

# **Network Access Associates Limited**

Annual Report and Accounts

Registered number 09439890

For the period ended 31 March 2023

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## **Contents**

<i>Strategic report</i>	3
Directors' report	9
Statement of Directors' responsibilities in respect of the Directors' report and the financial statements	9
<i>Statement of profit and loss and other comprehensive income</i>	11
Balance sheet	12
Statement of changes in equity	14
<i>Notes to the financial statements</i>	15

## Strategic report

The Directors present the strategic report for Network Access Associates Limited (the “Company”) for the 15-month period ended 31 March 2023.

### Combination of the OneWeb Group with Eutelsat subsequent to year-end

On 25 July 2022, Eutelsat Communications S.A. (“Eutelsat”) and key OneWeb shareholders signed a Memorandum of Understanding with a view to combining Eutelsat and OneWeb in an all-share transaction (“Combined Entity”). 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.

The parties signed a Framework Agreement on 14 November 2022 pursuant to which Eutelsat undertook 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. All required regulatory approvals were obtained by August 2023.

On 28 September 2023, Eutelsat’s shareholders approved the transaction at an Extraordinary General Meeting (“EGM”) of Eutelsat. As a result, the combination was completed on this date, forming the Eutelsat Group. The ultimate parent company of the Company is now Eutelsat Communications S.A..

The newly formed Eutelsat Group is strategically positioned to be a global leader in space communications. Eutelsat’s powerful GEO fleet will combine network density and high throughput with the low latency and ubiquity of OneWeb’s LEO constellation to offer customers global, fully integrated connectivity services.

The Eutelsat Group is headquartered in Paris, France and remains listed on the Euronext Paris Stock Exchange and has a secondary listing on the London Stock Exchange. OneWeb will continue to operate the LEO business and remain in the UK.

### Principal activities

The principal activities of the Company 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 2023, the Company incurred an operating loss of \$959.7 million (year ended 31 December 2021: \$154.1 million). During the period ended 31 March 2023, OneWeb commenced the delivery of satellite connectivity services in territories north of 50° latitude and made equipment sales of user terminals required to connect to the OneWeb network.

Operating expenses increased by \$414.9 million or 278.1% to \$564.1 million for the 15-month period ended 31 March 2023 from \$149.2 million for the year ended 31 December 2021, which was due primarily to the transfer pricing agreement between the Company and certain other OneWeb Group companies for certain expenses incurred. The total services from other group undertakings expense increased by \$217.2 million from \$67.9 million in December 2021 to \$285.1 million during the 15-month period to March 2023. This was due to the increase in level of activity across the Group as a result of the Group’s growth and launch of commercial services during the period. In addition, assets became available for use resulting in the depreciation of property, plant and equipment and amortisation of intangible assets delivering connectivity services. This resulted in an increase of \$114.5 million to \$115.7 million for the 15-month period ended 31 March 2023 from \$1.2 million for the year ended 31 December 2021. In addition, an increase in network related expenses arose as a result of the provision of services using the OneWeb network from May 2022 as well as an increase in the costs incurred for the OneWeb Group’s platforms which facilitate the delivery of service and customer management.

During the period to 31 March 2023, an initial impairment charge of \$447.5 million was recognised. This includes the loss suffered by the Group as a result of the postponement of a planned launch on 4 March 2022, the associated postponement of subsequent scheduled launches, the loss of satellites not returned to the Group and the impairment of a portion of the Group’s prepaid launch insurance. \$10.5 million of this impairment was subsequently reversed as the Company received use of certain assets that had previously been impaired that could be deployed for the

launches the Company executed in the financial period. The total impairment recognised during the period is therefore \$437.0 million.

\$8.0 million of assets were written off during the 15-month period ended 31 March 2023 (year ended 31 December 2021: \$8.6 million) due to satellites becoming non-operational.

The Company spent \$892.7 million in capital expenditures for the development of its launch, satellite and ground systems, as well as intangible assets, in the 15-month period ended 31 March 2023 (year ended 31 December 2021: \$392.2 million).

**Principal risks and uncertainties**

Protecting the success and development of OneWeb’s strategy and business model through effective and strategic risk management is a key objective for the Board and Executive Committee. OneWeb’s risk management framework has been significantly matured during the year to ensure the Company is competent to operate in the complex global environment in which it carries out business. The profile of the Company’s risks are consistent with those impacting OneWeb as a group.

During the year, OneWeb’s Audit and Risk Committee supported the adoption and endorsement of a Risk Management Policy and internal audit function. Internal Audit is managed on an independent third-party based assurance model. The Executive Committee meet on a quarterly basis to review the OneWeb Group enterprise risks, as well as business and operational risks. This regular dialogue is intended to enable OneWeb to effectively address and mitigate the key and current risks to the business.

<b>Risk</b>	<b>Risk Description &amp; Impact</b>	<b>Risk Mitigation</b>
<b>Finance Risk</b>	Given the nature of its business, OneWeb’s operations as a satellite network operator are capital intensive. OneWeb is at risk of not meeting the targeted revenue under the long-term business plan and potentially at risk of insufficient funding or liquidity. This could reduce the Company’s ability to effectively rollout the network, resulting in lower or delayed cash generation.	There is a robust annual operating plan and long-term business plan which is produced in consultation with the business and approved by the Board and endorsed by the Audit and Risk Committee of the Board. The annual operating plan and long-term business plan are both reviewed on an annual basis by the Board and performance of the Company against the annual operating plan is monitored monthly. The executive committee are notified of any variances, and these are escalated to the Board where necessary. To mitigate liquidity and funding risks, the OneWeb Group has entered into a committed unsecured loan facility with certain shareholders to provide the Group with access of up to \$160.0 million (in aggregate). The facility, if drawn, is convertible to equity under certain conditions. In addition, the Group has received a commitment for an external facility of \$100.0 million, securitised against certain of the Group’s take-or-pay commitments.
<b>GEN 2 Rollout Delay Risk</b>	OneWeb is at risk of delays to the rollout of its GEN 2 network due to potential complexities in the technological design, availability of launch vehicles, and the required capital expenditure to deploy the GEN 2 constellation. This would have a significant impact on the Group’s cash flow, its position in the market with emerging LEO satellite operator competitors and the ability to meet the Company’s future strategic objectives.	There is a dedicated OneWeb GEN 2 Technology Team focussed solely on the design, manufacture, and deployment of GEN 2 within the required schedule. The Company will also seek to secure launch slots with a range of launch vehicle providers in anticipation of the deployment of the GEN 2 constellation. Market analysts within OneWeb also stay abreast of the changing market demands and forecasts for the future of LEO connectivity offerings, to ensure that GEN 2 design will meet customer demands and offer effective solutions for the next generation of use cases. There is also a dedicated Technology Committee of the Board, which meets at least bi-monthly to discuss and review the progress of GEN 2 and approve key milestones.
<b>Cyber Security Risk</b>	OneWeb’s information systems are at a potential risk of malfunctions, loss of data integrity, cyber-attacks, computer malware, satellite	OneWeb’s cyber resilience program, headed by the Chief Information Security Officer has significantly matured during the year. Resource has been specifically allocated to further advancement of the cyber strategy and security program for the OneWeb Group. The Executive Committee meets bi-monthly

	hijacking, malicious or accidental acts by employees, terrorist acts or sabotage, all of which could compromise the continuity of service, cause a temporary or permanent interruption of service or call into question the quality of the service provided.	to discuss and review the business' exposure to cyber security risk and annual audits are conducted to ensure the OneWeb Group is compliant with policy and regulatory standards.
<b>Health and Safety Risk</b>	Given the global landscape in which OneWeb operates and as OneWeb continues to scale as a business, there is a risk of non-compliance with relevant health and safety laws and regulations which could lead to major regulatory investigations or enforcement actions, which could cause distraction of management, reputational damage, higher operating costs, business interruptions and material fines and claims for damages.	OneWeb does not operate or send employees to carry out work in areas which could pose a threat to their safety as a result of geo-political tensions. As the business scales, OneWeb recognises the importance of staying abreast of global health and safety regulations and in response, OneWeb has appointed dedicated resource to oversee the Company's compliance with local and international laws and regulations for the Group. This risk is also monitored closely by the Health, Safety and Environment Committee of the Board, which meets regularly during the year to review any health and safety concerns and further actions to be taken by the Company.
<b>Legal, Regulatory and Compliance Risk</b>	As OneWeb scales and its operations become more global, it could be exposed to the risk of non-compliance with jurisdictional legal, regulatory or compliance laws. The result of such non-compliance includes fines, reputational damage, and/or potential negative impact on business operations including the inability or restricted ability to sell OneWeb products and services on a fully global basis and termination of existing contracts.	OneWeb has a dedicated team of qualified lawyers, company secretaries and compliance professionals, in addition to external counsel support where required, to advise on local laws and regulations in the jurisdictions in which it operates. The OneWeb Group is also audited on an annual basis to review compliance under agreements with US specific agencies. During the period, OneWeb hired a new VP, Compliance to oversee, manage and grow the OneWeb Group's global compliance framework.

#### Going concern

Notwithstanding net current liabilities of \$1,997.0 million at 31 March 2023, and a loss for the period then ended of \$978.1 million, 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 2023 amounted to \$3,321.6 million, 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.

**Section 172 statement**

Section 172 of the Companies Act 2006 (“s172”) requires the directors of the Company to act in a way that they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole. This statement demonstrates how the Board have had regard to the obligations set out in s172 during the course of their decision making. The Board ensures that where key decision making takes place, they have considered how decisions may impact various stakeholder groups and throughout the Financial Year, regular engagement is undertaken across all key stakeholder groups, both directly and indirectly, to ensure there has been sufficient regard to their interests when making material business decisions.

The Board has identified its key stakeholders to ensure due consideration is given to all relevant stakeholders in the context of principal decision making. In addition to the matters set out throughout this report, examples of engagement with our key stakeholder groups are set out in this statement.

Key stakeholders:

- Distribution partners – providing the required customer services, quality of network and availability capacity is essential for our distribution partners to provide success for their end customers and in turn, OneWeb’s success and credibility as a wholesale provider.
- Employees – OneWeb wants to ensure all employees and colleagues feel valued, respected, and rewarded for their contribution to the Company and business’ future.
- Communities – bridging the digital divide is at the heart of OneWeb’s strategy and OneWeb recognises that it has a duty to communities around the world to drive this initiative.
- Suppliers – We rely on key, industry recognised suppliers for the successful delivery of the satellites, user terminals and ground infrastructure to ensure we meet the needs of our distribution partners and end users.
- Regulators – OneWeb is committed to contributing meaningfully to the evolving landscape of global space and satellite industry regulation.
- Shareholders – Our shareholders offer industry and sector expertise, which provide valuable contributions to OneWeb’s strategy and guide the Company towards success.

The table below identifies how OneWeb has engaged and continues to engage with its key stakeholders:

Stakeholder	Why we engage	How we engage
Distribution Partners	OneWeb recognises that a high quality and reliable network offering to its distribution partners is integral to the Company’s credibility as a wholesale provider of internet capacity. Therefore, fostering relationships with our distribution partners as the network evolves is an essential part of maintaining our competitive position in a growing market. The quality of these relationships ensure that end customer needs are appropriately met and OneWeb is a trusted partner for our distribution partners, for the success of their business, and ours.	<ul style="list-style-type: none"> <li>• Service demos and UT trial opportunities for distribution partners to live test the network for their specific use case</li> <li>• CEO 1 to 1 meetings with key distribution partners</li> <li>• Monthly distribution partner newsletters</li> <li>• Press releases in association with distribution partners</li> <li>• NPS surveys are used to improve overall customer experience. OneWeb’s NPS score has improved to a rating of +16 from -33 in 2021.</li> <li>• Distribution partner program which includes Hypercare and monthly account management and customer success processes, marketing, sales enablement, training and incentivisation</li> </ul>

Employees	<p>The resilience and commitment of OneWeb’s employees are the foundation of its continued success. The Board recognises the need to build engaged, talented teams who collaborate and are committed to fulfilling the OneWeb mission. OneWeb’s currently has a gender diversity ratio of 79% male and 21% female employees.</p>	<ul style="list-style-type: none"> <li>• The Board monitors employee matters through regular updates at Board meetings and a People Update is a standing agenda item</li> <li>• Employee engagement surveys are held twice per year and include a pulse and full survey. Data is gathered each year, reviewed and appropriate action plans are drawn up</li> <li>• Bi-annual talent breakfast forums take place to facilitate one on one engagement for the Board and employees of all levels in the organisation</li> <li>• There is a dedicated ‘ask questions about the combination’ site which is offered to all employees interested in the progress and impacts of the combination with Eutelsat</li> <li>• Weekly Constellation Newsletters are circulated to all employees which provide key updates on strategy and employee-wide news</li> <li>• Regular all-hands meetings are led by the CEO and Executive Committee</li> <li>• Employees are eligible to take part in the LEO Awards system, which is designed to recognise key achievements. The Board actively monitors and promotes the recognition of excellence and achievement across the workforce</li> <li>• Leadership and development coaching is offered to employees</li> </ul>
Communities	<p>OneWeb is committed to bridging the digital divide – it is at the heart of what we do. As part of our initiative, OneWeb seeks to remove barriers to connectivity that still cause a digital divide around the globe and recognises that the communities in which we operate expect responsible and effective working practices.</p>	<ul style="list-style-type: none"> <li>• Graduate STEM initiatives overseen by the Head of HR, with delegated authority from the Board</li> <li>• Trials have taken place in the Shetlands, Scotland with UK Government ‘Very Hard to Reach Premises Connectivity Program’</li> <li>• First Responders initiatives are being explored to use OneWeb connectivity to save lives in remote areas / hard to reach places</li> </ul>
Suppliers	<p>OneWeb is reliant on key suppliers for the successful delivery and deployment of the network and through the past year, it has fostered new supplier relationships for the development of its user terminal program. As a business, OneWeb relies on its suppliers to deliver the required goods to meet the needs of the distribution partners and end user, but also facilitate the successful roll out and invention of new technology and product offering as the Company ventures into new markets.</p>	<ul style="list-style-type: none"> <li>• Procurement VP oversees the maintenance of OneWeb’s supplier programme and ERP system</li> <li>• Internal controls and supplier management are monitored by the Board</li> <li>• High value contracts required Board approval</li> <li>• Robust payment practices and processes are in place</li> <li>• Innovation days are held to engage key suppliers in future projects</li> <li>• Compliance with anti-bribery, anti-money laundering, anti-corruption and similar laws are a prerequisite of doing business with OneWeb</li> </ul>
Regulators	<p>OneWeb operates in a highly regulated environment and is required to comply with regulations from an array of UK, US and other global regulators. The Company keeps abreast of the evolving regulatory environment and maintains dialogue with industry regulators.</p>	<ul style="list-style-type: none"> <li>• OneWeb has a direct dialogue with key industry regulators including the Federal Communications Commission, Ofcom, the Civil Aviation Authority, UK Space Agency and European Space Agency</li> <li>• The CEO and Chairman attended the Mobile World Congress 2023 in Barcelona</li> <li>• Members of Executive Management Team attended Satellite Show in Washington in 2023</li> </ul>

		<ul style="list-style-type: none"> <li>• Active participation and dialogue with regulators around the world regarding industry policy and spectrum related concerns</li> </ul>
Shareholders	<p>OneWeb's shareholders have direct influence on strategic decision making and hold various directorship seats on the Board of directors. With a diverse range of global shareholders who bring experience and expertise to the Board, the Executive Committee regularly keep the shareholders and Board up to date with business progress and understand that shareholder views are a key input into the Group's strategy.</p>	<ul style="list-style-type: none"> <li>• Closed shareholder forums are held four times per year</li> <li>• OneWeb has a dedicated investor relations contact for shareholders</li> <li>• Robust governance framework which focuses on consistent reporting and information dissemination to the Board and the shareholders</li> </ul>

This report is authorised by order of the Board,



Sameer Karimbhai, Director  
 Date: 16 NOVEMBER 2023

## Directors' report

The Company has chosen, in accordance with section 414C(11) of Companies Act 2006, to include matters of strategic importance to the Company in the Strategic Report which otherwise would be required to be disclosed in the Directors' report.

### Research and development

The Company has developed its network of satellites, ground and communications infrastructure through significant investment in research and development. During the period, capital expenditure of \$892.7 million was incurred for the development of launch, satellite and ground systems, and intangible assets (2021: \$392.2 million). There was no other non-staff cost R&D expenditure for the March 2023 period (2021: \$0.7 million), however, a significant portion of staff activity is devoted to research and development.

### Proposed dividend

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

### Directors

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

- Steven Fay (resigned 14 February 2022)
- Sameer Karimbhai
- Neil Masterson (resigned 28 September 2023)
- Srikanth Balachandran (appointed 14 February 2022, resigned 28 September 2023)
- Christophe Caudrelier (appointed 28 September 2023)

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 contributions during the year.

### 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.

The Company qualifies for an exemption to disclose an SECR GHG emissions report in these accounts. The Company's GHG emissions has been included in the SECR disclosure of its parent company, OneWeb Holdings Limited.

### Auditor

For the period ended 31 March 2023 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 year in question in accordance with section 476 of Companies Act 2006.

By order of the Board



Sameer Karimbhai, Director  
Date: 16 NOVEMBER 2023

## **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 company and of the 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 Company and to prevent and detect fraud and other irregularities.

**Statement of profit and loss and other comprehensive income**  
*for the period ended 31 March 2023*

	<i>Note</i>	15-month period ended March 2023 \$m	Year ended December 2021 \$m
<b>Revenue</b>	3	12.7	1.0
Other operating income	4	36.7	2.7
Operating expenses	5	(564.1)	(149.2)
Write-off of property, plant and equipment	11	(8.0)	(8.6)
Impairment charge	6	(437.0)	-
<b>Operating loss</b>		<b>(959.7)</b>	<b>(154.1)</b>
Investment income	9	0.6	-
Finance cost	9	(18.6)	-
<b>Loss before tax</b>		<b>(977.7)</b>	<b>(154.1)</b>
Taxation	10	(0.4)	(0.5)
<b>Loss for the period</b>		<b>(978.1)</b>	<b>(154.6)</b>

**Balance sheet**  
*At 31 March 2023*

	Note	31 March 2023 \$m	31 December 2021 \$m
<b>Non-current assets</b>			
Property, plant and equipment	10	1,079.2	969.7
Intangible assets	11	263.9	43.8
Bonds and deposits		7.1	7.2
Other non-current receivables		7.7	9.7
Investments in subsidiaries	0	15.5	5.2
Non-current withholding tax receivable		8.5	-
		<b>1,381.9</b>	<b>1,035.6</b>
<b>Current assets</b>			
Inventory		3.0	0.2
Corporation tax receivable		3.9	7.5
Prepaid expenses		12.1	9.7
Receivables from other group companies		570.9	242.3
Trade receivables		3.8	-
Goods and services tax receivable		3.3	1.6
Other current receivables		0.1	-
Cash and cash equivalents		21.2	16.6
		<b>618.3</b>	<b>277.9</b>
<b>Total assets</b>		<b>2,000.2</b>	<b>1,313.5</b>
<b>Current liabilities</b>			
Trade payables		(17.0)	(16.0)
Payables to other group companies		(2,510.8)	(1,820.7)
Accrued expenses		(31.9)	(2.4)
Accrued employee compensation		(16.3)	(9.2)
Goods and services tax payable		-	(0.9)
Payroll and other taxes payable		(1.9)	(2.3)
Lease liabilities		(0.4)	-
Contract liability	3	(36.4)	-
Other current payables		(0.6)	-
		<b>(2,615.3)</b>	<b>(1,851.5)</b>
<b>Non-current liabilities</b>			
Shareholder loans	14	(810.8)	-
Contract liability	3	(254.7)	(170.6)
Provisions		(0.1)	(0.2)
Lease liabilities non-current		(1.4)	(2.4)
Other non-current payables		(3.2)	-
		<b>(1,070.2)</b>	<b>(173.2)</b>
<b>Total liabilities</b>		<b>(3,685.5)</b>	<b>(2,024.7)</b>
<b>Net liabilities</b>		<b>(1,685.3)</b>	<b>(711.2)</b>
<b>Equity</b>			
Share capital	17	-	-
Share premium	17	777.7	777.7
Share based payment reserve	17	4.0	-
Retained earnings	17	(2,467.0)	(1,488.9)
<b>Total equity</b>		<b>(1,685.3)</b>	<b>(711.2)</b>

For the period ended 31 March 2023 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 year 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 16 November 2023 and were signed on its behalf by:



Sameer Karimbhai, Director  
Company registered number: 09439890

**Statement of changes in equity**  
*for the period ended 31 March 2023*

	Share capital \$m	Share premium \$m	Share based payment reserve \$m	Retained earnings \$m	Total equity \$m
At 1 January 2021	-	777.7	-	(1,334.3)	(556.6)
<b>Total comprehensive loss for the year</b>					
Loss for the year	-	-	-	(154.6)	(154.6)
Total comprehensive loss for the period	-	-	-	(154.6)	(154.6)
At 31 December 2021	-	777.7	-	(1,488.9)	(711.2)
<b>Total comprehensive loss for the period</b>					
Loss for the period	-	-	-	(978.1)	(978.1)
Total comprehensive loss for the period	-	-	-	(978.1)	(978.1)
<b>Transactions with owners, recorded directly in equity</b>					
Equity-settled share-based payment transactions	-	-	4.0	-	4.0
Total contributions by and distributions to owners	-	-	4.0	-	4.0
<b>At 31 March 2023</b>	-	777.7	4.0	(2,467.0)	(1,685.3)

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

### **1 General information**

Network Access Associates Limited (“the Company”) is a private company incorporated, domiciled and registered in England & Wales. The registered number is 09439890 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 \$1,997.0 million as at 31 March 2023, and a loss for the period then ended of \$978.1 million, 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 and an analysis of the Company’s borrowing requirements and facilities, 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 2023 amounted to \$3,321.6 million, 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 Company financial statements were prepared in accordance with FRS 102 and present information about the Company as a separate entity and not about its group. The following disclosure exemptions have been taken under FRS 102:

- from preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows statements, includes the Company’s cash flows;
- from the financial instrument disclosures, required under FRS 102 paragraphs, 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b), 11.48(c), 12.26, 12.27, 12.29(a), 12.29(b) and 12.29A, as the information is provided in the consolidated financial statement disclosures; and
- from disclosing the Company key management personnel compensation, as required by FRS 102 paragraph 33.7.

In the preparation of Company’s financial statements in conformity with FRS 102, 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.

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

### **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 102, 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 financial statements are prepared on the historical cost basis except for certain financial assets and financial liabilities required by FRS 102 to be measured at fair value.

#### **b) Foreign currency**

The presentation and functional 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.

### **3 Revenue**

#### **Accounting policy**

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

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

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

#### **Service revenue**

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

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

Service revenue is recognised as the service is provided over time based on the contract period. Customers are typically billed in advance for services and to the extent cumulative cash received exceeds cumulative service, a contract liability is recognised. Conversely, where cumulative service exceeds cumulative cash received, a contract asset is recognised.

#### **Sales of equipment**

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

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

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

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

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

#### **Contract costs**

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

	15-month period ended March 2023	Year ended December 2021
	\$m	\$m
Connectivity services	10.8	-
Equipment sales	0.2	-
Intercompany revenue	1.7	1.0
<b>Total revenue</b>	<b>12.7</b>	<b>1.0</b>

During the year ended 31 December 2021, the Company received advanced payment of \$170.6 million from a customer for services due to be rendered over a number of years. This constitutes an IRU. The Company has performed an assessment to determine whether the contract contains a lease within the scope of IFRS 16: Leases in line with its accounting policy, and concluded that the arrangement should be accounted for as a service agreement with revenue recognised as the service is provided over time, based on the contract period.

The payment received has been deferred as a contract liability. The advance payment has been concluded to provide a significant financing benefit to the Company. Accordingly, the revenue to be recognised has been adjusted for the effect of discounting, resulting in the unwinding of the contract liability based on the discount rate that would be reflected in a separate financing transaction with the customer. The applicable revenue and interest expense are therefore presented on a gross basis. Interest expense of \$18.4 million has been recognised in the period (2021: \$nil), a contract liability of \$189.0 million (31 December 2021: \$170.6 million) represents the present value of revenue expected to be recognised in future periods at 31 March 2023.

#### **4 Other operating income**

	15-month period ended March 2023	Year ended December 2021
	\$m	\$m
R&D tax credit	2.0	2.5
Credit received from supplier	34.2	-
Other income	0.5	0.2
<b>Total other operating income</b>	<b>36.7</b>	<b>2.7</b>

During the period ended 31 March 2023, linked to the events that resulted in the impairment discussed in note 6, OneWeb entered into discussions with a supplier. This resulted in an agreement under which OneWeb received a credit of \$34.2 million which is recognised as other operating income.

## 5 Operating expenses

	15-month period ended March 2023	Year ended December 2021
	\$m	\$m
Staff remuneration (see note 7)	75.9	42.8
Other staff costs	3.3	12.6
<b>Total staff costs</b>	<b>79.2</b>	<b>55.4</b>
Professional fees	42.9	10.6
Cost of inventories	1.4	-
Variable traffic	1.7	-
Network and facility costs	16.5	8.9
Travel and entertainment	4.4	1.1
Marketing	4.1	3.3
Reorganisation and restructuring costs	15.7	-
Non-staff cost R&D expense	-	0.7
Depreciation of property, plant & equipment	79.2	1.2
Amortisation of intangibles	36.5	-
Services received from other group undertakings	285.1	67.9
Profit on disposal	(0.1)	-
Foreign exchange (gains)/losses	(2.5)	0.1
<b>Total operating expenses</b>	<b>564.1</b>	<b>149.2</b>

The significant increase in services received from other group undertakings relates to the transfer pricing agreement that came into place during the period between the Company and its subsidiaries. This agreement allows the other group undertakings to charge the Company 6% mark up of specific costs incurred during the year.

## 6 Asset impairment

### Accounting policy

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 by estimating the asset's recoverable amount and comparing to the holding value.

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

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

### Impairment charge recognised during the period

During the period ended 31 March 2023, an impairment charge of \$447.5 million was recognised. This includes the loss suffered by the Company as a result of the postponement of a planned launch on 4 March 2022, the associated postponement of subsequent scheduled launches, the loss of satellites not returned to the Company and the impairment of a portion of the Company's prepaid launch insurance. \$10.5 million of this impairment was subsequently reversed as the Company received use of certain assets that had previously been impaired that could be

deployed for the launches the Company executed in the financial period. The total impairment recognised during the period is therefore \$437.0 million.

## 7 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 other 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

	15-month period ended March 2023	Year ended December 2021
Operations	269	169
Commercial	29	10
Corporate functions	64	32
	<b>362</b>	<b>211</b>

### Staff remuneration

The aggregate remuneration of these persons was as follows:

	15-month period ended March 2023 \$m	Year ended December 2021 \$m
Wages and salaries	61.1	36.8
Share based payments	1.5	-
Social security costs	8.7	4.9
Contributions to defined contribution plans	4.6	1.1
<b>Total staff remuneration</b>	<b>75.9</b>	<b>42.8</b>

## 8 Directors' remuneration

No Directors received remuneration or contributions to a money purchase pension plan in respect of their services to the Company. The 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.

## 9 Investment income and finance costs

### Accounting policy

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

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

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

	15-month period ended March 2023 \$m	Year ended December 2021 \$m
Bank interest received	0.6	-
<b>Total investment income</b>	<b>0.6</b>	<b>-</b>
Unwinding of discount on contract liability	(18.4)	-
Bank fees paid	(0.2)	-
<b>Total finance cost</b>	<b>(18.6)</b>	<b>-</b>

## 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 timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

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 March 2023 \$m	Year ended December 2021 \$m
<b>Current tax expense</b>		
Current period expense	(0.4)	(0.5)
<b>Total tax expense for the period</b>	<b>(0.4)</b>	<b>(0.5)</b>

### Reconciliation of effective tax rate

	15-month period ended March 2023 \$m	Year ended December 2021 \$m
Loss before tax	(977.7)	(154.6)
Tax applying the UK corporation tax rate of 19%	185.8	29.4
Non-deductible expenses	(16.5)	(0.3)
Non-taxable Items	-	-
Origination of temporary differences for which no deferred tax asset has been recognised	(84.6)	(1.5)
Current period losses for which no deferred tax asset has been recognised	(84.7)	(28.1)
Tax credits and incentives	(0.4)	-
<b>Total tax expense</b>	<b>(0.4)</b>	<b>(0.5)</b>

### 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.

At 31 March 2023 and 31 December 2021, the Company has not recognised any deferred tax liabilities relating to its investment in subsidiaries as the Company 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 Company'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 Company has a legal or constructive obligation as a direct consequence of acquiring or constructing the property, plant and equipment.

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

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

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

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

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

**Carrying value of property, plant and equipment**

	Space component under construction \$m	Ground component under construction \$m	Space components in service \$m	Ground component in service \$m	Other property and equipment \$m	Total \$m
<b>Cost</b>						
At 1 January 2021	1,597.7	20.2	-	-	7.1	1,625.0
Additions	382.8	3.5	-	-	0.5	386.8
Written off	(8.6)	-	-	-	-	(8.6)
Foreign exchange	0.1	0.1	-	-	0.1	0.3
<b>At 31 December 2021</b>	<b>1,972.0</b>	<b>23.8</b>	<b>-</b>	<b>-</b>	<b>7.7</b>	<b>2,003.5</b>
Additions	628.1	7.8	-	-	0.3	636.2
Disposals	-	(2.8)	-	-	-	(2.8)
Transfers	(1,408.0)	(10.6)	1,408	10.6	-	-
Written off	(8.0)	-	-	-	-	(8.0)
<b>At 31 March 2023</b>	<b>1,184.1</b>	<b>18.2</b>	<b>1,408</b>	<b>10.6</b>	<b>8.0</b>	<b>2,628.9</b>
<b>Depreciation and impairment</b>						
At 1 January 2021	(1,008.0)	(19.2)	-	-	(5.4)	(1,032.6)
Depreciation charge	-	-	-	-	(1.2)	(1.2)
<b>At 31 December 2021</b>	<b>(1,008.0)</b>	<b>(19.2)</b>	<b>-</b>	<b>-</b>	<b>(6.6)</b>	<b>(1,033.8)</b>
Depreciation charge	-	-	(72.9)	(2.5)	(3.8)	(79.2)
Disposal	-	0.3	-	-	-	0.3
Transfer	792.0	18.9	(811.3)	(2.2)	2.6	-
Impairment	(447.5)	-	-	-	-	(447.5)
Reversal of impairment	10.5	-	-	-	-	10.5
<b>At 31 March 2023</b>	<b>(653.0)</b>	<b>0.0</b>	<b>(884.2)</b>	<b>(4.7)</b>	<b>(7.8)</b>	<b>(1,549.7)</b>
<b>Carrying value</b>						
<b>At 31 March 2023</b>	<b>531.1</b>	<b>18.2</b>	<b>523.8</b>	<b>5.9</b>	<b>0.2</b>	<b>1,079.2</b>
At 31 December 2021	964.0	4.6	-	-	1.1	969.7

Transfers during the period ended 31 March 2023 included a transfer from components under construction to those in service once the assets become fully operational and available for use.

In the period to 31 March 2023, an impairment charge of \$447.5 million was recognised, as detailed in note 6. No impairment was recognised in the year ended 31 December 2021. The reversal of impairment charge of \$10.5 million during 2023 has been detailed in note 6.

The write-off of \$8.0 million recognised in the period ended 31 March 2023 (year ended 31 December 2021: \$8.6 million) relates to satellites that became non-operational during the year.

## 12 Intangible assets

### Accounting policy

#### Intangible assets

Intangible assets are stated at cost less accumulated amortisation and less accumulated impairment losses. All intangible assets are concluded to have a finite life.

Intangible assets include spectrum rights and licenses and developed software. Intangible assets 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.

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

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

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

#### **Amortisation**

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

#### **Spectrum rights and licences**

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

#### **Developed software**

Developed software relates to the software that the Company controls for the purpose of operating the business. Developed software is amortised on a straight-line basis over its useful economic life of 7 years.

	Spectrum rights and licences \$m	Developed software \$m	Total \$m
<b>Cost</b>			
At 1 January 2021	2.2	36.2	38.4
Additions	-	5.4	5.4
<b>At 31 December 2021</b>	<b>2.2</b>	<b>41.6</b>	<b>43.8</b>
Additions	-	256.5	256.5
Foreign exchange	0.1	-	0.1
<b>At 31 March 2023</b>	<b>2.3</b>	<b>298.1</b>	<b>300.4</b>
<b>Amortisation</b>			
At 1 January 2021	-	-	-
<b>At 31 December 2021</b>	<b>-</b>	<b>-</b>	<b>-</b>
Amortisation charge	-	(36.5)	(36.5)
<b>At 31 March 2023</b>	<b>-</b>	<b>(36.5)</b>	<b>(36.5)</b>
<b>Carrying value</b>			
<b>At 31 March 2023</b>	<b>2.3</b>	<b>261.6</b>	<b>263.9</b>
At 31 December 2021	2.2	41.6	43.8

### 13 Investments in subsidiaries and joint ventures

#### Accounting policy

Investments in subsidiaries and joint ventures are carried at cost.

	Investment in subsidiaries \$m	NEOM JV \$m	Total \$m
At 1 January 2021	0.2	-	0.2
Acquisition of joint venture		0.2	0.2
Funding provided to joint venture		4.8	4.8
<b>At 31 December 2021</b>	<b>0.2</b>	<b>5.0</b>	<b>5.2</b>
Funding provided to joint venture	-	10.3	10.3
<b>At 31 March 2023</b>	<b>0.2</b>	<b>15.3</b>	<b>15.5</b>

Name	Principal activity	Registered Agent Address	Country of incorporation	Share-holding 31 March 2023 (%age)
OneWeb Ltd (Malta)	Operating Company	Oyia Business Centre, Floor 3, Suite 301, Marsa MRS 1547, 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 S.r.l.	Operating Company	Corso Vercelli 40, 20145, Milan, Italy	Italy	100
OneWeb Norway AS	Operating Company	Postboks 2334, 3003 Drammen, Norway	Norway	100
OneWeb S.A	Operating Company	Tucumán 1, Piso 4, Buenos Aires, C1049AAA, Argentina	Argentina	100
First Tech Web Company Limited*	Operating Company	28th Floor Kingdom Tower, Olaya Road, P.O. Box: 230 888, Riyadh, 11321, Saudi Arabia	Saudi Arabia	50
WorldVu, Unipessoal Lda	Operating Company	Rua Latino Coelho, n.º 13, 13 A, 13-B, 3.º andar, freguesia de Avenidas Novas, 1050-132 Lisboa, Portugal	Portugal	100
OneWeb ApS	Operating Company	c/o Nuna Advokater Aps, Qullilerfik 2, 6., Nuuk, 3900, Greenland	Greenland	100
WorldVu, Australia Pty Ltd	Operating Company	TMF Corporate Services (AUST) PTY LTD, Level 16, 201 Elizabeth Street, Sydney NSW 2000, Australia	Australia	100
OneWeb G.K.	Operating Company	c/o DLA Piper Tokyo Partnership, Meiji Seimei Kan 7F, 1-1, Marunouchi 2-chome, Chiyoda-ku Tokyo, Japan	Japan	100
OneWeb Capacidade Satelital Ltda	Operating Company	Avenida Nove de Julho, 3228, sala 604, Ed. First Office Flat, Jardim Paulista, City of São Paulo, State of São Paulo, 01406-000, Brazil	Brazil	100
WorldVu 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 SARI.	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
OneWeb (Mauritius) Limited	Operating Company	Lislet Geoffroy Street, BCMS Corporate Services Ltd, 2 <sup>nd</sup> Floor Chancery House, Port Louis, Mauritius	Mauritius	100

OneWeb Ghana Limited	Operating Company	No. 7 Airport Road, Accra, Accra Metro, Ghana	Ghana	100
One Web Angola – Servicos de Telecomunicacoes (SU), LDA	Operating Company	Edificio Kilamba, 20º andar Avenida 4 de Fevereiro Marginal de Luanda, Angola	Angola	100
OneWeb Kazakhstan Ltd	Operating Company	Building 55/22, Mangilik El Avenue, Nur-Sultan	Kazakhstan	100
OneWeb France SAS	Operating Company	3-5 rue Saint-Georges 75009 Paris	France	100
PT OneWeb Communications Indonesia	Operating Company	Indonesia Stock Exchange Building, Tower 1, 27th Floor, Jl. Jend. Sudirman Kav. 52-53, Jakarta 12190	Indonesia	100
OneWeb Sweden AB	Operating Company	Baker & McKenzie Advokatbyrå KB, Box 180, 101 23, Stockholm	Sweden	100

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

\* On 22 October 2021, the Company 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 the Company'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.

#### 14 Loan payable to related parties

##### Accounting policy

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

	Loan from OneWeb Holdings \$m
At 1 January 2022	-
Conversion of intercompany payable to loan payable	115.7
Funding provided by OneWeb Holdings Limited	684.0
Interest payable	11.1
<b>At 31 March 2023</b>	<b>810.8</b>

#### 15 Lease Liability

##### Accounting policy

All the Company's leases are operating leases. Lease payments are recognised as an expense in the income statement over the lease term on a straight-line basis. Incentives included in lease agreements, such as rent free periods, are initially recognised as a liability and unwound to provide a reduction of rental expense over the lease term.

	31 March 2023 \$m	31 December 2021 \$m
Less than a year	0.4	0.4
Between one and five years	1.4	1.3
More than five years	-	0.7
<b>Total contractual commitments</b>	<b>1.8</b>	<b>2.4</b>

## 16 Commitments and contingencies

### Capital commitments

The Company has contractual purchase commitments with various vendors related to the design and developments of its first-generation constellation of satellites. The table below summarises contractual commitments not recorded on the balance sheet.

	31 March 2023 \$m	31 December 2021 \$m
Less than a year	29.9	188.7
Between one and five years	0.1	66.9
More than five years	-	-
<b>Total contractual commitments</b>	<b>30.0</b>	<b>255.6</b>

### Contingencies

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

### Future minimum lease payments

The Company has operating leases in relation to land and property. The table below summarises the future minimum lease payments due under non-cancellable operating leases.

	31 March 2023 \$m	31 December 2021 \$m
Less than a year	1.7	2.1
Between one to five years	5.8	7.5
More than five years	1.6	1.5
<b>Total</b>	<b>9.1</b>	<b>11.1</b>

## 17 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 year was as follows:

	31 March 2023 \$	31 December 2021 \$
Ordinary shares of £1 each, fully paid	15	15

11 shares were on issue throughout the periods ended 31 December 2021 and 31 March 2023.

### Share premium

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

### Retained earnings

Retained earnings were a deficit of \$2,467.0 million at the end of the period (31 December 2021: deficit of \$1,488.9 million).

## 18 Ultimate controlling party

There is no single ultimate controlling party of the Company. The ultimate parent company is Eutelsat Communications S.A., a société anonyme incorporated, domiciled and registered in France. The registered number of Eutelsat Communications S.A. is 481 043 040 R.C.S. Nanterre and the registered address is 32, boulevard Gallieni, 92130 Issy-les-Moulineaux, France.

## **19 Subsequent events**

On 28 September 2023, the Company's former ultimate parent company, OneWeb Holdings Limited, was acquired by Eutelsat Communications S.A., as a result of the combination of the OneWeb and Eutelsat groups in an all-share transaction. From this date, the Company's ultimate parent company is Eutelsat Communications S.A.