OneWeb Holdings Limited Financial Statements

Mission accelerates

31 MARCH 2021
Company no: 12534512

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Sunil Bharti Mittal, Chairman

Overview

OneWeb is a global communications network powered by a constellation of 650 low Earth orbit ("LEO") satellites. Headquartered in London, OneWeb enables high-speed, low latency connectivity for governments, businesses, and communities everywhere around the world. OneWeb's satellites, network of gateway stations, and range of User Terminals, provide affordable, fast, high bandwidth, low-latency communication services connected to the IOT future, and a pathway to 5G for everyone, everywhere.

In November 2020 OneWeb was acquired by the UK Government and Bharti Global and has since welcomed leading satellite communications operator Eutelsat on board, as well as additional investment from SoftBank, Hughes Network Group, and Hanwha.

OneWeb has secured global priority spectrum, has a range of LEO User Terminals in development, has a confirmed launch schedule to scale the constellation, and ground stations located worldwide, including Norway, Portugal, Alaska, Connecticut, Florida and more.

Throughout 2021, OneWeb has been testing its network and conducting demonstrations with key customers in readiness for commercial services with its network of distribution partners above the 50th parallel north before end of year, and then globally in 2022. Directly and/or in partnership with distribution partners, OneWeb will provide services to end user-customers in the enterprise, civil government, defence, cellular backhaul, community broadband, maritime and aviation segments.

Connect with purpose

OneWeb exists to remove the barriers to connectivity on Earth that hold economies and communities back. A digital divide affects global opportunity. OneWeb will play its part to support remote locations and the limitations of ground infrastructure ion difficult geographical locations. We will offer high-speed, reliable connection to Governments, Businesses and Communities.

OneWeb is not alone in driving this great connectivity roll-out. As a wholesale business, we work with governments and distributors to provide new access to enterprise-grade broadband connectivity everywhere. We want SMEs, which account for half of global employment, and communities to digitize so the next generation is better connected than the last, with greater opportunities.

Together with our distribution partners, OneWeb exists to deliver the connectivity that drives positive change at scale, for greater inclusion, quality of life, and prosperity everywhere.

OneWeb exists to...

Remove the barriers
to connectivity on Earth

Deliver the connectivity
that drives positive change

Chairman's statement

The last twelve months have been unprecedented for society, business, and individuals around the world. The Covid-19 pandemic has been a disruptive event – economically and socially – and it has shown how crucial it is for us to remain connected as human beings. Staying in touch with colleagues and neighbours, friends and family has never been at the front of public consciousness as much as today. Governments and businesses have become more determined to deepen their links to people living in remote areas. Connectivity has become the only means to bridge the digital divide. This has reaffirmed the significance of the work we are doing at OneWeb, and the benefits our services will bring to governments, businesses, and communities globally.

As Chairman of the board, I am pleased to share the significant progress made by OneWeb in a very short period since July 2020, when a consortium formed by the UK Government and Bharti Global started taking firm steps to restructure the company. It has been a challenging period for the world as the Covid-19 pandemic took its toll on lives. Businesses faced a lot of uncertainty and the financial impacts have been severe. Under these difficult circumstances, the restructuring of OneWeb stands out as an example of success through co-operation, resilience, and teamwork.

The remarkable transformation during the year – in structure, shareholders, management, funding, and delivery – has demonstrated the resilience of our team and the strategic value of OneWeb. I started engaging with the business in July 2020, before being appointed Executive Chairman in December 2020 after the completion of the restructuring process. I was very proud to join OneWeb and I am delighted that we are now in a stronger position than ever before.

The business continues to confound critics and fly in the face of conventional wisdom to emerge as a satellite service that presents a unique growth opportunity to its investors. This has been achieved thanks entirely to the immensely dedicated and extremely skilful team that works right across the business and across geographies.

Fulfilling our vision

It is incredible to think that half the world's population does not have reliable connectivity. Fundamentally, OneWeb believes that everyone should be able to access and benefit from internet broadband. So, as a business, while we have experienced significant change, our central mission has not shifted: we want to create opportunities for people and communities who have been left behind by technological advancements.

When operational later this year, OneWeb's constellation system will change lives at scale. We are particularly proud to be currently the only low Earth orbit satellite communications company covering Alaska, Canada, Greenland, Iceland, the United Kingdom, Northern Europe and the Arctic Seas, before we cover the entire globe in the second half of 2022.

Supporting our plans

Over the last twelve months, shareholders have returned to support our mission. These include Softbank, Hughes and, of course, Bharti. Between us and our new shareholder Eutelsat (we hope to see Hanwha coming in soon after regulatory approvals), we share a common goal to utilise OneWeb's unique technology to deliver new satellite technology and meaningful communications solutions. The support we have received from shareholders means we now have a fully-funded company with no debt, benefitting from earlier investments in design, technology, state of art manufacturing facility and 322 satellites in space. In addition, the high spectrum priority is a valuable asset.

Particular recognition must be given to the UK Government and Bharti Enterprises for their bold vision resulting in securing a globally unique asset. A revitalised OneWeb represents a turn-key transformation of the UK into a space-faring nation, with a company ready to help not just the UK but also the globe to build a resilient communications infrastructure. Bharti Airtel's understanding and global outreach in the broadband communication arena has helped jump start OneWeb's mission.

A dedicated team

In short, the pace of change has been rapid. Especially for our employees, and in particular, those who remained with the company through its difficult phase. Under the leadership of Neil Masterson, who was appointed as CEO in December 2020, and his executive team, our 400-plus employees are spearheading the rapid transformation of OneWeb into a fast-paced organisation, with twin focus on technological excellence and customer intimacy. They are the real heroes of the OneWeb story.

To the future

We are now focused on our global mission: to deliver broadband connectivity to a world which currently suffers from a digital divide, brought so starkly to the fore in the pandemic. OneWeb is here to mitigate this; to use satellites as a resilient way to extend and expand connectivity. The last twelve months have been transformational for OneWeb and we are certainly ready for what is to come. We look forward to a future of growth, service, and delivery in an ever-more connected world. The investments we have made and the learnings we have picked up during these 12 months have built a strong foundation for a company that I believe belongs to the future.

Sunil Bharti Mittal
Chairman

29 October 2021

BIOGRAPHIES
Board of Directors

Sunil Bharti Mittal

FOUNDER AND CHAIRMAN, BHARTI ENTERPRISES

Sunil is Founder and Chairman of Bharti Enterprises, one of India's leading conglomerates with diversified interests in telecom, insurance, real estate, agri and food, in addition to other ventures. Bharti has joint ventures with several global leaders including SingTel, SoftBank, AXA, and Del Monte, amongst others. Bharti Airtel, the flagship company of Bharti Enterprises, is a global telecommunications company with operations in 18 countries across South Asia and Africa, and is the world's third largest mobile operator in customer terms. Sunil has served as Chairman of International Chamber of Commerce and GSM Association. He is a member of International Business Council-WEF, a Trustee at the Carnegie Endowment for International Peace and also serves on the Board of Qatar Foundation Endowment. Sunil has previously served on the board of several multinational companies including Unilever PLC, Standard Chartered Bank PLC and SoftBank Corp. He is also the Founder and Chairman of Bharti Foundation, which operates more than 180 schools in rural India and supports 790 government schools, benefitting over 450,000 under-privileged children.

Neil Masterson

CHIEF EXECUTIVE OFFICER

Neil became CEO in December 2020 to lead OneWeb through the next phase of its growth under the new joint ownership of the UK Government and Bharti Global Limited. Before joining OneWeb, Neil spent over 20 years at Thomson Reuters in a number of roles, ultimately as co-COO of the global news, information and software group. Neil has also served in a number of independent senior advisory roles, including on the board of the financial information company Refinitiv and on the board of advisors for the global technology company IBM. Before joining Thomson Reuters, Neil spent 5 years at KPMG and is a Chartered Accountant.

BIOGRAPHIES | BOARD OF DIRECTORS

Shravin Bharti Mittal

MANAGING DIRECTOR, BHARTI GLOBAL LIMITED

Shravin is the Managing Director of Bharti Global Limited, the international investment arm of the Bharti family, with interests in telecom, real estate, energy, and technology. He is also the Founder of Unbound, which is becoming one of the top performing global technology investment firms, focusing on financial services, cybersecurity, enterprise software, logistics, and health and wellness. Between 2016 and 2017, Shravin was an Investor at SoftBank Vision Fund. Prior to that, Shravin was an Assistant Director at private equity firm Better Capital, Manager at Airtel Africa and Analyst at J.P.Morgan. Shravin holds a bachelor's degree in Accounting and Finance from the University of Bath and an MBA from Harvard Business School.

Akhil Gupta

VICE CHAIRMAN, BHARTI ENTERPRISES

Akhil is Vice Chairman of Bharti Enterprises and has led the formation of various partnerships for Bharti with leading international operators including British Telecom, Singapore Telecom and Vodafone. He has been instrumental in raising several billion dollars of equity for the Bharti Group over the years from PE and VC firms such as Warburg Pincus and KKR, besides debt from global banks, bond markets and export credit agencies. Akhil is currently the Chairman of Digital Infrastructure Providers Association in India, a member of the Sub Committee of the Indian Government's Insolvency Law Committee, and a member of an industry-wide Task Force on Insolvency and Bankruptcy. He is a Chartered Accountant.

Hugo Robson

CHIEF NEGOTIATOR, DEPARTMENT OF BUSINESS, ENERGY AND INDUSTRIAL STRATEGY, UK GOVERNMENT

Hugo Robson is Chief Negotiator at the Department of Business, Energy and Industrial Strategy of the UK Government. He entered the UK civil service in 2003 as a Director of the Shareholder Executive (now UKGI). In 2008, he was appointed Corporate Finance Director at the Royal Mail and then Commercial Director at the Department of Energy and Climate Change. Prior to joining the civil service, Hugo was a Managing Director at ABN Amro. In addition to being a non-executive Director of OneWeb, Hugo is also a non-executive director of a number of UK Government owned companies. Hugo is an economics post-graduate from Trinity College, Cambridge.

BIOGRAPHIES | BOARD OF DIRECTORS

Tom Cooper

DIRECTOR, UK GOVERNMENT INVESTMENTS LIMITED

Tom Cooper is a Non-Executive Director of Post Office Limited and a Director at UK Government Investments Limited (UKGI). Before joining UKGI, he was Global Co-Chairman of M&A at Deutsche Bank for eight years and also worked for 21 years at UBS Investment Bank, where he held a variety of roles including work in the transport sector, utility sector and finally as Head of European M&A. He holds a degree from the University of Oxford and is a Chartered Accountant.

Rob Woodward

CHAIRMAN, MET OFFICE

Rob Woodward, Chair of the Met Office, has been appointed to the board of OneWeb as the new non-executive director representing the U.K. Government. Rob was appointed to his first term as Chair of the Met Office Board in July 2018. He has held leadership positions across both the public and private sectors, including at STV Group plc, Channel 4 Television, UBS Corporate Finance and Deloitte. Rob is also currently Chair of Court at Glasgow Caledonian University, Chair of technology company Blancco plc and marketing analytics provider Ebiquity plc. He holds an MBA from the University of Edinburgh.

Michel Combes

PRESIDENT, SOFTBANK GROUP INTERNATIONAL

Michel is a director of SoftBank Group Capital Limited and the President of SoftBank Group International. Michel has more than 30 years of experience in the telecommunications industry and has led a distinguished career marked by several successful business transformations and combinations. Prior to his role at SoftBank Group International, Michel was Chief Executive Officer and President of *Sprint Corporation. Prior to joining Sprint, Michel has been CEO and a director of* Altice N.V., CEO of Alcatel-Lucent, CEO of Vodafone Europe, Chairman and CEO of TDF Group, and CFO and Senior EVP of France Telecom. Michel is an engineering graduate from École Polytechnique, Paris.

BIOGRAPHIES | BOARD OF DIRECTORS

Rodolphe Belmer

CEO OF EUTELSAT COMMUNICATIONS

Rodolphe Belmer joined Eutelsat in December 2015 and was appointed CEO on 1 March 2016. Prior to that, he was managing the Canal+ Group as CEO since 2012. His career at Canal+ Group encompassed several ambitious projects, including diversification in the area of free-to-air television, notably through the acquisition and revitalization of D8 and D17. Rodolphe began his career in the marketing department of Procter & Gamble France before joining McKinsey in 1998. He is a graduate of France's HEC business school and a member of the Board of Netflix and Chairman of Series Mania Festival.

Sandrine Téran

CFO OF EUTELSAT COMMUNICATIONS

Sandrine Téran joined Eutelsat as Group CFO and member of the Executive Committee in January 2017. Formerly Managing Director of Louis Dreyfus Holding, Sandrine has occupied other key executive positions in the Louis Dreyfus Group and was also Global CFO of Louis Dreyfus Company. From 2000 to 2008 she was Head of Taxation, Corporate Finance and Internal Audit at Eutelsat. She began her career at Ipsen as Risk Manager before joining Euro Disney where she was Head of Tax. Sandrine is a finance and tax graduate from Paris Dauphine University.

Pascal Homsy

CTO OF EUTELSAT COMMUNICATIONS

Pascal Homsy joined Eutelsat in December 2020 from Thales Alenia Space, where he was head of the Space Telecommunications Business Line. He brings with him some 30 years' experience of senior management positions, notably the telecoms conglomerate, Alcatel/Lucent/Nokia, and Atos. Pascal has headed teams specialised in IP Platforms, Voice and Services, Fixed Networks, Broadband Wireless and Mobile Networks. In addition, he brings end-to-end knowledge of the satellite industry value chain. Pascal holds a Master of Sciences from Telecom Paris Tech.

Chief Executive Officer's review

This year has been one of significant progress for OneWeb. The business has delivered in the face of many challenges. We have emerged from US Chapter 11 Bankruptcy stronger, with a range of international backers and increased operational momentum. Our first-generation constellation is now fully funded, and we have quickly and efficiently launched close to half of our constellation into orbit, with more launches planned in the coming weeks and months.

OneWeb is a business that can make a difference. When live, our technology can connect millions in the hardest to reach places, levelling up economies that have lagged behind due to connectivity challenges. So, on my appointment as Chief Executive in December 2020, together with the Executive team, we set five clear objectives for OneWeb, that recognised the importance of delivering our system as quickly as we can: **Deliver the Network; Monetise the Network; Build Trust Globally; Put People and Customers First** and **Shape the Future.**

Deliver the network

Over the last year we have focused on efficiently delivering our launch programme and our first-generation fleet ahead of commercial launch. Our dedicated team has brought focus and clarity to this effort and the results are there to see. As of October 2021, OneWeb has completed eleven launches placing 358 satellites in space, representing just over half of our Gen 1 Global fleet – a fantastic achievement which builds momentum as we increase the pace of our launch programme.

Thanks to our successful joint venture company alongside Airbus, our satellites are reliable and well-advanced. This joint venture is now capable of delivering two satellites a day, increasing the speed at which we can launch. Similarly, we have a strong relationship with our launch partners Arianespace. They are a trusted partner and to date we have successfully launched from three different sites in French Guiana, Russia and Kazakhstan. We thank them and their partner Roscosmos for a strong manifest to date.

As well as increasing our fleet in space, we have been hard at work on the ground. As of October 2021, OneWeb has deployed 6 ground stations and set up a Ground Network Operations Centre capable of managing our ground network around the globe. This gives us the capability to deliver for our customers when our network goes live, and by the end of calendar year 2021, we will be equipped to provide coverage to all northern latitudes, including the UK, Northern Europe, Alaska, Canada, Greenland, Iceland, and Arctic seas.

Monetise the network

While we are still at a pre-revenue phase, we are working closely with partners to ensure that when live, OneWeb will monetise our network effectively. Together with industry partners, we are developing a new range of LEO User Terminals. Put simply, these user terminals will be designed to meet the specific needs of our customers across a number of sectors. OneWeb's service will help small, medium and large enterprises; rural and remote communities; as well as customers in Maritime, Aviation and Government. This is a broad customer base and one that we are excited to launch.

Ensuring we can meet the needs of our customer base is a top priority and has allowed us to get on with signing distribution agreements and memoranda of understanding with a number of the largest telecoms companies in the world. This includes key partners such as Alaska Communication Services and Pacific Dataport Inc in Alaska, Northwestel in Canada, BT in the UK and Hughes and AT&T in the United States. This puts our business on a strong footing ahead of commercial launch by the end of 2021.

Build trust globally

An important part of our strategy has been building trust with our partners, investors, suppliers and our customers. We will work hard to ensure that our business is viewed as credible and that our product is reliable and effective. This has been our focus as we set about transforming OneWeb.

A big portion of this work has been ensuring our assets, including spectrum and orbital rights, can be built upon effectively. We are engaged on a daily basis with regulators around the world, as well as with local partners to establish vehicles for market access in strategically important regions. We have secured prime spectrum positions in the Ku-band and Ka-band from the International Telecommunications Union and as of September 2021, OneWeb has secured landing rights and/or market access in 38 countries. This achievement is testament to the hard work put in by our team.

OneWeb has benefitted in this new phase thanks to the high degree of credibility of the two investors who formed a consortium to submit the winning bid – the UK Government and Bharti Global.

Put people and customers first

Our staff are at the heart of OneWeb's success, and I would like to take this opportunity to thank them. We have rebuilt our organisational headcount significantly and we now have over 400 talented people working towards our goals around the globe. It is only with our hardworking team that we can deliver for our customers and great examples of these are our online demonstration centres that allow our distribution partners to test our network, learn from our team and understand the value that OneWeb will bring to their connectivity needs.

We have challenges ahead, and more hard work to come, but I am proud of the work of the team and the customer service that OneWeb is offering to its customers at this early stage.

Shape the future

Our team has brought together the necessary funding to deliver Generation 1 into orbit and the Ground footprint required to support these as a viable service. Investors like SoftBank and Hughes have renewed their confidence in OneWeb, reflecting their faith in the technology architecture adopted by OneWeb. We have successfully attracted new shareholders, Eutelsat Communications and Hanwha Systems; their significant sector and technological experience will be valuable for OneWeb. As a result, we are also actively engaged in planning for the future of the company beyond the first-generation constellation, with work ongoing into new satellite constellations and technologies.

As well as securing funding, we have acquired TrustComm Inc., a defence sector specialist in the United States. This company will trade as a separate entity, will be renamed OneWeb Technologies, and will enable us to crystallise the emerging opportunity in the US Department of Defense and Space Command, which needs diversity and resilience of supply in the LEO domain.

I would like to acknowledge the unstinting support that we have received and continue to get from our shareholders, governments and regulators, customers, vendors and above all, our committed and highly motivated employees.

OneWeb is on-schedule, on-budget and on-course to deliver a global network by 2022. As a pre-revenue, global space company, with unique assets and the lowest-possible LEO economics, we represent a swift path to value creation for investors, offer an opportunity to champion collaborative innovation, and are a true global partnership for nations wishing to join the low Earth orbit opportunity that is OneWeb.

Neil Masterson
Chief Executive Officer
29 October 2021

BIOGRAPHIES

Management Team

Neil Masterson

CHIEF EXECUTIVE OFFICER

Neil became CEO in December 2020 to lead OneWeb through the next phase of its growth under the new joint ownership of the UK Government and Bharti Global Limited. Before joining OneWeb, Neil spent over 20 years at Thomson Reuters in a number of roles, ultimately as co-COO of the global news, information and software group. Neil has also served in a number of independent senior advisory roles, including on the board of the financial information company Refinitiv and on the board of advisors for the global technology company IBM. Before joining Thomson Reuters, Neil spent 5 years at KPMG and is a Chartered Accountant.

Srikanth Balachandran

CHIEF FINANCIAL OFFICER

Srikanth joined OneWeb in March 2021. He was previously at Bharti Global where he was CFO for three years and prior to that, was CFO of Bharti Airtel for seven years. Srikanth started his career at Unilever, where he spent 23 years across leadership roles in Finance, Supply Chain and HR in India and the UK.

Steven Fay

SVP, DEPUTY CFO AND TREASURER

Steven joined OneWeb in 2014, and is responsible for Treasury, Investor Relations and Strategic Planning. Prior to OneWeb, he was the Head of Business Operations for the LEO satellite programme at Google, and has previously worked at Sirius XM Radio.

BIOGRAPHIES | MANAGEMENT TEAM

Michele Franci

CHIEF OF DELIVERY & OPERATIONS

Michele joined OneWeb in January 2021 and is responsible for the execution of OneWeb's end-to-end communications network development and readying for commercial service. Michele is one of the aerospace industry's leading satellite telecommunications system experts, having previously worked at Inmarsat as CTO, and in key roles at SES and Arianespace.

Nadia Hoosen

CHIEF LEGAL OFFICER & GROUP COMPANY SECRETARY

Nadia is a dual qualified Solicitor and Chartered Secretary with over 19 years of legal and UK listed/ regulatory expertise. Nadia has spent the majority of her legal career in house within regulated technology, media and telecommunications sectors for listed companies working closely with PLC and regulatory Boards and responsible for Legal, Corporate, Company Secretarial, Data Privacy and Risk & Compliance functions. Nadia was Chief Legal Officer and Company Secretary at AA PLC until June 2021, as well as previously being Group Legal Director & Deputy Company Secretary at TalkTalk Telecom Group plc and roles at The Carphone Warehouse Group plc.

Massimiliano Ladovaz

CHIEF TECHNOLOGY OFFICER

Massimiliano joined OneWeb in April 2018. He leads the R&D, design, manufacture and delivery of OneWeb's satellites, launch programme, systems, ground and user terminal engineering as well as satellite operations. He is also responsible for the next generation of system infrastructure. He has extensive satellite industry experience, including at Inmarsat, SES and European Space Agency.

BIOGRAPHIES | MANAGEMENT TEAM

Vanessa Mahoney

CHIEF OF STAFF

Vanessa joined OneWeb in November 2020. She is responsible for the alignment and focused execution of a broad range of strategic initiatives. Previously, Vanessa held the position of Vice President, Transformation at Thomson Reuters where she led a portfolio of strategic change programs.

Chris McLaughlin

CHIEF OF GOVERNMENT, REGULATION AND ENGAGEMENT

Chris joined OneWeb in December 2020. He is a tech sector specialist, with over 30 years of experience in the telecoms, mobile, cable and satellite sectors, including contributing to IPO processes in Inmarsat and Telenet. Chris has undertaken extensive political advisory roles and was Secretary to the UK Parliamentary Space Group from 2017 to 2020.

Kate Roddy

CHIEF PEOPLE OFFICER

Kate leads the HR function at OneWeb. She is responsible for all elements of people, talent, compensation and the employee journey. Kate joined OneWeb in 2018 and in December 2020 moved into the Global HR lead position, she has led the 480% people growth in the organisation. Kate has over 15 years' experience in Human Resources within the satellite and telecommunications sector. At Inmarsat plc she was HR Director for Inmarsat Aviation with full responsibility to build the high-growth start-up aviation connectivity division. Prior to this, she was based in Nyon, Switzerland and led HR for the Global Xpress programme.

"OneWeb has been, and continues to be, committed to providing a safe and healthy working environment to all employees who are working in the office during Covid-19"

Covid-19 statement

Covid-19 has been a transformative event for society, affecting business and communities across the world. However, this hasn't stopped OneWeb's dedicated team from building our satellite constellation network. If anything, the last twelve months has highlighted just how important it is to remain connected: with loved ones, friends, and neighbours, as well as colleagues. In this vein, we recognise how important the work we are doing is to enhance the digital infrastructure networks of the future, and we have been motivated to make further progress to deliver on our mission.

But first and foremost, throughout the pandemic we have kept our employees and their families safe. This has been our biggest priority in our operation: OneWeb has been, and continues to be, committed to providing a safe and healthy working environment to all employees who are working in the office during Covid-19. To this end, the company has implemented measures that comply with all applicable government advice.

Due to the nature of Covid-19 being an ever-changing environment, OneWeb's Covid-19 policy is frequently reviewed and updated as government guidance changes. Home working is advised to help minimize the number of people in the building. Operational positions, meanwhile, have been asked to work from the office. Employees in our Florida office have been given local guidelines that are already in place in the factory.

So, ramping up business activities exponentially during a pandemic has not been easy. For OneWeb, we have managed the complexities of the last year – internally and externally – and restarted our global operations during the most transformative period in modern human history. We have launched more than 300 satellites into orbit across 10 launches, signed several distribution agreements across continents, and hired 400 team members.

This is a sign of a company that, despite the wider macro-economic uncertainty globally, has a compelling business case geared entirely on providing the connectivity that is so badly needed at the present moment. As optimism emerges with the roll-out of several vaccination programmes, OneWeb will continue scaling up its efforts to prepare for commercial service next year. All thanks to the fantastic work our colleagues around the world are doing to deliver connectivity everywhere, for everyone.

Our valued investors

As a world-leading satellite operator, OneWeb has only been able to make its significant progress thanks to supportive shareholders who have invested $2.7 billion of new equity into the business.

We emerged out of Chapter 11 thanks to the high degree of credibility of the two investors who formed a consortium to submit the winning bid – the UK Government and Bharti Global – the company is now fully-funded, with no debt, and benefits from earlier investments in design and technological delivery as we build our global satellite network by mid-2022.

Here are our major investors who support us on our mission to deliver connectivity everywhere, for everyone

Bharti
HM Government
Eutelsat
SoftBank
Hughes
Hanwha

2.7 billion

of new equity invested and/or committed into the business

NOW

A fully funded company with **no debt**

"Even before our system has gone live globally, telecom providers, governments, regulators and vendors see the opportunity that OneWeb's system will provide."

The environment – market, the opportunity and regulation

Equal access to opportunity is the goal of LEO satellite connectivity and the driving force behind our business. There is a clear and present need to improve global connectivity and connecting communities in the hardest to reach areas has huge social and economic benefits that are currently untapped. As we deliver our global network by 2022, we will play a leading role providing solutions for communities where traditional connectivity infrastructure has failed.

OneWeb and its system can help this transition and level up regions that have lagged behind for generations. The potential market is huge, and our business is determined to provide connectivity solutions to as many partners as possible.

The market includes Governments, as we help to deliver connectivity at scale where it is needed, as well as businesses, both small and large, with global ambitions and global connectivity needs. Similarly, in the Maritime and Aviation sectors, which have traditionally struggled with connectivity, our reliable LEO system will deliver a step change towards high-speed connectivity in those markets.

Even before our system has gone live globally, telecom providers, Governments, regulators and vendors see the opportunity that OneWeb's system will provide. We have signed a number of distribution partnerships with some of the largest telecoms companies in the world. OneWeb is excited to continue this journey and announce more partners across the Government, Enterprise, Maritime and Aviation sectors as we move towards commercial launch.

While the market opportunity is large, the network of supportive friends of OneWeb is just as big. Our business has been grateful for the thousands of scientists, engineers and professionals from the satellite and space sectors, from outside our organisation, who have helped us on our journey this year. The support and expertise they provide to our team highlights the scale of our ambition and the prospects we see for OneWeb in the future.

This work also extends to our engagement with regulators around the globe. In order to achieve our full potential, it is important that we have positive relationships as governments work together in order to establish a fair and competitive regulatory regime.

With open and constructive dialogue, OneWeb has engaged closely with regulators over the last year, securing prime spectrum positions in the Ku-band and Ka-band from the International Telecommunications Union, as well as unique orbital rights. As the benefits of LEO connectivity become clear, and the market expands throughout the decade, we will continue to work closely with counterparts around the world to deliver connectivity that is safe and reliable. It is also the intention of the Group to activate a OneWeb Foundation in 2022, with the aim of addressing global digital divides.

Finally, it is this future opportunity that really excites us. We made great progress last year, and see the day-to-day need for our technology. We are on-course to deliver a global network by 2022 and as a pre-revenue, global space company, with unique assets and the lowest-possible LEO economics, we are in a strong position to grow our business. That is why we are focused on the future, actively engaged in planning beyond the first-generation constellation, working on new technologies that will provide further important connectivity solutions to our partners around the world.

Key milestones

March 2020:
OneWeb files for Chapter 11

July 2020:
Her Majesty's Government and Bharti Global form a consortium and submit a winning bid to restructure OneWeb. Together, they commit to bringing in equity to the tune of $ 1 billion.

September 2020:
OneWeb unveils a launch contract with Arianespace, with launches scheduled to resume in December 2020

October 2020:
United States Bankruptcy Court for the Southern District of New York confirms OneWeb's Chapter 11 plan of reorganisation

November 2020:
OneWeb emerges from Chapter 11 and receives all relevant regulatory approvals

December 2020:
- **OneWeb launches 36 satellites from a Soyuz launch vehicle. This brings the total in-orbit constellation to 110 satellites and the first step of its 'Five to 50' ambition**
- **Neil Masterson appointed CEO**
- **Sunil Bharti Mittal appointed as Executive Chairman**

June 2021:
- **Distribution Partner Agreement signed with Alaska Communications to provide connectivity in Alaska**
- **MoU signed with BT to support broadband infrastructure in the UK**
- **Further fund-raising from Bharti to bring total funding to $2.4 billion. Company now fully-funded**

May 2021:
- **Company announces the acquisition of TrustComm, Inc., in the U.S.**
- **Another successful launch brings OneWeb's total in-orbit constellation to 218 satellites**

April 2021:

- **Launch of further 36 satellites to bring OneWeb's total in-orbit constellation to 182 satellites**
- **$550 million in funding secured from Eutelsat, total funding crosses $1.9 billion**
- **OneWeb opens state-of-the-art Service Demonstration experience at the new Innovation Centre at Westcott Venture Park**

March 2021:

Second launch under new ownership takes place, bringing OneWeb's total in-orbit constellation to 146 satellites

January 2021:

Additional funding from SoftBank and Hughes secured, bringing OneWeb's total funding to $1.4 billion

July 2021:

Successful launch of another 36 satellites to mark the completion of its 'Five to 50' mission. With this major milestone, the Company gets ready to deliver connectivity across the United Kingdom, Canada, Alaska, Northern Europe, Greenland, and the Arctic Region

August 2021:

- **Hanwha announces investment of $300m in OneWeb. The total funding crosses $2.7 billion**
- **Flat panel, Compact-Electronically Steered Antenna announced in partnership with Intellian Technologies and Collins Aerospace**
- **MOU signed with Northwestel to provide connectivity in northern Canada**

September 2021:

- **AT&T signs a strategic agreement with OneWeb to provide satellite access for businesses in remote areas across the US**
- **Hughes and OneWeb announce agreements for LEO satellite services in U.S. and India**

October 2021:

- **11th launch successfully completed; 358 satellites in space**
- **OneWeb announces a joint venture with NEOM Tech & Digital for the Middle East and neighbouring East Africa countries**

Our key performance indicators

OneWeb has made tremendous progress over the last 12 months. Here are some facts and figures which capture our story to-date and our remarkable momentum since we emerged from Chapter 11:

11
Launches

358
Satellites

6
Gateways

38
Countries have Oneweb market access rights

400+
Employees

<table>
<tr><th></th><th>MAR' 21</th><th>OCT' 21</th><th>MAR' 22</th><th>SEP' 22</th></tr>
<tr><td>Launches</td><td>6</td><td>11</td><td>16</td><td>19</td></tr>
<tr><td>Satellites in orbit</td><td>182</td><td>358</td><td>534</td><td>642</td></tr>
<tr><td>Gateways operational</td><td>4</td><td>6</td><td>16</td><td>43</td></tr>
<tr><td>Points of Presence operational</td><td>3</td><td>9</td><td>12</td><td>26</td></tr>
<tr><td>TT & C stations</td><td colspan="4">2</td></tr>
<tr><td>SOC</td><td colspan="4">2</td></tr>
<tr><td>GNOC</td><td colspan="4">1</td></tr>
</table>

Global Network Roll-Out

CSI 1 4Q21 >50°N

Norway
Greenland
Alaska, US
Calgary
London
Amsterdan/Frankfurt
Kazakhstan
Toronto
Almaty

CSI 2 4Q22 Global

Seattle
Connecticut, US
Palermo (Co-located)
Ashburn
Japan Ibaraki
California, US
Portugal
Italy
Los Angeles
Japan Yamaguchi
Osaka/Tokyo
NW India
KSA1
Miami
Florida, US
Mumbai
Dubai
Hawaii, US
Mexico City
Mexico
KSA2
Barbados
Chennai
Senegal
Thailand
South India
Dakar
Djibouti
Costa Rica
Accra
Guam, US
Ghana
Singapore
Ecuador
Fortaleza
Indonesia
Mombasa
Tahiti
Brazil (North)
Australia (North)
Angola
Chile (North)
Fiji
Brazil (South)
Mauritius
Sao Paulo
South Africa
Australia (East)
Australia (West)
Johannesburg
Chile
Perth
Sydney

OneWeb and sustainabilty

Sustainability

Since its creation, OneWeb has been dedicated to the highest possible responsible space practices.

With our French-designed satellites and their nationally mandated de-orbiting requirements and UK Government's UNOOSA (United Nations Office for Outer Space Affairs) commitments, we are bound by some of the highest legislative standards on Earth. We recognise that space is a shared natural resource which is to be cherished and protected.

Our aim is to "leave no trace'.

At OneWeb, we intend to leave a better world for the future generations who will benefit from our service. We recognize that our business is dependent on careful use of the Space Commons and that global society has a stake in holding the Space Industry to the highest standards.

Providing connectivity to everyone, everywhere will play a major part in achieving greater understanding of our changing planet and help to monitor the challenges presented. We will play an active part in changes necessary to ensure Space is a solution – not a problem.

Responsible space

Responsible Space is the term OneWeb uses to describe practices that drive sustainability within the space industry, protecting our LEO environment at 1200km from Earth, while developing new mobility, communications and connectivity, to benefit generations to come.

At OneWeb, we believe good stewardship is good business and we are dedicated to the idea that Space is a shared natural resource which, if used responsibly, can help transform the way people live, work and interact.

OneWebs' "Responsible Space" commitments

1. **Employing Responsible Design and Operational Practices:** OneWeb believes sustainable business practices are essential to support the long-term use of space for all. We are playing our part by embracing a "Leave No Trace" philosophy in the design and operation of our satellite constellation. Our satellites are designed for de-orbit and include a "grappling hook" to assist docking with recovery satellites if active de-orbiting is unavailable.
2. **Developing the Space Ecosystem:** OneWeb recognises the emerging space industry's potential to support an innovative and vibrant ecosystem for the benefit of all its participants. OneWeb believes industry and governments have a shared opportunity to facilitate the development of new technologies, jobs, and industries, as well as increasing investment, diversity, and inclusion in local communities.
3. **Supporting Policy Outcomes through Collaboration:** From global connectivity to new industry and humanitarian relief, OneWeb believes the space industry has a responsibility to work with governments to advance causes where it can have a transformational impact and solve some of the world's most challenging problems. To have the greatest impact, these efforts will leverage the combined strength of an industry of innovators.

"At OneWeb, we intend to leave a better world for the future generations who will benefit from our service."

OneWeb Financial Statements

FINANCIAL STATEMENTS

Strategic Report

The Directors present the strategic report for OneWeb Holdings Limited ("the Company", or together with its subsidiaries, "the Group" or "OneWeb") for the period from incorporation on 25 March 2020 to 31 March 2021 ("the period ended 31 March 2021").

The Group qualifies as a medium sized Group in accordance with the Companies Act 2006.

Change in name of the Company to OneWeb Holdings Limited

The Company was incorporated on 25 March 2020 in the name of Precis (2777) Limited, changed its name to Bidco 100 Limited on 1 July 2020 and changed its name to OneWeb Holdings Limited on 6 January 2021.

Acquisition of OneWeb Communications Limited

In March 2020, as a result of financial challenges compounded by the spread of Covid-19, OneWeb Global Limited ("OWG") and a number of entities owned by OWG, including OneWeb Communications Limited ("OWC"), filed for bankruptcy protection under Chapter 11 of the United States' bankruptcy code. Following the US Bankruptcy Court of the southern district of New York's approval of the Plan of Reorganisation, on 2 October 2020, the group headed by OWC was acquired by the Company on 20 November 2020.

Issue of share capital

On 20 November 2020, the Company issued 1,092,459 Class A Shares for a total subscription value of $1.1 billion. Of the shares issued, 92,459 were issued to former creditors of OWC, with the remainder issued to existing shareholders. The creditors held secured loan notes with OWC, which were repaid by OWC following funding by the Company on the basis that the amounts repaid would immediately be invested in the Company. Up to November 2020, the Company received funding in the form of shareholder loans of $369.0 million. On 20 November 2020, these loans were converted to equity in full as part of this share issue.

Further, 90,000 Class A Shares were issued to subscribers on 20 November 2020 for no cash proceeds. These issues were used to repay loans acquired by the Company as part of the acquisition of OWC.

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

Principal activities

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

Review of the business

Overview

In 2021, the Group incurred an operating loss of $58.3 million. The Group is currently in the pre-revenue stage of development, working to deploy the network of satellites, ground and communications infrastructure. Total operating expenses of $58.5 million were offset by $0.2 million of non-revenue income.

The acquisition of OWC resulted in a gain on bargain purchase of $430.4 million. The provisional fair value of the assets acquired of $912.7 million was higher than the consideration paid of $482.3 million. The Group has until 20 November 2021 to finalise the fair value accounting.

The Group spent $171.4 million in capital expenditures for the development of its launch, satellite and ground systems in the period ended 31 March 2021.

The initial focus of the Company in the period was to act as a vehicle to acquire OWC and to bring the previous OneWeb business out of bankruptcy. Since that process was completed in November 2020, the focus has been on execution against five strategic priorities:

Deliver the network

At October 2021, the Group has completed 11 launches which have sent 358 satellites into space, with loss of only one satellite to date. The Group has secured a highly skilled crew to launch the satellites on a regular basis, located out of two Satellite Operations Centres, and this skilled crew will handle future launches. OneWeb has also deployed six ground stations and set up a Ground Network Operations Centre capable of managing OneWeb's ground network around the globe as the business moves towards commercial launch. By the end of calendar year 2021, OneWeb's network will be equipped to provide coverage to all northern latitudes, including the UK, Northern Europe, Alaska, Canada, Greenland, Iceland, and Arctic seas.

Monetise the network

Together with industry partners, OneWeb is developing a new class of LEO User Terminal ("UT") in Dual Parabolic and Compact Electronically Steered Antenna variants. These will integrate complex satellite communications technology into a simple UT design to meet specific needs for many different sectors including: small, medium, and large enterprises; telcos; rural schools and communities; and major vertical sectors such as Maritime, Aviation, and Governments with mission critical applications. At October 2021, OneWeb has signed distribution agreements with a number of key partners in Alaska and Canada, and is in conversation with a number of further potential global partners, ahead of commercial service launch by end of calendar year 2021.

Build trust globally

OneWeb has secured spectrum positions in the Ku-band and Ka-band from the International Telecommunications Union ("ITU"). At October 2021, OneWeb has secured full market access in 38 countries. OneWeb is also engaged in discussions with local partners to establish vehicles for market access in strategically important regions. The Group continues to engage positively with Telecoms and Spectrum regulators in regions around the world.

Put people and customers first

To allow its customers to experience its network performance first-hand, OneWeb has established online demo centres. These will allow its distribution partners to learn, test their own connectivity needs, and experience how easy it is to integrate, manage, flex, and scale OneWeb connectivity with existing systems, or as a customised additional application. OneWeb has also worked hard to rebuild organisational headcount following a significant reduction during bankruptcy and at October 2021, this has grown to over 400 across the Group. We have a highly skilled, effective, global workforce that we are confident will deliver a quality product and service to our customers.

Shape the future

OneWeb is actively engaged in planning for the future of the company beyond the first generation constellation. For example, evaluation is ongoing into new satellite constellations and technologies, non-connectivity services such as Positioning, Navigation and Timing ("PNT"), and UTs in low-cost and low-profile/high-gain antenna variants. This planning will help future proof the business and allow OneWeb to provide additional services beyond the first generation constellation.

Principal risks and uncertainties

The Group faces a range of risks and uncertainties that could impact its technological and commercial objectives and strategies. The risks and uncertainties that are most likely to impact the Group significantly are summarised below:

Financing and liquidity

As the Group pursues the development of its satellite constellation and ground systems, its actual expenditures may differ from expected capital expenditures. The Group has been successful raising the full level of funding expected to be required to complete the first-generation satellite constellation and ground network from a wide range of international investors and is fully contracted regarding its major costs. The Company periodically reviews its forecast costs and the latest review, as of October 2021, confirms the fully funded position of the Company. The Company has zero debt since, as part of the approved Plan of Re-organisation approved under Chapter 11 by the US Bankruptcy Court, OWC and its subsidiaries were discharged from all previous indebtedness.

Technological satellite and network operations

OneWeb's satellite constellation, ground network and UT technology is the first of its kind and may encounter technical challenges that adversely impact the delivery of high speed, low latency broadband services globally. For example, the satellites may not operate as intended, reducing service quality or satellite life expectancy, or the network may undergo a cyber-attack or other unforeseen event that could damage the system or OneWeb's reputation at a critical juncture. To mitigate this risk, the system continues to undergo extensive testing on all network components. OneWeb's vendor partners are well-established leaders in their domains and we have the standard product and service warranties from each one of them. OneWeb has also put in place appropriate security measures to block and/or minimise the impact of cyberattacks.

The Company has adequate insurance cover against the risks of launch failures and losses in transit during the movement of satellites from the factory in Florida to the launch locations. The Company has also taken adequate insurance cover for its ground network assets and other properties.

Regulatory approvals

OneWeb may fail to navigate effectively the regulatory challenges associated with becoming a global telecommunications business. These challenges include bringing into use OneWeb's priority spectrum rights in accordance with the ITU licensing requirements; securing market access and/or landing rights in critical markets to preserve the Group's growth potential and value proposition for significant customers; addressing public concerns about the management of space debris to protect the satellite constellation and OneWeb's reputation. OneWeb has, to date, met all milestones required to maintain priority ITU spectrum, worked with leading regulatory entities to secure regulatory rights and has been a leader in responsible space debris exposure. OneWeb engages globally with Telecoms and Spectrum regulators to highlight its ITU spectrum priority in LEO and to encourage co-ordination between operators.

Customer acquisition and retention

OneWeb may fail to assess accurately the market opportunity for satellite-based broadband services and execute on its commercial strategies. If the market does materialise as expected, OneWeb may still not secure sales in line with its revenue projections. However, OneWeb has already generated significant interest from the market and is engaged in discussions with many potential customers globally. OneWeb pro-actively partners with potential and existing customers to develop more use cases that solve problems for customers and create value for them, including some of the world's largest telecommunications companies, such as BT and AT&T.

In addition, OneWeb may fail to offer user terminals at low enough prices to enable widespread consumer adoption and development of a sufficiently robust supply chain for a mass market user terminal. It also may encounter technical delays in bringing new user terminal technologies to market in time to meet early-years' sales targets for critical, high-value customers. OneWeb mitigates this risk by pro-actively engaging with vendors with robust forecasts, plans and/or orders to smooth the supply chain. OneWeb is also seeking to broaden its vendor base and thus augment supply capabilities.

Putting the customer first and providing certainty is at the heart of everything that OneWeb does.

Competition

OneWeb may fail to maintain its first-mover advantage among proposed low earth orbit broadband satellite constellations. The size and resources of some of OneWeb's potential competitors may allow them to enter the market and compete more effectively than OneWeb. However, OneWeb expects to maintain its competitive advantage by continuing to execute on its technical, regulatory and commercial strategies. At OneWeb, we foster and nurture an entrepreneurial spirit that drives people to move with enthusiasm and a sense of urgency on growing the business.

Significant events after balance sheet date

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.

Share subscriptions

On 7 April 2021, SoftBank Group Corp subscribed for 354,185 of shares for $229.0 million of Class A Shares, 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 were paid for in cash on 8 September 2021.

On 8 September 2021, Bharti Global Limited ("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 subscription has not been completed at the date of signing these financial statements, as it is subject to regulatory approvals.

Acquisition of TrustComm

Subsequent to the balance sheet date, the Company announced the planned acquisition of TrustComm Inc. ("TrustComm") from the Nox Trust group. Founded in 1999, TrustComm is a provider of satellite communications with its key customer 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, the "Five Eyes" Alliance, NATO, United Nations and certain other US government agencies.

After receipt of necessary approvals, this acquisition was completed on 20 September 2021. TrustComm has now been renamed OneWeb Technologies Inc.

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 Plan Support Agreement ("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 the United Kingdom Secretary of State for Business, Energy and Industrial Strategy ("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:

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.

Connecting everyone, everywhere

The Board would like to take this opportunity to thank all of the Group's employees for their dedication and commitment through the incredibly challenging bankruptcy period and in the period since as the group sets out to achieve its commercial objectives.

The Board also acknowledges the support of all the Group's shareholders and the confidence they have in the Company.

With all our stakeholders working together as a team, OneWeb will truly be able to connect everyone, everywhere.

This report is authorised by order of the Board,

Neil Masterson
Chief Executive Officer
29 October 2021

FINANCIAL STATEMENTS
Directors' Report

Directors and Officers

The Directors and Officers who held office during the period and to the date of signing of this report were as follows:

- Rodolphe Belmer (appointed 8 September 2021)
- Michel Combes (appointed 7 April 2021)
- Thomas Cooper (appointed 20 November 2020)
- Akhil Gupta (appointed 20 November 2020)
- Pascal Homsy (appointed 8 September 2021)
- Nadia Hoosen (appointed 6 October 2021)
- Sameer Karimbhai (Company Secretary) (appointed 15 December 2020, resigned 6 October 2021)
- Neil Masterson (appointed 15 December 2020)
- Shravin Bharti Mittal (appointed 30 June 2020)
- Sunil Bharti Mittal (appointed 20 November 2020)
- Alan Montgomery (appointed 30 June 2020, resigned 30 June 2020)
- Peregrine Secretarial Services Limited (appointed 25 March 2020, resigned 30 June 2020)
- Hugo Robson (appointed 1 July 2020)
- Joanna Shanmugalingam (appointed 20 November 2020, resigned 30 April 2021)
- Sandrine Téran (appointed 8 September 2021)
- Clare Wilson (appointed 25 March 2020, resigned 30 June 2020)
- Robert Woodward (appointed 1 May 2021)

The Company provided qualifying third-party indemnity provisions to certain Directors of associated companies during the financial period and at the date of this report. No Directors of the Company benefited from qualifying third-party indemnity provisions during the financial period and at the date of this report. Each Director of the Company is, except in the case of fraud and/or wilful default, indemnified by the Company against any liability incurred by, imposed on or asserted against them in the execution or discharge of duties as a Director of the Company.

Political contributions

Neither the Company, nor any Group company made any political donations or contributions during the period.

Research and development

The Group undertakes significant research and development activities in the course of creating the satellite constellation, ground network and UT technology. Development costs incurred are capitalised when it is probable that future economic benefits will be attributable to the asset and that these costs can be measured reliably (see notes 11 and 12 to the consolidated financial statements).

Proposed dividend

The Directors do not recommend the payment of a dividend.

Disclosure of information to auditor

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken all the steps that they ought to have taken as a Director to make themself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Other information

An indication of likely future developments in the business and particulars of significant events which have occurred since the end of the financial period have been included in the Strategic Report.

This report is authorised by order of the Board,

Neil Masterson

Neil Masterson
Chief Executive Officer
29 October 2021

Statement of Directors' responsibilities

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the group and parent company financial statements in accordance with applicable law and regulations.

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

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and parent company and of the Group's profit or loss for that period. In preparing each of the group and parent company financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable, relevant, reliable and prudent;
- For the group financial statements, state whether they have been prepared in accordance with Adopted IFRSs;
- For the parent company financial statements, state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Assess the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- Use the going concern basis of accounting, unless they either intend to liquidate the group or the parent company or to cease operations or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

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

Opinion

We have audited the financial statements of OneWeb Holdings Limited ("the company") for the period ended 31 March 2021 which comprise the Consolidated Balance Sheet, Consolidated Statement of Profit and Loss and Other Comprehensive Income, Consolidated Statement of changes in Equity, Consolidated Cash flow statement, Company Balance Sheet, Company Statement of Changes in Equity, Company Cash flow statement and related notes, including the accounting policies in note 2.

In our opinion:

- **The financial statements give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 March 2021 and of the Group's profit for the period then ended;**
- **The Group financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006;**
- **The parent Company financial statements have been properly prepared in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework; and**
- **The financial statements have been prepared in accordance with the requirements of the Companies Act 2006.**

Basis for opinion

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

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the group or the company or to cease their operations, and as they have concluded that the group and the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

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

Our conclusions based on this work:

- **We consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;**
- **We have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the group or the company's ability to continue as a going concern for the going concern period.**
- **However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the group or the company will continue in operation.**

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

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

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

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit. This included communication from the group to full scope component audit teams of relevant fraud risks identified at the Group level and request to full scope component audit teams to report to the Group audit team any instances of fraud that could give rise to a material misstatement at group.

As required by auditing standards, and taking into account management's ability to manipulate accounting records, recent revisions to guidance and our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular the risk that Group and component management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because the Group is in a development stage and has no external revenue for the period ended 31 March 2021. Therefore, the fraud risk in revenue recognition has been rebutted.

We did not identify any additional fraud risks.

We performed audit procedures for fraud risk including:

- **Identifying journal entries and other adjustments to test for all full scope *components based on risk criteria* and comparing the identified entries to supporting documentation. These included those posted by senior finance management, those posted and approved by the same user, those posted to unusual or seldom used accounts, those containing high risk keywords.**
- **Evaluated the business purpose of significant unusual transactions.**
- **Assessing *significant* accounting estimates for bias.**

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

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

As the Group is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

We communicated identified laws and regulations throughout our audit team and remained alert to any indications of non-compliance throughout the audit. This included communication from the group to full scope component audit teams of relevant laws and regulations identified at the Group level, and a request for full scope component auditors to report to the group team any instances of non-compliance with laws and regulations that could give rise to a material misstatement at group.

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

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

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

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

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

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

Strategic report and directors' report

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

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

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

Matters on which we are required to report by exception

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

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

We have nothing to report in these respects.

FINANCIAL STATEMENTS | INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ONEWEB HOLDINGS LIMITED

Directors' responsibilities

As explained more fully in their statement set out on page 41 of this report, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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

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

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

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

Lynton Richmond (Senior Statutory Auditor) for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

15 Canada Square

London

E14 5GL

3 November 2021

FINANCIAL STATEMENTS

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**

FINANCIAL STATEMENTS

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

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:

Cash projections made in assessing the going concern opinion (see note 2.1)

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.

Acquisition of OWC (see note 3)

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.

Evaluation of control over OneWeb Satellites LLC (see note 13)

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.

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 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 retirement obligations $	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

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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**

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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, 20º 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

Connect with OneWeb

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