2022	**(7.1)**	**(2.2)**	**(9.3)**
Carrying value			
At 31 March 2022	**40.8**	**19.8**	**60.6**
At 31 March 2021	14.9	19.8	34.7

Carrying value of lease liabilities

	Ground installation property $m	Other property $m	Total $m
Lease liability			
At 25 March 2020	-	-	-
Acquisition of a subsidiary	(57.8)	(26.6)	(84.4)
New leases entered into	(2.9)	-	(2.9)
Cash payments	3.3	1.0	4.3
Interest charges	(1.1)	(0.9)	(2.0)
Foreign exchange	-	(0.2)	(0.2)
At 31 March 2021	(58.5)	(26.7)	(85.2)
New leases entered into	(32.9)	(1.1)	(34.0)
Cash payments	14.0	4.9	18.9
Interest charges	(4.6)	(1.1)	(5.7)
Foreign Exchange	-	(0.9)	(0.9)
At 31 March 2022	**(82.0)**	**(24.9)**	**(106.9)**
Current lease liability	(10.0)	(3.2)	(13.2)
Non-current lease liability	(72.0)	(21.7)	(93.7)
	(82.0)	**(24.9)**	**(106.9)**

21 Reconciliation of net profit to cash used in operations

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

22 Related parties

Accounting policy

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

Compensation of key management personnel

'Key management personnel' are considered to be members of the Company's Board of Directors and the Group's Executive Committee. Key management personnel compensation is shown in the table below:

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

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

Other related party transactions

Transactions with AOS

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

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

Outstanding share subscriptions

As explained in note 18, $606.0 million of share subscription proceeds was outstanding at 31 March 2022 (31 March 2021: $308.5 million).

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

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

Transactions with entities under common control with Bharti Space Limited

The Group entered into transactions with entities under common control with Bharti Space Limited during the Financial Year, primarily in relation to network and facility costs. The Group incurred expenses of $0.3 million (2021: $nil) and the amount payable by the Group at 31 March 2022 is $0.1 million (31 March 2021: $nil).

Transactions with entities in the Eutelsat S.A. group

The Group entered into transactions with members of the group of companies including Eutelsat S.A. in relation to the provision of consulting services. The Group incurred expenses of $0.1 million (2021: $nil) and the amount payable by the Group at 31 March 2022 is $0.1 million (31 March 2021: $nil).

Transactions with entities in the SoftBank Group Capital Limited group

The Group entered into transactions with members of the group of companies including SoftBank Group Capital Limited in relation to the purchase of ground-based communications equipment. The equipment was purchased for $1.0 million (2021: $nil) and is recognised as property, plant and equipment. No amounts remain payable at 31 March 2022 (31 March 2021: $nil).

Transactions with Echostar Operating LLC and Qualcomm Technologies, Inc

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

Transactions of the Company

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

23 Subsequent events

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

On 25 July, 2022, Eutelsat and key OneWeb shareholders signed a Memorandum of Understanding (MOU) with a view to combining Eutelsat and OneWeb in an all-share transaction. Eutelsat is an existing shareholder of OneWeb which is explained in more detail in Note 18. The transaction would be structured as an exchange of OneWeb shares by its shareholders (other than Eutelsat) with new shares issued by Eutelsat, such that, at closing, Eutelsat would own 100% of OneWeb (excluding the Class B share owned by The Secretary of State for Business, Energy and Industrial Strategy). OneWeb shareholders would receive 230 million newly issued Eutelsat shares, representing 50% of the enlarged share capital. Eutelsat will continue to be listed on Euronext Paris and apply for admission to standard listing on the London Stock Exchange. The MOU has been unanimously approved by each of Eutelsat's and OneWeb's Board of Directors. Eutelsat will be required to complete Eutelsat S.A.'s works council information consultation process. The transaction will be subject to customary regulatory conditions. The MOU includes customary exclusivity and interim operating conditions. The transaction will also be conditional on approval by Eutelsat's shareholders at an Extraordinary General Meeting of Eutelsat, to take place by end of first half 2023. The transaction is expected to close by the end of first half of 2023.

On 25 July, 2022, the Group's existing Distribution Partner Agreement (signed in March 2022) with Eutelsat was amended. Under the terms of this amendment, Eutelsat takes a firm commitment to purchase $275.0 million of OneWeb's constellation capacity at pre-defined terms over a five-year duration, starting from the full availability of the constellation. The amounts will be paid in 3 instalments of $100.0 million, $100.0 million and $75.0 million over the next 3 financial years starting from FY 2022-23. As part of the agreement, Eutelsat will benefit from the exclusive use of OneWeb's capacity over certain pre-determined sales regions and verticals, in particular Continental Europe and Global Cruise segment.

OneWeb Holdings Limited
Company Financial Statements

Company balance sheet
At 31 March 2022

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

Under Section 408 of the Companies Act 2006, the Company is exempt from the requirement to present its own profit and loss account. The profit for the Company for the year was $17.3 million (2021: $1.0 million).

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

Neil Masterson
Chief Executive Officer
3 August 2022

Company registered number: 12534512

Company statement of changes in equity

	Share capital $m	Share premium $m	Share-based payment reserve $m	Retained earnings $m	Total equity $m
Total comprehensive income for the period					
Profit for the period	-	-	-	1.0	1.0
Total comprehensive profit for the period	-	-	-	1.0	1.0
Transactions with owners, recorded directly in equity					
Issue of shares	-	1,232.5	-	-	1,232.5
Equity-settled share-based payment transactions	-	-	0.6	-	0.6
Total contributions by and distributions to owners	-	1,232.5	0.6	-	1,233.1
Balance at 31 March 2021	-	**1,232.5**	**0.6**	**1.0**	**1,234.1**
Total comprehensive income for the period					
Profit for the period	-	-	-	17.3	17.3
Total comprehensive profit for the period	-	-	-	17.3	17.3
Transactions with owners, recorded directly in equity					
Issue of shares	-	1,572.8	-	-	1,572.8
Equity-settled share-based payment transactions	-	-	6.1	-	6.1
Total contributions by and distributions to owners	-	1,572.8	6.1	-	1,578.9
Balance at 31 March 2022	-	**2,805.3**	**6.7**	**18.3**	**2,830.3**

Company cash flow statement for the period ended 31 March 2022

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

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

24 General information

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

25 Basis of preparation

25.1 Going concern

See note 2.1.

25.2 Accounting estimates and judgements

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

- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3: Business Combinations;
- the requirements of IFRS 7: Financial Instruments: Disclosures;
- the requirements of paragraphs 91 to 99 of IFRS 13: Fair value measurements;
- the requirements of paragraphs 134 to 136 of IAS 1: Presentation of Financial Statements;
- the requirements of paragraph 17 and 18A of IAS 24: Related Party Disclosures; and
- the requirements in IAS 24: Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

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

In the preparation of Company's financial statements in conformity with FRS 101, management is required to make estimates, judgements and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, expenses and disclosures of contingent liabilities. Estimates and judgements are continually evaluated. These estimates and judgements are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and are believed to be reasonable under the circumstances at the end of the financial periods presented. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods. Due to uncertainties inherent in making estimates, actual results could differ from those estimates.

Critical judgements are those made when applying accounting policies that could have a significant impact on the amounts recognised in the financial statements. The recoverability of the share subscription receivables is considered to be a critical judgement in these financial statements, further details of which are provided in note 2.3.

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

26 Prior period acquisition and funding provided

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

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

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

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

27 Loan receivable from related party

Accounting policy

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

Carrying value of loan receivable from related party

	Cash flow items $m	Non-cash items $m	Total $m
Amortised cost			
At 25 March 2020	-	-	-
Pre-acquisition funding provided to OWC	210.7	-	210.7
Funding arrangement fees receivable from OWC prior to acquisition	-	4.3	4.3
Interest receivable from OWC prior to acquisition	-	6.0	6.0
Conversion of OWC loan to equity	(220.9)	-	(220.9)
Post-acquisition funding provided to OWC	485.9	-	485.9
Settlement of OWC creditors though subscription in Company shares	-	92.5	92.5
Interest receivable from OWC post acquisition	-	3.9	3.9
At 31 March 2021	**475.7**	**106.7**	**582.4**
Interest receivable from OWC	-	28.5	28.5
Funding provided to OWC	748.0	-	748.0
At 31 March 2022	**1,223.7**	**135.2**	**1,358.9**

Further details are provided in note 26.

28 Investment in subsidiary entity

Accounting policy

Investments in subsidiaries are carried at cost.

Carrying value of investment in subsidiary entity

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

Further details are provided in note 26.

29 Capital, reserves and shareholder funding

See note 18.

30 Related party transactions

See note 22.

31 Ultimate controlling party

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

32 Subsequent events

See note 23.

33 Subsidiaries and affiliates

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

Name	Principal activity	Registered agent address	Country of incorporation	Shareholding 31 March 2022 (%)
OneWeb Communications Ltd*	Holding company / borrowing company	WestWorks Building, 195 Wood Lane, London, W12 7FQ, United Kingdom	United Kingdom	100
WorldVu Development LLC	Operating company	701 S. Carson St., Suite 200, Carson City, NV 89701, United States	United States	100
OneWeb Communications Canada Ltd	Operating company	Crease Harman LLP, 800-1070 Douglas Street, Victoria, BC, V8W 2C4, Canada	Canada	100
Network Access Associates Ltd.*	Operating company	WestWorks Building, 195 Wood Lane, London, W12 7FQ, United Kingdom	United Kingdom	100
OneWeb Ltd.	Holding company	Level 1, IFC1, Esplanade, JE2 3BX, Jersey	Jersey	100
OneWeb Ltd (Malta)	Operating company	SmartCity Malta, SCM 01, TMF Group (Malta) 401, Ricasoli, Kalkara, SCM 1001, Malta	Malta	100
OneWeb Network Access Holdings Ltd. (UK)*	Holding company	WestWorks Building, 195 Wood Lane, London, W12 7FQ, United Kingdom	United Kingdom	100
OneWeb Holdings LLC	Holding company	50 Main Street, Suite 1000, White Plains, NY 10606, USA	United States	100
OneWeb Technologies, Inc[1]	Operating company	11140 Aerospace Avenue, Houston, TX 77034, USA	United States	100
WorldVu JV Holdings LLC	Holding company	c/o Business Filings Incorporated, 108 West 13th St, Wilmington, DE 19801, USA	United States	100
Airbus OneWeb Satellites LLC[2]	Satellite Design and Development	CT Corporation System, 1200 South Pine Island Road, Plantation, FL 33324, USA	United States	100

Name	Principal activity	Registered agent address	Country of incorporation	Shareholding 31 March 2022 (%)
Airbus OneWeb Satellites North America LLC[2]	Satellite design and development	Corporation Trust Center, 1209 Orange Street, Wilmington, DE 19801, USA	United States	50
Airbus OneWeb Satellites SAS[2]	Satellite design and development	B612, 3 rue Tarfaya, 31400 Toulouse, France	France	100
Airbus OneWeb Satellites Florida LLC[3]	Satellite design and development	CT Corporation System, 1200 South Pine Island Road, Plantation, FL 33324, USA	United States	50
OneWeb Communications S.a.r.l	Operating company	51 Avenue J.F. Kennedy, L-1855, Luxembourg	Luxembourg	100
OneWeb Asia PTE. Ltd.	Operating company	1 Marina Boulevard #28-00, Singapore, 018989, Singapore	Singapore	100
OneWeb S.r.l.	Operating company	Corso Vercelli 40, 20145, Milan, Italy	Italy	100
OneWeb Norway AS	Operating company	Postboks 2334, 3003 Drammen, Norway	Norway	100
OneWeb S.A	Operating company	Tucumán 1, Piso 4, Buenos Aires, C1049AAA, Argentina	Argentina	100
First Tech Web Company Limited	Operating company	28th Floor Kingdom Tower, Olaya Road, P.O. Box: 230 888, Riyadh, 11321, Saudi Arabia	Saudi Arabia	50
WorldVu, Unipessoal Lda	Operating company	Rua Latino Coelho, n.º13, 13-A, 13-B, 3.º andar, freguesia de Avenidas Novas, 1050-132 Lisboa, Portugal	Portugal	100
OneWeb ApS	Operating company	c/o Deloitte, Imaneq 33, 6 - 7 floor, Postbox 20 Nuuk, 3900, Greenland	Greenland	100
WorldVu, Australia Pty Ltd	Operating company	TMF Corporate Services (AUST) PTY LTD, Level 16, 201 Elizabeth Street, Sydney NSW 2000, Australia	Australia	100
OneWeb G.K.	Operating company	c/o DLA Piper Tokyo Partnership, Meiji Seimei Kan 7F, 1-1, Marunouchi 2-chome, Chiyoda-ku Tokyo, Japan	Japan	100
OneWeb Capacidade Satelital Ltda	Operating company	Avenida Nove de Julho, 3228, sala 604, Ed. First Office Flat, Jardim Paulista, City of São Paulo, State of São Paulo, 01406-000, Brazil	Brazil	100
WorldVu Satellites Limited	Holding company	Level 1, IFC1, Esplanade, JE2 3BX, Jersey	Jersey	100
WorldVu Mexico S.de R.L. de C.V	Operating company	Peten 27 St. 301, Piedad Narvarte, Mexico City 03000, Mexico	Mexico	100
OneWeb Chile SpA	Operating company	Luz 2959-22, Las Condes, Santiago, Chile	Chile	100

Name	Principal activity	Registered agent address	Country of incorporation	Shareholding 31 March 2022 (%)
OneWeb Senegal SARL	Operating company	Immeuble Lat Dior en face grande mosque de Dakar, Dakar, 3E ÉTAGE, Senegal	Senegal	100
OneWeb Costa Rica Limitada	Operating company	c/o Zurcher Odio & Raven, Plaza Roble Corporate Center, Los Balcones Building, fourth floor, San José, Costa Rica	Costa Rica	100
WorldVu South Africa (Pty) Ltd.	Operating company	Central Office Park No 4., 257 Jean Avenue Centurion, Gauteng, 0157, South Africa	South Africa	100
One Web Angola – Servicos de Telecomunicacões (SU), LDA	Operating company	Edificio Kilamba, 20° andar Avenida 4 de Fevereiro Marginal de Luanda, Angola	Angola	100
OneWeb (Mauritius) Limited	Operating company	Lislet Geoffroy Street, BCMS Corporate Services Ltd, 2nd Floor Chancery House, Port Louis, Mauritius	Mauritius	100
OneWeb Colombia Limited S.A.S.	Operating company	Cra. 11 No. 79-35 9th floor, Bogotá D.C., Colombia	Colombia	100
OneWeb Ghana Ltd	Operating company	No. 7 Airport Road, Accra, Accra Metro, Ghana	Ghana	100
OneWeb Kazakhstan Ltd	Operating company	Building 55/22, Mangilik El Avenue, Nur-Sultan, Kazakhstan	Kazakhstan	100

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

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

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

[3] The equity interest represents the Group's ownership percentage. Entity is wholly owned by Airbus OneWeb Satellites LLC, of which the Group owns a 50% equity interest.

Definitions

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

AOP: Annual operating plan

AOS: Airbus OneWeb Satellites LLC

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

Bharti: Bharti Space Limited

CGU: The smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets

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

Company: OneWeb Holdings Limited

COVID-19: The COVID-19 global pandemic

CSI: Customer service introduction

DPA: Distribution partner agreement

EBITDA: Earnings before interest tax depreciation and amortisation

ERM: Enterprise risk management

ESOP: Employee share option plan

Eutelsat: Eutelsat S.A.

FRS 101: Reduced disclosure framework

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

GEO: Geostationary orbit

GEN 1: The first generation of OneWeb satellites

GEN 2.0: The second generation of OneWeb satellites

GNOC: Ground Network Operations Centre

Group: OneWeb Holdings Limited together with its subsidiaries

Hanwha: Hanwha Systems UK Limited

IFRSs: International Financial Reporting Standards

IOT: The internet of things

ISRO: Indian Space Research Organisation

ITU: International Telecommunications Union

LEO: Low Earth orbit

LTBP: Long-term business plan

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

MoU: Memorandum of Understanding

NEOM: NEOM Tech and Digital Company

NEOM JV: First Tech Web Company Limited

OneWeb: OneWeb Holdings Limited together with its subsidiaries

OWC: OneWeb Communications Limited

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

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

PNT: Positioning, navigation and timing

PoP: Point of presence

PSA: Plan support agreement

SECR: Streamlined Energy and Carbon Reporting Guidance (SECR)

SNP: Satellite Network Portal

SOC: Satellite Operations Centre

SoftBank: SoftBank Group Capital Limited

TT & C: Telemetry Tracking and Control Centre

UT: User terminal

OneWeb Holdings Limited

Registered office: West Works Building, 195 Wood Lane, London, England, W12 7FQ

CONSOLIDATED FINANCIAL STATEMENTS

AS OF 31 MARCH 2023

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

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

Consolidated balance sheet

At 31 March 2023

	Note	2023 $m	2022 $m
Non-current assets			
Property, plant and equipment	*13*	1,848.5	1,410.4
Right of use lease assets	*20*	74.2	60.6
Goodwill	*3*	7.2	7.2
Intangible assets	*14*	561.8	506.1
Bonds and deposits		14.8	17.5
Withholding tax receivable		8.5	8.5
Other non-current assets		8.2	2.7
Investment in joint ventures	*15*	16.1	15.2
		2,539.3	2,028.2
Current assets			
Inventory		22.9	8.2
Prepaid expenses		55.3	43.7
Corporation tax receivable		3.8	3.9
Receivables from related parties	*22*	10.4	-
Goods and services tax receivable		11.9	12.1
Share subscription receivables	*18*	156.0	606.0
Trade receivables		5.8	2.6
Other current assets		0.2	-
Cash and cash equivalents		226.4	481.2
		492.7	1,157.7
Total assets		3,032.0	3,185.9
Current liabilities			
Trade payables		(59.8)	(36.9)
Payables to related parties	*22*	(1.7)	(13.1)
Accrued expenses		(64.7)	(14.6)
Accrued employee compensation		(27.5)	(17.3)
Contract liability	*4*	(40.9)	(4.8)
Goods and services tax payable		-	(0.8)
Corporation tax payable		(1.0)	(1.1)
Other taxes payable		(3.3)	(3.7)
Lease liabilities	*20*	(15.9)	(13.2)
Other current liabilities		(3.0)	(3.0)
		(217.8)	(108.5)
Non-current liabilities			
Contract liability	*4*	(254.7)	(175.0)
Provisions	*17*	(12.4)	(10.8)
Lease liabilities	*20*	(100.1)	(93.7)
Other non-current liabilities		(10.6)	(4.7)
Deferred tax liabilities	*12*	-	-
		(377.8)	(284.2)
Total liabilities		(595.6)	(392.7)
Net assets		**2,436.4**	**2,793.2**
Equity			
Share capital	*18*	-	-
Share premium	*18*	2,805.3	2,805.3
Share based payment reserve	*18*	11.5	6.7
Foreign currency reserve	*18*	0.8	0.5
Retained earnings	*18*	(381.2)	(19.3)
Total equity		**2,436.4**	**2,793.2**

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

Neil Masterson

Neil Masterson
Chief Executive Officer

Company registered number: 12534512

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

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

Consolidated cash flow statement

for the year ended 31 March 2023

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

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

1 General information

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

2 Basis of preparation

2.1 Going concern

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

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

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

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

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

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

2.2 Accounting convention

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

Where an accounting policy is applicable to a specific note to the financial statements, the policy is described within that note. In accordance with Adopted IFRS, where balances are considered to be immaterial to these financial statements, no further disclosures are provided. The accounting policies set out below have, unless otherwise stated, been applied consistently in each period presented in these financial statements.

2.3 Accounting estimates and judgements

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

Critical judgements

Critical judgements are those made when applying accounting policies that could have a significant impact on the amounts recognised in the consolidated financial statements. The following critical judgements have been made in the current and prior period:

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

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

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

Collection of receivables from shareholders (see note 18)

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

Future availability of tax losses (see note 12)

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

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

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

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

Key sources of estimation uncertainty

Key sources of estimation uncertainty are those assumptions where there is a significant risk that changes to these assumptions could cause a material adjustment to the carrying value of assets and liabilities within the next 12 months. The following key sources of estimation uncertainty were identified:

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

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

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

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

a) Measurement convention

The financial statements are prepared on the historical cost basis except for certain financial assets and financial liabilities required by Adopted IFRS to be measured at fair value. The Group and Company financial statements are presented in United States dollars, rounded to the nearest $0.1 million.

b) Basis of consolidation

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

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

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

c) Foreign currency

The presentation currency of the Group is the U.S. dollar. Subsidiaries whose functional currency is a currency other than the U.S. dollar translate their assets and liabilities into U.S. dollars at the current exchange rates in effect at the end of the reporting period. Income and expense accounts of such subsidiaries are translated into U.S. dollars at the average exchange rates during the period. Translation adjustments are included in the foreign currency translation reserve, a separate component of equity. Gains or losses that arise from exchange rate fluctuations on transactions denominated in a currency other than the functional currency are recorded in profit or loss and classified as foreign exchange gain or loss on the consolidated statements of comprehensive income or loss.

2.5 Adopted IFRS not yet applied

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

Accounting pronouncements with effective date on or after 1 January 2023:
- IFRS 17: Insurance Contracts and Amendments to IFRS 17 Insurance Contracts;
- Amendments to IAS 1: Disclosure of Accounting Policies and Amendments to IAS 8: Definition of Accounting Estimates; and
- Amendment to IAS 12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction.

Accounting pronouncement with effective date on or after 1 January 2024:
- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current.

3 Acquisitions and disposals

Accounting policy

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

The Group measures goodwill at the acquisition date as:

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

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

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

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

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

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

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

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

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

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

Acquisition in the prior period: Trustcomm Inc.

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

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

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

Effect of acquisition

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

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

	Recognised values on acquisition $m
Current liabilities	
Trade payables	(1.4)
Accrued expenses	(0.2)
Accrued employee compensation	(0.4)
Deferred revenue	(5.0)
Other current payables	(0.4)
Total liabilities	(7.4)
Net identifiable assets and liabilities at fair value	**4.6**
Consideration paid	
Cash consideration	9.0
Contingent consideration paid into escrow	2.0
Seller's transaction costs paid	0.8
Total consideration	**11.8**
Goodwill arising on acquisition	**7.2**
Net cash outflow arising on acquisition	
Cash consideration	(9.0)
Contingent consideration paid into escrow	(2.0)
Seller's transaction costs paid	(0.8)
Cash acquired	8.0
Net cash outflow	**(3.8)**

In 2022 since acquisition, OWT contributed revenue of $9.6 million, an operating loss of $1.3 million and a net loss of $1.3 million to the Group. If the acquisition had occurred on 1 April 2021, the net loss for the Group would have been $0.8 million. In determining these amounts, management has assumed that the fair value adjustments that arose on the date of acquisition would have been the same if the acquisition occurred on 1 April 2021.

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

Acquisition transaction costs

During 2022, in relation to the acquisition of OWT, the Group incurred acquisition related transaction costs of $0.5 million, primarily related to legal fees. These costs have been included in the Company's statement of comprehensive income, below operating loss. During 2023, the Group incurred merger related transaction costs of $20.7 million. This relates to the legal, professional and employee related expenses incurred by the Group in relation to the Group's planned combination with Eutelsat.

4 Revenue

Accounting policy

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

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

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

Service revenue

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

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

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

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

Sales of equipment

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

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

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

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

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

Contract costs

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

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

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

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

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

5 Operating expenses

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

6 Asset impairment

Accounting policy

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

The recoverable amount of an asset or cash-generating unit is the greater of its value in use ("VIU") and its fair value less costs to sell ("FVLCTS"). The FVLCTS may differ and be higher or lower than the VIU. Where the VIU exceeds the carrying value it is not necessary to estimate the FVLCTS, but where applicable the difference is considered as part of determining the appropriateness of the VIU. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit" or "CGU"). There was only a single CGU in the Group.

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

Impairment charge recognised in 2022 and settlement in 2023

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

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

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

Impairment assessment

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

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

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

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

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

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

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

7 Auditor's remuneration

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

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

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

8 Employee information

Accounting policy

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

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

Average number of employees

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

Staff remuneration

The aggregate remuneration of these persons was as follows:

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

9 Directors' remuneration

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

The highest paid Director received remuneration of $1.6 million (31 March 2022: $2.5 million) other than merger related remuneration and $2.0 million (31 March 2022: $nil) merger related remuneration, that would become payable at the time of completion of the combination with Eutelsat, for total remuneration of $3.6 million (31 March 2022: $2.5 million) and amounts receivable under long-term incentive schemes of $1.4 million (31 March 2022: $1.3 million).

10 Share-based payments

Accounting policy

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

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

Employee Share Option Plan ("ESOP")

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

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

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

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

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

There are no performance conditions associated with these awards.

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

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

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

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

Charge for the period

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

Movement in share awards

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

Supplementary information

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

Assumptions

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

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

11 Investment income and finance costs

Accounting policy

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

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

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

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

12 Taxation

Accounting policy

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

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

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

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

Income tax expense

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

Reconciliation of effective tax rate

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

Factors that may affect future tax charges

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

Deferred tax

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

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

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

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

At 31 March 2023, the Group has not recognised any deferred tax liabilities relating to its investment in subsidiaries as the Group controls the timing of reversal of the related temporary differences and management is satisfied that they will not reverse in the foreseeable future.

13 Property, plant and equipment

Accounting policy

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

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

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

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

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

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

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

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

Carrying value of property, plant and equipment

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

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

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

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

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

Security

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

14 Intangible assets

Accounting policy

Intangible assets

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

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

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

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

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

Assets under construction

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

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

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

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

Amortisation

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

Spectrum rights and licences

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

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

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

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

Developed software

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

Patents

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

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

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

15 Investment in joint ventures

Airbus OneWeb Satellites LLC ("AOS")

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

First Tech Web Company Limited ("NEOM JV")

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

Accounting Policy

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

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

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

Summarised financial information of AOS

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

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

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

Supplementary information regarding AOS is provided below:

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

Summarised financial information of NEOM JV

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

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

Supplementary information regarding the NEOM JV is provided below.

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

16 Commitments and contingencies

Capital commitments

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

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

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

Contingencies

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

17 Provisions

Accounting policy

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

The Group has two classes of provisions:

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

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

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

18 Capital, reserves and shareholder funding

Shareholder funding

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

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

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

Shareholder rights

Shares in the Company consist of three classes:

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

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

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

Share capital

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

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

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

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

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

At 31 March 2023 and 31 March 2022

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

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

Share premium

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

Share-based payment reserve

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

Foreign currency reserve

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

Retained earnings

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

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

19 Financial instruments

Accounting policy

Overview

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

Recognition and de-recognition of financial assets and liabilities

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

Fair value measurement

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

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

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

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

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

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

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

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

Cash and cash equivalents

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

Maturity profile of financial instruments

31 March 2023

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

31 March 2022

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

Capital risk management

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

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

Financial risk management

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

Market risk management

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

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

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

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

31 March 2023

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

31 March 2022

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

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

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

Credit risk management

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

Liquidity risk management

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

20 Financing arrangements and right of use lease assets

Accounting policy

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

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

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

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

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

Lease arrangements

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

Maturity analysis of contractual undiscounted cash flows

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

Carrying value of right of use lease assets

	Ground installation property $m	Other property $m	Total $m
Cost			
At 31 March 2021	15.3	20.8	36.1
Additions	32.6	1.1	33.7
Foreign exchange	-	0.1	0,1
At 31 March 2022	**47.9**	**22.0**	**69.9**
Additions	23.0	-	23.0
At 31 March 2023	**70.9**	**22.0**	**92.9**
Depreciation			
At 31 March 2021	(0.4)	(1.0)	(1.4)
Depreciation charge	(6.7)	(1.2)	(7.9)
At 31 March 2022	**(7.1)**	**(2.2)**	**(9.3)**
Depreciation charge	(6.3)	(3.1)	(9.4)
At 31 March 2023	**(13.4)**	**(5.3)**	**(18.7)**
Carrying value			
At 31 March 2023	**57.5**	**16.7**	**74.2**
At 31 March 2022	40.8	19.8	60.6

Carrying value of lease liabilities

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

21 Reconciliation of net loss to cash used in operations

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

22 Related parties

Accounting policy

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

Compensation of key management personnel

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

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

Other related party transactions

Transactions with AOS

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

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

Transactions with NEOM JV

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

Outstanding share subscriptions

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

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

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

Transactions with entities under common control with Bharti Space Limited

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

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

Transactions with entities in the Eutelsat S.A. group

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

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

Transactions with entities in the SoftBank Group Capital Limited group

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

Transactions with Echostar Operating LLC and Qualcomm Technologies, Inc

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

23 Subsequent events

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

OneWeb Holdings Limited
Company financial statements

Company balance sheet
At 31 March 2022

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

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

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

Neil Masterson
Chief Executive Officer

Company registered number: 12534512

Company statement of changes in equity

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

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

24 General information

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

25 Basis of preparation

25.1 Going concern

See note 2.1.

25.2 Accounting estimates and judgements

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

- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3: Business Combinations;
- the requirements of IFRS 7: Financial Instruments: Disclosures;
- the requirements of paragraphs 91 to 99 of IFRS 13: Fair value measurements;
- the requirements of paragraphs 134 to 136 of IAS 1: Presentation of Financial Statements;
- the requirement of IAS 7: Statement of Cash Flows;
- the requirements of paragraph 17 and 18A of IAS 24: Related Party Disclosures; and
- the requirements in IAS 24: Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

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

In the preparation of Company's financial statements in conformity with FRS 101, management is required to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, expenses and disclosures of contingent liabilities. Estimates and judgments are continually evaluated. These estimates and judgements are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and are believed to be reasonable under the circumstances at the end of the financial periods presented. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods. Due to uncertainties inherent in making estimates, actual results could differ from those estimates.

Critical judgements are those made when applying accounting policies that could have a significant impact on the amounts recognised in the financial statements. The recoverability of the share subscription receivables is considered to be a critical judgement in these financial statements, further details of which are provided in note 2.3.

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

26 Loan receivable from related party

Accounting policy

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

Carrying value of loan receivable from related parties

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

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

27 Investment in subsidiary entity

Accounting policy

Investments in subsidiaries are carried at cost.

Carrying value of investment in subsidiary entity

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

28 Capital, reserves and shareholder funding

See note 18.

29 Related party transactions

See note 22.

30 Ultimate controlling party

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

31 Subsequent events

See note 23.

32 Subsidiaries and affiliates

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

Name	Principal activity	Registered Agent Address	Country of incorporation	Shareholding 31 March 2023 (%age)
OneWeb Communications Ltd *	Holding Company	West Works Building, 195 Wood Lane, London United Kingdom, W12 7FQ	United Kingdom	100
WorldVu Development LLC	Operating Company	701 S. Carson St., Suite 200, Carson City, NV 89701, United States	United States	100
OneWeb Communications Canada Ltd	Operating Company	Crease Harman LLP, 800-1070 Douglas Street, Victoria, BC, V8W 2C4	Canada	100
Network Access Associates Ltd. *	Operating Company	West Works Building, 195 Wood Lane, London United Kingdom, W12 7FQ	United Kingdom	100
OneWeb Ltd.	Holding Company	Level 1, IFC1, Esplanade, JE2 3BX, Jersey	Jersey	100
OneWeb Ltd (Malta)	Operating Company	SmartCity Malta, SCM 01, TMF Group (Malta) 401. Ricasoli, Kalkara, SCM 1001, Malta	Malta	100
OneWeb Network Access Holdings Ltd. (UK) *	Holding Company	West Works Building, 195 Wood Lane, London United Kingdom, W12 7FQ	United Kingdom	100
OneWeb Holdings LLC	Holding Company	50 Main Street, Suite 1000, White Plains, NY 10606, USA	United States	100
OneWeb Technologies, Inc[1]	Operating Company	11140 Aerospace Avenue, Houston, Texas, 77034	United States	100
WorldVu JV Holdings LLC	Holding Company	c/o Business Filings Incorporated, 108 West 13th St, Wilmington DE 19801, United States	United States	100
Airbus OneWeb Satellites LLC[2]	Satellite Design and Development	CT Corporation System, 1200 South Pine Island Road, Plantation, FL 33324	United States	50
Airbus OneWeb Satellites North America LLC[3]	Satellite Design and Development	Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware, 19801	United States	50
Airbus OneWeb Satellites SAS[3]	Satellite Design and Development	B612, 3 rue Tarfaya, 31400 Toulouse, France	France	50
Airbus OneWeb Satellites Florida LLC[3]	Satellite Design and Development	CT Corporation System, 1200 South Pine Island Road, Plantation, Florida 33324	United States	50
OneWeb Communications S.a.r.l	Operating Company	51 Avenue J.F. Kennedy, L-1855, Luxembourg	Luxembourg	100
OneWeb Asia PTE. Ltd.	Operating Company	38 Beach Road, #29-11 South Beach Tower, Singapore, 189767, Singapore	Singapore	100
OneWeb S.r.l.	Operating Company	Corso Vercelli 40, 20145, Milan, Italy	Italy	100
OneWeb Norway AS	Operating Company	Postboks 2334, 3003 Drammen, Norway	Norway	100
OneWeb S.A	Operating Company	Tucumán 1, Piso 4, Buenos Aires, C1049AAA, Argentina	Argentina	100
First Tech Web Company Limited	Operating Company	28th Floor Kingdom Tower, Olaya Road, P.O. Box: 230 888, Riyadh, 11321, Saudi Arabia	Saudi Arabia	50
WorldVu, Unipessoal Lda	Operating Company	Rua Latino Coelho, n.º 13, 13-A, 13-B, 3.º andar, freguesia de Avenidas Novas, 1050-132 Lisboa, Portugal	Portugal	100
OneWeb ApS	Operating Company	C/O Nuna Advokater Aps, Qullilerfik 2, 6., Nuuk, 3900, Greenland	Greenland	100

WorldVu, Australia Pty Ltd	Operating Company	TMF Corporate Services (AUST) PTY LTD, Level 16, 201 Elizabeth Street, Sydney NSW 2000, Australia	Australia	100
OneWeb G.K.	Operating Company	c/o DLA Piper Tokyo Partnership, Meiji Seimei Kan 7F, 1-1, Marunouchi 2-chome, Chiyoda-ku Tokyo, Japan	Japan	100
OneWeb Capacidade Satelital Ltda	Operating Company	Avenida Nove de Julho, 3228, sala 604, Ed. First Office Flat, Jardim Paulista, City of São Paulo, State of São Paulo, 01406-000, Brazil	Brazil	100
WorldVu Satellites Limited	Holding Company	Level 1, IFC1, Esplanade, JE2 3BX, Jersey	Jersey	100
WorldVu Mexico S.de R.L. de C.V	Operating Company	Av. Obrero Mundial 644, Piso 2 Oficina 202, Atenor Salas, Benito Juarez, Ciudad de Mexico, Mexico, 03010	Mexico	100
OneWeb Chile SpA	Operating Company	Luz 2959-22, Las Condes, Santiago, Chile	Chile	100
OneWeb Senegal SARL	Operating Company	Immeuble Lat Dior en face grande mosque de Dakar, Dakar, 3E ÉTAGE, Senegal	Senegal	100
OneWeb Costa Rica Limitada	Operating Company	c/o Zurcher Odio & Raven, Plaza Roble Corporate Center, Los Balcones Building, fourth floor, San José, Costa Rica	Costa Rica	100
WorldVu South Africa (Pty) Ltd.	Operating Company	TMF Building 2 Conference Lane, Bridgewater One Block 1, Bridgeway Precinct Century City, Western Cape, 7446, South Africa	South Africa	100
One Web Angola – Servicos de Telecomunicacoes (SU), LDA	Operating Company	Edifício Kilamba, 20º andar Avenida 4 de Fevereiro Marginal de Luanda, Angola	Angola	100
OneWeb (Mauritius) Limited	Operating Company	Lislet Geoffroy Street, BCMS Corporate Services Ltd, 2nd Floor Chancery House, Port Louis, Mauritius	Mauritius	100
OneWeb Colombia Limited S.A.S.	Operating Company	Cra. 11 No. 79-35 9th floor, Bogotá D.C	Colombia	100
OneWeb Ghana Ltd	Operating Company	No. 7 Airport Road, Accra, Accra Metro, Ghana	Ghana	100
OneWeb France SAS	Operating Company	3-5 rue Saint-Georges 75009 Paris	France	100
PT OneWeb Communications Indonesia	Operating Company	Indonesia Stock Exchange Building, Tower 1, 27th Floor, Jl. Jend. Sudirman Kav. 52-53, Jakarta 12190	Indonesia	100
OneWeb Kazakhstan Ltd	Operating Company	Building 55/22, Mangilik El Avenue, Nur-Sultan	Kazakhstan	100
OneWeb (Bulgaria) EOOD	Operating Company	2a Saborna Street, 4th Floor, Sofia, 1000, Bulgaria	Bulgaria	100
OneWeb Sweden AB	Operating Company	Baker & McKenzie Advokatbyrå KB, Box 180, 101 23, Stockholm	Sweden	100

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

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

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

3 The equity interest represents the Group's ownership percentage. Entity is wholly owned by Airbus OneWeb Satellites LLC, of which the Group owns a 50% equity interest.

Definitions

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

ANFR: l'Agence Nationale des Fréquences

AOP: Annual Operating Plan

AOS: Airbus OneWeb Satellites LLC

B2B: Business-to-business

B2C: Business-to-consumer

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

BIU: Bring-into-use

Bharti: Bharti Space Limited

CGU: The smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets

Company: OneWeb Holdings Limited

COVID-19: The COVID-19 global pandemic

CSI: Customer Service Introduction

DPA: Distribution Partner Agreement

ERM: Enterprise Risk Management

ESOP: Employee Share Option Plan

Eutelsat: Eutelsat S.A.

FRS 101: FRS 101: Reduced Disclosure Framework

Financial Year: Year ended 31 March 2023

FVLCTS: Fair value less costs to sell

GEO: Geostationary orbit

GEN 1: The first generation of OneWeb satellites

GEN 2: The second generation of OneWeb satellites

GNOC: Ground Network Operations Centre

Group: OneWeb Holdings Limited together with its subsidiaries

Hanwha: Hanwha Systems UK Limited

IFRSs: International Financial Reporting Standards

IOT: The internet of things

IRU: Indefeasible Right of Use

ISRO: The Indian Space Research Organisation

ITU: International Telecommunications Union

LEO: Low-earth orbit

LTBP: Long-term business plan

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

MoU: Memorandum of Understanding

NAA: Network Access Associates Limited

NEOM: NEOM Tech and Digital Company

NEOM JV: First Tech Web Company Limited

NGSO: Non-geostationary orbit

OneWeb: OneWeb Holdings Limited together with its subsidiaries

OWC: OneWeb Communications Limited

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

PoP: Point of presence

PNT: Positioning, Navigation and Timing

PSA: Plan Support Agreement

s172: Section 172 of the Companies Act 2006

SECR: Streamlined Energy and Carbon Reporting Guidance (SECR)

Softbank: Softbank Group Capital Limited

SOC: Satellite Operations Centre

SNP: Satellite Network Portal

Tbps: Terabits per second

TT & C: Telemetry Tracking and Control Centre

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

UT: User Terminal

VIU: Value in use