

OneWeb Network Access Holdings Limited

Annual Report and Accounts

Registered number 09992956

For the period ended

31 March 2022

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Strategic report

The Directors present the strategic report for OneWeb Network Access Holdings Limited (“the Company”) for the 15-month period ended 31 March 2022.

Proposed combination of the OneWeb Group with Eutelsat subsequent to period end

On 25 July 2022, Eutelsat and key OneWeb shareholders signed a Memorandum of Understanding with a view to combining Eutelsat and OneWeb in an all-share transaction. The combination of Eutelsat and OneWeb will create a single, powerful global player in space-based connectivity. The transaction builds upon the already strong foundation of collaboration between OneWeb and Eutelsat, having been established when Eutelsat first announced its investment in OneWeb in April 2021.

This combination will create an opportunity to become a unique global leader, positioned for capturing the fast-growing connectivity market with a complimentary GEO and LEO offering, the first of its kind. Eutelsat is an existing shareholder of OneWeb, holding a 23% interest. The proposed transaction is structured as an exchange of OneWeb shares by its shareholders (other than Eutelsat) with new shares issued by Eutelsat, such that, at closing, Eutelsat would own 100% of OneWeb (excluding the Class B share owned by the UK Government). On completion, OneWeb shareholders would receive 230 million newly issued Eutelsat shares, representing 50% of the enlarged share capital, which will be subject to a six-month lock up period. Eutelsat will continue to be listed on Euronext Paris and will apply for admission to the standard listing segment of the UK’s Official List and to trading on the London Stock Exchange.

Trading under its existing name, OneWeb will continue to substantially operate the LEO business and remain headquartered in the UK. The combined entity will have a balanced ownership structure, with a substantial free float alongside the public shareholders and private investors. It is contemplated that, upon closing, a shareholder agreement between Eutelsat’s key shareholders and OneWeb’s key shareholders which does not qualify as a concerted action, will be in place. This agreement would, in substance, provide for the right for each party to propose one director (if its shareholding is at least 7.5%) and two directors (if its shareholding is at least 15%). The combined board will also include independent non-executive directors.

The combination of a LEO/GEO offering for connectivity is forecast to generate substantial value. We expect synergies across revenue, as well as operating and capital expenditure. Capex optimisation is expected to generate savings by leveraging the hybrid GEO/LEO satellite infrastructure and through the improved purchasing power of the combined entity. Concurrently to signing the Memorandum of Understanding, on 25 July 2022 the existing Distribution Partner Agreement with Eutelsat was amended to provide for a commitment under which Eutelsat will purchase \$275 million of OneWeb’s constellation capacity on pre-defined terms over a five-year duration, starting from the full availability of the constellation. Under the amended agreement, Eutelsat will benefit from the exclusive use of OneWeb’s capacity over certain pre-defined sales regions and verticals.

The Memorandum of Understanding (as amended from time to time) has been unanimously approved by each of Eutelsat’s and OneWeb’s Board of directors and provides for exclusivity commitments by Eutelsat and key Eutelsat and OneWeb shareholders. Subsequently the parties signed a Framework Agreement on 14 November 2022 pursuant to which Eutelsat undertakes to acquire the OneWeb shareholders’ shares (excluding the Class B share) in the share capital of OneWeb subject to the terms and conditions of the Framework Agreement. The transaction will be subject to customary regulatory conditions and is also conditional on approval by Eutelsat’s shareholders at an Extraordinary General Meeting (EGM) of Eutelsat, to take place by the end of the first half 2023. Bpifrance and Fonds Stratégique de Participations, who each hold an interest in Eutelsat Communications SA, have undertaken to vote in favour of the transaction-related resolutions at this EGM, subject to usual conditions. The transaction is expected to complete by the end of first half of 2023.

Bankruptcy and acquisitions

In March 2020, as a result of challenges to raise the anticipated financing for the Group compounded by the spread of COVID-19, OneWeb Global Limited and a number of group entities, including the Company, 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 approval of the Third Amended Joint Chapter 11 Plan of Reorganisation on 2 October 2020, the group headed by OneWeb Communications Limited, which includes the Company, was acquired by OneWeb Holdings Limited on 20 November 2020. OneWeb Holdings Limited (“OneWeb”, or together with its subsidiaries, “the OneWeb Group”) is the Group’s ultimate parent company.

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 LEO

satellites that aims to deliver high speed, low latency global connectivity to customers throughout the world. The OneWeb network is designed to go beyond the limits of existing infrastructure, enabling digital connectivity for remote, rural communities and schools as well as for industries that enable global connectivity such as aviation, maritime and businesses including governmental services and strategic partnerships with other telecommunications enterprises. The advanced system design and ultra-low latency will support the emerging digital economy and enable advanced mobile application needs.

Review of the business

In the 15-month period ended 31 March 2022, the Company generated a profit before tax (equal to operating loss as there were no non-operating activities) of \$265k (year-ended 31 March 2021: loss of \$209k). The change in result was mainly attributed to the application of a transfer pricing agreement with another group company.

Going concern

Notwithstanding net current liabilities of \$915,000 as at 31 March 2022, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have performed a going concern assessment which indicates that, taking account of reasonably possible downsides, the company will have sufficient funds, through funding from its ultimate parent company, OneWeb Holdings Limited, to meet its liabilities as they fall due during the going concern assessment period.

This assessment is dependent on OneWeb Holdings Limited and its other subsidiaries not seeking repayment of the amounts currently due to the group, which at 31 March 2022 amounted to \$3,489,000, and providing additional financial support during the going concern assessment period. OneWeb Holdings Limited has indicated its intention to continue to make available such funds as are needed by the company, and that it does not intend to seek repayment of the amounts due at the balance sheet date, during the going concern assessment period. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

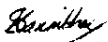
Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

OneWeb mission continues

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.

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

This report is authorised by order of the Board,



Sameer Karimbhai
Director
22 December 2022

Directors' report

Proposed dividend

The directors do not recommend the payment of a dividend. The Company does not have any distributable earnings.

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:

- Steven Fay (Director) (resigned 14 February 2022)
- Kathleen Guerere (Director) (resigned 4 December 2020)
- Kathleen Guerere (Secretary) (resigned 4 December 2020)
- Sameer Karimbhai (Director) (appointed 15 December 2020)
- Sameer Karimbhai (Secretary) (appointed on 1 November 2021)
- Neil Masterson (Director) (appointed 15 December 2020)
- Srikanth Balachandran (appointed 14 February 2022)
- Amesto Corporate Secretarial Limited (Secretary) (resigned on 31 October 2021)

All Directors benefited from qualifying third party indemnity provisions in place during the financial period and at the date of this report. 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.

Political contributions

The Company made no political expenditure during the period.

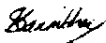
Other information

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.

Auditor

For the period ended 31 March 2022 the Company is entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies. The members have not required the Company to obtain an audit for the period in question in accordance with section 476 of Companies Act 2006.

By order of the Board,



Sameer Karimbhai
Director
22 December 2022

Statement of Directors' responsibilities in respect of the Directors' report and the financial statements

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland.

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 their profit or loss for that period. In preparing 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;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the 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 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.

Statement of profit and loss and other comprehensive income
for the period ended 31 March 2022

	<i>Note</i>	15-month period ended 31 March 2022 \$000	Year ended 31 December 2020 \$000
Revenue		2,407	-
Operating expenses	<i>0</i>	(2,142)	(209)
Profit/(loss) before tax		265	(209)
Taxation	<i>7</i>	-	-
Profit/(loss) for the period and total comprehensive profit/(loss)		265	(209)

There were no items of other comprehensive income in the period.

Balance sheet


At 31 March 2022

	Note	31 March 2022 \$000	31 December 2020 \$000
Non-current assets			
Property, plant and equipment	8	1,080	541
Loans to related parties		121	-
Investments	9	-	-
Current assets			
Receivables from other group companies		2,419	17
Goods and services tax receivable		62	6
Cash and cash equivalents		71	98
		2,552	121
Total assets		3,753	662
Current liabilities			
Trade payables		(270)	(134)
Payables to other group companies		(3,008)	(488)
Accrued expenses		(189)	-
		(3,467)	(622)
Non-current liabilities			
Shareholder loans non-current		(481)	(500)
Total liabilities		(3,948)	(1,122)
Net liabilities		(195)	(460)
Equity			
Share capital	10	-	-
Retained earnings	10	(195)	(460)
Total equity		(195)	(460)

For the period ending 31 March 2022 the Company is entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies. The members have not required the Company to obtain an audit for the period in question in accordance with section 476 of Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements which give a true and fair view of the state of the Company as at the end of the financial period and of its profit and loss for the financial period, in accordance with the requirements of sections 394 and 395 of the Companies Act 2006 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the Company.

These financial statements were approved by the Board of Directors on 22 December 2022 and were signed on its behalf by:



Sameer Karimbhai
Director

Company registered number: 9992956

Statement of changes in equity

	Share Capital \$000	Retained earnings \$000	Total equity \$000
At 1 January 2020	-	(251)	(251)
Total comprehensive income for the period			
Loss for the period	-	(209)	(209)
Total comprehensive loss for the period	-	(209)	(209)
At 31 December 2020	-	(460)	(460)
Total comprehensive income for the period			
Profit for the period	-	265	265
Total comprehensive profit for the period	-	265	265
Balance at 31 March 2022	-	(195)	(195)

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

1 General information

OneWeb Network Access Holdings Limited (“the Company”) is a private company incorporated, domiciled and registered in England & Wales. The registered number is 09992956 and the registered address is West Works Building, 195 Wood Lane, London, United Kingdom, W12 7FQ.

2 Basis of preparation

2.1 Going concern

Notwithstanding net current liabilities of \$915,000 as at 31 March 2022, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have performed a going concern assessment which indicates that, taking account of reasonably possible downsides, the company will have sufficient funds, through funding from its ultimate parent company, OneWeb Holdings Limited, to meet its liabilities as they fall due during the going concern assessment period.

This assessment is dependent on OneWeb Holdings Limited and its other subsidiaries not seeking repayment of the amounts currently due to the group, which at 31 March 2022 amounted to \$3,489,000, and providing additional financial support during the going concern assessment period. OneWeb Holdings Limited has indicated its intention to continue to make available such funds as are needed by the company, and that it does not intend to seek repayment of the amounts due at the balance sheet date, during the going concern assessment period. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

2.2 Accounting estimates and judgements

These financial statements were prepared in accordance with Financial Reporting Standard 101, Reduced Disclosure Framework (“FRS 101”).

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of international accounting standards in conformity with the requirements of the Companies Act 2006, but makes amendments where necessary in order to comply with Companies Act 2006.

The following exemptions have been taken under FRS 101:

- the requirements of IFRS 7: *Financial Instruments: Disclosures*;
- the requirements of IAS 7: *Statement of Cash Flows*;
- 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.

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

Critical judgements are those made when applying accounting policies that could have a significant impact on the amounts recognised in the financial statements. The only areas of accounting which required critical judgement to be applied was in the assessment of going concern and asset impairment.

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.

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

a) Measurement convention

Where an accounting policy is applicable to a specific note to the financial statements, the policy is described within that note. In accordance with FRS 101, 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 periods presented in these financial statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently in the periods presented in these financial statements, with the exception of IFRS 10: *Consolidated Financial Statements*. An exemption has been taken under s400 of the Companies Act 2006 not to prepare consolidated financial statements in the current period. The results of the Company are included in the consolidated financial statements of OneWeb Holdings Limited, which are publicly available from Companies House, United Kingdom.

The financial statements are prepared on the historical cost basis except for certain financial assets and financial liabilities required by FRS 101 to be measured at fair value.

b) Foreign currency

The presentation currency of the Company is the U.S. dollar. 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 statements of comprehensive income or loss.

c) Impairment of non-financial assets

The carrying amounts of the Company'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").

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 (group of units) on a *pro rata* basis.

3 Revenue

Revenue represents recharges of administrative services on a cost-plus basis to Network Access Associates Limited, the Company's immediate parent. Revenue is recognised when the related costs that can be recharged are incurred.

4 Operating expenses

	15-month period ended 31 March 2022	Year ended 31 December 2020
	\$000	\$000
Professional fees	2,201	164
Office and facility costs	21	12
Non-staff R&D expense	49	-
Reorganisation and restructuring costs	4	-
Foreign exchange (gain)/loss	(133)	33
Total operating expenses	2,142	209

5 Employee information

The Company had no employees in the current period or prior year.

6 Directors' remuneration

No Directors received remuneration or contributions to a money purchase pension plan in respect of their services to the Company. The two Directors who served during the current period were paid by other group companies in respect of their services to the group and no recharges were made to the Company in respect of these services. Had a recharge been made, the amount would have been insignificant, estimated to be less than \$5,000 each for both the current period and prior year.

7 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

	15-month period ended 31 March 2022	Year ended 31 December 2020
	\$000	\$000
Current tax expense		
Current period	-	-
Total tax credit	-	-

Reconciliation of effective tax rate

	15-month period ended 31 March 2022	Year ended 31 December 2020
	\$000	\$000
Profit/(Loss) before tax	265	(209)
Tax using the UK corporation tax rate of 19%	50	40
Effects of group relief	(50)	-
Current period losses for which no deferred tax asset was recognised	-	(40)
Total tax charge	-	-

Factors that may affect future tax charges

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

8 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.

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 December 2020, 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.

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.

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

	Ground component under construction \$000
Cost	
At 1 January 2020	-
Additions	541
At 31 March 2021	541
Additions	539
At 31 March 2022	1,080
Depreciation	
At 1 January 2020 and 1 April 2021	-
Depreciation charge	-
At 31 March 2022	-
Carrying value	
At 31 March 2022	1,080
At 31 March 2021	541

9 Investments

Accounting policy

Investments are carried at cost less impairment. The group's investments in subsidiaries are fully impaired and have a carrying value of \$nil.

Listing of subsidiaries and affiliates

Name	Principal activity	Registered Agent Address	Country of incorporation	Share- holding 31 December 2019 (%age)
OneWeb Ltd (Malta)	Holding Company	SmartCity Malta, SCM 01, TMF Group (Malta) 401 Ricasoli, Kalkara, SCM 1001 Malta	Malta	99%
WorldVu Mexico S.DE. R.L. DE C.V.	Holding Company	Preten 27 St 201 Piedad Narvarte Mexico City 3000 Mexico	Mexico	0.03%
OneWeb SA	Holding Company	Tucumán 1, Piso 4, Buenos Aires, C1049AAA Argentina	Argentina	2%
OneWeb Capacidade Satelital Ltda	Holding Company	Avenida Nove de Julho, 3228, sala 604, Ed., First Office Flat, Jardim Paulista, São Paulo, 01406-000 Brazil	Brazil	1%

The Company's equity interest represents the voting interests of the Group in the respective subsidiary or affiliate.

10 Capital and reserves

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:

	31 March 2022	31 March 2021
	\$	\$
100 Ordinary shares of £1 each, fully paid	123	123

Retained earnings

Retained earnings are the net earnings not paid out as dividends. The Company had a retained loss of \$195,000 (2021: \$460,000) and is therefore unable to paid dividends at this time.

11 Ultimate controlling party

There is no single ultimate controlling party of the Company. The ultimate parent company is OneWeb Holdings Limited, a private company incorporated, domiciled and registered in England, UK. The registered number of OneWeb Holdings Limited is 12534512 and the registered address is WestWorks Building, 195 Wood Lane, London United Kingdom, W12 7FQ. OneWeb Holdings Limited has a number of different shareholders, including

The Secretary of State for Business, Energy and Industrial Strategy, Bharti Space Limited, Eutelsat S.A. and Softbank Group Capital Limited.

12 Subsequent events

On 25 July 2022, Eutelsat and key OneWeb shareholders signed a Memorandum of Understanding (MOU) with a view to combining Eutelsat and OneWeb in an all-share transaction. Eutelsat is an existing shareholder of OneWeb. The transaction would be structured as an exchange of OneWeb shares by its shareholders (other than Eutelsat) with new shares issued by Eutelsat, such that, at closing, Eutelsat would own 100% of OneWeb (excluding the Class B share owned by The Secretary of State for Business, Energy and Industrial Strategy). OneWeb shareholders would receive 230 million newly issued Eutelsat shares, representing 50% of the enlarged share capital. Eutelsat will continue to be listed on Euronext Paris and apply for admission to standard listing on the London Stock Exchange. The MOU (as amended from time to time) has been unanimously approved by each of Eutelsat's and OneWeb's Board of Directors. Subsequently the parties signed a Framework Agreement on 14 November 2022 pursuant to which Eutelsat undertakes to acquire the OneWeb shareholders' shares (excluding the Class B share) in the share capital of OneWeb subject to the terms and conditions of the Framework Agreement. The transaction will be subject to customary regulatory conditions. The MOU includes customary exclusivity and interim operating conditions. The transaction will also be conditional on approval by Eutelsat's shareholders at an Extraordinary General Meeting of Eutelsat, to take place by end of first half 2023. The transaction is expected to close by the end of first half of 2023.

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