Brønnøysundregistrene

ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	964 823 138
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	INMARSAT SOLUTIONS AS
Forretningsadresse:	NMK Borgundvegen 340 6009 ÅLESUND

Regnskapsår

Årsregnskapets periode:	01.01.2022 - 31.12.2022

Konsern

Morselskap i konsern:	Ja
Konsernregnskap lagt ved:	Ja

Regnskapsregler

Regler for små foretak benyttet:	Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet:	Forenklet IFRS
Benyttet ved utarbeidelsen av årsregnskapet til konsernet:	-

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Hallgeir A. Bruvik
Dato for fastsettelse av årsregnskapet:	30.06.2023

Grunnlag for avgivelse

År 2022: Årsregnskapet er elektronisk innlevert
År 2021: Tall er hentet fra elektronisk innlevert årsregnskap fra 2022

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 04.09.2024

Resultatregnskap

Beløp i: USD	Note	2022	2021
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	2	357 900 000	296 300 000
Sum inntekter		**357 900 000**	**296 300 000**
Kostnader			
Varekostnad		304 700 000	231 800 000
Lønnskostnad	3	8 300 000	6 300 000
Avskrivning på varige driftsmidler og immaterielle eiendeler	6,7,8	40 300 000	39 000 000
Annen driftskostnad		100 000	17 300 000
Sum kostnader		**353 400 000**	**294 400 000**
Driftsresultat		**4 500 000**	**1 900 000**
Finansinntekter og finanskostnader			
Inntekt på investering i datterselskap og tilknyttet selskap		700 000	800 000
Sum finansinntekter		**700 000**	**800 000**
Annen rentekostnad	4	2 500 000	1 900 000
Sum finanskostnader		**2 500 000**	**1 900 000**
Netto finans		**-1 800 000**	**-1 100 000**
Ordinært resultat før skattekostnad		**2 700 000**	**800 000**
Skattekostnad på ordinært resultat		2 400 000	1 300 000
Ordinært resultat etter skattekostnad		**300 000**	**-500 000**
Årsresultat		**300 000**	**-500 000**
Overføringer og disponeringer			
Overføringer til/fra annen egenkapital		300 000	-500 000
Sum overføringer og disponeringer		**300 000**	**-500 000**

Balanse

Beløp i: USD	Note	2022	2021
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utvikling	6	1 600 000	800 000
Utsatt skattefordel	5	12 200 000	11 600 000
Sum immaterielle eiendeler		**13 800 000**	**12 400 000**
Varige driftsmidler			
Service equipment	7	92 600 000	97 500 000
Space segment	7	500 000	700 000
Assets in the course of construction	7	9 400 000	7 600 000
Right of use assets	8	1 900 000	2 300 000
Sum varige driftsmidler		**104 400 000**	**108 100 000**
Finansielle anleggsmidler			
Investering i datterselskap	16	900 000	900 000
Sum finansielle anleggsmidler		**900 000**	**900 000**
Sum anleggsmidler		**119 100 000**	**121 400 000**
Omløpsmidler			
Varer			
Varer	11	2 300 000	800 000
Sum varer		**2 300 000**	**800 000**
Fordringer			
Kundefordringer	10	37 400 000	29 100 000
Andre fordringer	10	3 200 000	2 500 000
Konsernfordringer	10,15	106 600 000	106 900 000
Sum fordringer		**147 200 000**	**138 500 000**
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende		700 000	1 700 000
Sum bankinnskudd, kontanter og lignende		**700 000**	**1 700 000**
Sum omløpsmidler		**150 200 000**	**141 000 000**

Balanse

Beløp i: USD	Note	2022	2021
SUM EIENDELER		**269 300 000**	**262 400 000**
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital	13,14	100 000	100 000
Overkurs	14	84 700 000	84 700 000
Sum innskutt egenkapital		**84 800 000**	**84 800 000**
Opptjent egenkapital			
Annen egenkapital	14	40 000 000	39 600 000
Sum opptjent egenkapital		**40 000 000**	**39 600 000**
Sum egenkapital		**124 800 000**	**124 400 000**
Gjeld			
Langsiktig gjeld			
Other long term lliabilities	10	300 000	400 000
Obligations under finance leases	8	1 500 000	2 000 000
Sum avsetninger for forpliktelser		**1 800 000**	**2 400 000**
Annen langsiktig gjeld			
Langsiktig konserngjeld	15	58 800 000	29 100 000
Sum annen langsiktig gjeld		**58 800 000**	**29 100 000**
Sum langsiktig gjeld		**60 600 000**	**31 500 000**
Kortsiktig gjeld			
Leverandørgjeld	10	6 600 000	7 100 000
Betalbar skatt	5	2 700 000	1 200 000
Kortsiktig konserngjeld	15	41 100 000	69 900 000
Other current liabilities	10	33 200 000	27 900 000
Obligations under finance leases	8	300 000	400 000
Sum kortsiktig gjeld		**83 900 000**	**106 500 000**
Sum gjeld		**144 500 000**	**138 000 000**

Balanse

Beløp i: USD	Note	2022	2021
SUM EGENKAPITAL OG GJELD		**269 300 000**	**262 400 000**

Brønnøysundregistrene

ÅRSREGNSKAP FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Journalnummer:	2023 673012

Enheten

Organisasjonsnummer:	964 823 138
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	INMARSAT SOLUTIONS AS
Forretningsadresse:	NMK Borgundvegen 340 6009 ÅLESUND

Regnskapsår

Årsregnskapets periode:	01.01.2022 - 31.12.2022

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Morselskap i konsern:	Ja
Konsernregnskap lagt ved:	Ja

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Benyttet ved utarbeidelsen av årsregnskapet til konsernet:	-

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Hallgeir A. Bruvik
Dato for fastsettelse av årsregnskapet:	30.06.2023

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Brønnøysundregistrene, 14.08.2023

Brønnøysundregistrene
Postadresse: Postboks 900, 8910 Brønnøysund
Telefon: 75 00 75 00
E-post: firmapost@brreg.no Internett: www.brreg.no
Organisasjonsnummer: 974 760 673

Organisasjonsnr: 964 823 138
INMARSAT SOLUTIONS AS

RESULTATREGNSKAP

Beløp i: USD	Note	2022	2021
RESULTATREGNSKAP			
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Salgsinntekt	2	357 900 000	296 300 000
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Kostnader			
Varekostnad		304 700 000	231 800 000
Lønnskostnad	3	8 300 000	6 300 000
Avskrivning på varige driftsmidler og immaterielle eiendeler	6,7,8	40 300 000	39 000 000
Annen driftskostnad		100 000	17 300 000
Sum kostnader		**353 400 000**	**294 400 000**
Driftsresultat		**4 500 000**	**1 900 000**
Finansinntekter og finanskostnader			
Inntekt på investering i datterselskap og tilknyttet selskap		700 000	800 000
Sum finansinntekter		**700 000**	**800 000**
Annen rentekostnad	4	2 500 000	1 900 000
Sum finanskostnader		**2 500 000**	**1 900 000**
Netto finans		**-1 800 000**	**-1 100 000**
Ordinært resultat før skattekostnad		**2 700 000**	**800 000**
Skattekostnad på ordinært resultat		2 400 000	1 300 000
Ordinært resultat etter skattekostnad		**300 000**	**-500 000**
Årsresultat		**300 000**	**-500 000**
Overføringer og disponeringer			
Overføringer til/fra annen egenkapital		300 000	-500 000
Sum overføringer og disponeringer		**300 000**	**-500 000**

Organisasjonsnr: 964 823 138
INMARSAT SOLUTIONS AS

BALANSE

Beløp i: USD	Note	2022	2021
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utvikling	6	1 600 000	800 000
Utsatt skattefordel	5	12 200 000	11 600 000
Sum immaterielle eiendeler		**13 800 000**	**12 400 000**
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Service equipment	7	92 600 000	97 500 000
Space segment	7	500 000	700 000
Assets in the course of construction	7	9 400 000	7 600 000
Right of use assets	8	1 900 000	2 300 000
Sum varige driftsmidler		**104 400 000**	**108 100 000**
Finansielle anleggsmidler			
Investering i datterselskap	16	900 000	900 000
Sum finansielle anleggsmidler		**900 000**	**900 000**
Sum anleggsmidler		**119 100 000**	**121 400 000**
Omløpsmidler			
Varer			
Varer	11	2 300 000	800 000
Sum varer		**2 300 000**	**800 000**
Fordringer			
Kundefordringer	10	37 400 000	29 100 000
Andre fordringer	10	3 200 000	2 500 000
Konsernfordringer	10,15	106 600 000	106 900 000
Sum fordringer		**147 200 000**	**138 500 000**
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende		700 000	1 700 000
Sum bankinnskudd, kontanter og lignende		**700 000**	**1 700 000**
Sum omløpsmidler		**150 200 000**	**141 000 000**
SUM EIENDELER		**269 300 000**	**262 400 000**

BALANSE - EGENKAPITAL OG GJELD

Egenkapital

Innskutt egenkapital			
Selskapskapital	13,14	100 000	100 000
Overkurs	14	84 700 000	84 700 000
Sum innskutt egenkapital		**84 800 000**	**84 800 000**
Opptjent egenkapital			
Annen egenkapital	14	40 000 000	39 600 000
Sum opptjent egenkapital		**40 000 000**	**39 600 000**
Sum egenkapital		**124 800 000**	**124 400 000**
Gjeld			
Langsiktig gjeld			
Other long term lliabilities	10	300 000	400 000
Obligations under finance leases	8	1 500 000	2 000 000
Sum avsetninger for forpliktelser		**1 800 000**	**2 400 000**
Annen langsiktig gjeld			
Langsiktig konserngjeld	15	58 800 000	29 100 000
Sum annen langsiktig gjeld		**58 800 000**	**29 100 000**
Sum langsiktig gjeld		**60 600 000**	**31 500 000**
Kortsiktig gjeld			
Leverandørgjeld	10	6 600 000	7 100 000
Betalbar skatt	5	2 700 000	1 200 000
Kortsiktig konserngjeld	15	41 100 000	69 900 000
Other current liabilities	10	33 200 000	27 900 000
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Sum gjeld		**144 500 000**	**138 000 000**
SUM EGENKAPITAL OG GJELD		**269 300 000**	**262 400 000**

Organisasjonsnr: 964 823 138
INMARSAT SOLUTIONS AS

NOTEOPPLYSNINGER - SELSKAP

- alle poster oppgitt i hele tall

Note
1

Regnskapsprinsipper

Note
3

Antall årsverk i regnskapsåret
91.00

Note
3

Spesifisering av resultatregnskapet

Lønnkostnader

Sum	Beløp

Note
6,7

Varige driftsmidler og immaterielle eiendeler

Balanseført verdi 31.12.	Varige driftsmidler	Immaterielle eiend.

Anskaffelseskost - balanseførte lånekostnader, egentilvirkede anleggsmidler

Goodwill spesifisert for hvert enkelt virksomhetskjøp

Avskrivningsplan for goodwill som er lenger enn fem år - begrunnelse

Mer om varige driftsmidler/immaterielle eiendeler

Note
15,16

Konsern, tilknyttet selskap m.v.

Investering som regnskapsføres etter egenkapitalmetoden

Konsernregnskap

Morselskapet sitt navn

Forretningskontor for morselskapet

Begrunnelse for at datterselskap er utelatt fra konsolideringen

Samlet beløp - tilknyttet selskap	Årets	Fjorårets

Samlet beløp - foretak i samme konsern	Årets	Fjorårets

Kortsiktig gjeld

Samlet beløp - foretak i samme konsern	Årets	Fjorårets

Samlet beløp - felles kontrollert virksomhet	Årets	Fjorårets

Pantstillelse	Beløp

Beholdning av egne aksjer	Antall	Pålydende	Andel av aksjek.

Skattedirektoratet

Saksbehandler	Deres dato	Vår dato
Jeanette Munkvold Skovholt	23.07.2017	25.07.2017
Telefon	Deres referanse	Vår referanse
90076012	Ørjan Smaadal	2017/801594

INMARSAT SOLUTIONS AS
Postboks 7799
6022 ÅLESUND

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk for Inmarsat Solutions AS, org.nr. 964 823 138

Vi viser til deres mail av 23. juli 2017 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for Inmarsat Solutions AS.

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering Inmarsat Solutions AS dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen forutsetter at opplysningene som vedtaket baserer seg på ikke endres vesentlig.

Kopi av dette brevet må sendes Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Det påligger den regnskapspliktige å dokumentere ved dette brev at tillatelsen er gitt.

Bakgrunn
Søknad vedørende dispensasjon fra språkkravet i regnskapsloven § 3-4 tredje ledd ble utarbeidet 15. desember 2015 og vedrørte tre konsernselskaper, deriblant Inmarsat Solutions AS. Ved en feiltakelse ble søknaden aldri sendt til Skattedirektoratet for behandling. I mellomtiden er de to øvrige selskapene innfusjonert i Inmarsat Solutions AS, og søknaden gjelder derfor kun dette selskapet.

Inmarsat Solutions AS er heleid av det engelske børsnoterte selskapet Inmarsat Plc. Styreleder er engelsktalende, og konsernets arbeidsspråk er engelsk. Selskapet kommuniserer med sine kunder og leverandører på engelsk, og selskapets virksomhet består i å tilby bredbånd satelitt løsninger i et globalt maritimt marked.

En norsk oversettelse vil kun ha til formål å oppfylle regnskapslovens språkkrav.

Skattedirektoratets vurdering
Etter regnskapsloven § 3-4 tredje ledd skal *"årsregnskapet og årsberetningen ... være på norsk. Departementet kan ved ... enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk."*

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap mv., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

Postadresse	Besøksadresse:	Sentralbord
Postboks 9200 Grønland	Se www.skatteetaten.no	800 80 000
0134 Oslo	Org.nr: 996250318	Telefaks
	E-post: skatteetaten.no/sendepost	22 17 08 60

"Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon."

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til *"informative regnskaper for ulike grupper av regnskapsbrukere"*. Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

Det er etter Skattedirektoratets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt vekt på at selskapet er heleid av et utenlandsk selskap. Videre er det vektlagt at styreleder er utenlandsk, og at arbeidsspråket er engelsk. Selskapet opererer i en internasjonal bransje. Videre er det vektlagt at alle sentrale aktører og samarbeidspartnere innen denne bransjen behersker og benytter engelsk, og det anses at ingen øvrige brukere av regnskapsinformasjon blir negativt berørt av at årsregnskapet og årsberetningen utarbeides på engelsk språk.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Johnny Arntsen
fung. seksjonssjef
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Jeanette Munkvold Skovholt

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer

Skatteetaten

Vår dato	Din/Deres dato	Saksbehandler
18.11.2021	01.11.2021	Anne Kristine Kolflaath
800 80 000 Skatteetaten.no	Din/Deres referanse	Telefon 94523701
Org.nr 974761076	Vår referanse 2021/6541560	Postadresse Postboks 9200 Grønland 0134 OSLO

U.off.

ADVOKATFIRMAET HAAVIND AS
Postboks 359 Sentrum
0101 OSLO

Att. Gina Roll

Fritak for konsernregnskapsplikt for Inmarsat Solutions AS, org.nr. 964 823 138

Vi viser til deres brev av 1.november 2021 hvor dere søker om fritak fra plikten til å utarbeide konsernregnskap for Inmarsat Solutions AS.

Inmarsat Solutions AS er morselskap i et underkonsern hvor Inmarsat Solutions Limited er det ultimate morselskapet og er hjemmehørende i Storbritannia. Konsernregnskap utarbeides av Inmarsat Solutions Limited på engelsk språk etter IFRS, hvor Inmarsat Solutions AS med datterselskaper er omfattet.

Skattekontoret finner med hjemmel i regnskapsloven av 17. juni 1998 nr. 56 § 3-7 fjerde ledd å kunne gi tillatelse til at det gjøres unntak for konsernregnskapsplikten for Inmarsat Solutions AS. Det forutsettes at Inmarsat Solutions Limited utarbeider konsernregnskap som omfatter den regnskapspliktige og dennes datterselskaper. Herunder vises det til at selskapet tidligere har sendt bekreftelse på at morselskap utarbeider konsernregnskap som omfatter den norske regnskapspliktige og dennes datterselskap. Det legges til grunn at dette konsernregnskapet er utarbeidet i samsvar med IFRS og at kravene i regnskapsloven § 3-7 med forskrifter for øvrig følges. Bestemmelsene i regnskapsloven kapittel 8 gjelder tilsvarende for dette konsernregnskapet.

Når det gjelder hvilket språk morselskapet skal utarbeide konsernregnskapet på, vises det til forskrift av 7. september 2006 nr. 1062 til utfylling og gjennomføring mv. av regnskapsloven. Det følger av § 3-7-1 at konsernregnskapet foruten norsk, kan være på svensk, dansk eller engelsk.

Skattekontoret viser til Skattedirektoratets vedtak datert 25. juli 2017 hvor det gis dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen forutsetter at opplysningene som vedtaket baserer seg på ikke endres vesentlig. Skattekontoret kan ikke se at forutsetningene for å gi dispensasjon er endret basert på de opplysningene selskapet har gitt.

Kopi av dette brev må sendes Regnskapsregisteret i Brønnøysund sammen med årsregnskapet mv. Det påligger den regnskapspliktige å dokumentere ved dette brev at tillatelsen er gitt. Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Anne Kristine Kolflaath
Seniorskattejurist
Innsats, storbedrift
Skatteetaten

Lene Bjørkevoll
Underdirektør

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.

Company Registration No. 964823138

Inmarsat Solutions AS

Annual Report Financial Statements
for the year ended 31 December 2022

DocuSign Envelope ID: 0335AEC7-2CE6-45B6-8D00-B5A93A1AAF90

Inmarsat Solutions AS
For the year ended 31 December 2022
Contents

Inmarsat Solutions AS
For the year ended 31 December 2022
Directors' report

Operations and location

Inmarsat Solutions AS ("the Company") is part of the Connect Topco Ltd group of companies ("the Group"), which is the world's leading global provider of mobile satellite communications services. The Company has subsidiaries, Inmarsat Solutions Pte. Ltd ("Singapore") and Inmarsat Solutions ehf. ("Iceland"). It does not prepare consolidated financial statements due to the exception rule in Norwegian Accounting Act §3-7. The Company is wholly owned by UK company Inmarsat Solutions Limited.

The Company's headquarters is located in Alesund. The Company's two international subsidiaries have offices with sales personnel and technicians and administrative personnel in Iceland and Singapore.

The company develops, supplies and supports maritime broadband and television solutions that give customers open internet access, email solutions, and IP telephony. Distribution and service is largely through dealer networks in Norway and abroad. Customers include both Norwegian and foreign ship owners.

Reporting currency

The company's functional currency is USD; this is also the company's presentation currency. The following statements and the commented figures in this report are in US dollars.

Change in accounting policies

The accounting policies used are consistent with the prior period.

Going concern

In accordance with the Accounting Act § 3-3a, we confirm that the financial statements have been prepared under the assumption of going concern. The Directors have considered all the factors impacting the Company's business, including downside sensitivities.

Closing equity as at 31 December 2022 was positive at US$124.8 million (2021: US$124.4 million).

Working environment and personnel

The Company's average number of employees in 2022 was 91 compared to 93 employees in 2021. The Company's philosophy is to ensure high quality in the process of hiring, training of its employees, and establishing procedures and processes. The Company operates to a high standard in terms of health and safety, and care for the environment. There have been no reports of serious accidents at work during the year, which resulted in significant damage or injuries.

The working environment is regarded as good, and the Company continues to implement ongoing improvement measures. Cooperation with employees has been constructive and have contributed positively to the Company's operation.

The Company has a framework for employee information and consultation. Regular meetings are held between local management and employees to allow for a free flow of information and ideas. Employees are encouraged to participate in the success of the business through participation in the Company's incentive schemes.

Equality

The Company aims to be a workplace with equal opportunities and has included in its policies regulations to prevent gender discrimination regarding salary, promotion and recruiting. Of the Company's average number of employees in 2022, 20 were women (2021: 21).

Further information on the Group's gender equality practices and the progress in closing the gender pay gap is included with the Group's ESG report available on the Inmarsat website.

Inmarsat Solutions AS
For the year ended 31 December 2022
Directors' report (continued)

Measures to prevent discrimination

The Company is working actively to promote equality, ensure equal opportunities and rights and prevent discrimination. The Discrimination Act's objective is to promote gender equality, ensure equal opportunities and rights and to prevent discrimination due to ethnicity, national origin, descent, skin colour, language, religion and faith. The Company is working actively and determined to encourage the Act's purpose within our business. Included in such activities are recruiting, salary and working conditions, promotion, development opportunities and protection against harassment.

The Company's aim is to be a workplace with no discrimination due to reduced functional ability. It is working actively to design and implement optimum working conditions for as many employees as possible. For employees or new applicants with reduced functional ability, individual arrangements in the workplace are made to cater for their requirements.

Environmental reporting

The Company's activities do not lead to the emission of substances that may involve environmental damage or pollution of significance. Its business is not regulated by licenses or restrictions.

Future developments

The Company sells its products and services to a global market with good growth prospects. It is one of the leading and fastest growing operators internationally in its market segment. This provides opportunity for growth and strong earnings however it also presents great challenges in terms of increasing demands for distribution, organizational structure, competence and systems development. Access to the Group's sales and distribution network further strengthens the Company's position in the international market.

Earnings, cash flow, investments, financing and liquidity

The company's revenue increased from US$296.3 million in 2021 to US$357.9 million in 2022. Net profit after tax increased to US$0.3 million in 2022, against a net loss after tax of US$0.5 million in 2021.

Total net cash inflow from operating activities was US$2.4 million (2021: net cash outflow of US$3.2 million). The main reason for the difference between cash flow from operating activities and the operating profit of US$4.4 million is the movement in working capital (primarily driven by movements in intra-group working capital items) as at 31 December 2022, and further offset by depreciation. The total investment cash payments made by the company in 2022 was US$2.7 million (2021: cash receipts of $4.8 million), which was mainly resulted from the purchase of intangible assets. The company's business is capital intensive. This is mainly due to the high capital tie-in for antenna equipment leased to shipping companies for installation aboard each ship.

Total net assets at the end of the year were US$124.8 million, compared to US$124.4 million in the prior year.

Financial risk

Overall objective and strategy
The Company is exposed to financial risk in various areas, particularly currency risk. The aim is to reduce financial risk to the smallest extent possible. The Company's current strategy includes limited use of financial instruments, but this is subject to ongoing evaluation by the board.

Market risk
The Company is exposed to changes in exchange rates, in particular the Norwegian krone, as a substantial part of the Company's payroll and operating costs are in this currency. The Company continues to monitor risks related to currency positions. There are no agreements to reduce this risk as at 31 December 2022.

The Company is also exposed to changes in interest rates as a result of the Company's floating rate liabilities.

Inmarsat Solutions AS
For the year ended 31 December 2022
Directors' report (continued)

Credit risk
There may be a risk that customers do not have the financial ability to meet their obligations. Historically, credit risk from customers has been moderate and has only resulted in minor losses. The successful international expansion has increased the credit risk of losses from foreign customers. Provisions are put in place as required to mitigate the risk.

Liquidity risk
The Company considers its liquidity to be good, with a cash position of $0.7 million (2021: $1.7 million).

Net profit and allocations

The Board of Directors have proposed the net profit for Inmarsat Solutions of US$0.3 million be offset against retained earnings.

The company's equity at 31 December 2022 was US$124.8 million (2021: $124.4 million).

The Board believes that the accounts give a true and fair view of the company's assets and liabilities, financial position and results.

Alesund – 30 June 2023

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Alison Claire Cowpe	**Frank Bjørnsen**	**Audra Drablos**
Chairman of the Board	Member of the Board	Member of the Board

3

Independent auditor's report to the members of Inmarsat Solutions AS

Audit Report – Page

Inmarsat Solutions AS
Statement of Comprehensive Income
For the year ended 31 December 2022

($ in millions)	**Notes**	**2022**	**2021**
Revenue	2	**357.9**	**296.3**
Operating expenses			
Cost of sales		(304.7)	(231.8)
Employee benefit expenses	3	(8.3)	(6.3)
Depreciation and amortisation	6,7,8	(40.3)	(39.0)
Other operating expenses		(0.1)	(17.3)
Total operating expenses		(353.4)	(294.4)
Operating profit		**4.5**	**1.9**
Income from subsidiaries and associated companies		0.7	0.8
Financial income and expenses			
Interest expenses	4	(2.5)	(1.9)
Net finance loss		**(2.5)**	**(1.9)**
Profit before income tax		**2.7**	**0.8**
Income tax expense	5	(2.4)	(1.3)
Net Profit after income tax		**0.3**	**(0.5)**
Other comprehensive income		-	-
Total comprehensive income		**0.3**	**(0.5)**
Attributable to:			
Other equity	14	0.3	(0.5)
Total		**0.3**	**(0.5)**

Inmarsat Solutions AS
Balance Sheet
As at 31 December 2022

($ in millions)	Notes	As at 31 December 2022	As at 31 December 2021
Assets			
Non-current assets			
Intangible assets			
Development costs	6	1.6	0.8
Deferred tax asset	5	12.2	11.6
Total intangible assets		**13.8**	**12.4**
Tangible assets			
Services equipment, fixtures and fittings	7	92.6	97.5
Space segment	7	0.5	0.7
Assets in the course of construction	7	9.4	7.6
Right use of assets	8	1.9	2.3
Total tangible assets		**104.4**	**108.1**
Financial assets			
Investments in subsidiaries	16	0.9	0.9
Total financial assets		**0.9**	**0.9**
Total non-current assets		**119.1**	**121.4**
CURRENT ASSETS			
Inventories	11	2.3	0.8
Accounts receivable	10	37.4	29.1
Receivables towards subsidiaries	10,15	106.6	106.9
Other receivables	10	3.2	2.5
Total receivables		**149.5**	**139.3**
Cash and cash equivalents	12	0.7	1.7
Total current assets		**150.2**	**141.0**
Total assets		**269.3**	**262.4**

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Inmarsat Solutions AS
Balance Sheet (continued)
As at 31 December 2022

($ in millions)	Notes	As at 31 December 2022	As at 31 December 2021
EQUITY			
Paid in equity			
Share capital	13,14	0.1	0.1
Share premium	14	84.7	84.7
Total paid in equity		**84.8**	**84.8**
Retained earnings			
Accumulated profit	14	40.0	39.6
Total retained earnings		**40.0**	**39.6**
Total equity		**124.8**	**124.4**
LIABILITIES			
Other long term liabilities	10	0.3	0.4
Obligations under finance leases	8	1.5	2.0
Loans towards subsidiaries	15	58.8	29.1
Total non-current liabilities		**60.6**	**31.5**
Current liabilities			
Accounts payables	10	6.6	7.1
Liabilities towards subsidiaries	15	41.1	69.9
Obligations under finance leases	8	0.3	0.4
Current income tax liabilities	5	2.7	1.2
Other current liabilities	10	33.2	27.9
Total current liabilities		**83.9**	**106.5**
Total liabilities		**144.5**	**138.0**
Total Equity and Liabilities		**269.3**	**262.4**

Alesund – 30 June 2023

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Alison Claire Cowpe
Chairman of the Board

DocuSigned by: Frank Aasen Bjørnsen D868CE461CD54F3...
Frank Bjørnsen
Member of the Board

DocuSigned by: Audra Drablos A29C7D4505394CB...
Audra Drablos
Member of the Board

Inmarsat Solutions AS
Cash flow Statement
For the year ended 31 December 2022

($ in millions)	**Notes**	**2022**	**2021**
CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit before income tax		2.7	0.8
+ Depreciation and amortisation	6,7,8	40.3	39.0
+ Other non-cash movements		3.3	4.7
- (Paid) / received withholding tax		(1.4)	(6.8)
+/- Increases in inventory		(2.1)	(0.7)
+/- Increases in accounts receivables		(8.4)	(23.2)
+/- Increases in accounts payables		(31.9)	(16.4)
+/- Increases in provisions		(0.1)	(0.6)
Net cash flow from operating activities		**2.4**	**(3.2)**
CASH FLOW FROM INVESTING ACTIVITIES			
- Purchase of intangible non-current assets		(2.5)	(1.1)
- Purchase of tangible non-current assets		(0.2)	(0.4)
+ disposal of tangible non-current assets		-	6.3
Net cash flow from investing activities		**(2.7)**	**4.8**
CASH FLOW FROM FINANCING ACTIVITIES			
- Cash payment for lease obligations	8	(0.6)	(0.5)
Net cash flow from financing activities		**(0.6)**	**(0.5)**
Net change in cash and cash equivalents		(1.0)	1.1
Cash and cash equivalents at the beginning of the period		1.7	0.6
Cash and cash equivalents at year end		**0.7**	**1.7**

Inmarsat Solutions AS
Notes to the financial statements
For the year ended 31 December 2022

ACCOUNTING PRINCIPLES

Financial statements

The Company is wholly owned by Inmarsat Solutions Limited (UK). The Company does not prepare consolidated financial statements under the Norwegian Accounting Act §3-7 as the Company including its subsidiaries are included in the Group accounts of Connect Topco Limited.

On 30 May 2023, Viasat, Inc. completed the acquisition of Connect Topco Limited ('Group') which resulted in Viasat, Inc. acquiring control of the Group. See note 17 for further details.

Until 30 May 2023, the ultimate controlling party of Inmarsat Solutions AS Ltd (the 'Company') was Connect Topco Limited (the 'Group') which is an entity based in Guernsey. From completion of the transaction on 30 May 2023, the ultimate controlling party and parent of the Group is Viasat, Inc., which is an entity based in the United States.

Connect Topco Limited's registered office address is Redwood House, St Julian's Avenue, St Peter Port, GY1 1WA, Guernsey. The address of Viasat, Inc's registered office is 6155 El Camino Real Carlsbad, California 92009.

Functional currency and reporting currency

The company's functional currency is USD. This is also the company's reporting currency according to the Accounting Act §3-4 (2).

Change in accounting standards

In the current financial year, the company adopted the new or amended Simplified IFRS under the Norwegian Accounting Act ("IFRS") that are mandatory for application. Changes to the company's accounting policies have been made as required.

The adoption of these new or amended standards did not result in substantial changes to the company's accounting policies and had no material effect on the amounts reported for the current financial year.

Going Concern

The Company has performed an assessment of whether going concern assumption is appropriate in the light of current economic conditions and all available information about future risks and uncertainties. The Company is part of the Connect Bidco Limited Group ('Bidco'), ultimately owned by Connect Topco Limited. The going concern review completed at the date of signing the Bidco accounts is set out within the Connect Bidco Limited 2022 annual report, which does not form part of this report but can be obtained from the address detailed in note 1.

In order to confirm that Bidco should adopt the going concern basis in preparing the consolidated financial statements for 2022, the Board and Management have considered compliance with banking covenants, ability to generate future profits and positive cash flows, business risks and the pending acquisition by Viasat. The Group has a robust and resilient business model, positive free cash flow generation, and is compliant with all banking covenants.

As at 31 December 2022, Bidco has $1,042.9m of liquid resources (Cash: $233.8m, short-term deposits: $109.1m, undrawn RCF: $700.0m) and a continued expectation that Bidco will generate positive free cash flow and reduce leverage over the medium to long term.

On 8 November 2021 the Connect Topco shareholders accepted an offer from Viasat Inc. to purchase the Group for approximately $7.3bn. On 30 May 2023 Viasat, Inc. completed the acquisition of the Company which resulted in Viasat, Inc. acquiring control of the Group (refer to note 17). The going concern assessment has been performed using the Group financial performance and position.

Inmarsat Solutions AS
Notes to the financial statements
For the year ended 31 December 2022

Going Concern (continued)

At the date of signing of these financial statements the Directors have considered all the factors impacting the Company's and Bidco's business. The Directors have a reasonable expectation that Bidco shall continue to operate as a going concern for the foreseeable future. Consequently, the Company continues to adopt the going concern basis in preparing the 2022 financial statements.

Subsidiaries

Investments in subsidiaries are held initially at cost and are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be fully recoverable. The impairment review comprises a comparison of the carrying amount of the investment with its recoverable amount, which is the higher of fair value less costs to sell and value in use. Fair value less costs to sell is calculated by reference to the amount at which the investment could be disposed of. Value in use is calculated by discounting the expected future cash flows obtainable as a result of the investment's continued use, including those resulting from its ultimate disposal, at a market-based discount rate on a pre-tax basis.

Property, plant and equipment

Services equipment, fixtures and fittings, and space segment assets
Expenditure charged to space segment and services equipment, fixtures and fittings includes invoiced progress payments, amounts accrued appropriate to the stage of completion of contract milestones, external consultancy costs and direct internal costs. Internal costs, comprising primarily staff costs, are only capitalised when they are directly attributable to the construction of an asset. Progress payments are determined on milestones achieved to date together with agreed cost escalation indices. These assets are depreciated over the life of the assets from the date they become operational and are placed into service.

Depreciation
Depreciation is calculated to write-off the historical cost less residual values, if any, of fixed assets, except land, on a straight-line basis over the expected useful lives of the assets concerned. The Company selects its depreciation rates and residual values carefully and reviews them annually to take account of any changes in circumstances. When setting useful economic lives, the principal factors the Company takes into account are the expected rate of technological developments, expected market requirements for the equipment and the intensity at which the assets are expected to be used.

De-recognition
A fixed asset is derecognised upon disposal or when no future economic benefit is expected from its use or disposal. Any gain or loss arising on de-recognition of the asset, calculated as the difference between the net disposal proceeds and the carrying amount of the asset, is included in the Income Statement.

Foreign currency transactions

The functional currency of the Company and the presentation currency of the Company is the US dollar, as the majority of operational transactions are denominated in US dollars.

Foreign exchange gains and losses resulting from the settlement of transactions and the translation of monetary assets and liabilities denominated in foreign currencies at period end exchange rates are recognised in the income statement line which most appropriately reflects the nature of the item or transactions.

Income tax and deferred tax

The tax expense consists of the tax payable and changes to deferred tax. Deferred tax/tax assets are calculated on all differences between the book value and tax value of assets and liabilities. Deferred tax is calculated as 23% percent of temporary differences and the tax effect of tax losses carried forward. Deferred tax assets are recorded in the balance sheet when it is more likely than not that the tax assets will be utilized. Taxes payable and deferred taxes are recognised directly in equity to the extent that they relate to equity transactions.

Inmarsat Solutions AS
Notes to the financial statements (continued)
For the year ended 31 December 2022

Inventories

Inventories are stated at the lower of cost (determined by the weighted average cost method) and net realisable value. Allowances for obsolescence are recognised in other operating costs when there is objective evidence that inventory is obsolete.

Research and development

Research expenditure is expensed when incurred. Development expenditure is expensed when incurred unless it meets criteria for capitalisation. Development costs are only capitalised once the technical feasibility and commercial viability of a business case has been demonstrated and they can be measured reliably. Capitalised development costs are amortised on a straight-line basis over the period of expected future benefit. Amortisation is recorded in the Income Statement.

Cash and cash equivalents

Cash and cash equivalents, measured at fair value, comprise cash balances, deposits held on call with banks, money market funds and other short-term, highly liquid investments with maturities of three months or less. Bank overdrafts are shown as current liabilities within borrowings on the Balance Sheet.

Revenue

Mobile satellite communications service revenues result from utilisation charges that are recognised as revenue over the minimum contract period. The selection of the method to measure progress towards completion requires judgement and is based on the nature of the products or services to be provided. Because of control transferring over time, revenue is recognised based on the extent of progress towards completion of the performance obligation. Deferred income attributable to mobile satellite communications services or subscription fees represents the unearned balances remaining from amounts received from customers pursuant to prepaid contracts.

Revenue from the sale of prepaid credit is deferred until such time as the customer uses the airtime and subsequently recognised over time. Breakage from prepaid credit deferrals which is considered highly probable is estimated and recognised from contract inception. Mobile satellite communications service revenues from capacity sold are recognised on a straight-line basis over the term of the contract concerned, which is typically between one and 12 months, unless another systematic basis is deemed more appropriate.

Revenue from service contracts is recognised as the service is provided over time based on the contract period. Revenue of terminals and other communication equipment sold are recognised at the point in time when control is transferred to the customer. Installation revenues relating to this are also recognised at a point in time. Revenue from installation of terminals and other communication equipment owned by Inmarsat and used in the delivery of the service to the customer is however recognised over the contract term.

The Company offers certain products and services as part of multiple deliverable arrangements. Consistent with all other contracts, the Company will assess whether the performance obligations are distinct by considering whether 1) the customer can benefit from good or service on its own; or together with other readily available resources 2) the good or service is distinct in the context of the contract. The transaction price is allocated to each performance obligation based on its stand-alone selling price relative to the total of all performance obligations' stand-alone selling prices under the contract.

The nature of the contracts within the Company may give rise to variable consideration. This is estimated as the most likely amount based largely on an assessment of the anticipated performance and all information (historical, current and forecasted) that is reasonably available and is included in the transaction price to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue will not occur.

A contract asset or a contract liability will arise when the performance of either party exceeds the performance of the other. Contract assets are rights to consideration in exchange for goods or services that the entity has transferred to a customer when that right is conditional on something other than the passage of time. Contract liabilities are obligations to transfer goods or services to a customer for which the entity has

Inmarsat Solutions AS
Notes to the financial statements (continued)
For the year ended 31 December 2022

Revenue (continued)

received consideration, or for which an amount of consideration is due to the customer. These are referred to as deferred income within the Company.

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. As a practical expedient, a cost to obtain contract with a customer will be immediately expensed if it has an amortisation period of one year or less.

In the current year, the accounting policy in relation to intercompany recharges was reviewed and updated, ensuring alignment to the Group policy. Recharged revenue and costs are now presented gross, rather than netting these off within the income statement. This affects revenue, cost of sales, and other operating expenses in the statement of comprehensive income. This is a change in accounting policy and has been applied prospectively, resulting on no change to comparative values. There is no impact on the prior year profit.

Financial assets and liabilities

IFRS 9 requires financial asset classification to be based on contractual cash flow characteristics and the objective of the Company in holding the financial asset. The classification categories are amortised cost, fair value through profit and loss, and fair value through other comprehensive income.

The company has no accounting hedges in place.

Trade receivables, accrued income, other receivables, and cash and cash equivalents are all financial assets classified at amortised cost and are initially recognised at fair value. These financial assets are subsequently measured as amortised cost.

Impairment of financial assets
The company has applied the simplified approach under the expected credit loss model, which leads to lifetime expected credit losses always being recognised. Under the standard, a provisioning matrix can be used to group financial assets and calculate the expected credit losses based on these groupings. The company uses a matrix based on aging and internal credit ratings which are allocated to all debtors.

Trade and other receivables
Trade and other receivables, including prepaid and accrued income, are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method. The Company stratifies trade debtors based on internal credit ratings. The Company calculates the loss allowance for trade receivables and contract assets based on lifetime expected credit losses under the IFRS 9 simplified approach.

Trade and other payables
Trade and other payables are recorded initially at fair value and subsequently measured at amortised cost using the effective interest method.

Leases

Contracts which convey the right to control the use of an identified asset for a period of time in exchange for consideration are accounted for as leases by the Company.

At the commencement date, the Company, as lessee, recognises a right of-use asset and a lease liability. The lease liability is measured at the present value of the lease payments that are not paid at that date, discounted using the rate implicit in the lease, unless such a rate is not readily determinable, in which case the incremental borrowing rate is used. The right-of use asset comprises the amount of the initial measurement of the lease liability, adjusted for any lease payments made at or before the commencement date, less any lease incentives received and any initial direct costs incurred by the Company.

Leases (continued)

Lease term is determined as the non-cancellable period of a lease adjusted for any reasonably certain extension or termination option. After commencement date, the right-of use asset is depreciated on a straight-line basis to the end of the lease term. The lease liability is accounted for by reducing the carrying amount to reflect the lease payments made, and increasing the carrying amount to reflect the interest on the lease liability.

As lessor for operating leases, the Company recognises lease payments as income. The underlying asset is depreciated on a straight-line basis over its expected useful life

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, the Directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. 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 the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty
Key assumptions concerning the future and other key sources of estimation uncertainty at the reporting period may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. There are no key assumptions or sources of estimation uncertainty, which have a significant effect on the amounts recognised in the financial statements.

Critical judgements in applying the Company's accounting policies
There have been no critical judgements, apart from those involving estimations (which are presented separately above), that the Directors have made in the process of applying the Company's accounting policies, which have a significant effect on the amounts recognised in financial statements.

2. SALES REVENUE

($ in millions)	2022	2021
Geographical distribution		
Norway	9.4	11.7
Europe	193.9	156.1
South and North America	35.9	29.3
Asia	91.1	76.1
Other countries	27.6	23.1
Total	**357.9**	**296.3**

Total sales revenue in 2022 and 2021 consists solely of revenues from sales within the segment satellite-based broadband services.

Inmarsat Solutions AS
Notes to the financial statements (continued)
For the year ended 31 December 2022

3. SALARY, PERSONNEL COSTS, NUMBER OF EMPLOYEES AND AUDITOR FEE

($ in millions)	Notes	2022	2021
Salary and personnel costs			
Salaries		6.5	7.2
Payroll tax		1.0	1.0
Pension costs		0.4	0.4
Salary cost reclassified to direct cost		-	(2.1)
Other benefits		0.4	(0.2)
Total		**8.3**	**6.3**
Average number of full-time employees		91	93

Key Management remuneration ($)

Salary	219,908	385,034

There is no agreement on salary at retirement or share-based remuneration for CEO or Chairman of the Board.

All employees are included in the bonus program for the company. Based on certain criteria the employees may earn a bonus up to 2 months' salary or more. The 2022 financial statements has a total bonus expenditure of US$98k including payroll tax. The bonus for 2021 was US$181k.

No loans or guarantees have been given to the General Manager, members of the Board or their related parties. No loans or guarantees amount to more than 5% of the company's share capital.

Pension

The company's Norwegian employees are required to have an occupational pension scheme in accordance with the Norwegian Occupational Pensions Act. The company's pension scheme meets the requirements of the Act. As of 31 December 2021 the company had a defined contribution plan that covered all employees.

Costs related to the contribution pension plan amounted to US$354k USD in 2022 (2021: US$383k).

Auditor ($)		
Specification of auditor's fee (VAT is not included)		
Statutory audit fee - Deloitte LLP	21,210	22,122
Total	**21,210**	**20,915**

No other assurance or non-assurance related services were charged by Deloitte LLP (2021: nil).

Inmarsat Solutions AS
Notes to the financial statements (continued)
For the year ended 31 December 2022

4. FINANCIAL INCOME AND EXPENSE

($ in millions)	**2022**	**2021**
Finance expenses		
Interest income	-	-
Interest expenses	-	-
Interest expenses subsidiaries and associated companies	2.4	1.8
Other financial expenses	0.1	0.1
Total finance expenses	**2.5**	**1.9**

5. INCOME TAXES

($ in millions)	**2022**	**2021**
Income tax expense		
Current tax expense	2.8	2.5
Withholding tax	0.2	0.3
Changes in deferred tax	(0.6)	(1.5)
Total income tax expense	**2.4**	**1.3**
Taxable income calculation:		
Profit before income tax	2.7	0.8
Other permanent differences	(0.7)	(0.6)
Translation effect (NOK-USD)	8.3	2.5
Changes in temporary differences	2.6	3.2
Tax base	**12.9**	**5.9**
Tax payable	2.8	1.3
Temporary differences:		
Non-current assets	(53.2)	(49.6)
Provisions	-	(0.3)
Inventory	(0.6)	(0.5)
Receivables	(1.5)	(2.2)
Total	**(55.3)**	**(52.6)**
Net deferred tax assets	(12.2)	(11.6)
Effective tax rate:		
Expected tax on profit before income tax (22%)	0.6	0.2
Paid tax at source and tax payable abroad	0.2	0.3
Tax on transalation	1.8	0.5
Effect of changes in tax regulations and rates	(0.1)	0.4
Permanent differences (22%)	(0.1)	(0.1)
Income tax expense	**2.4**	**1.3**
Effective tax rate in %	88.9%	64.7%

6. INTANGIBLE ASSETS

($ in millions)	Software	Total
Acquisition cost		
At 1 January 2021	5.4	5.4
Transfers	0.4	0.4
Additions	(0.5)	(0.5)
At 31 December 2021	**5.3**	**5.3**
Accumulated depreciation		
Accumulated depreciation at 1 January 2021	(4.7)	(4.7)
Charges for the year	(0.3)	(0.3)
Disposals	0.5	0.5
Accumulated amortisation at 31 December 2021	(4.5)	(4.5)
Net carrying value at 31 December 2021	**0.8**	**0.8**
Acquisition cost		
At 1 January 2022	5.3	5.3
Transfers	1.2	1.2
At 31 December 2022	**6.5**	**6.5**
Accumulated depreciation		
Accumulated depreciation at 1 January 2022	(4.5)	(4.5)
Charges for the year	(0.4)	(0.4)
Accumulated amortisation at 31 December 2022	(4.9)	(4.9)
Net carrying value at 31 December 2022	**1.6**	**1.6**
Useful life	*3-4 years*	

7. TANGIBLE ASSETS

($ in millions)	Services equipment, fixtures and fittings	Space segment	Assets in the course of construction	Total
Acquisition cost				
At 1 January 2021	246.5	1.4	6.6	254.5
Additions	8.5	-	33.4	41.9
Disposals	(19.6)	-	(0.2)	(19.8)
Transfers	31.8	-	(32.2)	(0.4)
At 31 December 2021	**267.2**	**1.4**	**7.6**	**276.2**
Accumulated depreciation				
At 1 January 2021	(147.8)	(0.5)	-	(148.3)
Charges for the year	(38.1)	(0.2)	-	(38.3)
Disposal	16.2	-	-	16.2
Accumulated depreciation at 31 December 2021	(169.7)	(0.7)	-	(170.4)
Net carrying value at 31 December 2021	**97.5**	**0.7**	**7.6**	**105.8**

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Inmarsat Solutions AS
Notes to the financial statements (continued)
For the year ended 31 December 2022

7. TANGIBLE ASSETS (CONTINUED)

($ in millions)	Services equipment, fixtures and fittings	Space segment	Assets in the course of construction	Total
Acquisition cost				
At 1 January 2022	267.2	1.4	7.6	276.2
Additions	5.2	-	38.0	43.2
Disposals	(25.1)	-	-	(25.1)
Transfers	-	-	0.4	0.4
Transfers from assets in the course of construction	36.6	-	(36.6)	-
At 31 December 2022	**283.9**	**1.4**	**9.4**	**294.7**
Accumulated depreciation				
At 1 January 2022	(169.7)	(0.7)	-	(170.4)
Charges for the year	(39.5)	(0.2)	-	(39.7)
Disposal	17.9	-	-	17.9
Accumulated depreciation at 31 December 2022	(191.3)	(0.9)	-	(192.2)
Net carrying value at 31 December 2022	**92.6**	**0.5**	**9.4**	**102.5**
Useful life	*6-8 years*	*3-15 years*	*5-15 years*	

8. LEASES

Right of use assets
The right-of-use-assets for the entity's property lease is presented in the table below.

($ in millions)	2022	2021
Net carrying amount:		
1 January	2.3	2.6
Depreciation	(0.2)	(0.4)
Change in terms	(0.2)	0.1
31 December	**1.9**	**2.3**

No leases expired in the current financial year. The entity does not hold options to purchase any leased assets for a nominal amount at the end of the lease term. The entity expenses short-term leases and low-value assets as incurred which is in accordance with the recognition exemption in IFRS 16. Lease interest is $0.1m in 2022 (2021: $0.1m).

Lease liabilities
Lease liabilities are calculated at the present value of the lease payments that are not paid at the commencement date. The remaining lease term of the Company's property lease is 4.6 years (2020: 5.6 years). The future minimum lease payments are as follows:

($ in millions)	2022	2021
Within one year	0.4	0.4
Later than one year but within five years	1.4	1.3
Later than five years	-	0.7
Total	**1.8**	**2.4**

The total cash flow relating to lease obligations in 2022 was $0.6m (2021: $0.5m) with lease obligations denominated NOK. Total lease interest paid was $nil (2021: $nil).

Inmarsat Solutions AS
Notes to the financial statements (continued)
For the year ended 31 December 2022

9. FINANCIAL MARKET RISK

The company uses some derivative instruments in order to manage financial market risk.

Interest risk
Given the Company has no significant interest-bearing assets (except cash and cash equivalents and amounts due from Group companies), income and operating cash flows are substantially independent of changes in market interest rates. In addition, borrowings are predominantly intercompany, and are at fixed interest rates, meaning that the Company is not exposed to variable market interest rates.

Credit risk
The risk for losses on receivables is considered to be low, but can be expected to increase as a result of the market conditions. The Company has not yet experienced significant losses on receivables.

The company has not made any set-off or other derivative agreements to reduce the credit risk as at 31 December 2022 (2021: none).

Exchange rate risk
The company is exposed to financial risk due to changes in exchange rates. In particular this applies for NOK because a substantial part of the company's operating expenses and revenues are in foreign currency. The company continuously monitors the risk associated with currency positions. The company has not entered into any agreements to reduce this risk as at 31 December 2022 (2021: none).

Commodity price risk
The risk relating to changes in prices of raw materials is reduced by long term purchase agreements with supplier, and strategic agreements with suppliers and other participants in the market.

10. LIABILITIES AND RECEIVABLES

There were no current receivables due longer than one year after the balance sheet date in 2022 (2021: nil). All non-current liabilities have a due date within five years, but not within 1 year after the balance sheet date. A detailed repayment schedule for the loans due to group companies is not prepared. There were no secured debt obligations to financial institutions or long-term liabilities including financial leases.

11. INVENTORY

($ in millions)	2022	2021
Goods for sale	2.3	0.8
Total	**2.3**	**0.8**

12. BANK DEPOSITS

($ in millions)	2022	2021
Employees tax deduction, deposited in a separate bank account	0.7	1.7
Total	**0.7**	**1.7**

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Inmarsat Solutions AS
Notes to the financial statements (continued)
For the year ended 31 December 2022

13. SHARE CAPITAL AND SHARE INFORMATION

The share capital consists of:

	Number of shares	Face value NOK	Book value NOK	Book value USD
Ordinary shares	192,353	2.0	0.4	0.1
Total	**192,353**	**2.0**	**0.4**	**0.1**

There is no change in share capital and share information from 2019. All shares are owned by Inmarsat Solutions Ltd. (UK). Inmarsat Solutions AS with subsidiaries are included in the Group accounts of Connect Topco Ltd, based in Guernsey.

14. EQUITY

($ in millions)	Ordinary share capital	Share premium	Share option reserve	Retained earnings	Total
Balance at 31 December 2020	**0.1**	**84.7**	**-**	**40.0**	**124.8**
Profit for the year	-	-	-	(0.4)	(0.4)
Balance at 31 December 2021	**0.1**	**84.7**	**-**	**39.6**	**124.4**
Profit for the year	-	-	-	0.3	0.3
Balance at 31 December 2022	**0.1**	**84.7**	**-**	**39.9**	**124.7**

15. INTERCOMPANY TRANSACTIONS AND BALANCES WITH RELATED PARTIES

General Manager salary cost is shown in note 3. Other profit & loss transactions with related parties are shown below.

Transaction	Related	2022	2021
Sale of parts and service revenue	Inmarsat Group	139.8	110.4
Total Sales		**139.8**	**110.4**
Cost of goods sold	Inmarsat Group	286.8	218.6
Interest on intercompany loans	Inmarsat Group	2.4	1.8
Total cost of goods sold & interest		**289.2**	**220.4**

Outstanding total intercompany receivables / payables are shown within the Balance Sheet, including total loan payable to Inmarsat Group. Included within other payables below is $0.5m of intercompany loan interest payable (2021: $0.1m). The loan payable to Inmarsat Group incurs variable interest at L+5.5% and is repayable in 2024.

	Accounts receivables		Other Receivables	
Related party	**2022**	**2021**	**2022**	**2021**
Inmarsat Group	-	-	106.6	106.9
Total	**-**	**-**	**106.6**	**106.9**

	Accounts payable		Other payables	
Related party	**2022**	**2021**	**2022**	**2021**
Inmarsat Group	27.8	22.6	13.3	47.3
Total	**27.8**	**22.6**	**13.3**	**47.3**

	Loans towards subsidiaries	
Related party	**2022**	**2021**
Inmarsat Group	58.8	29.1
Total	**58.8**	**29.1**

Inmarsat Solutions AS
Notes to the financial statements (continued)
For the year ended 31 December 2022

16. SUBSIDIARIES

($ in millions)	Office	Ownership	Book	Equity	Profit
Inmarsat Solutions Pte. Ltd.*	Singapore	10%	0.6	8.9	0.3
Inmarsat Solutions ehf	Iceland	51%	0.3	1.3	1.4

Investments in subsidiaries are valued by using the cost method in the parent company financial statement.

*Equity and Profit value based on draft financial statements

17. EVENTS AFTER THE END OF THE REPORTING PERIOD

On 8 November 2021 Viasat Inc and Inmarsat announced a definitive agreement under which Viasat will acquire Inmarsat in a transaction then valued at $7.3 billion, comprised of $850 million in cash (reduced to $551 million, post prior distribution to shareholders) approximately 46.36 million shares of Viasat common stock valued at $3.1 billion based on the closing price on Friday November 5, 2021, and the assumption of $3.4 billion of net debt.

On 30 May 2023, the transaction was completed and Viasat, Inc. acquired Connect Topco Limited (Group). Under the terms of the purchase agreement, at the closing of the transaction, Group's shareholders received an aggregate of $551 million in cash, subject to adjustments, and approximately 46.36 million shares of common stock. The cash portion of the purchase price was reduced from $850 million to $551 million after the Group paid a $299 million special dividend to its shareholders in April 2022. The shares issued to Group's shareholders at the closing represent an aggregate of approximately 37.6% of the total shares of Viasat common stock on a fully diluted basis, with no Group shareholder receiving shares representing 10% or more.

There have been no other significant events which would require disclosure in the 31 December 2022 financial statements.

inmarsat
FOR CERTAIN

CONNECTING THE WORLD FOR GOOD

CONNECT TOPCO LIMITED
ANNUAL REPORT AND ACCOUNTS 2022

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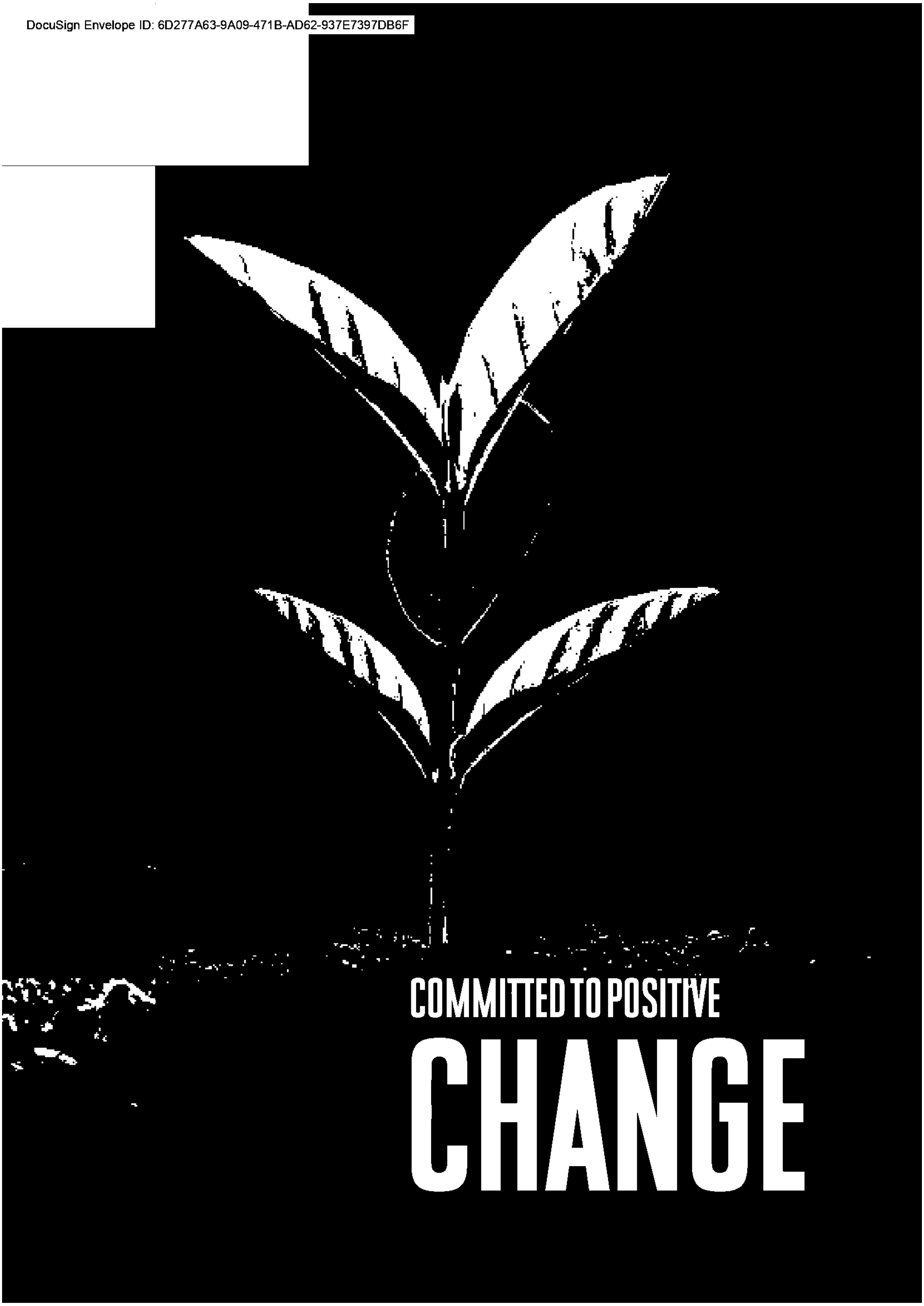
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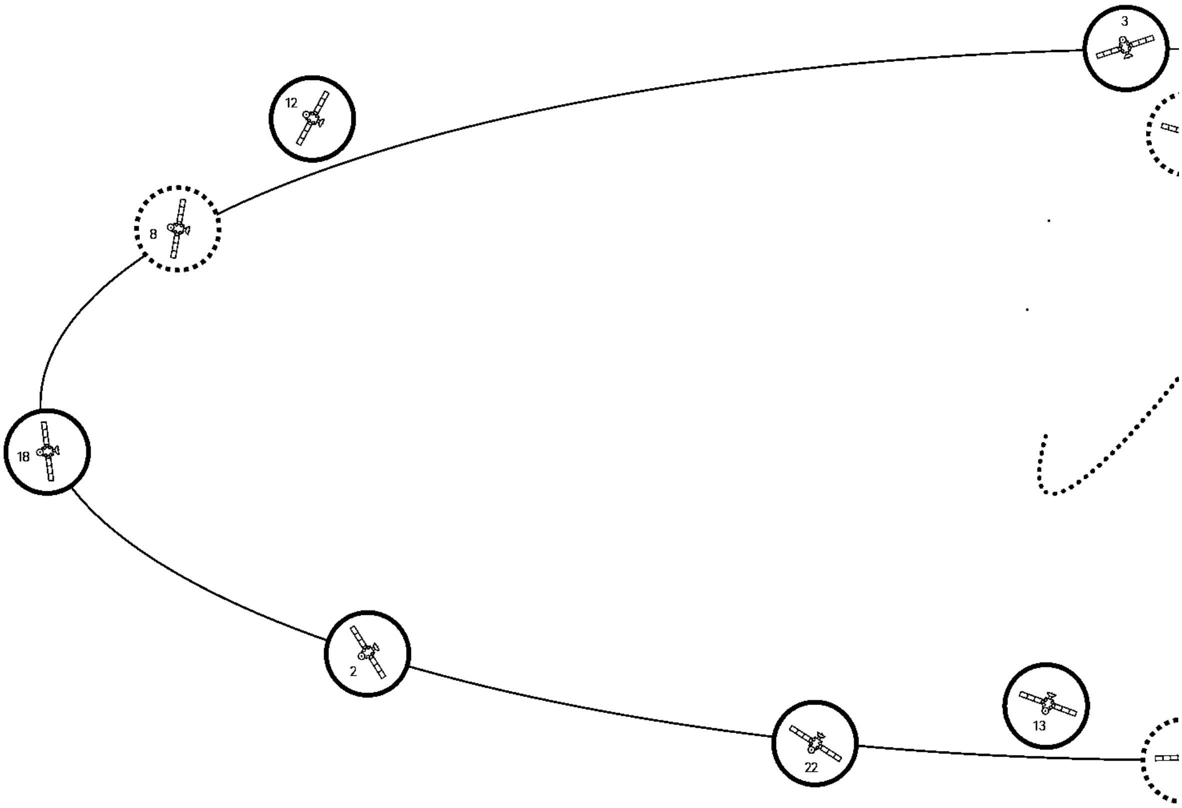
CHANGE

STRATEGIC REPORT

AN EVOLVING NETWORK

Delivering award-winning operational, safety and mission-critical connectivity services to organisations, governments and individuals around the world.



Global Xpress (Ka-band[1])

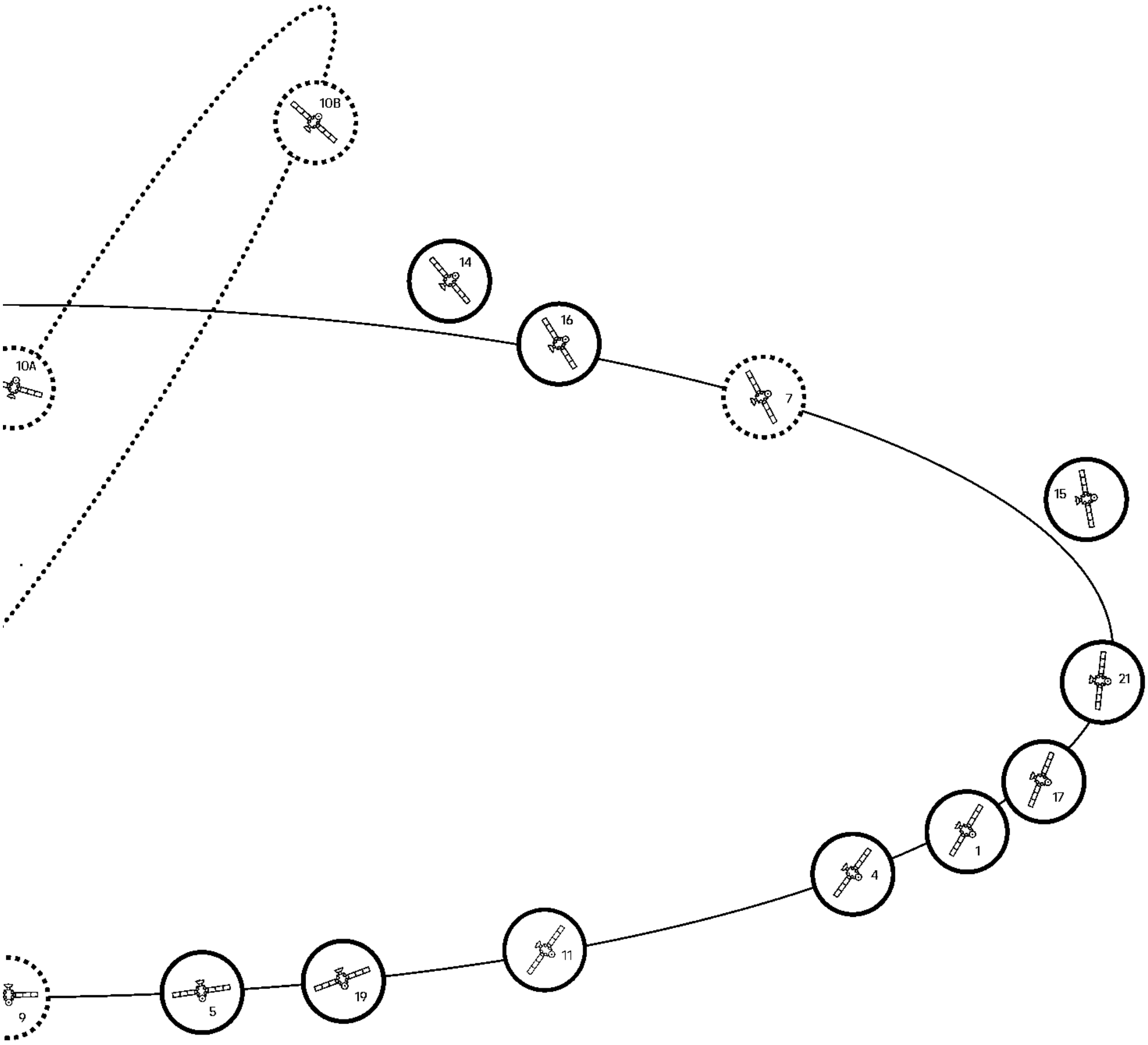
1 GX1
2 GX2
3 GX3
4 GX4
5 GX5
7 GX7
8 GX8
9 GX9
10a GX10a[2]
10b GX10b[2]

ELERA (L-band[3])

12 I-3 F1
13 I-3 F2
14 I-3 F3
15 I-3 F5
16 I-4 F1
17 I-4 F2
18 I-4 F3
19 ALPHASAT I-4 F4
21 I-6 F1[4]
22 I-6 F2[5]

European Aviation Network[3]

11 EAN (S-band)



Coming soon

Satellite	Expected launch year
GX7	Planned 2025
GX8	Planned 2025
GX9	Planned 2025
GX10a	Planned 2024
GX10b	Planned 2024

Notes:

(1) Broadband services are provided via our Ka-band satellites

(2) Highly Elliptical Orbit (HEO)

(3) Narrowband services are provided via our L-band and EAN satellites

(4) Operational Q3 2023. GX6a Ka-band payload hosted on I-6 F1

(5) Operational Q1 2024. GX6b Ka-band payload hosted on I-6 F2

NB Satellite positions are indicative and for illustrative purposes only

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OUR STRATEGY

Inmarsat is a leading satellite operator focused on global mobility.

We are the only global operator fully focused on broadband and narrowband mobility and government services. We have unique global networks solely designed and optimised for mobile satcom services rather than fixed or consumer applications.

Our strong financial performance reinforces our strategy and achievement of our goals and returns on investments. Centred around our market and customer focus, we have defined four main strategic pillars. Our strategy guides our decisions and enables us to generate sustainable value and create growth for the benefit of all our stakeholders.

MAINTAIN AND GROW THE CORE BUSINESS

We are focused on our core markets and have built up leading positions. The revenue opportunities in our core markets are material at a projected revenue Total Addressable Market of c. $9.2bn and are growing at high single digit numbers, due to an increased demand for connectivity and digital applications. We enable our customers to deliver productivity gains and to serve new ecosystems including Internet of Things (IoT) that requires reliable connectivity services. Growing and maintaining our position in our core markets offers further strong growth opportunities.

EXTEND INTO NEAR ADJACENT MARKETS

Our market positions allow us to also serve adjacent markets. This helps us to leverage our deep sector expertise and to bring value added propositions to new customer segments in mobility. The adjacent markets

STRATEGIC PRIORITIES: A CLEAR STRATEGY FOR SUCCESS

UNDERPINNED BY OUR PURPOSE, CULTURE AND CAPABILITIES

PURPOSE DRIVEN
Our purpose, vision and brand reflect our ambition of clear differentiation and relevance in the changing market.

CULTURAL EVOLUTION
A culture of empowerment and accountability, agile, capable, inclusive and commercially focused, with a strong commitment to execution excellence.

create new opportunities for us to deliver further profitable growth.

DRIVE INNOVATION AND DIFFERENTIATION

Inmarsat's unique satellite operations with narrowband (L-band) and broadband (Ka-band) services with global coverage differentiates Inmarsat from our competitors. We have a proven track record of innovation underpinned by our world leading technology capabilities. Our distinctive proposition allows us to bring value to our customers.

SHARPEN CUSTOMER AND DISTRIBUTION FOCUS

We work closely in partnership with world-leading customers. We understand our customers' needs, and how we can help them deliver value. We have a balanced model of direct and indirect distribution. Our experienced distribution channel and partnerships provide extensive market access, supporting our global service proposition.

OUR STRATEGIC PILLARS ARE UNDERPINNED BY THREE CORE CAPABILITIES:

The first is technology leadership. Inmarsat has a proud heritage in this area and world-class people who make our innovation possible. We have world-class GEO satellites operating in L-band, S-band and Ka-band. And our ORCHESTRA network will further advance our position as a leading satellite operator.

Secondly, we are purpose driven with a clear vision and brand that reflects our ambition. Our purpose and values guide our decisions and how we do business. Our purpose is to enable the connected world by placing the customer at the centre of everything we do.

Thirdly, our high performance culture supports us to execute our strategy and deliver our growth targets. Our employees are empowered and accountable to make decisions with a key focus on our customers.

POSITION IN OUR CORE MARKETS

MARITIME
Grow Fleet Xpress (FX) and expand into adjacent markets.

AVIATION
Grow InFlight Connectivity (IFC) business and continue to service Business General Aviation (BGA) and Airline and Operational Services (AOS) customers.

INMARSAT GOVERNMENT
Maintain and extend existing business to deliver growth and maintain a leadership position.

GLOBAL GOVERNMENT
Establish clear satcom leadership opportunities and deliver growth in all major international defence markets.

ENTERPRISE
Grow L-band IoT/M2M revenue and sustain legacy narrowband business.

TECHNOLOGY LEADERSHIP
Our world class leading capabilities enable us to drive the technological evolution and disrupt the sector with break-through innovation.

Our goal is to be a fast growing, market leading provider of connectivity and services in global mobility.

BUSINESS MODEL

Our purpose of providing "connectivity for good" builds on our strong commitment to serving as a positive force in the world.

GAINING COMPETITIVE ADVANTAGE THROUGH OUR CORPORATE RESPONSIBILITY AND OUR PEOPLE

Our competitive advantage comes from our networks, our innovative technology, the expertise of our people and the strength and breadth of our partnership ecosystem.

Market leading networks

ELERA (L-band)

Our resilient L-band networks, currently through our Inmarsat-3 and Inmarsat-4 satellite constellations, will continue to support the evolving mobile communications requirements in our key customer segments. It is recognised as the world's most reliable global satellite communications infrastructure delivering vital connectivity services to millions worldwide.

Dual payload

Our Inmarsat-6 satellites, the second (I-6 F2) of which was launched in February 2023, comprise a dual payload (L-band and Ka-band). I-6 F1 is due to enter commercial service later this year. This will support the reorientation of our L-band capabilities towards new growth opportunities, as well as providing additional capacity to our existing GX network.

Global Xpress (GX) (Ka-band)

GX, is the world's first globally available bandwidth satellite network with five Inmarsat-5 satellites currently in orbit. It is the world's first global, mobile, high bandwidth network, designed to support our customers' high bandwidth connectivity requirements. A further five GX payloads will launch into GEO orbit by the end of 2025.

S-band

The integrated S-band satellite and air-to-ground network, the EAN, is a compelling and unique proposition for commercial aviation customers in Europe.

ORCHESTRA

ORCHESTRA is the development of a unified network, utilising the existing and evolving ELERA and GX layers, and seamlessly integrating future terrestrial mesh and LEO layers. ORCHESTRA is a true network of networks.

Supported by:

Our technology

We continue to invest in innovation to deliver market-winning solutions to our customers and differentiate our propositions.

Best-in-class partner ecosystem

Our relationships with our partners, from suppliers to distributors, help us to strengthen our service offering.

Highly skilled workforce

Our people have the skills, competencies and experience to deliver our business objectives and create value. Our culture and values are focused on innovation and performance excellence.

Our financial resources

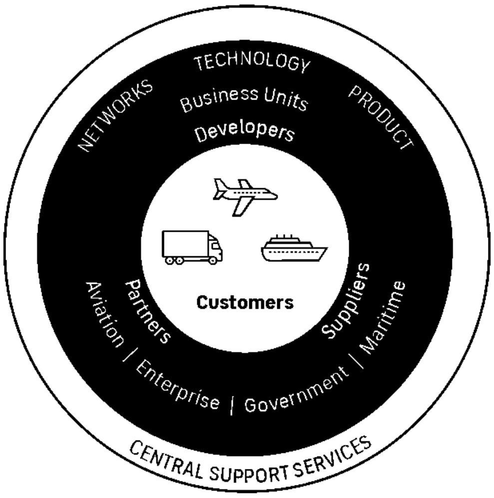
We use our balance sheet to support the organic and inorganic investment needed to deliver our strategic priorities.

OUR VALUE CHAIN

By operating global satellite networks and fully optimised ground infrastructure networks, supported by market-leading distribution partnerships, we provide our customers with global coverage to the multiple devices they use for their business needs.

Our products, services and solutions enable our customers to operate safely, securely and efficiently and to deliver innovative communications services to their users across our customer-focused business segments.

Our business model delivers sustainable value for all our stakeholders.



Our revenue streams

Our business units, Maritime, Government, Aviation and Enterprise, interfaces with our partners and customers and drive the Group's revenue.

DELIVERING VALUE FOR OUR STAKEHOLDERS

We are committed to creating and delivering sustained value for all our stakeholders.

Shareholders and lenders

We aim to drive profitable growth to help deliver value for our shareholders and lenders.

Customers and partners

We focus on the key drivers of value for our partners and customers such as security, reliability and seamless delivery with global coverage and mobility.

Employees

We have a strong culture, underpinned by our values and our commitment to diversity, and we are focused on our employees' career development, making internal promotions where possible.

Communities

We are proud of our public service ethos and the part we play in providing safety services, particularly to mariners and the aviation industry and our long-term support of the charity Télécoms Sans Frontières.

STRATEGIC REVIEW

2022 was another financially strong year for Inmarsat.

2022 was another financially strong year for Inmarsat. We saw full-year revenue increase by 9.0%, ahead of our internal plan. In addition, we saw our employee engagement score continue to increase, took an industry leader position on the crucial issue of space sustainability, agreed science-based net zero targets, continued with the largest satellite development programme in our history with six payloads under construction, and much more. All in all, it was a year where we delivered improved financial results and made progress on our major programmes.

Financial highlights

Revenue for 2022 was $1,474.1m, representing our best performance in the last five years. These excellent results were achieved despite a challenging environment, including high inflation, recession in parts of the world, the ongoing Covid-19 lockdown in China, and Russia's unprecedented war on Ukraine. I want to thank our customers, partners, and employees for their support in achieving such a strong result. It is deeply appreciated.

Three of four of our business units delivered growth in 2022. Aviation grew the fastest – at 37.0% - as the travel sector continued its post-pandemic rebound. All three Aviation segments (in-flight connectivity, business aviation and cockpit services) grew for the year. Competition in this market segment is intense - Inmarsat though remains well positioned with global coverage, increasing network capacity and reputation of providing certainty to our customers.

Maritime, our largest business, rebounded from an earlier downturn and has now delivered its second year of consecutive growth. We continue to have a robust backlog of vessels waiting for the installation of our broadband Fleet Xpress service and have successfully raised prices to better reflect the value we provide. Demand for connectivity continues to grow as robust internet access for crew members becomes a competitive hiring advantage for maritime companies.

Our Government business performed extremely well, with 2022 revenues up by 7.4%. Our Inmarsat Government business ended the year up slightly despite a slow first three quarters. Our non-U.S. Global Government business had its best year ever with revenues up 14.9%. Demand remains strong in this market segment, where Inmarsat is a long-standing, trusted partner.

Our Enterprise business struggled in 2022 with significant component shortages, impacting availability of both satellite phones and IoT terminals. While the business returned to growth in the fourth quarter, we see continued risk related to component availability. We are working on initiatives to pivot our focus further to IoT opportunities. While this work is well underway, it will take time to deliver meaningful results.

For 2023, we expect another year of growth, in-line with the market. Profitability should grow as well, although slightly slower than revenue as we invest in future opportunities and relieve staffing pressure in some areas. That said, we will continue to manage costs given the continuing macro-economic challenges and robust market competition.

Viasat transaction

The planned acquisition of Inmarsat by Viasat has continued to move forward. The UK competition and Markets Authority (CMA) has now provisionally cleared the transaction and we are working on the remaining regulatory clearances which will allow us to move forward to closure of the transaction in 2023.

Future direction

Our focus is becoming the leading intelligent multi-network communications company.

To achieve this goal, we are continuing to progress with our ORCHESTRA network, which remains as compelling today as when we announced it more than a year ago. ORCHESTRA will combine GEO, HEO and LEO; Ka and L-bands; and 5G and LTE into a single seamless network designed to ensure that we are able to provide customers with the best network capabilities to meet their needs at the right time, place and cost.

The 5G mesh component of ORCHESTRA has completed proof-of concept trials in Singapore; availability of coastal LTE is expected around the middle of 2023 and early LEO testing has taken place. We have more new GEO satellites in the pipeline than in any point in Inmarsat's history. The LEO element of ORCHESTRA is expected in the next few years, and our plan remains to implement the LEO dimension through either partnering or by building. As we expand our network, adding more capacity, plus that purchased from third parties, our plan is to add intelligence and ensure that we can orchestrate connectivity across different technologies, frequencies and orbits to provide seamless services to our customers. We have started this work through the use of Inmarsat's intelligent software defined wide area network (SD-WAN) technology, which is currently under development.

As we proceed down this path, we will also further leverage Inmarsat's brand and reputation for quality and exceptional reliability, which help differentiate us from others. After all, Inmarsat's roots are in saving lives and ensuring that when the SOS button is pushed on the ship's bridge, the alert goes out. It just works; it is certain.

We are continuing to invest in 2023. We launched I-6 F2 in February 2023 and we are preparing for the launches of

IN SUMMARY

+9.0%
Full-year revenue growth

2050
Net zero approved target

GX7, GX8 and GX9 in 2024 and 2025, with each of these next generation GX satellites delivering about twice the total capacity of the entire current GX networkGX10A and GX10B are also scheduled to come in 2024, placed in highly elliptical orbits (HEO) to give current and new customers unprecedented coverage in the high north and across the important Arctic region. Investments in ground stations have been significant, in order to maintain pace with the new spacecraft, these installations are happening at a record rate, faster than ever before.

Employee engagement

It is our goal to protect and nurture the powerful parts of our culture, including a strong sense of purpose, collaboration, intellectual curiosity and technical excellence, while strengthening customer focus, levels of accountability and increasing the pace of our execution.

During 2022 our engagement scores also increased driven by our progressive people practices and the strength in our communication and engagement with our people. We are particularly proud that we were able to support our employees with the increased cost of living via awarding an off cycle pay increase (totalling 3% of total base pay) with higher increases awarded to employees at more junior grades.

Sustainability

During the year, we were the first satellite communications company to have our near-term science-based targets validated by the Science Based Targets initiative (SBTi). It is our ambition to be net zero by 2050, and we have approved and submitted long-term net zero targets to the SBTi for validation. This effort reflects our continued commitment to play a leading role in addressing the impact of climate change through monitoring our own impact, that of our supply chain and adapting to the challenges climate change may bring in the future.

During 2023, we will continue to remain focused on sustainable development in space to address the issue of space debris, orbital congestion and protection of the Earth's atmosphere through supporting and encouraging the introduction of robust and enforceable regulation.

Operating model

To maintain the strong momentum we have built in the past two years, we cannot stand still. We need to seize opportunities to accelerate our progress and drive performance. To address this , we have made changes to our operating model. First, we created a Prioritisation and Portfolio Management function to ensure we optimise our resources and simplify work across the business. The terminal development team now forms part of our Technology business group, where terminal strategy and speed of implementation will be core to how they work. Finally, we combined the Commercial Product Management and the Enterprise Business Unit to create a new Commercial and Digital Solutions team responsible for growing digital-focused strategic partnerships, developing a satellite to mobile business and maintaining the Enterprise core land business.

Inmarsat's purpose

Our roots are in saving lives, in serving people when their need is the greatest. Today, the connectivity that we provide remains a force for good in the world.

We make our planet safer and more sustainable. We bring people together to solve problems. We improve productivity and efficiency by connecting things everywhere.

Our purpose, of providing "connectivity for good" builds on our strong commitment to serving as a positive force in the world.

We remain dedicated to our purpose - and the trust others place in us as a result. So even as it feels like an ever less certain place, you can be sure we will continue to connect the world, wherever, whenever it matters, for certain.

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KEY PERFORMANCE INDICATORS

Measuring success against our key strategic priorities.

FINANCIAL KPI's

Revenue

Revenue is total Group revenue generated from operations.

Refer to p26 for the 2022 performance review.

$1,474.1m

Strategy:

Why it is important

Revenue growth validates our business model, by demonstrating our ability to develop our customer base and increase ARPU across our product portfolio.

Link to risks and remuneration

The achievement of this KPI depends on the successful execution of all our strategic priorities and careful management of our risks. Incentive plans include revenue as one of the financial performance metrics, so it will be measured as a basis for incentive plan payments.

Operating Profit

Total Group operating profit is total Group profit before net financing costs and taxation.

Refer to p26 for the 2022 performance review.

$251.3m

Strategy:

Why it is important

Operating profit is a commonly used term to help our stakeholders understand contributions made by our solutions and services. It reflects how the effect of growing revenues and cost management deliver value to our takeholders.

Link to risks and remuneration

The achievement of this KPI depends on successful execution of all our strategic priorities and careful management of our risks. Incentive plans include financial metrics and Group results as performance metrics, so this KPI will contribute to determining incentive plan payments.

Cash and cash equivalents

Cash and cash equivalents is the total cash and cash equivalents balance at the end of the year.

Refer to p26 for the 2022 performance review.

$234.2m

Strategy:

Why it is important

Cash and cash equivalents reflects liquidity and overall cash management of the Group. Strong net cashflow supports the continued investment in growth and development of our network and infrastructure, as well as our investment in the future technologies of the business, along with management of our debt obligations and ability to deliver value to our stakeholders.

Link to risks and remuneration

The achievement of this KPI depends on the successful execution of all our strategic priorities and careful management of our risks. Incentive plans include financial metrics and Group results as performance metrics, so this KPI will contribute to determining incentive plan payments.

STRATEGIC PRIORITIES

- Maintain and grow the core business
- Extend into near adjacent markets
- Drive innovation and differentiation of our services
- Sharpen customer and distribution focus

NON-FINANCIAL KPI's

Network availability

Ongoing investment in our space and ground infrastructure ensures that customers are supported by an overall 99.9% availability in each of our GX and L-band networks. We meet the maritime safety requirements set by the International Maritime Organization for our L-band safety services.

99.9% availability

Strategy:

Why it is important

Ensuring our network is available and reliable is essential in providing the required quality of service to our customers. This reliability is critical for safety at sea and aviation cockpit services.

Link to risks and remuneration

The risks for this KPI are set out in the principal risks section of this report. This KPI is included within bonus objectives for relevant staff.

Emissions

We track our emissions to check they are in line with the Paris Agreement on Climate Change and to prevent the worst effects of catastrophic climate change by limiting average global temperature increases to well below two degrees Celsius. In 2022, the Board approved long-term Science Based Targets for the Group which are being validated by the Science Based Targets initiative.

88,133 TCO_2E

Strategy:

Why it is important

Unless urgent action is taken to limit global temperatures to 1.5° above pre-industrial levels, climate change presents significant and systemic risks.

Link to risks and remuneration

The achievement of this KPI is linked to our corporate responsibility to reduce global greenhouse gas emissions and avoid the worst effects of climate change. This KPI is included within bonus objectives for relevant staff.

Employee engagement

Employee engagement describes an employee's level of commitment and enthusiasm to their work and their company. We measure employee engagement through our Peakon survey which helps us identify areas where we are performing well and those that need to be improved.

8.1/10

Strategy:

Why it is important

It is important as higher levels of employee engagement have been proven to positively impact business performance.

Link to risks and remuneration

The achievement of high levels of employee engagement will contribute to our drive for a high-performance organisation and therefore underpins the delivery of all our strategic priorities. Many of our risks are affected if we do not have engaged staff.

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OUR SOLUTIONS AND SERVICES: MARITIME CASE STUDY

GREENER OPERATIONS

Supporting the ships' owners and operators with the right data at the right time is key to helping manage operational efficiencies and ultimately, operate more sustainably.

Golden Energy Offshore owns and operates a fleet of modern support vessels providing offshore services to the oil, gas and renewables industries. As a long-term Inmarsat customer, Golden Energy Offshore is also a longstanding user of our VSAT services. Typically, offshore vessel operators deploy separate LTE and VSAT solutions, using LTE when in range of onshore networks, rigs or wind farms and relying on crew to switch to satellite connectivity when beyond the reach of 4G.

With a focus on minimising its environmental footprint, Golden Energy Offshore sees performance analysis as a crucial tool in facilitating its Green Operations goals. The company requires sufficient bandwidth to collect, analyse and transfer significant volumes of vessel and machinery performance data. It also needs the capacity to support other data-intensive activities, such as video conferencing, and facilitate remote vessel inspections as well as remote equipment servicing for customers. Crew welfare is another vital consideration, with a fast and reliable internet connection a necessity for onboard personnel.

However, costs can become difficult to manage and switch-overs can compromise signal strength and cause service interruptions. Against this background, Golden Energy Offshore opted to build on its relationship with Inmarsat, implementing our Fleet LTE solution on board three of its vessels, with all three installations carried out during scheduled port calls.

Bringing together three distinct services, Fleet LTE, Fleet Xpress and FleetBroadband, to produce a an integrated results service, Fleet LTE demonstrates the same principle behind the forthcoming Inmarsat ORCHESTRA network. By unlocking the power of Fleet Data, Fleet LTE helps shipowners to make informed decisions to optimise efficiency, reduce fuel consumption and minimise emissions, while the Fleet Secure service offers resilient cyber security.

According to Per Ivar Fagervoll, Chief Executive Officer, Golden Energy Offshore, Fleet LTE meets all of the company's requirements. "By maximising network capacity and minimising latency while reducing connectivity costs, the solution has given us a significant competitive edge. Crucially, it supports vessel performance analysis, allowing us to make data-driven decisions to improve efficiency and sustainability across our fleet."

DATA-DRIVEN
DECISIONS TO
IMPROVE EFFICIENCY
AND SUSTAINABILITY

LIFE-SAVING CONNECTIVITY

Working with emergency services to enable critical communications when it's needed the most.

The worrying increase of wildfires across the globe has also led to widespread radio and cell tower failures and power outages. These disruptions to emergency communications are a public safety threat, with Command and Control centres unable to communicate with firefighters, ambulance staff and police officers – resulting in a devastating community impact and loss of life.

Governments require their Push-To-Talk (PTT) radio users to be fully interoperable with all other radio users in times of disaster, which means crisis-proof communications using their existing equipment. Inmarsat's satellite communications give first responder teams the secure and reliable connectivity to public safety networks they need, whenever disaster strikes.

Our Vehicle as a Network (VAAN) solution, which provides always-on connectivity in vehicles, command centres and at ground zero, is currently being rolled out across over 700 Fire Rescue New South Wales (FRNSW) and State Emergency Services (NSW SES) vehicles in Australia. The Hypha Group has been awarded the contract to supply the Fire & Rescue service with satellite equipment and airtime to facilitate firefighters with critical communications, anywhere, over the next three to five years.

Each vehicle will be equipped with a Cobham SATCOM Explorer terminal, which operates over our 99.9% reliable ELERA satellite network, to enable crews to constantly stay in touch during a major emergency. The FRNSW's 'Connected Firefighter' programme will ensure access to best-in-class communications technology by upgrading ageing hardware and delivering innovative technology to keep crew connected now and well into the future. Advancement of this cutting-edge technology is part of an investment by the New South Wales Government in response to the recommendations made after the deadly Black Summer bushfires of 2019-2020.

VEHICLES WILL BE EQUIPPED WITH A TERMINAL, WHICH OPERATES OVER OUR 99.9% RELIABLE ELERA NETWORK.

FURTHERING HUMANITY

Helping NASA transform its mission technology with rapid support from space.

In an effort to continue to strengthen the United States' global leadership in space and aeronautics, the National Aeronautics and Space Administration (NASA) is leading the way with innovative work and through the advancement of transformational space technologies – with the help of Inmarsat Government.

NASA is investing in critical technologies that will increase reliable communications capabilities and transform its mission technology. This effort envisions systematically migrating near-Earth missions from communications and navigation services provided by government-owned networks to commercial networks. NASA sees next generation space-based communications networks as mission-essential services for future human and robotic missions.

In April 2022, Inmarsat Government announced its new partnership with NASA on its Communications Services Project (CSP), which stands as validation of the approach towards more broadly leveraging commercial capabilities for mission critical requirements.

Working together we will demonstrate a variety of space-based applications, enabled by Inmarsat's ELERA worldwide L-band network, which will include capabilities for Launch Support, Launch and Operations Phase (LEOP), Low Data Rate Routine Missions and Contingency Mission Operations communications.

For Launch Support, our InRange capability provides rapid, responsive and cost-effective launch support from space, removing the need to construct and maintain costly distributed ground-based telemetry infrastructure.

For Space Relay, our InCommand solution will deliver a highly efficient, cost-effective and time-critical space-based solution for any low Earth orbit (LEO) satellite by removing the dependency on costly distributed ground infrastructure. It is designed to provide near real-time 24/7 connection to our GEO satellite and ground infrastructure, supporting command and control and telemetry of LEO spacecraft in space relay for rapid tasking.

IMPROVED CONNECTIVITY FOR A BETTER WORLD

Image source: ©NASA 2022

DESTINATION NET ZERO

A winning partnership and ground-breaking solution to support easyJet on their journey to net zero.

In the on-going race to decarbonise, airlines are seeking solutions that not only improve Air Traffic Management (ATM) efficiencies but also, ultimately, generate less CO_2. Inmarsat and the European Space Agency's (ESA) ground-breaking Iris programme does just that.

Powered by our award-winning SwiftBroadband-Safety (SB-S) connectivity platform, Iris enables new ATM functionalities such as trajectory-based operations that pinpoint aircraft in four dimensions (latitude, longitude, altitude and time). Through real-time collaboration between pilots, air traffic controllers and airline operation centres, via secure, high-bandwidth data links, airlines can avoid holding patterns, calculate the shortest available routes and optimum altitudes, and benefit from continuous climb and descent pathways. In turn, this minimises delays, saves fuel and reduces the environmental impact for airlines, while also improving airspace usage to ease congestion and accommodate future growth. The additional datalink capacity provided by SB-S also supports a host of powerful onboard digital applications, such as AI flight profile optimisers and real-time weather applications that will further the fuel and CO_2 savings.

In 2022, we announced one of Europe's leading airlines, easyJet, as Iris' first airline partner. With the support of Air Navigation Service Providers, easyJet will evaluate Iris' transformative capabilities on up to 11 Airbus A320neos, which are planned to begin flying with the service in 2023.

The Iris programme is the culmination of years of development by Inmarsat, ESA, and more than 30 partners. Iris supports easyJet's commitment to achieve net zero carbon emissions by 2050 as part of the UN-backed 'Race to Zero' campaign, with an interim target for easyjet of a 35% carbon emissions intensity reduction by 2035 (versus 2019).


STRATEGIC GOVERNANCE FINANCIAL
REDUCTION OF 35% CO_2 INTENSITY IMPROVEMENT BY 2035
Connect Topco Ltd Annual Report 2022 23

ENHANCED ENVIRONMENTAL MONITORING

Equipping communities with the tools and data to monitor, respond to and prepare for the worst.

We continue to play a vital role in mitigating the long-term effects of climate change and building resilience to support communities in the face of natural disasters.

In the Pacific Islands, for instance, reliable access to real-time, data-driven climate and weather information enables highly accurate short-term weather forecasts to advance understanding of how climate change is reshaping weather patterns globally, while giving local populations the information they need to improve their cyclone, drought and flood resilience.

Utilising our ultra-reliable Internet of Things (IoT) solution, BGAN M2M, the National Institute of Water and Atmospheric Research (NIWA) supported Tonga Meteorological Service (TMS) to install a network of reliable, robust, automated weather and sea level monitoring stations. These can maintain consistent connectivity, even in the most extreme circumstances, including the tsunami triggered by the eruption of the Hunga Tonga–Hunga Ha'apai volcano in the Tongan archipelago in January 2022.

Although one weather station was lost to the tsunami's waves, the rest survived and continued to send data from some of the region's most remote islands.

The value of satellite connectivity was further highlighted when the undersea communications cable Tonga relies on for its phone and internet connection was severed during the eruption.

However, it was possible to provide TMS with one of our devices at a local monitoring station to connect to the internet, so that they could access data from their network of automatic weather and sea-level stations. In the immediate aftermath of the event, Tonga's National Emergency Management Office was also able to use the data from these stations to assess the impact of the eruption on the northern Tongan islands and to support the provision of weather information for initial flyovers of tsunami and ash-impacted islands.


RELIABLE MONITORING
DURING THE MOST
EXTREME WEATHER
CONDITIONS
Connect Topco Ltd Annual Report 2022 25

2022 PERFORMANCE REVIEW

A second year of strong revenue, and operating profit.

REVENUE INCREASES FOR THE YEAR-ENDED 31 DECEMBER 2022

+9.0%

REVENUE

A second year of strong revenue.

Total revenue for the year-ended December 31, 2022 increased by $121.7m (9.0%), to $1,474.1m from $1,352.4m for the corresponding period in 2021 reflecting a second year of strong revenue.

"Total revenue for the year-ended December 31, 2022 increased by $121.7m (9.0%), to $1,474.1m from $1,352.4m for the corresponding period in 2021 reflecting a second year of strong revenue."

+1.9%

MARITIME

Revenue returns to growth.

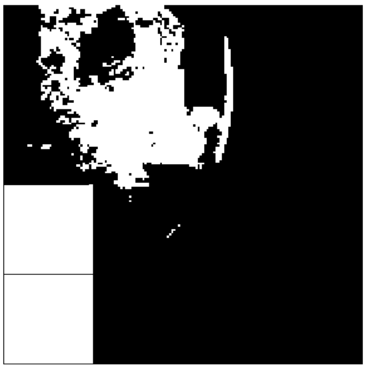
Maritime has returned to growth with revenue increasing by 1.9% to $515.5m. This increase reflects continued strong growth of Fleet Xpress ("FX") exceeding the decline in FleetBroadband ("FB"), legacy product price increases, and higher terminal sales. FX vessels increased by 15% (11,800 to 13,600), FX average revenue per unit ("ARPU") increased by 1% ($1,850 to $1,870), following higher retail mix and increased value-added services. FB vessels decreased by 15% (22,200 to 18,900) as customers migrated to FX and other third party Very Small Aperture Terminals ("VSAT") services. FB ARPU declined 7% ($605 to $560) as migrations remained skewed to the higher value customers.

+7.4%

GOVERNMENT

Another year of revenue growth.

Revenue increased by 7.4% to $526.9m. Inmarsat Government revenue increased by 4.3% to $364.6m following material contract wins and renewals, and additional hardware sales, partially offset by continued reduced op tempo. Outside the U.S., revenue increased by 14.9% to $162.3m, with higher hardware sales, growth in GX connections, and increased managed and lease services.



+37.0%

AVIATION

Strong market recovery continues in core business and IFC.

Revenue increased by 37.0% to $310.8m reflecting ongoing recovery in the aviation market. Core Aviation revenue, comprising Business Aviation ("BGA") and Aircraft Operations and Safety services ("AOS") were 37.2% ($66.1m) higher than the corresponding period in 2021, following strong growth in both activity and the number of JetConneX ("JX") aircraft following strong market growth, and lower distributor incentives. The number of installed JX aircraft increased by 19% (1,118 to 1,331). In Flight Connectivity ("IFC") revenue continued to improve with revenue increasing 36.1% ($17.8m) reflecting more aircraft returning to service and increased passenger usage. The number of IFC installed aircraft increased by 8% (853 to 919).

-7.9%

ENTERPRISE

Performance impacted by supply chain challenges.

Revenue decreased by 7.9% to $106.4m, driven by constrained satellite phone handset sales following global supply chain issues which are beginning to alleviate, lower lease requirements of one customer, and continued market pressure on the legacy product base, partially offset by higher airtime from strong historical handset sales.

OPERATING PROFIT

Operating profit for the year-ended December 31, 2022 increased by $147.1m, to $251.3m as compared to $104.2m for the corresponding period in 2021. This reflected strong revenue growth, partially offset by higher costs in support of revenue growth, inflationary increases, and additional professional fees in relation to the Viasat transaction.

PROFIT FOR THE YEAR

Profit for the year-ended December 31, 2022 is $48.4 million as compared to a loss of $176.5 million for the corresponding period in 2021. This reflected higher operating profit and lower tax charges following a $175m deferred tax charge in the prior year relating to revaluation of the UK deferred tax liability from 19% to 25%, partially offset by higher net financing costs.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents for the year-ended December 31, 2022 decreased by $130.1m to $234.2m as compared to $364.3m for the corresponding period in 2021. This was driven mainly by a $298.9m distribution to shareholders in April 2022, partially offset by higher operating cashflows from improved operating profit performance and the timing of contractual payments on major infrastructure investments.

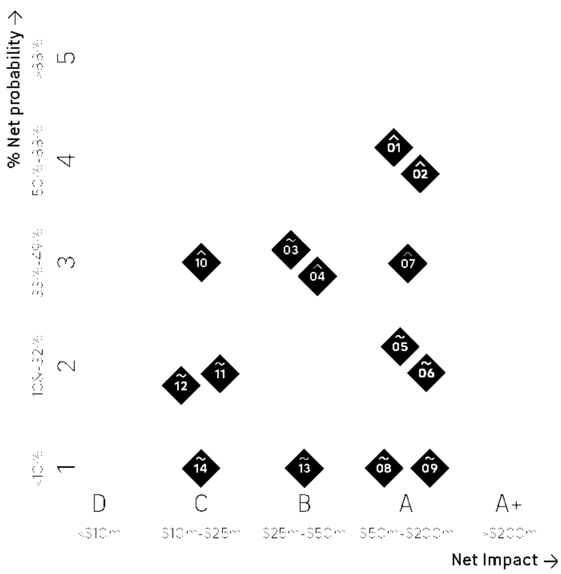
PRINCIPAL RISKS

PRINCIPAL RISKS AND UNCERTAINTIES

The Group faces a number of risks and uncertainties that may adversely affect our business, operations, liquidity, financial position or future performance, not all of which are wholly within our control. Although many of the risks and uncertainties influencing our performance are externally driven and likely to affect the performance of businesses generally, others are particular to our operations in mobile satellite services. A full summary of our principal risks is shown in the following pages.

PRINCIPAL RISKS

Throughout 2022 the Principal Risks were reviewed and discussed by Executive Management and the Central Risk Committee. The risk profile changed over the course of the year with a number of risks being removed from the register, others redefined and new ones added. The risk grid below summarises where the current risks sit in our principal risk matrix as at 31 December 2022, showing any change over the year 2021 to 2022.



THE FOLLOWING SYMBOLS REPRESENT CHANGES IN RISK PROFILE 2022 OVER 2021

^ Increase	~ Unchanged
∨ Decrease	* New

Risks which could have a material effect on the Group's results are continuously monitored. Several changes were made to the 2022 risk profile over 2021. The main differences are explained below:

- The risk 'Major Supplier / Channel Partner Failure' has been split into its component parts with risk associated with suppliers and channel partners shown separately.
- The risk 'Mergers & Acquisitions' has been refocussed to the Viasat deal.
- The previous separate risks on 'Competition and Market' have been combined to a single risk.
- The risks relating to 'Business Model' and 'Business Optimisation' have been removed from the Principal Risk register. The former reflecting the stabilisation of the operating model following changes announced in 2021 and the later being subsumed into the other strategic risks.

The Group's risks, and the factors which mitigate them, are set out in more on the following pages.

RISK		2022 OVER 2021 TREND
◆	**STRATEGIC**	
04	Adverse Geopolitical & Economic Factors	^
10	Failure of the Viasat Transaction	^
13	Environmental, Social & Governance	~
◆	**OPERATIONAL**	
09	Major Security of Cyber Event	~
12	Failure to Attract & Retain Talent	~
14	Major Operational Failure	~
◆	**FINANCIAL**	
05	Key Supply Chain Dependency	~
08	Access to Long-term Funding	~
◆	**COMMERCIAL**	
01	Competition & Market	^
02	Sector Consolidation	^
06	Reliance on Key Channel Partners	~
◆	**LEGAL/REGULATORY**	
11	Compliance Breach	~
◆	**TECHNOLOGY**	
03	Spectrum Access	~
07	Failure to Innovate	^

STRATEGIC

GEOPOLITICAL & MACRO-ECONOMIC FACTORS

MITIGATION OWNER: Chief Executive Officer

Risk Level: Medium

Risk Movement: ^

Link to Strategy:

What is the Risk?

- Further deterioration of the political environment causes broad economic disruption and dislocation that could impede our ability to access key growth markets, impacting revenue growth.
- Our ability to deliver continued business performance could be significantly affected by the individual or aggregate impact of an increasingly complex set of macroeconomic factors, such as rising inflation, $:£ exchange rate fluctuations and recessionary pressures all of which may combine to generate difficult and unpredictable headwinds.

How we manage it

- Strong relationships with in-country partners across the globe that help to navigate uncertainty.
- In-house experts who understand and manage sanctions compliance.
- Continuous review and adaptation of our strategy in reaction to developing political or economic situations.
- Emerging new risks arising from political decisions that could impact our business are assessed for mitigation.

FAILURE OF THE VIASAT TRANSACTION

MITIGATION OWNER: Chief Financial Officer

Risk Level: Medium

Risk Movement: ^

Link to Strategy:

What is the Risk?

- If the Viasat transaction fails then there is a risk that we will be delayed in developing strategic options that will allow us to compete in the rapidly evolving market place.

How we manage it

- Use of specialist third party advisors to advise on the deal.
- Internal teams working on Regulatory Approvals with Regulators worldwide to obtain clearance.

ENVIRONMENTAL, SOCIAL & GOVERNANCE

MITIGATION OWNER: Chief Corporate Affairs Officer

Risk Level: Medium

Risk Movement: ~

Link to Strategy:

What is the Risk?

- Failure to run our business in a sustainable way by assessing the environmental impact of our operations, which may result in damage to our corporate reputation or key stakeholder confidence.

How we manage it

- We have an Environmental Steering Group that sets the business environmental roadmap.
- Net Zero science- based targets have been approved by the Board and validated by the Science Based Target initiative.
- Working with suppliers to reduce their Scope 3 emissions.
- New Land Earth Stations to use 100% renewable electric.
- Decarbonising our future buildings by committing to BREEAM certification.
- Formal and externally assured approach for reporting on carbon emissions and energy.

OPERATIONAL

MAJOR SECURITY OR CYBER EVENT **MITIGATION OWNER:** Chief Operating Officer

		What is the Risk?	How we manage it
Risk Level:	Medium	— Failure to secure satellites, networks, information, data, systems, processes and services from a major security or cyber event which could impact business objectives, services to customers, performance and reputation.	— Policies, guidelines and standards consistent with a positive security culture. — Continuous Information Security improvement programme. — In depth, state-of the art counter measures and monitoring. — Dedicated 24/7 Cyber Security Operations centre. — Maturity assessment against the NIST framework. — Maintaining accreditations including ISO 27001 and Cyber Essentials Plus. — Broad cyber security awareness programme, including mandatory training. — Information Security assessments over third parties and internal projects.
Risk Movement:	~		
Link to Strategy:			

FAILURE TO ATTRACT & RETAIN TALENT **MITIGATION OWNER:** Chief People Officer

		What is the Risk?	How we manage it
Risk Level:	Low	— Failure to invest in the key skills required to maintain competitive advantage in the current business environment, could result in insufficient capacity or capability to deliver the core business plans and establish effective organisational structures.	— A People strategy that identifies key employees, skills and skills gaps. — Succession plans for critical roles. — Development plans for employees with growth potential. — Resource planning for each business unit and function on an annual basis. — Investment in training and development. — Recruitment strategies to support the business with required competencies. — Employee engagement survey. — Diversity & Inclusion survey.
Risk Movement:	~		
Link to Strategy:			

OPERATIONAL

MAJOR OPERATIONAL FAILURE **MITIGATION OWNER:** Chief Operating Officer

Risk Level: Low

Risk Movement: ~

Link to Strategy:

What is the Risk?

- If there is a major operational failure affecting our satellites, launches or IT Networks then our reputation or delivery capability may be heavily compromised, with material business impact in the near and long term.

How we manage it

- Infrastructure and satellites are designed, built and maintained with a level of redundancy and resilience.
- Space asset operation is in line with manufacturer instructions and industry best practices.
- Protection against space weather and debris enhanced through participation in industry and international bodies.
- Having distributed teams, sites and infrastructure.
- Operation of a broad regional service and global partner network to mitigate localised disruptions.
- Business Continuity and IT Disaster Recovery arrangements are in place.

STRATEGIC PRIORITIES

- Maintain and grow the core business
- Extend into near adjacent markets
- Drive innovation and differentiation of our services
- Sharpen customer and distribution focus

TREND 2021 - 2022

^ Increase	~ Unchanged
∨ Decrease	* New

FINANCIAL

SUPPLY CHAIN DEPENDENCY **MITIGATION OWNER:** Chief Financial Officer

		What is the Risk?	How we manage it
Risk Level:	Medium	— Supply Chain disruption and our reliance on key partners may impact our ability to procure required to either upgrade existing customer's technology or activate new customer accounts resulting in dissatisfied customers and restricted our revenue growth.	— A Supplier Relationship Management framework is in place. — Contractual options with multiple launch vehicle providers are maintained. — Continuously looking to widen the scope and number of terminal manufacturers. — Ensuring competition, wherever possible, to avoid technical or capability lock-in with any particular supplier. — Advanced placing of orders for 2023 to give suppliers best chance of on-time delivery.
Risk Movement:	~		
Link to Strategy:			

ACCESS TO LONG TERM FUNDING **MITIGATION OWNER:** Chief Financial Officer

		What is the Risk?	How we manage it
Risk Level:	Medium	— Unavailability of working capital and long-term funding necessary to fund the business model could impede our ability to continue to invest for future growth.	— RCF in place for $700m until December 2024. — Mix of bank and bond debt with no material repayments due until the $2.075bn Senior Note in 2026 and Term Loan of $1.711bn. — Capped and Fixed rate facilities for the long-term debt and Senior Notes. — Natural long term currency hedges are in place to ensure that the majority of revenues, costs, capital expenditure and debt funding are USD denominated. — Working to proactively minimise interest expense. — Positive Credit Agency ratings allows the company to seek new funding if required.
Risk Movement:	~		
Link to Strategy:			

COMMERCIAL

COMPETITION AND MARKET ACTIVITY **MITIGATION OWNER:** Chief Commercial & Digital Officer

	What is the Risk?	How we manage it
Risk Level: High **Risk Movement:** ^ **Link to Strategy:**	— Rapid, well-funded and widely publicised growth of new Low Earth Orbit or Middle Earth Orbit satellite operators and/or technologies may disrupt and cannibalise our market, driving a rapid deterioration in our relative competitiveness and hence growth prospects.	— ELERA and ORCHESTRA work is underway to enhance our services. — Proactively supporting satellite operators in forums, where appropriate, to defend broader satellite interests from use by terrestrial operators. — Investment in market intelligence to understand longer term pricing dynamics, and prepare our response in advance. — Reinforcing our market focus and customer intimacy through our Business Units. — Continuously looking to increase our operational agility by mobilising our network capacity to leverage cost/bit capabilities.

SECTOR CONSOLIDATION **MITIGATION OWNER:** Chief Strategy Officer

	What is the Risk?	How we manage it
Risk Level: High **Risk Movement:** ^ **Link to Strategy:**	— Further sector consolidation (vertical or horizontal) produces stronger competitors. This could enable competitors to offer more compelling solutions forcing existing customers to leave Inmarsat and new would-be customers to opt for the competitor's solutions resulting in loss of revenue/market share.	— Developing commercial strategies to retain customers in response to changes in the marketplace. — Developing new product capabilities or revised commercial offers to satisfy customer requirements. — Broadening of our market presence beyond pure connectivity to capture new value-added services to include empowered connectivity capabilities, managed services and related activities, and digital capabilities and partnerships.

STRATEGIC PRIORITIES

Maintain and grow the core business · Extend into near adjacent markets · Drive innovation and differentiation of our services · Sharpen customer and distribution focus

TREND 2021 - 2022

^ Increase · ~ Unchanged · ˅ Decrease · * New

COMMERCIAL

RELIANCE ON KEY CHANNEL PARTNERS **MITIGATION OWNER:** Chief Commercial & Digital Officer

Risk Level: Medium

Risk Movement: ~

Link to Strategy:

What is the Risk?

- We have a reliance on a number of key channel partners which exposes us to risks associated with the misalignment of objectives between Inmarsat and the partner, or the financial or reputational failure of a supplier, which could impact the necessary distribution capability needed to grow our market share.

How we manage it

- Reviewing our channel partner community in response to changing market dynamics.
- Working dynamically with existing partners to grow their revenues.
- Promoting fair play in our distribution channels.
- Obtaining in-country market access for our distribution channel in advance, where possible, to make licensing requirements as straightforward as possible for our partners.

LEGAL/REGULATORY

COMPLIANCE BREACH **MITIGATION OWNER:** Chief Corporate Affairs Officer

Risk Level: Low

Risk Movement: ~

Link to Strategy:

What is the Risk?

- If there is a major compliance failure, emergent regulatory constraint or non-compliance with government performance specifications, we may face penalties and reputational damage, including exclusion from government bids that affects business plans resulting in increased costs or a market or sector being closed to Inmarsat.

How we manage it

- Compliance horizon scanning operates to maintain awareness of new legislation.
- Introduction of new policies and training into the business when required.
- External advisors and in-house experts advise the business and help mitigate compliance risks.
- Compliance teams are involved from the outset of any relevant new projects to ensure compliance risk is managed.
- Compliance programmes and training in place for anti-bribery and corruption, export controls, sanctions, conflicts of interest and whistleblowing.
- We operate a Gifts & Hospitality Register process which is reviewed by Compliance.
- Compliance policies and processes are maintained and updated regularly.

TECHNOLOGY

SPECTRUM ACCESS — **MITIGATION OWNER:** Chief Technology Officer

Risk Level: Medium

Risk Movement: ~

Link to Strategy:

What is the Risk?

- Failure to maintain adequate spectrum access (orbital slots, orbital planes, frequency licenses) that are coordinated for our current and planned requirements could result in loss of competitive advantage, ability to offer service to customers and loss of revenue opportunities.

How we manage it

- Working with in-country partners/ regulators to secure licenses and market access to allow our services to operate in key countries.
- Engaging with and supporting regulators to defend our licences against 5G demands.
- Working with regulators globally through ITU forums.
- Proactively making ITU filings for orbital slots through several national administrations for our ongoing spectrum and orbital slot requirements.
- Working closely with regulators to source network licenses in the market and secure licenses early wherever possible to grandfather spectrum.
- Regularly improving the efficiency of our spectrum usage through innovation and system enhancements.
- Updating regulators and governments about the socio-economic contribution of our mobile satellite services.

FAILURE TO INNOVATE — **MITIGATION OWNER:** Chief Technology Officer

Risk Level: Medium

Risk Movement: ^

Link to Strategy:

What is the Risk?

- Failure to innovate/develop or delays in delivery of new technologies, secure sufficient capacity in market/sector prioritized locations, introduce new products and services, or develop new propositions could make Inmarsat uncompetitive, unattractive to customers which results in missed revenue opportunities.

How we manage it

- We have an existing broad portfolio of products and services that address customer requirements and opportunities in several markets.
- A Technology Roadmap has been developed to guide options for future network capabilities and to address customer requirements.
- We have introduced new services with common technologies and develop more competitive pricing strategies.
- ELERA (L-band) development is underway including next generation terminal activities.
- By monitoring technology, competitor and market developments and adapting accordingly.
- Regularly making improvements to the efficiency of our spectrum usage through innovation and system enhancement.
- Maximising spectrum opportunities where possible.
- Business Units provide pipeline assessment to allow future capacity usage assessments to be performed.
- We prioritise investment to focus on new requirements.

SUSTAINABILITY IN PRACTICE

As an organisation founded to deliver life-saving satellite communication services, having a responsibility for people and planet are fundamental to our business.

As an organisation founded to deliver life-saving satellite communication services, having a responsibility for people and the planet are fundamental to our business.

By meeting our social and environmental responsibilities, we aim to create value for our stakeholders. These include employees, customers, investors, partners, local communities and more. By considering carefully comments from both internal and external stakeholders, we can focus on the sustainability issues that matter most.

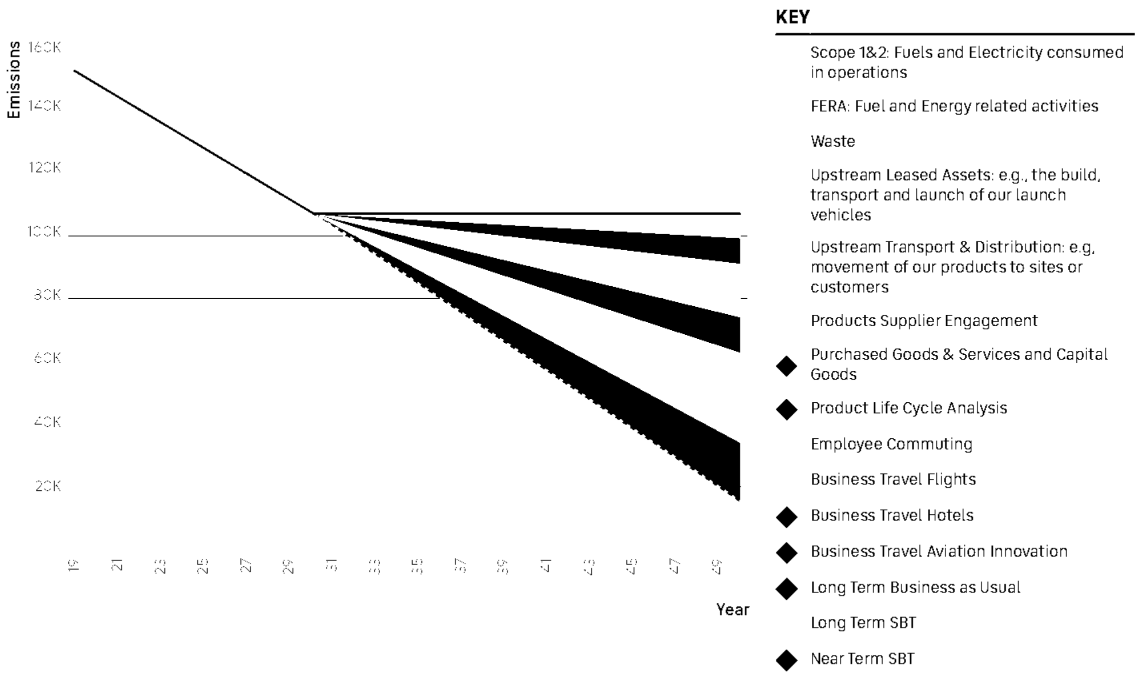
OUR JOURNEY TO NET ZERO

Climate change is one of our greatest challenges and for all organisations generally. We recognise the urgency and severity of the threat posed by climate change and we aim to be a leading advocate in the satellite communications industry with our ambitious commitments. In 2022, our near-term science-based targets were validated by the Science Based Targets initiative (SBTi). These targets commit Inmarsat to reducing Scope 1 and 2 emissions by 64% and Scope 3 emissions by 28% from a 2019 baseline, by 2030.

Building on this foundation, we have now submitted a long-term science-based target to the SBTi for verification. This net zero target would require us to reduce Scope 1, 2 and 3 emissions by 90% by 2050, only offsetting the remaining 10% to reach net zero. Reaching this ambitious goal will depend on significant emissions reduction programmes across every part of our business, and especially in our Supply Chain, as can be seen in the diagram below.

> "We recognise the urgent threat of climate change and we want to be a leading advocate in our industry by driving down emissions of greenhouse gases and preparing our business to thrive in a net zero economy."

NET ZERO BY 2050: HOW EMISSION REDUCTIONS IN EACH SECTOR CONTRIBUTE



TOP CHALLENGES

As we work towards achieving these targets, we must find solutions to key challenges. These key challenges are:

1. Supply chain emissions

Since we do not control our supply chain, we cannot develop solutions alone but need markets and companies to do so instead. For example, we need satellites and user terminals in order to provide airtime services. We must therefore work with our supply chain to find zero-carbon ways to manufacture and deliver these assets.

2. Process emissions

There are currently no alternatives to carbon-intensive launch processes for satellites, although we will look to offset emissions through carbon offset arrangements.

3. Offsets

It is possible that we will not be able to reach our long-term target through emissions reductions alone. To achieve net zero in the long-term, high-quality carbon removal technologies will need to be available in the market.

Despite these challenges, we are committed to reaching our near and long-term emissions reductions targets. Even if some challenges do not yet have a solution, we are working to lay the groundwork for future success.

We are also working to enable our stakeholders to reduce their greenhouse gas emissions. In 2022, we published two thought leadership reports that showed how satellites can help to reduce emissions on earth. Independent researchers studied three industry sectors - transport and logistics, agriculture, forestry and other land use and energy systems which account for approximately 60% of global emissions. The research found that if these industries universally adopted satellite technologies to help improve operational efficiency, it could yield CO_2 savings of 5.5 billion tonnes a year based on current technologies. This is equivalent to one-sixth of total emissions reductions estimated as necessary to keep the global temperature rise below 1.5°C by 2030, or one-third of the reduction necessary to keep temperature rises below 2°C. The reports can be found via the following links:

1. **https://www.inmarsat.com/en/news/latest-news/corporate/2022/net-zero-10-years-early-full-adoption-space-tech-new-modelling.html**
2. **https://www.inmarsat.com/en/insights/corporate/2022/space-sustainability.html**

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ENVIRONMENTAL PERFORMANCE AND STRATEGY

The satellite launch industry is reviewing how it becomes more accountable for carbon generation through innovative new satellite launch techniques.

IN SUMMARY: OUR PERFORMANCE

^4%
Increase
in scope 1 and 2 emissions since 2021

v1%
Decrease
in emissions intensity since 2021

25%
of electricity
from renewable sources

ENVIRONMENTAL PERFORMANCE AND STRATEGY

The satellite launch industry is reviewing how it becomes more accountable for carbon generation through innovative new satellite launch techniques. We recognise the impact of our products and services on climate change and are working to review how we can reduce our environmental impacts and our carbon footprint. We will work together with our industry partners such as product manufacturers and launch providers to see how we can improve techniques for our future launches and reduce the footprint of our products.

Our environmental impacts include the use of natural resources, the consumption of energy and water, the production of a variety of waste, as well as staff and visitor travel. We have provided further details of our objectives for how we manage our environmental activities with our ESG report which can be found on our website. The following information summarises our emissions performance over the year. Our reporting covers the relevant Scope 1, 2 & 3 categories as per the Greenhouse Gas Protocol. In 2022, our ambitious science-based target covering our Scope 1, 2 and 3 was approved and we have continually made progress against this target since submission.

Greenhouse gas (GHG) emissions

This section has been prepared in accordance with our regulatory obligation to report greenhouse gas ('GHG') emissions pursuant to The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 which implement the government's policy on Streamlined Energy and Carbon Reporting.

The table on page 40 shows our greenhouse gas emissions for the years ended 31 December 2019 to 2022. Our emissions have been verified to a limited level of assurance by an external third party according to the ISO 14064-3 standard to ensure continuous improvement of our GHG reporting. This verification statement can be found on our website and within our ESG Report 2022.

Methodology

We quantify and report our organisational GHG emissions according to the Greenhouse Gas Protocol. Consumption data has been collated by our sustainability consultant, Carbon Intelligence, part of Accenture, and has been converted into CO_2 equivalents using the UK Government 2022 Conversion Factors for company Reporting and the International Energy Agency international electricity conversion factors in order to calculate emissions from corresponding activity data.

We quantify and report our organisational GHG emissions in alignment with the World Resources Institute's Greenhouse Gas Protocol Corporate Accounting and Reporting Standard and in alignment with the Scope 2 Guidance.; we have therefore reported both a location-based and market-based Scope 2 emissions figure. The Scope 2 market-based figure reflects emissions from electricity purchasing decisions that Inmarsat has made. When quantifying emissions using the market-based method, we have used a supplier-specific emissions factor where possible.

If these factors were unavailable, a residual mix emissions factor was then used, and as a final alternative the location-based grid emissions factor was used. For the location-based method, we used average emissions factors for the country in which the reported operations take place.

The table on page 40 shows our total emissions for the year ended 31 December 2022 using the two different Scope 2 accounting methodologies.

Performance

We operate in 37 locations with a combined workforce of approximately 1,800 staff. We set science-based targets covering our Scope 1, 2, and 3 emissions in 2021 for the period to 2030. We submitted these for validation by the Science Based Target initiative in early January 2022 and received validation in October 2022. This year again, we are pleased to be able to report on our full Scope 1, 2 and 3 emissions in line with the Greenhouse Gas Protocol.

In 2022, our Scope 1 and 2 emissions have increased by 4% since 2021 (using the market-based Scope 2 accountancy method). Our Scope 1 and 2 emissions intensity has decreased by 1% from 5.84 (2021) to 5.80 (2022) tCO_2e/FTE (using the market-based Scope 2 accounting approach). Details on our energy efficiency initiatives can be found on page 41.

We have seen a 37% increase in our stationary fuel emissions, primarily due to an increase in gas consumption at our London site. Overall, the amount of electricity from renewable sources has increased from 24% to 25% in 2022, with the Houston, U.S. site increasing from 6% to 100% renewable energy.

We saw a 6% decrease in our Scope 3 emissions from 2021. In the period there was an increase in inflation adjusted spend on purchased goods and services and an increase in business travel due to Covid-related travel restrictions being lifted. There were reductions in emissions as a result of decreased spend on capital goods, and in upstream leased assets due to the absence of satellite launches in the period. We also saw a lower level of product sales and therefore the emissions related to our products such as procurement, logistics, product energy use and disposal of products decreased from previous years leading to the 6% overall decrease.

To meet our requirements under the Streamlined Energy and Carbon Reporting obligations, our emissions, included in the table on page 40, that relate to the UK equal 716 tCO2e Scope 1 and 1,513 tCO2e Scope 2 (location-based). During the reporting period our measured Scope 1 and 2 emissions (location-based) totalled 10,977 tCO2e. Our measured Scope 3 emissions totalled 78,257 tCO2e.

"We recognise the impact of our products and services on climate change and are working to review how we can reduce our environmental impacts and our carbon footprint."

ENVIRONMENTAL PERFORMANCE AND STRATEGY: CONTINUED

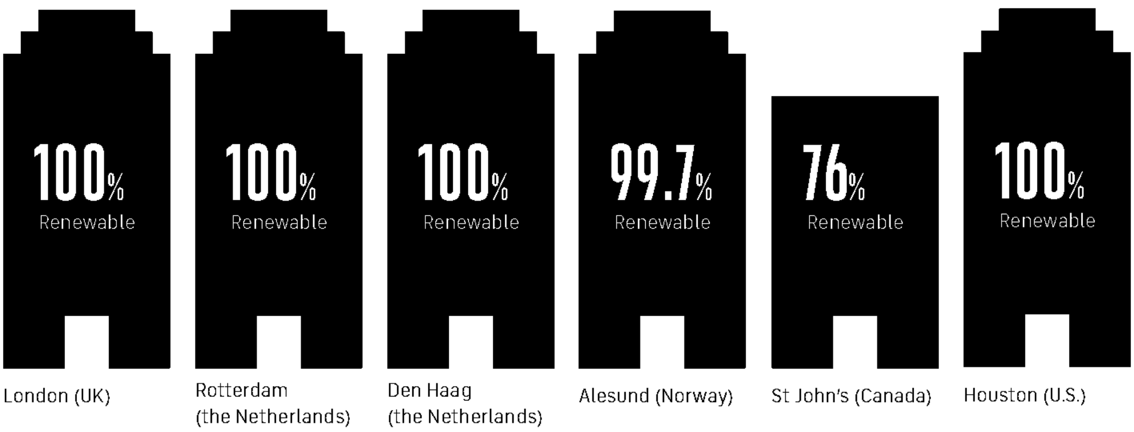
Greenhouse gas emissions (tCO_2e)		2022	2021	2020	2019
Scope 1	Combustion of fuel and operation of facilities (Scope 1)	902	696	868	1528
Scope 2 (location-based)	Electricity, heat, steam and cooling purchased for our own use	10,075	10,515	11,381	12,759
Scope 2 (market-based)	Electricity, heat, steam and cooling purchased for our own use	8,974	8,839	7,452	7,953
	Total Scope 1 and 2 emissions (location-based)	**10,997**	**11,211**	**12,249**	**14,288**
	Total Scope 1 and 2 emissions (market-based)	**9,876**	**9,535**	**8,320**	**9,481**
Emissions intensity tCO_2e per full-time equivalent ('FTE') employee (location-based)		**6.4**	**6.9**	**6.5**	**7.7**
Emissions intensity tCO_2e per full-time equivalent ('FTE') employee (market-based)		**5.8**	**5.8**	**4.4**	**5.1**
Scope 3	Purchased goods and services[1]	62,612	61,306	57,302	98,906
	Capital Goods[1]	7,178	12,148	5,694	13,561
	Fuel-and-energy-related activities	2,047	3,589	2,623	3,119
	Upstream Transportation and Distribution[2]	163	176	1,670	2,038
	Business travel	3,667	504	1,790	10,660
	Waste	2	14	16	78
	Water	8	7	27	21
	Employee Commuting (incl. homeworking)[3]	1,308	1,255	997	1536
	Upstream Leased Asset	-	1,677	-	2,433
	Use of sold goods	142	209	191	117
	End of Life treatment of products	1,130	2,492	3	5
Total Scope 3 emissions		**78,257**	**83,376**	**70,312**	**132,474**
Gross Scope 1, 2 and 3 (location-based)		**89,234**	**94,587**	**82,561**	**146,761**
Gross Scope 1, 2 and 3 (market-based)		**88,133**	**92,911**	**78,632**	**141,955**

[1] Purchased goods and services for 2021 were restated (2021 reported figure: 67,984 tCO2e) and capital goods for 2021 were restated (2021 reported figure: 13,105 tCO2e) to account for an error in accounting for the crediting of included spend found during the 2022 verification. We are undertaking a programme to engage with suppliers and improve data quality by moving away from spend based emissions factors where possible.

[2] Upstream transport and distribution for 2021 was restated (2021 reported figure: 39,226 tCO2e) to account for an error overestimating the tonne-kilometres of air freight. We are undertaking a programme to engage with suppliers and receive data that requires less manual manipulation.

3 Employee commuting (incl. homeworking) for 2021 was restated (2021 reported figure: 2,216 tCO2e) to account for an error over inflating the footprint of homeworkers. In 2022, the data quality has improved, with a greater ability to recognise hybrid working in the estimation.

IN SUMMARY: OUR BUILDINGS



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Reporting boundaries and limitations

We consolidate our organisational boundary according to the operational control approach and have adopted a materiality threshold of 5% for GHG reporting purposes. As a result, we continue to include our Land Earth Stations within our Scope 1 and 2 boundary. Our network ground infrastructure whilst operated by a third party, meet the criteria under the GHG Protocol of operational control and therefore we have chosen to include them within our 2022 reporting for completeness and transparency. Our methodology of emissions from locations with fewer than 15 staff on-site remains the same as these are still reasonably estimated as immaterial and are thus excluded from our GHG disclosure. However, whenever data was provided by sites we included them, even if they fall outside our materiality threshold. Our Scope 1 and 2 emissions for all significant sites and Scope 3 emissions from all sites have been included in our calculations. GHG sources that constitute our operational boundary for the 2021 reporting period are:

- **Scope 1:** Natural gas combustion within boilers, gas oil combustion within generators, road fuel combustion within owned and leased vehicles, and fugitive refrigerants from air-conditioning equipment.
- **Scope 2:** Purchased electricity and heat consumption for our own use.
- **Scope 3:** Purchased goods & services, capital goods, fuel and energy related activities (FERA), upstream transportation & distribution, waste, business travel, employee commuting, upstream leased assets (related to launch vehicles), use of sold goods and end of life emissions. A further description of each of these categories can be found in the ESG Report, available on our website.

In some cases, where data is missing, values have been estimated using either extrapolation of available data or data from the previous year as a proxy.

Energy efficiency

Our London office is on a 100% renewable energy contract. In 2024 we will be moving our London Headquarters from City Road to 50 Finsbury Square. At the new London Headquarters, will continue to source our electricity from 100% renewable sources and are looking at making upgrades in the following key areas:

- The removal of gas and diesel usage.
- Utilising AI BMS to smartly manage building operations to save energy and water.
- BREEAM Certification.
- SmartApps to assist building management and operations.

In addition to our London headquarters, the following offices are currently on renewable energy contracts:

- Rotterdam (the Netherlands) 100% renewable.
- Den Haag (the Netherlands) 100% renewable.
- Alesund (Norway) 99.7% renewable.
- St John's (Canada) 76% renewable.
- Houston (U.S.) 100% renewable.

We are assessing whether it is possible to purchase our electricity from 100% renewable sources at our offices in Indonesia and Australia.

"In 2024 we will be moving our London Headquarters from City Road to 50 Finsbury Square. At the new London Headquarters, will continue to source our electricity from 100% renewable sources."

Energy consumption (MWh)	**2022**			**2021**			**2020**			**2019**		
	UK	Rest of world	Total	UK	Rest of world	Total	UK	Rest of world	Total	UK	Rest of world	Total
Electricity	**7,822**	**23,729**	**31,550**	7,043	27,353	34,396	6,945	26,500	33,445	7,632	27,426	35,058
Fuels	**3,770**	**814**	**4,584**	2,313	931	3,244	3,168	939	4,107	3,235	3,046	6,282

During the year, our total fuel and electricity consumption totalled 36,134 MWh, of which 32% was consumed in the UK. The split between fuel and electricity consumption is displayed above. **Further information on our energy efficiency initiatives is detailed in our ESG Report available on our website.**

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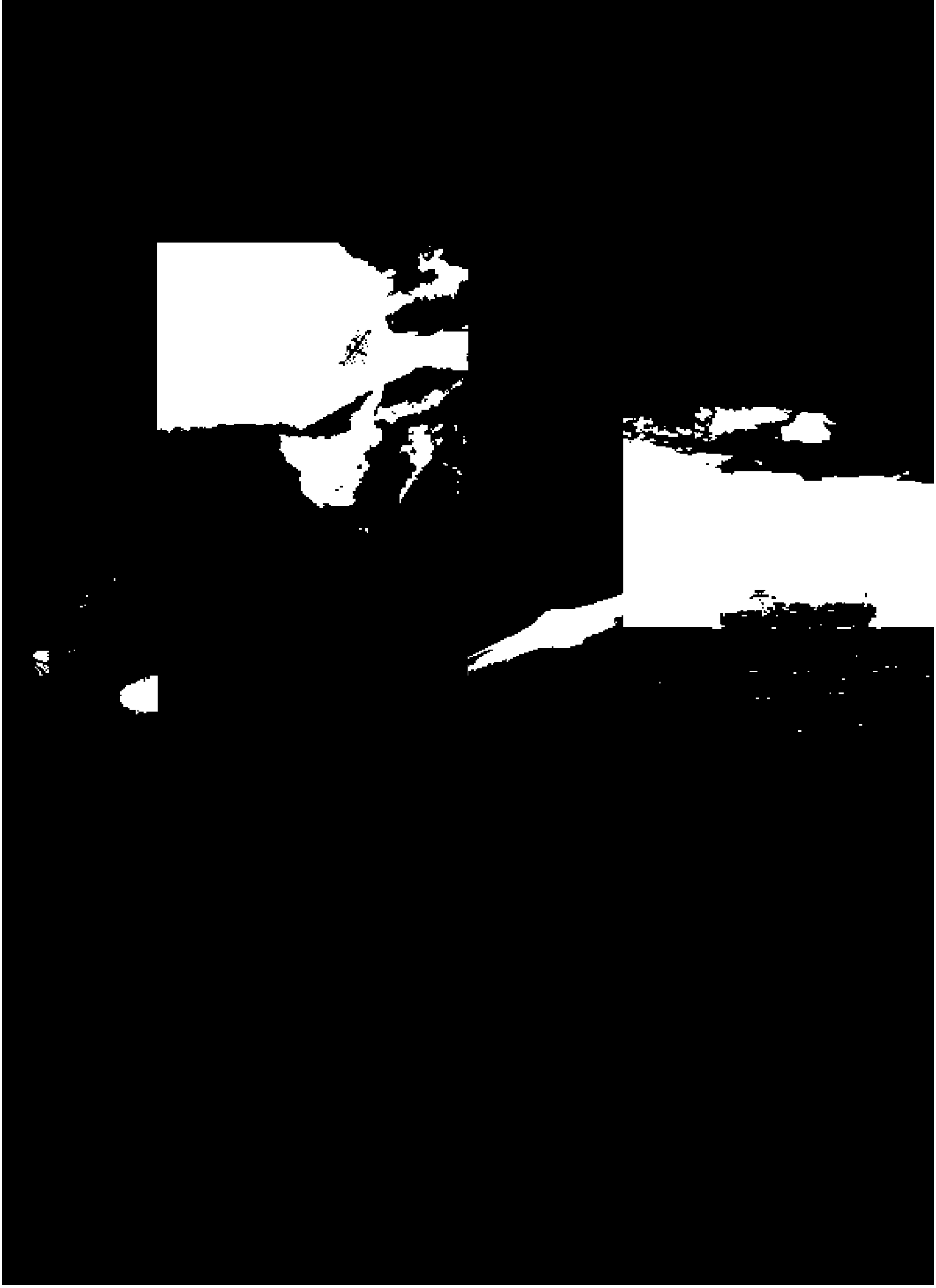

GOVERNANCE
REPORT


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BOARD OF DIRECTORS

BOARD OF DIRECTORS

Maximilian Buttinger

Appointed
Appointed 4 January 2023

Background and relevant experience
Max is an Associate at Warburg Pincus. Maximilian joined Warburg Pincus in 2021 and covers technology, telecommunications, industrials and business services. He has been involved in investments by the Warburg Pincus funds which include Inmarsat, Community Fibre, and T-Mobile Netherlands. Previously, Maximilian was an Analyst at J.P. Morgan's Investment Banking Division in Frankfurt. He holds an MSc in Finance and Private Equity from the London School of Economics and Political Science.

Eric Hargrave

Appointed
10 December 2019

Background and relevant experience
Eric joined Ontario Teachers' in 2009 and has two decades of principal investing, investment banking and accounting experience. He is responsible for origination, execution, and management of direct investments in the technology, media and telecom sectors across Europe. Prior to joining Ontario Teachers', Eric worked in investment banking at RBC Capital Markets, as well as the M&A advisory group at Ernst & Young. Earlier in his career, Eric also worked as a financial auditor at both Ernst & Young and BDO Dunwoody.

Pascal Keutgens

Appointed
28 October 2019

Background and relevant experience
Pascal focuses on the healthcare and consumer sectors for Canada Pension Plan ('CPP'). He is also responsible for investments in France and the Benelux. Prior to joining CPP Investments, Pascal was a Partner at Bregal Freshstream, where he was responsible for their Private Equity activities in France and the Benelux region. Previously Pascal was a Partner at Doughty Hanson, where he spent 13 years focusing on mid- market buyouts across Europe. Pascal trained as an accountant at PWC.

Gonzague de Lhoneux

Appointed
9 December 2022

Background and relevant experience
Gonzague is a Principal in the Tech & Telco team at Apax Partners and is based in London. Gonzague has participated in key deals, including T-Mobile Netherlands, Inmarsat, Lutech, Fractal Analytics, ThoughtWorks and Unilabs. He joined Apax Partners in 2013. Prior to that he was a member of Credit Suisse's Healthcare Investment Banking team in London, where he worked on various M&A and financing transactions. Gonzague holds an MBA with Distinction from INSEAD and a Masters in European Management from ESCP Europe.

COMPANY SECRETARY

Alison Horrocks

Appointed
10 December 2019

Background and relevant experience
Alison is Chief Corporate Affairs Officer of the Group and is responsible for Group wide risk management, compliance and corporate governance. She acts as Company Secretary to the Board and is a member of the Executive Management team. Alison manages legal and regulatory, as well as our regional teams covering India, China and Russia. Alison joined Inmarsat in 1999 and previously was Group Company Secretary of International Public Relations plc, a worldwide public relations company, for 11 years.

REPORT OF THE DIRECTORS

For the year ended 31 December 2022.

The Directors' Report for the year ended 31 December 2022 comprises pages 46 to 49 of this report, together with sections of the Annual Report incorporated by reference.

The Governance Report set out on pages 45 to 50 is incorporated by reference into this report and accordingly should be read as part of this report. As permitted by legislation, some of the matters required to be included in the Directors' Report have instead been included in the Strategic Report as the Board considers them of strategic importance. Specifically, these are:

2022 performance review	p26
Future business developments (throughout the Strategic Report)	
Principal risks and uncertainties facing the Group, which are set out in the Strategic Report	p28
Information on the Group's greenhouse gas ('GHG') emissions	p38

2022 PERFORMANCE

The 2022 performance review is provided in the Strategic Report, reflecting a second year of strong revenue, operating profit, and positive operating cash flow. Maritime has returned to growth, Government experienced another year of revenue and earnings growth, there was strong market recovery in core Aviation business and IFC, and Enterprise partially offset this growth following supply chain challenges. Operating profit increased by $147.1m, reflecting strong revenue growth and is partially offset by higher costs in support of revenue growth, inflationary increases, and additional professional fees in relation to the Viasat transaction. Cash and cash equivalents decreased by $245.4m, driven mainly by a $298.9m distribution to shareholders in April 2022, partially offset by higher operating cashflows from improved operating profit performance and the timing of contractual payments on major infrastructure investments, including the successful I-6 F2 launch in Q1 2023.

RESPONSIBILITY STATEMENT

The Responsibility Statement made by the Board regarding the preparation of the financial statements is set out on page 50.

BUSINESS REVIEW, STRATEGIC REPORT AND FUTURE DEVELOPMENTS

A description of the company's business model, strategy, and factors likely to affect the Group's future developments are incorporated into this Report by reference. They are set out in the Strategic Report on pages 10 to 41.

POST-BALANCE SHEET EVENTS

Details of the post-balance sheet events are given in note 35 of the financial statements.

CHANGE IN ACCOUNTING POLICIES

During 2022, the Group adopted amendments to IFRS 3, IAS 16, IAS 37, and Annual Improvements 2018-2020, which has no quantitative impact to the financial statements, however additional qualitative disclosures have been included within note 2. No other changes to the Group's accounting policies have occurring during the current period.

RESULTS AND DIVIDENDS

A 2022 financial review is provided in the Strategic Report, along with the results for the year being shown in the Consolidated Income Statement on page 54.

No dividends were declared during the year.

DIRECTORS

A full list of the individuals who were Directors of the company during the financial year ended 31 December 2022 is set out on page 45.

INDEMNITIES AND INSURANCE

Directors' and Officers' insurance cover has been established for all Directors and Officers to provide cover against their reasonable actions on behalf of the company. In accordance with our Articles of Association and to the extent permitted by the laws of England and Wales, Directors, the Company Secretary and certain employees who serve as directors of subsidiaries at the Group's request have been granted indemnities from the company in respect of liabilities incurred as a result of their office. Neither our indemnity nor the insurance provides cover in the event that a Director is proven to have acted dishonestly or fraudulently. No amount has been paid under any of these indemnities during the year.

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CONFLICTS OF INTEREST

The company has in place procedures for managing conflicts of interest and is aware of any potential conflict through an annual review of the other commitments of its Directors. We are satisfied these commitments do not conflict with their duties as Directors of Inmarsat. During the year, where there were agenda items being raised for discussion which could have the perception of a conflict of interest for the individual Director, these were discussed at the relevant Board meeting and agreed that the Director would recuse himself from the discussion to avoid any such perception of a conflict. The company's Articles of Association contain provisions to allow the Directors to authorise potential conflicts of interest so that a Director is not in breach of his/her duty under company law. As noted above and as happens in practice, should a Director become aware that they have an interest, directly or indirectly, in an existing or proposed transaction with the company, they are required to notify this to the Chairman and Company Secretary. Directors have a continuing duty to notify any changes to their conflicts of interest and to their external Board commitments to the Chairman and Company Secretary and any changes are noted in the conflicts register.

BRANCHES

The Group has activities operated through many jurisdictions.

GOING CONCERN

In order to confirm that the business should adopt the going concern basis in preparing the consolidated financial statements for 2022, the Board and Management have considered compliance with banking covenants, ability to generate future profits and positive cash flows, business risks and the pending acquisition by Viasat Inc. The Group has a robust and resilient business model, positive free cash flow generation, and is compliant with all banking covenants.

As at 31 December 2022, the Group has $1,043.3m of liquid resources (Cash: $234.2m, short-term deposits: $109.1m, undrawn RCF: $700.0m) and a continued expectation that the Group will generate positive free cash flow and reduce leverage over the medium to long term. During 2021 the Connect Topco shareholders accepted an offer from Viasat Inc. to purchase the Group for approximately $7.3bn (refer to note 35). The agreement has been approved by both the Inmarsat and Viasat Board of Directors, and Viasat shareholders. The going concern assessment has been performed using the Inmarsat Group's financial performance and position.

The Board and Management have also considered a number of possible scenarios and their impact on future revenues, profit for the year and liquidity. Under all scenarios there continues to be sufficient headroom to the Financial Performance Covenant under the debt agreements. The Group has assessed the future compliance through most recently approved budget, which has considered the maturity profile of the existing debt facilities and the $700 million undrawn revolving credit facility as discussed in note 20.

After considering current financial projections and facilities available and after making enquiries, the Directors have a reasonable expectation that the Group have adequate resources to continue in operational existence for the foreseeable future. Consequently, the Group continues to adopt the going concern basis in preparing the 2022 consolidated financial statements.

2022 ESG REPORT

Inmarsat has always understood the importance of wider corporate responsibility and ensuring we act in an ethical manner, taking account of our responsibilities – socially and environmentally. We have refreshed our view of our non-financial risks through conducting an ESG assessment.

We also continue to disclose our Corporate Social Responsibility (CSR) activities in accordance with the Global Reporting Initiative (GRI). We have produced a stand alone GRI Report which includes the results of our 2022 ESG assessment and how we have continued to create value and monitor progress against each of our material topics. Our GRI Report can be found on our Inmarsat.com website.

OUR PEOPLE

2022 was a year of strong business growth momentum and sustained internal transformation with continued focus on strategic alignment, operating model effectiveness and cultural evolution. This, alongside the refining our ways of working and ongoing comprehensive communications and engagement resulted in an improvement of our engagement score from 7.9 to 8.1/10 and a fall in voluntary attrition from 10.5% in January 2022 to 7.8% in December 2022.

Strategic alignment

Importantly, we rolled out a new strategic plan to the business, supported by a comprehensive communications and engagement to help frame our work throughout the year, ensure strategic alignment and drive growth. This was well received and will be further evolved for 2023.

Viasat transaction

One of the key challenges for the year from a people perspective was leading our employees through uncertainty regarding the Viasat transaction as the regulatory process progressed across the globe. This required an extensive communications and engagement plan to keep people informed and engaged, including an introduction to Viasat via an All Staff meeting with Mark Dankberg, Executive Chairman at Viasat.

REPORT OF THE DIRECTORS CONTINUED

Internal transformation

We continued to transform by improving and simplifying key processes and ways of working, and increased our focus on becoming a more commercial and customer focused organsation, including delivering our sales excellence development programme for front line sales people, and adding 'customer' to our company values.

Evolving the way we work

2022 was a year of cultural evolution as we returned to the office and started refining our ways of working, retaining flexibility and introducing new flexible working practices. This enabled us to encouraging work life balance and ensure Inmarsat is a great place to work whilst also driving business performance.

Reward and recognition

In response to inflationary pressure we implemented an off-cycle salary increase to help our employees with the cost of living. In addition, we increased our focus on recognition, enhancing our SpotBeam employee recognition programme (resulting in almost 1,000 SpotBeam awards being made throughout the year) and rolling out a Recognition Toolkit to our people managers.

Learning and development

We continued to support our people to fulfil their potential via the provision of a broad portfolio of learning and development opportunities, building professional and leadership capability (e.g. MBAs, 360 feedback at Senior leader level that was extended out to all people managers), and a specific focus on building commercial capability through our new Sales Excellence programme. In addition, we continued to offer extensive employee development, including our 'Drive YOUR Career' toolkit and a broad online learning offer via our digital hub called Nebula.

Communications and engagement

Throughout the year there was ongoing focus on communications and engagement to retain and engage our people, including the introduction of a new CEO skip level programme targeting empoyees below the Executive Management level to foster open dialogue, as well as regular, open and honest communications on strategic priorities and progress, culture and values and wellbeing. We also continued to transform our employees' digital experience with the implementation of a new intranet acting as the central plank of a portfolio of digital communications channels and tools.

Diversity, Equity & Inclusion (DE&I)

We continued our DE&I journey with a review of the strategy, delivery of another employee survey, the introduction of our parent and carers and military networks and roll out of inclusive leadership training.

Wellbeing

2022 saw the introduction of a number of new wellbeing initiatives across all four wellbeing pillars (financial, social, mental and physical) including the launch of the new global Employee Assistance Programme, our 'March in April' philanthropic physical fitness campaign which raised money for charities in support of Ukraine and a range of wellbeing tools and resources shared via a monthly newsletter. We also increased the focus on giving back in response to employee sentiment, by setting up a donation matching scheme to support nominated charities (Disasters Emergency Committee and the International Red Cross) to support those in need in Ukraine.

Our working environment

Finally, working environments are becoming increasingly important for employees and are an important factor in encouraging people back into the physical workspace. 2022 saw significant progress in fitting out our new headquarters building in London, to create a state of the art, BREEAM standard building, which will become our new London headquarters in 2024.

Environmental, Health and Safety Management

The Group is committed and continues to aim to maintain the highest environmental, wellbeing, health and safety management standards for its employees, customers, visitors, contractors and anyone affected by its business activities.

This is reflected in the latest Environmental, Health and Safety policy statement of intent and its arrangements. During 2022, we remained focused on improving and developing the environmental, health and safety management system and reviewing existing arrangements. Rajeev Suri, our CEO, is the Director designated for health and safety matters at the Board level with employees having roles and responsibilities whose objectives are to ensure that environmental, health and safety are managed across the company.

We apply a range of tools to improve environmental, health and safety, bringing together different interventions to achieve impact. We influence and engage stakeholders, create knowledge and awareness of health and safety risks, and encourage behaviour change through assessments and direct interventions including inspections and investigations.

We promote a broad variety of transparent and maturing wellbeing programmes, including fitness challenges, flexible working, nutrition, and occupational health checks. We understand that good mental and physical health contributes to better decision-making, greater productivity, and higher levels of employee satisfaction.

Our aim continues to encourage strong leadership in championing the importance of meeting our moral, legal, and other requirements for good environmental, health and safety management in the workplace and to raise awareness throughout.

Principal risks and uncertainties

Details of principal risks and uncertainties are provided on pages 28 to 35.

Financial risk management

Details of the financial risk management objectives and policies of the Group, including hedging policies and exposure of the entity to price risk, credit risk, liquidity risk and cash flow risk are given in notes 3 and 31 to the consolidated financial statements

Research and development

The Group continues to invest in new services and technology necessary to support its activities through research and development programmes. Refer notes 6, 13 & 14 of the consolidated financial statements respectively.

Political donations

During the period, no political donations were made (2021: $nil). It remains the policy of the company not to make political donations or incur political expenditure.

Disclosure of information to auditor

As far as each of the Directors is aware, there is no relevant audit information of which the company's auditors are unaware and the Directors have taken all the steps that ought to have been taken to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Deloitte LLP, having expressed their willingness to act, were appointed auditors of the company.

By order of the Board

DocuSigned by:
Alison Horrocks
63BCDBF93A3D451...

Alison Horrocks FCIS
Company Secretary

20 March 2023

OUR VALUES

Customer

Accountability

Respect

Excellence

DIRECTORS' RESPONSIBILITIES STATEMENT

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

The Companies (Guernsey) Law 2008 requires the Directors to prepare financial statements for each financial year. Under that law the directors are required to prepare the Group financial statements in accordance with international accounting standards in conformity with the requirements of the Companies (Guernsey) Law 2008. The financial statements also comply with International Financial Reporting Standards (IFRSs) as issued by the IASB. The Directors have also chosen to prepare the Parent company financial statements in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework. 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 Company and of the profit or loss of the Group and Company for that period.

In preparing the parent company financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently.
- Make judgments and accounting estimates that are reasonable and prudent.
- State whether Financial Reporting Standard 101 Reduced Disclosure Framework has been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements.

In preparing the Group financial statements, International Accounting Standard 1 requires that Directors:

- Properly select and apply accounting policies.
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information.
- Provide additional disclosures when compliance with the specific requirements of IFRS are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance.
- Make an assessment of the company's ability to continue as a going concern.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Responsibility statement

We confirm that to the best of our knowledge:

- The financial statements, prepared in accordance with the relevant financial reporting framework, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the undertakings included in the consolidation taken as a whole.
- The Strategic Report includes a fair review of the development and performance of the business and the position of the company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.
- The Annual Report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the company's performance, business model and strategy.

By order of the Board

DocuSigned by:
Eric Hargrave
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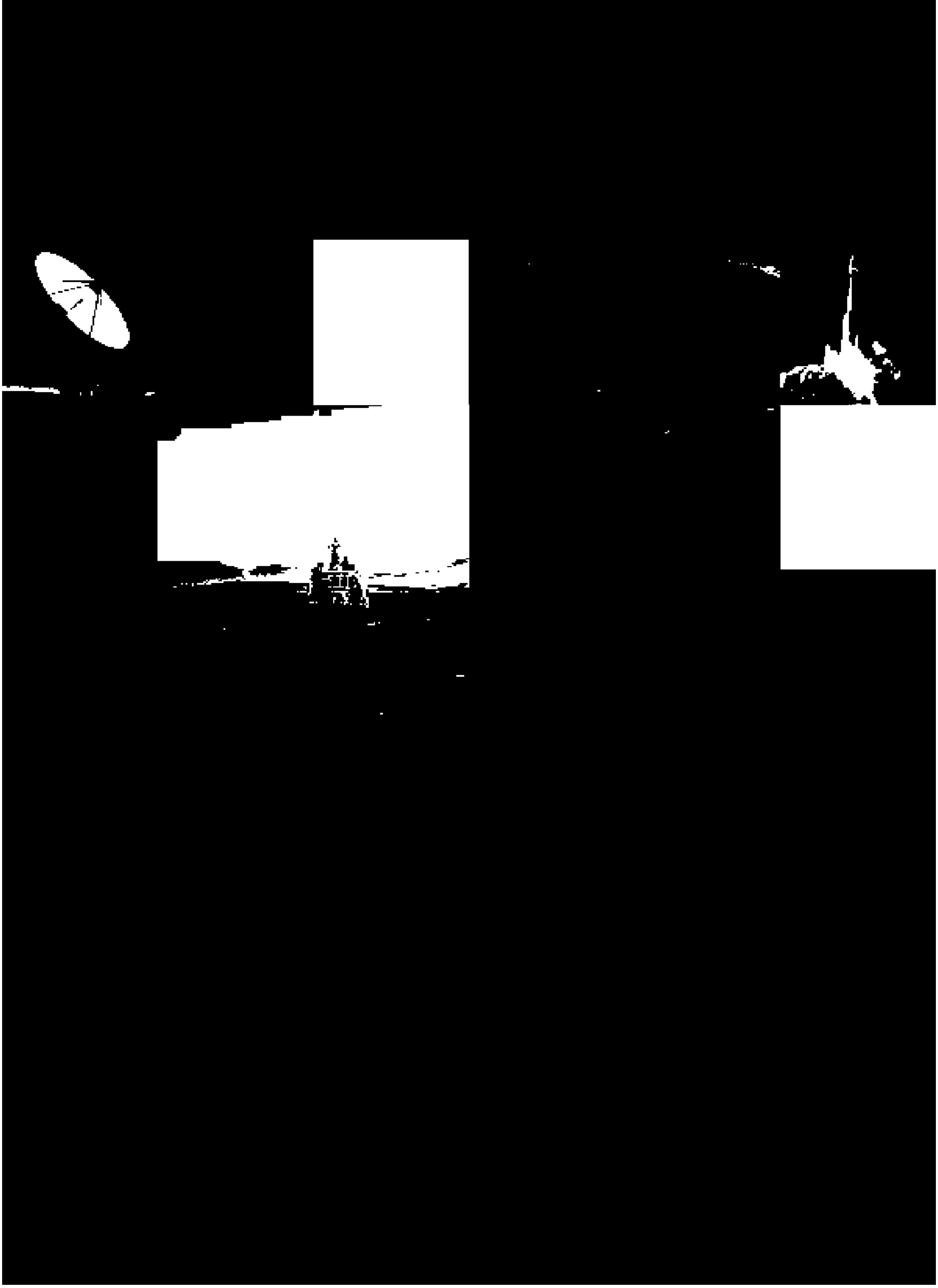
Eric Hargrave
20 March 2023



FINANCIAL
REPORT

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2022

($ in millions)	Note	2022	2021
Revenue	5	**1,474.1**	**1,352.4**
Employee benefit costs	7	(311.2)	(303.9)
Network and satellite operations costs		(178.9)	(158.4)
Impairment of financial assets[1]		17.9	(2.1)
Other operating costs		(196.0)	(179.8)
Own work capitalised		43.6	30.7
Depreciation and amortisation		(600.8)	(632.5)
Loss on disposal of assets		(4.1)	(7.6)
Impairment of assets		(0.5)	0.3
Share of profit of associates	16	7.2	5.1
Operating profit	6	**251.3**	**104.2**
Financing income		5.6	2.8
Financing costs		(190.8)	(194.9)
Fair value changes in financial assets and liabilities		-	76.4
Net financing costs	9	**(185.2)**	**(115.7)**
Profit / (loss) before tax		**66.1**	**(11.5)**
Taxation charge	10	(17.7)	(165.0)
Profit / (loss) for the year		**48.4**	**(176.5)**
Attributable to:			
Equity holders		47.4	(175.9)
Non-controlling interest[2]		1.0	(0.6)

1 $30.0m was received from Ligado in Q4 2022 which released a $15.3m (51%) impairment on the existing receivable owing (refer note 4(a)).

2 Non-controlling interest relates to the Group's 51% shareholding in Inmarsat Solutions ehf and NCI resulting from the management incentive plan (refer note 25).

The accompanying notes are an integral part of the financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2022

($ in millions)	Note	2022	2021
Profit / (loss) for the year		**48.4**	**(176.5)**
Other comprehensive income			
Items that may be reclassified subsequently to the Income Statement:			
Foreign exchange translation differences		(0.1)	(0.3)
Loss on cash flow hedges on foreign exchange forward contracts	26	-	(0.7)
Net gain accumulated in hedge reserve on interest rate caps	26	79.1	10.6
Tax charged directly to equity	10	(21.3)	-
Items that will not be reclassified subsequently to the Income Statement:			
Re-measurement of pension assets and liabilities	28	3.8	(1.5)
Tax (charged) / credited directly to equity	10	(1.1)	0.3
Other comprehensive gain for the year, net of tax		**60.4**	**8.4**
Total comprehensive income / (loss) for the year, net of tax		**108.8**	**(168.1)**
Attributable to:			
Equity holders		107.8	(167.5)
Non-controlling interest[1]		1.0	(0.6)

1 Non-controlling interest relates to the Group's 51% shareholding in Inmarsat Solutions ehf and NCI resulting from the management incentive plan.

The accompanying notes are an integral part of the financial statements.

CONSOLIDATED BALANCE SHEET

As at 31 December 2022

($ in millions)	Note	As at 31 December 2022	As at 31 December 2021
Assets			
Non-current assets			
Property, plant and equipment	13	3,258.7	3,300.2
Intangible assets	14	2,757.5	2,907.3
Right of use assets	15	26.4	33.3
Investments	16	28.4	24.9
Lease receivable		0.4	0.4
Other receivables	18	3.4	3.2
Derivative financial instruments	31	38.0	5.8
Deferred tax asset	23	34.6	33.7
		6,147.4	**6,308.8**
Current assets			
Cash and cash equivalents	17	234.2	364.3
Short-term deposits	17	109.1	30.0
Trade and other receivables	18	304.9	262.7
Lease receivable		1.3	2.6
Inventories	19	57.2	36.6
Current tax assets	23	3.1	0.4
Derivative financial instruments	31	45.0	-
		754.8	**696.6**
Total assets		**6,902.2**	**7,005.4**
Liabilities			
Current liabilities			
Borrowings	20	17.5	17.5
Trade and other payables	21	1,354.4	1,271.6
Provisions	22	3.6	4.7
Current tax liabilities	23	158.3	169.8
Derivative financial instruments	31	-	1.8
Lease obligations	15	9.9	11.7
		1,543.7	**1,477.1**
Non-current liabilities			
Borrowings	20	3,630.8	3,619.1
Other payables	21	12.8	18.1
Provisions	22	3.7	7.0
Deferred tax liabilities	23	808.8	780.4
Lease obligations	15	23.9	33.8
		4,480.0	**4,458.4**
Total liabilities		**6,023.7**	**5,935.5**
Net assets		**878.5**	**1,069.9**
Shareholders' equity			
Ordinary shares	25	2,350.0	2,350.0
Hedge and other reserves		61.4	3.7
Retained earnings		(1,539.3)	(1,290.6)
Equity attributable to shareholders		**872.1**	**1,063.1**
Non-controlling interest[1]		**6.4**	**6.8**
Total equity		**878.5**	**1,069.9**

1 Non-controlling interest relates to the Group's 51% shareholding in Inmarsat Solutions ehf and NCI resulting from the management incentive plan.

The accompanying notes are an integral part of the financial statements.

The consolidated financial statements of the Group were approved by the Board of Directors on 20 March 2023 and were signed on its behalf by

DocuSigned by:
Eric Hargrave
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Eric Hargrave
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

As at 31 December 2022

($ in millions)	Share capital	Hedge reserve	Other reserves	Retained earnings	NCI[1]	Total
As at 1 January 2021	**2,350.0**	**(6.2)**	**-**	**(396.1)**	**11.0**	**1,958.7**
Dividend declared	-	-	-	(717.4)	(0.7)	(718.1)
NCI share buy-back	-	-	-	-	(2.9)	(2.9)
Gain on cash flow hedges capitalised to tangible assets	-	0.3	-	-	-	0.3
Comprehensive Income:						
Loss for the year	-	-	-	(175.9)	(0.6)	(176.5)
OCI – before tax	-	9.9	(0.3)	(1.5)	-	8.1
OCI – tax	-	-	-	0.3	-	0.3
As at 31 December 2021	**2,350.0**	**4.0**	**(0.3)**	**(1,290.6)**	**6.8**	**1,069.9**
As at 1 January 2022	**2,350.0**	**4.0**	**(0.3)**	**(1,290.6)**	**6.8**	**1,069.9**
Dividend declared	-	-	-	(298.8)	(0.7)	(299.5)
NCI share buy-back	-	-	-	-	(0.7)	(0.7)
Comprehensive Income:						
Profit for the year	-	-	-	47.4	1.0	48.4
OCI – before tax	-	79.1	(0.1)	3.8	-	82.8
OCI – tax	-	(21.3)	-	(1.1)	-	(22.4)
As at 31 December 2022	**2,350.0**	**61.8**	**(0.4)**	**(1,539.3)**	**6.4**	**878.5**

1 Non-controlling interest relates to the Group's 51% shareholding in Inmarsat Solutions ehf and NCI resulting from the management incentive plan.

The accompanying notes are an integral part of the financial statements.

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2022

($ in millions)	Note	2022	2021
Cash flow from operating activities			
Cash generated from operations	24	843.6	801.0
Interest received		3.0	1.1
Tax paid		(23.6)	(16.0)
Net cash flow from operating activities		**823.0**	**786.1**
Cash flow from investing activities			
Purchase of property, plant and equipment		(204.0)	(287.9)
Additions to intangible assets		(77.4)	(40.4)
Own work capitalised		(34.6)	(28.0)
Net Investment in short-term deposits		(79.1)	658.0
Net cash (used in) / from investing activities		**(395.1)**	**301.7**
Net cash used in investing activities			
Dividends paid relating to NCI[1]		(0.7)	(1.1)
Dividends from associates		-	3.3
Dividends paid to Company shareholders		(298.8)	(717.4)
Repayment of borrowings		(17.5)	(17.5)
Interest paid		(230.2)	(224.1)
Debt financing arrangement fees		-	(1.7)
Cash payments for the principal portion of lease obligations		(10.5)	(11.4)
Share buy-back relating to NCI[1]		(0.5)	(2.6)
Other financing activities		(1.8)	(2.0)
Net cash used in financing activities		**(560.0)**	**(974.5)**
Net (decrease) / increase in cash and cash equivalents		**(132.1)**	**113.3**
Cash and cash equivalents			
At beginning of the year		364.3	250.5
Net (decrease) / increase in cash and cash equivalents		(132.1)	113.3
Exchange gain on cash and cash equivalents		2.0	0.5
At end of the year		**234.2**	**364.3**
Comprising:			
Cash at bank and in hand		192.5	94.3
Short-term deposits with original maturity less than 3 months		41.7	270.0
Cash and cash equivalents		**234.2**	**364.3**
Net cash and cash equivalents at end of year	17	**234.2**	**364.3**

1 Non-controlling interest relates to the Group's 51% shareholding in Inmarsat Solutions ehf and NCI resulting from the management incentive plan.

The accompanying notes are an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

1. GENERAL INFORMATION

Connect Topco Limited (the 'Company' or, together with its subsidiaries, the 'Group') is a private company limited by shares incorporated in Guernsey. The address of its registered office is Redwood House, St Julian's Avenue, St Peter Port, GY1 1WA, Guernsey.

The smallest group into which the results of the Company are consolidated is headed by Connect Topco Limited.

2. PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been applied consistently to all the years presented unless otherwise stated.

Basis of preparation

The financial statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies (Guernsey) Law, 2008 and International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. The financial statements have been prepared under the historical cost convention except for certain financial instruments that have been measured at fair value, as described later in these accounting policies.

Going concern

In order to confirm that the business should adopt the going concern basis in preparing the consolidated financial statements for 2022, the Board and Management have considered compliance with banking covenants, ability to generate future profits and positive cash flows, business risks and the pending acquisition by Viasat. The Group has a robust and resilient business model and is compliant with all banking covenants.

As at 31 December 2022, the Group has $1,043.3m of liquid resources (Cash: $234.2m, short-term deposits: $109.1m, undrawn RCF: $700.0m) and a continued expectation that the Group will generate positive cash flow over the medium to long term. On 8 November 2021 the Connect Topco shareholders accepted an offer from Viasat Inc. to purchase the Group for approximately $7.3bn (refer to note 35). The agreement has been approved by both the Inmarsat and Viasat Board of Directors, and Viasat shareholders. The going concern assessment has been performed using the Group financial performance and position.

The Board and Management have also considered a number of possible scenarios and their impact on future revenues, profit for the year and liquidity. Under all scenarios there continues to be sufficient headroom to the Financial Performance Covenant under the debt agreements. The Group has assessed the future compliance through most recently approved budget, which has considered the maturity profile of the existing debt facilities and the $700 million undrawn revolving credit facility as discussed in note 20.

After considering current financial projections and facilities available and after making enquiries, the Directors have a reasonable expectation that the Group have adequate resources to continue in operational existence for the foreseeable future. Consequently, the Group continues to adopt the going concern basis in preparing the 2022 consolidated financial statements.

Basis of accounting

The consolidated financial statements are presented in U.S. Dollars, which is the functional currency of the Company and most of the Group's subsidiaries. The preparation of the consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenue and expenses during the year. Although these estimates are based on management's best estimate of the amount, event or actions, the actual results ultimately may differ from these estimates. Further discussion on these estimates and assumptions are disclosed in note 4.

Accounting policy changes

New and amended accounting standards adopted by the Group during 2022 which have no material impact include amendments to IFRS 3 Business Combinations; amendments to IAS 16 Property, Plant and Equipment; amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets; and Annual Improvements 2018-2020.

New and amended accounting standards that have been issued but are not yet effective and have not been adopted by the Group are provided below. All are effective for years beginning on or after 1 January 2023 and none will have a material impact on the Group.

- IFRS 17 Insurance Contracts
- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current and Classification of Liabilities as Current or Non-current - Deferral of Effective Date.
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Disclosure of Accounting policies.
- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates.
- Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction.
- Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and all its subsidiaries, and incorporate the share of the results of associates using the equity method of accounting.

The results of subsidiary undertakings established or acquired during the year are included in the consolidated income statement from the date of establishment or acquisition of control. The results of subsidiary undertakings disposed of during the period are included until the date of disposal. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group. All transactions, balances, income and expenses with and between subsidiary undertakings have been eliminated on consolidation.

Non-controlling interests in the net assets of consolidated subsidiaries, which consist of the amounts of those interests at the date of the original business combination and the non-controlling interests' share of changes in equity since the date of the combination, are not material to the Group's financial statements.

Business combinations

Business combinations are accounted for using the acquisition method. When the Group acquires a business, it identifies the assets and liabilities of the acquiree at the date of acquisition and measures them at fair value. Only separately identifiable intangible assets are recognised. Any assets or disposal groups held for sale at the acquisition date are measured at fair value less costs to sell.

Consideration is the fair value at the acquisition date of the assets transferred and liabilities incurred in acquiring the business and includes the fair value of any contingent consideration. Changes in fair value of contingent consideration after the acquisition date are recognised in the income statement. Acquisition-related costs are expensed as incurred and included in operating costs.

Foreign currency translation

The functional currency of the Company and most of the Group's subsidiaries, as well as the presentation currency of the Group, is U.S. Dollar. This is as the majority of operational transactions and financing are denominated in U.S. Dollars.

Foreign exchange gains and losses resulting from the settlement of transactions and the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in the income statement line which most appropriately reflects the nature of the item or transactions.

On consolidation, assets and liabilities of foreign operations are translated into the Group's presentation currency at the prevailing spot rate at year end. The results of foreign operations are translated into U.S. Dollars at the average rates of exchange for the year. Foreign currency translation differences resulting from consolidating foreign operations are recognised in other comprehensive income.

Revenue

The Group applies the 5 step-model as required by IFRS 15 in recognising its revenues. A contract's transaction price is allocated to each distinct performance obligation and recognised as revenue when, or as, the performance obligation is satisfied. Revenue is only recognised when it is probable that the entity will collect the consideration to which it will be entitled in exchange for the goods or services to be transferred to the customer.

Mobile satellite communications service revenues result from utilisation charges that are recognised as revenue over the minimum contract period. The selection of the method to measure progress towards completion requires judgement and is based on the nature of the products or services to be provided. Because of control transferring over time, revenue is recognised based on the extent of progress towards completion of the performance obligation. Deferred income attributable to mobile satellite communications services or subscription fees represents the unearned balances remaining from amounts received from customers pursuant to prepaid contracts.

The Group enters into minimum spend contracts with customers, known as 'take-or-pay' contracts, whereby customers agree to purchase a minimum value of mobile satellite communications services over a fixed period. Any unused portion of the prepaid contracts or the take-or-pay contracts ('breakage') that is deemed highly probable to occur by the expiry date is estimated at contract inception and recognised over the contract period in line with the pattern of actual usage of units by the customer.

Revenue from the sale of prepaid credit is deferred until such time as the customer uses the airtime and subsequently recognised over time. Breakage from prepaid credit deferrals which is considered highly probable is estimated and recognised from contract inception. Mobile satellite communications service revenues from capacity sold are recognised on a straight-line basis over the term of the contract concerned, which is typically between one and 12 months, unless another systematic basis is deemed more appropriate.

Revenue from spectrum coordination agreements, is recognised at a point in time based on standalone selling prices.

Revenue from service contracts is recognised as the service is provided over time based on the contract period.

Revenue of terminals and other communication equipment sold are recognised at the point in time when control is transferred to the customer. Installation revenues relating to this are also recognised at a point in time. Revenue from installation of terminals and

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

other communication equipment owned by Inmarsat and used in the delivery of the service to the customer is however recognised over the contract term.

The Group offers certain products and services as part of multiple deliverable arrangements. Consistent with all other contracts, the Group will assess whether the performance obligations are distinct by considering whether 1) the customer can benefit from the 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. The transaction price is allocated to each performance obligation based on its standalone selling price relative to the total of all performance obligations' standalone selling prices under the contract.

The nature of the contracts within the Group may give rise to variable consideration. This is estimated as the most likely amount based largely on an assessment of the anticipated performance and all information (historical, current and forecasted) that is reasonably available and is included in the transaction price to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue will not occur.

Where a contract contains a significant financing component, the Group adjusts the transaction price to a present value where the effect of discounting is deemed to be material. The Group has adopted the practical expedient whereby it is not required to adjust the transaction price for the effects of a significant financing component if, at contract inception, the period between customer payment and the transfer of goods or services is expected to be one year or less. For contracts with an overall duration greater than one year, the practical expedient also applies if the period between performance and payment for that performance is one year or less.

A contract asset or a contract liability will arise when the performance of either party exceeds the performance of the other. Contract assets are rights to consideration in exchange for goods or services that the entity has transferred to a customer when that right is conditional on something other than the passage of time. Contract liabilities are obligations to transfer goods or services to a customer for which the entity has received consideration, or for which an amount of consideration is due to the customer. These are referred to as deferred income within the Group.

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. As a practical expedient, a cost to obtain contract with a customer will be immediately expensed if it has an amortisation period of one year or less.

Financing income and financing cost

Financing income comprises interest receivable on funds invested in short-term deposits and interest on the net defined benefit and post-employment asset/liability.

Financing costs comprise interest payable on borrowings including the Senior Notes and Term Loan, amortisation of deferred financing costs, and interest on lease liabilities. Finance charges are recognised in the income statement at the effective interest rate.

Financial assets

Trade and other receivables

Trade and other receivables, including prepaid and accrued income, are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method. The Group stratifies trade debtors based on internal credit ratings. The Group calculates the loss allowance for trade receivables and contract assets based on lifetime expected credit losses under the IFRS 9 simplified approach.

Cash and cash equivalents

Cash and cash equivalents, measured at fair value, comprises cash balances, deposits held on call with banks, money market funds and other short-term, highly liquid investments with an original maturity of three months or less. Bank overdrafts are shown as current liabilities within borrowings on the balance sheet.

Short-term deposits

Short-term deposits, measured at fair value, comprises deposits held with banks, money market funds and other short-term, highly liquid investments with an original maturity of four to twelve months.

Financial liabilities and equity

Equity instruments

An equity instrument is any contract that evidences a residual interest in the net assets of the Group. Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue cost.

Trade and other payables

Trade and other payables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method.

Borrowings

Borrowings, comprising interest-bearing bank loans, are initially recognised at fair value which equates to the proceeds received, net of direct transaction and arrangement costs. They are subsequently measured at amortised cost. Finance charges related to borrowings, including amortisation of direct transaction costs, are charged to the income statement over the term of the borrowing using the effective interest rate method.

Borrowings are generally classified as current liabilities unless the Group has the unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date, in which case borrowings are classified as non-current liabilities.

Senior Notes and term loan

The Group has issued Senior Notes and a Term Loan that are included within borrowings, and are initially recognised at fair value which equates to the proceeds received, net of direct transaction costs and any premium or discount. These instruments are subsequently measured at amortised cost. Finance charges, including amortisation of direct transaction costs and any premium or discount, are recognised in the income statement over the term of the borrowing at the effective interest rate method.

Net borrowings

Net borrowings consists of total borrowings less cash and cash equivalents and short-term deposits. Borrowings exclude accrued interest and any derivative financial liabilities.

Derivative financial instruments

In accordance with its treasury policy, the Group does not hold or issue derivative financial instruments for trading or speculative purposes.

Derivatives are initially recognised at fair value on the date the contract is entered into and subsequently measured at fair value. The gain or loss on remeasurement is recognised in the income statement, except where the derivative is used to hedge against risks such as fluctuations in interest rates or foreign exchange rates. The accounting policy for hedging follows below.

Hedge Accounting

The Group designates certain derivatives as hedging instruments in respect of foreign currency risk and interest rate risk in fair value hedges, cash flow hedges, or hedges of net investments in foreign operations. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationship meets all the hedge effectiveness criteria.

The Group designates only the intrinsic value of option contracts as a hedged item, i.e. excluding the time value of the option. The changes in the fair value of the aligned time value of the option are recognised in other comprehensive income and accumulated in the cost of hedging reserve. If the hedged item is transaction-related, the time value is reclassified to profit or loss when the hedged item affects profit or loss. If the hedged item is time period related, then the amount accumulated in the cost of hedging reserve is reclassified to profit or loss on a rational basis – the Group applies straight-line amortisation. Those reclassified amounts are recognised in profit or loss in the same line as the hedged item.

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income and accumulated in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the income statement within financing costs.

Where there is a material contract with a foreign currency exposure, a specific hedge to match the specific risk will be evaluated. The Group has previously hedged certain foreign currency milestone payments for the construction of the I-6 satellites.

Amounts recognised as other comprehensive income are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised, or when a forecast sale occurs. When the hedged item is the future purchase of a non-financial asset or non-financial liability, the amount recognised as other comprehensive income is transferred to the initial carrying amount of the non-financial asset or liability.

IFRS 9 requires the Group to value and account for foreign currency basis. Changes in the fair value of currency basis are recognised as a separate component of equity in other comprehensive income.

The value of a hedging derivative is classified as non-current asset or liability if the cash flows are due to be received in greater than twelve months, and as a current asset or liability if the cash flows are due to be received in less than 12 months.

IBOR Reform

The Group applies the Interest Rate Benchmark Reform – Phase 2 Amendments to IFRS 9, IAS 39 and IFRS 7 issued in August 2020 ('Phase 2 relief'). These amendments modify (provide relief to) specific hedge accounting requirements to allow hedge accounting to continue for affected hedges during the period of uncertainty before the hedged items or hedging instruments are amended as a result of the interest rate benchmark reform.

In relation to borrowing, the IFRS reliefs mean the Group can update its effective interest rate for the change to the new risk-free rate without recognising an immediate gain or loss. For hedge accounting, the reliefs mean existing hedge accounting will not terminate and updates to hedge documentation relating to IBOR reform will not result in a de-designation event for existing hedge relationships. Hedge ineffectiveness will continue to be recorded in the income statement. In order to qualify for the relief the Group will ensure that transition is economically equivalent to the previous LIBOR basis.

All Financial instruments with a reference rate linked to LIBOR are exposed to IBOR reform, meaning the Group has a material exposure to changes in the USD IBOR benchmark. At 31 December 2022 the Group has a term loan of $1.70bn (2021: $1.72bn) and interest rate caps with a notional amount of $1.66bn (2021: $1.66bn), which are indexed to USD LIBOR. The interest rate caps are designated in a cash flow hedge relationship hedging the USD LIBOR term loan.

In assessing whether the hedges are expected to be highly effective on a forward-looking basis, the Group has assumed that the USD LIBOR interest rate on which the cash flows of its interest rate caps and its hedged floating rate loan are not altered by IBOR reform.

Due to the upcoming cessation of LIBOR as a reference rate, the Group obtained the necessary lender consent to transition the credit agreement governing its term loan and revolving credit facility from LIBOR to Term SOFR. This change will be effective after USD LIBOR ceases to be available on 30 June 2023. The Group will use the ISDA Fallbacks Protocol to transition the interest rate hedges applicable to the term loan from USD LIBOR to Compound SOFR, also effective 30 June 2023, with this part of the transition process expected to be completed in Q1 2023. The Group does not anticipate material changes to existing systems and processes and the primary impact of the change will arise as a result of differences between LIBOR and SOFR, and between Compound and Term SOFR rates.

Employee benefits

Wages, salaries, social security contributions, accumulating annual leave, bonuses and non-monetary benefits are accrued in the year in which the associated services are performed by the employees of the Group.

Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it has demonstrably committed to either terminate the employment of current employees or to provide termination benefits, as a result of an offer made to encourage voluntary redundancy.

Cash based LTIP is an executive remuneration scheme for members of senior management, which runs over three years. The scheme awards are accrued in the financial statements for the duration of the award. The accrual is based on the values assessed for the applicable schemes, taking into account the duration of the individual scheme, and by comparing the Group's performance against the criteria used to award payments. These are recognised as the present value of the benefit obligation. Where the Group's performance does not meet the criteria for the LTIP to be awarded, no accruals are recognised.

Taxation

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement as it excludes items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is provided on temporary differences arising between assets and liabilities' tax bases and their carrying amounts (the balance sheet method). Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary deductible differences or tax loss carry forwards can be utilised.

Deferred tax liabilities are provided on all taxable temporary differences except on those:

- Arising from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit.
- Associated with investments in subsidiaries and associates, but only to the extent that the Group controls the timing of the reversal of the differences and it is probable that the reversal will not occur in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set them off, when they relate to income taxes levied by the same taxation authority and if the Group intends to settle its current tax assets and liabilities on a net basis.

Uncertain tax positions

The Group's policy is to comply with all enacted laws in the relevant jurisdictions in which the Group prepares its tax returns. However, tax legislation, especially as it applies to corporate taxes, is not always prescriptive and more than one interpretation of the law may be possible. In addition, tax returns in many jurisdictions are filed in arrears a year or more after the end of the accounting period to which they relate. The tax authorities often have a significant period in which to enquire into these returns after their submission. As a result, differences in view, or errors in returns, may not come to light until some time after the initial estimate of tax due is determined. This necessarily leads to a position of uncertain tax positions.

Where the Group is aware of significant areas where the law is unclear and where this has been relied upon in a filing position of a tax return, or, in an area where different outcomes and interpretations are possible and may lead to a different result, the Group provides for the uncertain tax position. A provision is made when, based on the available evidence, the Group considers that it is probable that further amounts will be payable, or a recoverable tax position will be reduced, and the adjustment can be reliably estimated. The Group calculates the uncertain tax position using a single best estimate of the most likely outcome on a case-by-case basis.

Property, plant and equipment

General

Property, plant and equipment assets are initially recognised at cost and subsequently treated under the cost model at cost less accumulated depreciation and any accumulated impairment losses.

Space segment assets

Space segment assets comprise satellite construction, launch and other associated costs, including ground infrastructure. Expenditure charged to space segment projects includes invoiced progress payments, amounts accrued appropriate to the stage of completion of contract milestones, external consultancy costs and direct internal costs. Internal costs, comprising primarily staff costs, are only capitalised when they are directly attributable to the construction of an asset. Progress payments are determined on milestones achieved to date together with agreed cost escalation indices. Deferred satellite payments represent the net present value of future payments dependent on the future performance of each satellite and are recognised in space segment assets when the satellite becomes operational. The associated liability is stated at its net present value and included within borrowings. Depreciation on space segment assets is recognised over the life of the satellites from the date they become operational and are placed into service.

Assets in the course of construction

These assets are carried at cost with no depreciation charged whilst in the course of construction. The assets will be transferred and depreciated over the life of the satellites or services once they become operational and placed into service.

Capitalised borrowing costs

The Group incurs borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to get ready for its intended use or sale. Such borrowing costs are capitalised as part of the cost of the asset. Capitalisation commences when the Group begins to incur the borrowing costs and related expenditures for the asset, and when it undertakes the activities that are necessary to prepare the asset for its intended use or sale. Capitalisation of borrowing costs ceases when substantially all of the activities necessary to prepare the asset for its intended use or sale are complete.

Other fixed assets

Other fixed assets are initially recognised at cost and subsequently measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation

Depreciation is calculated to write-off the historical cost less residual values, if any, of fixed assets, except land, on a straight-line basis over the expected useful lives of the assets concerned. The Group selects its depreciation rates and residual values carefully and reviews them annually to take into account any changes in circumstances or expectations. When determining useful lives, the principal factors considered are the expected rate of technological developments, expected market requirements for the equipment and the intensity at which the assets are expected to be used. Any change in useful lives is accounted for prospectively. The Group also reviews the residual values and depreciation methods on an annual basis.

Derecognition

An item of property plant or equipment is derecognised upon disposal or when no future economic benefit is expected from its use or disposal. Any gain or loss arising on derecognition of the asset, calculated as the difference between the net disposal proceeds and the carrying amount of the asset, is recognised in the income statement.

Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attached conditions will be complied with. A grant that relates to an expense item is recognised as income on a systematic basis over the period(s) that the related costs are expensed. A grant that relates to an asset is deducted from the cost of the relevant asset, thereby reducing the depreciation charge over the useful life of the asset.

Intangible assets

Intangible assets comprise goodwill, trademarks, software, terminal development and network access costs, spectrum rights, orbital slots, unallocated launch slots and licences, customer relationships and intellectual property.

Intangible assets acquired separately are initially recognised at cost. Intangible assets acquired as part of a business combination are initially recognised at their fair values as determined at acquisition date. After initial recognition, intangible assets are carried at cost less accumulated amortisation and any accumulated impairment losses.

Goodwill

Goodwill is initially measured at cost as the difference between the fair value of the consideration for the acquisition and fair value of the net identifiable assets acquired, including any identifiable intangible assets other than goodwill. If the assessment of goodwill results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in the income statement. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units ('CGUs') that are expected to benefit from the business combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Research and development costs

Research costs related to internally generated intangibles are expensed in the year that the expenditure is incurred.

Development costs are expensed when the costs are incurred unless it meets criteria for capitalisation under IAS 38. Development costs are only capitalised if the technical feasibility, availability of appropriate technical, financial and other resources and commercial viability of developing the asset for subsequent use or sale have been demonstrated and the costs incurred can be measured reliably. Capitalised development costs are amortised in the income statement on a straight-line basis over the period of expected future benefit.

Amortisation

Intangible assets with a finite useful life are amortised on a straight-line basis over the useful life of the asset. The amortisation period and method are reviewed on an annual basis. Intangible assets with an indefinite useful life, such as goodwill, are not amortised but reviewed annually for impairment.

Impairment reviews

Goodwill is not amortised, but is tested at least annually for impairment. Impairment losses in respect of goodwill are not reversed.

Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the full carrying amount may not be recoverable. Indicators of impairment may include changes in technology and business performance. An asset is tested for impairment on an individual basis as far as possible to determine its recoverable amount. Where this is not possible, assets are grouped and tested for impairment in a cash generating unit. A cash generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. An asset will be impaired if the carrying amount exceeds its recoverable amount, which is the higher of the fair value less costs to sell the asset and the value in use. The impairment loss will be recognised in the income statement.

In assessing value in use, 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.

Subsequent to an impairment loss, if indications exist that an asset's recoverable amount might have increased, the recoverable amount will be reassessed and any impairment reversal recognised in the income statement. An impairment loss is reversed only to the extent that the asset's carrying amount will not exceed the depreciated historical cost (what the carrying amount would have been had there been no initial impairment loss).

Leases

Contracts which convey the right to control the use of an identified asset for a period of time in exchange for consideration are accounted for as leases by the Group. At the commencement date, the Group, as lessee, recognises a right-of-use asset and a lease liability. The lease liability is measured at the present value of the lease payments that are not paid at that date, discounted using the rate implicit in the lease, unless such a rate is not readily determinable, in which case the incremental borrowing rate is used. The right-of use asset comprises the amount of the initial measurement of the lease liability, adjusted for any lease payments made at or before the commencement date, less any lease incentives received and any initial direct costs incurred by the Group. Lease term is determined as the non-cancellable period of a lease adjusted for any reasonably certain extension or termination option.

After commencement date, the right-of use asset is depreciated on a straight-line basis to the end of the lease term. The lease liability is accounted for by reducing the carrying amount to reflect the lease payments made, and increasing the carrying amount to reflect the interest on the lease liability.

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

As lessor for operating leases, the Group recognises lease payments as income. The underlying asset is depreciated on a straight-line basis over its expected useful life. As lessor for finance leases, the Group recognises lease receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Non-current assets and disposal groups held for sale

Non-current assets and disposal groups are classified as 'held for sale' when their carrying values will be recovered through a sales transaction rather than through continued use. This classification is subject to meeting the following criteria:

- Management is committed to a plan to sell and the asset is being actively marketed for sale at a sales price reasonable in relation to its fair value.

– The asset is available for immediate sale.
– The sale is highly probable to be concluded within 12 months of classification as held for sale.
– It is unlikely that the plan to sell will be significantly changed or withdrawn.

Disposal groups are groups of assets and associated liabilities to be disposed of together in a single transaction. At the reporting date they are separately disclosed as current assets and liabilities on the balance sheet.

When non-current assets or disposal groups are classified as held for sale, depreciation and amortisation will cease and the assets are remeasured at the lower of their carrying amount and fair value less costs to sell.

Any resulting impairment loss is recognised in the income statement.

Inventories

Inventories are stated at the lower of cost (determined by the weighted average cost method) and net realisable value. Allowances for obsolescence are recognised in other operating costs when there is objective evidence that inventory is obsolete.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The expense relating to a provision is recognised in the income statement, except where the obligation is to dismantle or restore an item of property, plant or equipment, in which case the amount is capitalised to the cost of the asset. The capitalised amount is subsequently depreciated to the income statement over the remaining useful life of the underlying asset.

Provisions are discounted to a present value at initial recognition where the effect of discounting is deemed to be material. Discounted provisions will unwind over time using the amortised cost method with finance cost recognised in the income statement. Provision estimates are revised each reporting date and adjustments recognised in line with the provision's initial recognition (either in the income statement or recognised against the cost of the asset).

Asset retirement obligations

The fair value of legal obligations associated with the retirement of tangible property, plant and equipment is recognised in the financial statements in the year in which the liability is incurred. Upon initial recognition of a liability for an asset retirement obligation, a corresponding asset retirement cost is added to the carrying amount of the related asset, which is subsequently amortised to income over the remaining useful life of the asset. Following the initial recognition of an asset retirement obligation, the carrying amount of the liability is increased for the passage of time by applying an interest method of allocation to the liability with a corresponding accretion cost reflected in operating expenses.

Revisions to either the timing or the amount of the original estimate of undiscounted cash flows are recognised each year as an adjustment to the carrying amount of the asset retirement obligation.

3. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Group's operations and significant debt financing expose it to a variety of financial risks that include the effects of changes in debt market prices, foreign currency exchange rates, credit risks, liquidity risks and interest rates. The Group has in place a risk management programme that seeks to limit adverse effects on the financial performance of the Group by using forward exchange contracts to limit exposure to foreign currency risk and to limit the impact of fluctuating interest rates by minimising the amount of floating rate long-term borrowings.

The Board of Directors has delegated to the treasury department the responsibility for setting and implementing the financial risk management policies applied by the Group. The treasury department has an operating manual that sets out specific guidelines for managing foreign exchange risk, interest rate risk and credit risk (see note 31). The Group does not hold or issue derivative financial instruments for speculative or trading purposes.

(a) Market risk

(i) Foreign exchange risk

The functional currency of the Company and its principal subsidiaries is the U.S. Dollar. All of the Group's long-term borrowings are denominated in U.S. Dollars, the majority of its revenue is earned in U.S. Dollars and the majority of capital expenditure is denominated in U.S. Dollars, which are therefore not subject to risks associated with fluctuating foreign currency rates of exchange.

However, the Group operates internationally, resulting in 3% (2021: 4%) and 32% (2021: 29%) of total revenue and total expenditure, respectively, being denominated in currencies other than the U.S. Dollar. 27% (2021: 30%) of the Group's operating costs are denominated in Pounds Sterling. The Group's exposure therefore needs to be carefully managed to avoid variability in future cash flows and earnings caused by volatile foreign exchange rates.

For the year ended 31 December 2022, a hypothetical 10% increase in the U.S. Dollar/Sterling year-end exchange rate (U.S.$1.21/£1.00 to U.S.$1.33/£1.00) would have decreased the 2022 profit before tax and equity by $1.0m (2021: $3.3m). Management believes that a 10% sensitivity rate provides a

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reasonable basis upon which to assess expected changes in foreign exchange rates.

(ii) Price risk

The Group is not exposed to significant equity securities price risk or commodity price risk.

(iii) Inflation risk

The Group faces inflationary risks which cause an increase in costs across the business. The Group has partially mitigated this risk through tight cost control, and targeted price increases.

(b) Interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group has interest-bearing assets such as cash and cash equivalents, short-term deposits, and non-current other receivables, however the interest rate risk arises from its long-term borrowings specifically a Term Loan and Senior Notes 2026. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings related to Senior Notes due 2026 are charged at a fixed rate. As at 31 December 2022 the Group had drawn down $1.70bn (2021 $1.72bn) on the Term Loan which is repayable in quarterly instalments over 7 years. The credit agreement will mature in 2026. Drawings under this credit agreement incur interest at a variable rate of LIBOR +3.5% (2021: +3.5%). The Group has entered into interest rate cap arrangements to hedge the variable interest rates on the Term Loan. The cap provides protection of USD LIBOR up to 2% and covers 98% of the total nominal amount of the Term Loan. As at 31 December 2022 a hypothetical 1% increase in interest rate would have decreased the 2022 profit before tax and equity by $37.0m (2021: $36.5m). Management believes that a 1% sensitivity rate provides a reasonable basis upon which to assess expected changes in variable interest rates, given Senior Notes are charged at a fixed rate and the Term Loan is supported by an interest rate cap arrangement, therefore materially mitigating interest rate risk.

(c) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. A debt will be deemed uncollectable and therefore written off based on one or more of the following criteria:

- Insolvency (formal or just ceased trading).
- Debtor cannot be located.
- Debt uneconomical to pursue.

For any write-offs, a standard procedure is followed with authorisations obtained in-line with the Group's framework.

Financial instruments that potentially subject the Group to a concentration of credit risk consist of cash and cash equivalents, short-term deposits, trade receivables, other receivables, accrued income and derivative financial instruments. The credit risk on liquid funds (cash and cash equivalents and short-term deposits) and derivative financial instruments is limited because the counterparties are highly rated financial institutions. The maximum exposure to credit risk as at 31 December is:

($ in millions)	Note	2022	2021
Cash and cash equivalents	17	234.2	364.3
Short-term deposits	17	109.1	30.0
Trade receivables, other receivables and accrued income	18	262.3	239.6
Total credit risk exposure		**605.6**	**633.9**

The Group's average age of trade receivables as at 31 December 2022 was approximately 56 days (2021: 55 days).

At 31 December 2022, $260.2m (2021: $236.3m) of trade receivables were not yet due for payment. No interest is charged on trade receivables until the receivables become overdue for payment. Thereafter, interest may be charged at varying rates depending on the terms of the individual agreements.

The Group has credit evaluation, approval and monitoring processes intended to mitigate potential credit risks, and utilises both internal and third-party collection processes for overdue accounts. The Group maintains provisions for potential credit losses that are assessed on an ongoing basis. The provision for uncollectible trade receivables has decreased to $14.7m (excluding Ligado Networks - refer note 4a) as at 31 December 2022 (2021: $17.9m).

For 2022, the Group had one customer with revenue of 10% ($154.1m) of the Group's total revenue, with none of the remaining customers comprising greater than 10% (2021: no customer).

As a result of the pension scheme buy-out (note 28) the Group is no longer exposed to credit risk associated with the insurer.

(d) Liquidity risk

The Group is exposed to liquidity risk with respect to its contractual obligations and financial liabilities. Prudent liquidity risk management implies maintaining sufficient cash and short-term deposits and the availability of funding through an adequate amount of committed credit facilities.

The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The available liquidity of the Group as at 31 December is:

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($ in millions)	Note	2022	2021
Cash and cash equivalents	17	234.2	364.3
Short-term deposits	17	109.1	30.0
Available but undrawn borrowing facilities[1]	20	700.0	700.0
Total available liquidity		**1,043.3**	**1,094.3**

1 Relates to the Senior Revolving Credit Facility (see note 20).

The Directors currently believe the Group's liquidity position is more than sufficient to meet its needs for the foreseeable future.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In applying the Group's accounting policies, which are described in note 2, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting year that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

(a) Revenue in respect of Ligado Networks

In December 2007, Inmarsat and Ligado Networks LLP (formerly LightSquared LP and LightSquared Inc.), and Ligado Networks (Canada) Inc. (formerly Skyterra (Canada) Inc.) entered into a 100 year Cooperation Agreement for the efficient use of L-band spectrum over North America. The Cooperation Agreement has been modified a number of times, and this has been assessed against IFRS 15 as to whether the modification is treated as a new contract or an amendment to an earlier contract. Amendment 5 & 6, signed in 2020, provided a $700m payment from Ligado which reduced all future quarterly payments by 60% and deferred Q2 2020 to Q4 2022 quarterly payments as well as all previously deferred amounts to 1 January 2023, at which date a payment of $395m, including interest, falls due. Additionally, there is a call option available until 15 October 2025 for Ligado to buy out all remaining payment obligations to 2107 for a cash payment ranging between $825m - $968m.

Amendment 7 was signed on 23 December 2022 and Ligado subsequently paid Inmarsat $30.0m. This is a payment on the $395m due 1 January 2023 and provides a deferral of the remaining $365m due, to 1 April 2023. After interest, $373m will be payable from Ligado on 1 April 2023. Amendment 7 provides no further amendment to existing obligations and Ligado has retained spectrum rights during this period.

Given the level of uncertainty around the collection of future monies, the Group ceased to apply the IFRS 15 five-step model from Q2 2020 to Amendments 5 & 6. Based on the continued level of uncertainty, no change to this assessment has arisen from Amendment 7 and no revenue has been recognised in relation to spectrum and deferrals. The $30m receipt has been applied against the existing receivable.

At 31 December 2022, deferred income of $906.1m (2021: $906.5m) was recorded on the balance sheet. $206.1m (2021: $206.5m) represents services not yet performed relating to issues including interference resolution for which payment has already been received from Ligado. $0.4m of costs were incurred in relation to interference resolution in 2022 and a corresponding amount of revenue was released (2021: nil). $700m (2021: $700m) represents the upfront payment received pursuant to Amendment 5 & 6.

At 31 December 2022 a $3.9m (2021: $17.2m) receivable relating to deferrals, net of ECL provision, and a $0.4m (2021: $2.0m) interest receivable, net of ECL provision, is recorded on the balance sheet . A 51% impairment has been recognised in order to comply with IFRS 9 and align with our conclusion that uncertainty remains around the collection of future monies. The reduction in receivable is directly linked to the $30.0m received from Ligado in accordance with Amendment 7. If Ligado failed to make remaining payments as they fall due, this default would release Inmarsat from its remaining obligations, which would trigger the recognition in the income statement of the remaining deferred income resulting in a net gain to the Group.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

Critical judgements in applying the Group's accounting policies

The following are the critical judgements, apart from those involving estimations (which are presented separately above), that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in financial statements:

(b) Capitalisation of space segment assets and associated borrowing costs

The net book value of space segment assets is currently $1,450.4m (2021: $1,703.6m). There have been additions of $0.7m in the year (2021: $28.5m) and transfers from assets in the course of construction of $10.0m (2021: $10.8m). The key judgements involved in the capitalisation of space segment assets and associated borrowings costs are:

- Whether the capitalisation criteria of the underlying IAS have been met.
- Whether an asset is ready for use and as a result further capitalisation of costs should cease and depreciation should commence.
- Whether an asset is deemed to be substantially complete and as a result capitalisation of borrowing costs should cease.

(c) Proxy board arrangement

The Group has made key judgements in determining the appropriateness of consolidating Inmarsat Government Inc.

The U.S. Government element of Inmarsat's Government business unit is managed through the U.S. trading entity, Inmarsat Government Inc., a wholly-owned subsidiary of the Group. The business is managed through a Proxy agreement as required by the U.S. National Industrial Security Program ('NISP'). A Proxy agreement is an instrument intended to mitigate the risk of foreign ownership, control or influence when a foreign person owns, acquires or merges with a U.S. entity that has a facility security clearance under the NISP. The Proxy agreement conveys the foreign owner's voting rights to the Proxy Holders, comprised of the Proxy board. There are three Proxy holders who are U.S. citizens cleared and approved by the U.S. Defence Security Service ('DSS').

Proxy holders have a fiduciary duty, and agree, to perform their role in the best interests of the Group (including the legitimate economic interest), and in a manner consistent with the national security interests of the U.S.

The DSS requires Inmarsat Government Inc. to enter into a Proxy agreement because it is indirectly owned by the Group and it has contracts with the Department of Defence which contain certain classified information. The Proxy agreement enables Inmarsat Government Inc. to participate in such contracts with the U.S. Government despite being owned by a non-U.S. corporation.

Under the Proxy agreement, the Proxy holders have the power to exercise all privileges of share ownership of Inmarsat Government Inc. In addition, as a result of the Proxy agreement, certain limitations are placed on the information which may be shared, and the interaction which may occur, between Inmarsat Government Inc. and other Group companies.

The Group maintains its involvement in Inmarsat Government Inc.'s activities through normal business activity and liaison with the Chair of the Proxy Board. Inmarsat Government Inc.'s commercial and governance activity is included in the business update provided in regular Executive reports to the Board. This activity is always subject to the confines of the Proxy regime to ensure that it meets the requirement that Inmarsat Government Inc. must conduct its business affairs without direct external control or influence, and the requirements necessary to protect the U.S. national security interest.

In accordance with IFRS 10 'Consolidated financial statements', an assessment is required to determine the degree of control or influence the Group exercises and the form of any control to ensure that the financial statement treatment is appropriate. On the basis of the Group's ability to affect the financial and operating policies of the entity, we have concluded that the Group meets the requirements of IFRS 10 in respect of control over the entity and, therefore, consolidates the entity in the Group's consolidated accounts. There have been no changes in circumstances which impact any of the key judgements made by the Group.


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5. SEGMENTAL INFORMATION

The Group have identified the provision of global mobile satellite communications services to customers around the world as the only operating segment. The Board of Directors review the Group's financial reporting on a consolidated basis and approves those proposals for the allocation of the Group's resources and have therefore been identified as the chief operating decision maker. The Group's revenue is categorised by four business units, namely:

- Maritime: focusing on worldwide commercial maritime services including safety services;
- Government: focusing on military and other government services to the U.S. and other international governments;
- Aviation: focusing on commercial aviation, business and general aviation; and providing operational and safety services to support both of these segments; and
- Enterprise: focusing on worldwide land-based Internet of Things, lease, broadband, and voice segments.

These four business units are supported by 'Central Services' which includes satellite operations, technology, corporate functions, backbone infrastructure, and any income that is not directly attributable to a business unit, such as Ligado.

Segment results 2022

($ in millions)	Maritime	Government	Aviation	Enterprise	Central Services	Total
Revenue	515.5	526.9	310.8	106.4	14.1	1,473.7
Ligado revenue	-	-	-	-	0.4	0.4
Total revenue	**515.5**	**526.9**	**310.8**	**106.4**	**14.5**	**1,474.1**

Segment results 2021

($ in millions)	Maritime	Government	Aviation	Enterprise	Central Services	Total
Revenue	506.1	490.7	226.9	115.5	13.2	1,352.4
Ligado revenue	-	-	-	-	-	-
Total revenue	**506.1**	**490.7**	**226.9**	**115.5**	**13.2**	**1,352.4**

Timing of revenue recognition

($ in millions)	2022	2021
At a point in time	95.6	72.5
Over time	1,378.5	1,279.9
Total	**1,474.1**	**1,352.4**

Segmental analysis by geography

The Group's operations are located in the geographical regions listed below. Revenues are allocated to countries based on the billing address of the customer. For wholesale customers, this is the distribution partner who receives the invoice for the service, and for retail customers this is the billing address of the customer for whom the service is provided. Assets and capital expenditure are allocated based on the physical location of the assets.

	2022		2021	
($ in millions)	**Revenue**	**Non-current segment assets**	**Revenue**	**Non-current segment assets**
United Kingdom	64.9	3,600.8	48.7	3,629.6
Rest of Europe	405.9	216.3	375.5	247.4
United States	600.2	98.2	531.6	80.0
Rest of North America	45.0	43.5	40.4	53.2
Asia and Pacific	253.9	111.0	248.9	99.3
Rest of the world	104.2	61.7	107.3	38.0
Unallocated[1]	-	1,943.3	-	2,121.8
	1,474.1	**6,074.8**	**1,352.4**	**6,269.3**

1 Unallocated items relate to satellites which are in orbit.

Remaining performance obligations

The table below shows the remaining revenue to be derived from unsatisfied (or partially unsatisfied) performance obligations under non-cancellable contracts with customers at the end of the year.

($ in millions)	**As at 31 December 2022**	**As at 31 December 2021**
Within one year	496.0	418.0
Between two to four years	609.9	442.1
Five years and greater	282.5	286.5
	1,388.4	**1,146.6**

All other contracts are for periods of one year or less or are billed based on time incurred. As permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

6. OPERATING PROFIT

Costs are presented by the nature of the expense to the Group. Network and satellite operation costs comprise costs to third parties for network service contracts and services. A breakdown of employee benefit costs is given in note 7.

Operating profit is stated after charging the following items:

($ in millions)	Note	2022	2021
Depreciation of property, plant and equipment	13	347.6	367.8
Amortisation of intangible assets	14	243.9	253.6
Depreciation of right-of-use assets	15	9.3	11.1
Viasat transaction costs[1]		22.8	11.1
Loss on disposal of assets		4.1	7.6
Impairment[2]		0.5	(0.3)
IT support		39.0	37.8
Cost of inventories recognised as an expense		88.5	75.5
Write downs of inventories recognised as an expense	19	6.8	4.0
Research costs expensed		16.9	18.6

1 Viasat transaction costs primarily relate to professional fees supporting the Viasat acquisition.

2 Relates to the impairment of $0.5m of intangible assets (2021: $0.6m impairment of tangible assets, offset by reversal of prior impairment of a financial asset of $0.9m).

Remuneration payable to the Group's auditor, Deloitte LLP and its associates in the year:

($ in millions)	2022	2021
Audit fees:		
Annual audit of the Company	0.1	0.1
Annual audit of subsidiary companies	1.3	1.1
Total audit fees	**1.4**	**1.2**
Audit-related assurance services[1]	0.6	1.7
Total audit and audit-related fees	**2.0**	**2.9**
Other services	0.1	0.1
Total non-audit fees	**0.1**	**0.1**
Total auditor's remuneration	**2.1**	**3.0**

1 Fees paid for audit-related assurance services relate to additional assurance over historical Group financial information, in support of the Viasat acquisition.

7. EMPLOYEE BENEFIT COSTS

($ in millions)	Note	2022	2021
Wages and salaries		266.5	261.3
Social security costs		30.1	29.1
Defined contribution pension plan costs		13.8	12.9
Defined benefit pension plan costs[1]	28	0.6	0.6
Post-employment benefits costs[1]	28	0.2	-
Total employee benefit costs		**311.2**	**303.9**

1 Defined benefit pension plan costs and post-employment benefits costs includes current service costs (see note 28).

Employee Numbers

The average monthly number of employees (including the Executive Director) employed is as follows:

By activity:	**2022**	**2021**
Operations	856	777
Sales and marketing	342	378
Development & engineering	221	245
Administration	379	370
	1,798	**1,770**

By business unit:	**2022**	**2021**
Maritime	84	129
Government	232	213
Enterprise	51	63
Aviation	66	73
Central Services	1,365	1,292
	1,798	**1,770**

The employee headcount numbers presented above refer to permanent full time and part time employees and exclude contractors and temporary staff.

8. KEY MANAGEMENT COMPENSATION

The Group's Executive and Non-Executive Directors are the key management personnel of the business. Details of the total amounts earned during the year are as follows:

($ in millions)	**2022**	**2021**
Short-term benefits	4.3	5.1
	4.3	**5.1**

In the current year, no Director has been a member of the Group's defined contribution pension plan.

9. NET FINANCING COSTS

($ in millions)	2022	2021
Bank interest receivable and other interest	(5.6)	(2.8)
Total financing income	**(5.6)**	**(2.8)**
Interest on Senior Notes and credit facilities	228.7	222.1
Amortisation of term loan gain[1]	12.1	10.5
Amortisation of debt issue costs	20.0	18.7
Interest on lease obligations	1.6	2.0
Other interest	4.4	8.2
Finance costs	**266.8**	**261.5**
Less: Amounts capitalised in the cost of qualifying assets	(76.0)	(66.6)
Financing costs excluding derivative adjustments	**190.8**	**194.9**
Fair value changes in financial assets and liabilities[1]	-	(76.4)
Net financing costs	**185.2**	**115.7**

1 Fair value changes in financial assets in liabilities in 2021 relates to an IFRS 9 related gain on repricing the term loan (refer note 20). This gain is amortised over the remaining life of the loan.

Borrowing costs capitalised in the cost of qualifying assets during the year are calculated by applying a capitalisation rate to expenditures on such assets. The average interest capitalisation rate for the year was 7.1% (2021: 7.5%).

10. TAXATION

The tax charge for the year recognised in the income statement:

($ in millions)	2022	2021
Current tax charge:		
Current year	22.5	13.7
Adjustments in respect of prior periods	(9.8)	5.8
Total current tax charge	**12.7**	**19.5**
Deferred tax charge:		
Origination and reversal of temporary differences	(8.5)	(20.2)
Adjustments due to changes in corporation tax rates	0.3	175.0
Adjustments in respect of prior periods	13.2	(9.3)
Total deferred tax charge	**5.0**	**145.5**
Total taxation charge	**17.7**	**165.0**

The table below explains the differences between the expected tax expense, being the Group's profit multiplied by the UK tax rate, and the Group's total tax expense. The UK rate is used on the basis that this is our principal operating jurisdiction.

The effective tax rate is 26.8% (2021: 1,434.8%) and is also reconciled below:

($ in millions)	**2022**	**2021**
Profit / (loss) before tax	**66.1**	**(11.5)**
Income tax at 19.0%	12.6	(2.2)
Differences in overseas tax rates	1.8	3.3
Adjustments in respect of prior periods	3.4	(3.5)
Adjustments due to changes in the corporation tax rate	0.3	175.0
Impact of UK patent box regime	(2.2)	(5.7)
Impact of current temporary difference not recognised	-	0.3
Other non-deductible expenses / non-taxable income	1.8	(2.2)
Total taxation charge	**17.7**	**165.0**

Tax credited directly to other comprehensive income:

($ in millions)	**2022**	**2021**
Deferred tax in re-measurement of derivatives	(21.3)	-
Deferred tax on re-measurement of pension assets and liabilities	(1.1)	0.3
Total tax (charged) / credited directly to other comprehensive income	**(22.4)**	**0.3**

On 3 March 2021 the UK Government announced their intention to increase the headline rate of tax from 19% to 25% from April 2023 which was enacted during 2021. The UK deferred tax has been uplifted on the basis that 25% is the enacted rate at 31 December 2022.

The Group is aware of the upcoming introduction in the UK of the OECD's Anti-Global Base Erosion Rules, which addresses the tax challenges of the digitalisation of the economy by imposing a minimum effective tax rate of 15% on multinational enterprises. Based on the published legislative framework, the Group has assessed the potential tax impact of these new rules and concluded that it will not have a material impact on the financial statements when the rules become effective (expected in 2024). We continue to monitor developments.

11. NET FOREIGN EXCHANGE GAIN

($ in millions)	**Note**	**2022**	**2021**
Pension and post-retirement liability	28	1.7	0.3
Other operating costs		7.2	1.5
Total foreign exchange gain		**8.9**	**1.8**

12. DIVIDENDS

Following strong performance and cashflow generation, during April 2022 the Board declared and paid $298.8m of dividends to company shareholders (2021: $717.4m). Pursuant to Companies (Guernsey) Law, 2008 prior to the dividend being issued, the Company performed a solvency test by ensuring its debts can be paid as they become due (cash flow test) and the value of assets were greater that the liabilities (balance sheet test).

13. PROPERTY, PLANT AND EQUIPMENT

($ in millions)	Freehold land and buildings	Services equipment, fixtures and fittings	Space segment	Assets in the course of construction	Total
Cost:					
As at 1 January 2021	**12.7**	**390.0**	**2,201.9**	**1025.9**	**3,630.5**
Additions	-	28.6	28.5	308.3	365.4
Disposals	-	(41.0)	(0.4)	(0.2)	(41.6)
Transfers	-	3.1	-	14.5	17.6
Transfer from assets in the course of construction	-	35.8	10.8	(46.6)	-
As at 31 December 2021	**12.7**	**416.5**	**2,240.8**	**1,301.9**	**3,971.9**
Additions	-	13.8	0.5	302.8	317.1
Disposals	-	(64.7)	(0.6)	-	(65.3)
Transfers	-	-	(0.3)	-	(0.3)
Transfers from assets in the course of construction	-	41.2	10.0	(51.2)	-
As at 31 December 2022	**12.7**	**406.8**	**2,250.4**	**1,553.5**	**4,223.4**
Accumulated Depreciation:					
As at 1 January 2021	**(0.3)**	**(71.7)**	**(260.3)**	-	**(332.3)**
Charge for the year	(0.3)	(90.2)	(277.3)	-	(367.8)
Disposals	-	30.0	0.4	-	30.4
Transfers	-	(2.0)	-	-	(2.0)
As at 31 December 2021	**(0.6)**	**(133.9)**	**(537.2)**	-	**(671.7)**
Charge for the year	(0.3)	(83.7)	(263.6)	-	(347.6)
Disposals	-	54.0	0.6	-	54.6
As at 31 December 2022	**(0.9)**	**(163.6)**	**(800.2)**	**-**	**(964.7)**
Net book value at 31 December 2021	**12.1**	**282.6**	**1,703.6**	**1,301.9**	**3,300.2**
Net book value at 31 December 2022	**11.8**	**243.2**	**1,450.2**	**1,553.5**	**3,258.7**

Depreciation of property, plant and equipment is charged using the straight-line method over the estimated useful lives, as follows:

Space segment assets:	
Satellites	13–15 years
Other space segment, including ground infrastructure	5–12 years
Fixtures and fittings, and services-related equipment	3–15 years
Buildings	50 years

Freehold land is not depreciated. At 31 December 2022, the Group was carrying certain freehold land and buildings with a net book value of $11.8m (2021: $12.1m). Had they been revalued on a market basis, their carrying amount at 31 December 2022 would have been $12.7m (2021: $12.7m). Market valuation is based on the Directors' best estimates.

In 2022, the Group received government grants in relation to the purchase and construction of certain assets. The grants have been deducted from the cost of the relevant asset to arrive at the carrying amount. Government grants received in 2022 were $2.6m (2021: $3.7m).

Within the services equipment, fixtures and fittings class of property, plant and equipment the Group has $139.5m (2021: $153.8m) of net book value related to leased equipment, this includes additions for the year of $47.1m (2021: $47.7m) and depreciation charge of $51.9m (2021: $51.1m).

14. INTANGIBLE ASSETS

($ in millions)	Goodwill	Trademarks	Software	Terminal development and network access costs	Customer relationships	Other	Total
Cost:							
As at 1 January 2021	**868.4**	**160.5**	**334.4**	**59.6**	**1,654.2**	**293.1**	**3,370.2**
Additions	-	-	33.9	15.3	1.5	12.6	63.3
Disposals	-	-	(24.0)	(1.4)	-	-	(25.4)
Impairments	-	-	(0.1)	-	-	-	(0.1)
Transfers	-	-	(10.3)	-	-	(7.3)	(17.6)
As at 31 December 2021	**868.4**	**160.5**	**333.9**	**73.5**	**1,655.7**	**298.4**	**3,390.4**
Additions	-	-	58.3	8.0	-	28.4	94.7
Disposals	-	-	(26.2)	(4.5)	-	-	(30.7)
Impairments	-	-	(0.5)	-	-	-	(0.5)
Transfers	-	-	-	0.3	-	-	0.3
As at 31 December 2022	**868.4**	**160.5**	**365.5**	**77.3**	**1,655.7**	**326.8**	**3,454.2**
Accumulated Amortisation:							
As at 1 January 2021	-	**(6.9)**	**(51.5)**	**(21.4)**	**(148.9)**	**(25.8)**	**(254.5)**
Charge for the year	-	(6.4)	(69.0)	(20.8)	(138.1)	(19.3)	(253.6)
Disposals	-	-	22.1	1.4	-	-	23.5
Impairment losses	-	-	(0.5)	-	-	-	(0.5)
Transfers	-	-	-	-	-	2.0	2.0
As at 31 December 2021	**-**	**(13.3)**	**(98.9)**	**(40.8)**	**(287.0)**	**(43.1)**	**(483.1)**
Charge for the year	-	(6.4)	(65.4)	(14.7)	(137.9)	(19.5)	(243.9)
Disposals	-	-	26.0	4.3	-	-	30.3
As at 31 December 2022	**-**	**(19.7)**	**(138.3)**	**(51.2)**	**(424.9)**	**(62.6)**	**(696.7)**
Net book value at 31 December 2021	**868.4**	**147.2**	**235.0**	**32.7**	**1,368.7**	**255.3**	**2,907.3**
Net book value at 31 December 2022	**868.4**	**140.8**	**227.2**	**26.1**	**1,230.8**	**264.2**	**2,757.5**

Goodwill represents the excess of consideration paid on an acquisition over the fair value of the identifiable assets, liabilities and contingent liabilities acquired at the date of acquisition. Trademarks are being amortised on a straight-line basis over their estimated useful lives, which are between seven and twenty years.

Software includes the Group's billing system and other internally developed operational systems and purchased software, which are being amortised on a straight-line basis over its estimated useful life of three to eight years.

The Group capitalises costs associated with the development and enhancement of user terminals and associated network access costs as intangible assets and amortises these over the estimated sales life of the related services, which range from three to ten years.

Customer relationships acquired in connection with acquisitions are being amortised over the expected period of benefit of between twelve and fourteen years, using the straight-line method.

Other consists of orbital slots, licences, spectrum rights and unallocated launch slots. Orbital slots and licences relate to the Group's satellite programmes, and each individual asset is reviewed to determine whether it has a finite or indefinite useful life. Orbital slots are amortised over the useful life of the satellite occupying them. Unallocated launch slots are not amortised until allocated to a satellite asset where they are re-classed to Property, Plant and Equipment and depreciated in-line with Group policy discussed in note 2.

As at 31 December 2022, the Group has no indefinite useful life intangible assets, other than Goodwill.

Government grants received in 2022 were $7.4m (2021: $4.7m). The grants have been deducted from the cost of the relevant asset to arrive at the carrying amount.

Annual impairment review: Goodwill

Impairment reviews of goodwill are performed at the level of the Group's cash-generating units ('CGUs'). The Group as a whole is the single CGU, as goodwill is monitored at the operating segment level.

The recoverable amount of the CGU has been determined based on fair value less cost to sell, with reference to the recent Viasat acquisition offer of approximately $7.3bn which includes cash and equity (share price valued as at 5 November 2021). Further information on the Viasat acquisition can be found in note 35.

15. LEASES

Right of Use Assets

The right-of-use assets for the Group's property and vehicle leases are presented in the table below::

($ in millions)	Property	Vehicles	Total
Net carrying amount:			
As at 1 January 2021	**40.9**	**0.5**	**41.4**
Additions	2.2	0.3	2.5
Changes in terms	0.3	0.2	0.5
Charge for the year	(10.8)	(0.3)	(11.1)
As at 31 December 2021	**32.6**	**0.7**	**33.3**
Additions	2.3	0.1	2.4
Charge for the year	(9.1)	(0.2)	(9.3)
As at 31 December 2022	**25.8**	**0.6**	**26.4**

Six property leases and four vehicle leases expired in the current year. The Group does not hold options to purchase any leased assets for a nominal amount at the end of the lease term.

The Group expenses short-term leases and low-value assets as incurred which is in accordance with the recognition exemption in IFRS 16. Expenses for short-term leases and low-value assets was $0.1m (2021: $0.1m) for the year. As at 31 December 2022, the Group is committed to $0.1m (2021: $0.1m) of short-term leases and low-value assets.

In the year, the Group received $nil (2021: $0.1m) in relation to income from the subleasing of right-of-use assets.

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Lease liabilities

Lease liabilities are calculated at the present value of the lease payments that are not paid at the commencement date. The Group's lease liabilities as of 31 December 2022 comprise existing contracts as well as contracts entered into during the financial year 2022.

The average lease term of the Group's property and vehicle leases is 3.7 and 2.0 years respectively (2021: 3.3 and 2.6 respectively). The undiscounted maturity profile of the Group's leases is shown in the table below.

As at 31 December 2022

($ in millions)	Property	Vehicles	Total
Within one year	10.8	0.2	11.0
Between two to five years	22.4	0.3	22.7
Greater than five years	2.6	-	2.6
	35.8	**0.5**	**36.3**

As at 31 December 2021

($ in millions)	Property	Vehicles	Total
Within one year	12.2	0.2	12.4
Between two to five years	31.3	0.4	31.7
Greater than five years	6.0	-	6.0
	49.5	**0.6**	**50.1**

For the year ended 31 December 2022, the weighted average discount rate applied was 4.4% (2021: 4.0%). Interest rates are fixed at the contract date. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

The total cash flow relating to all lease obligations in year was $10.5m (2021: $11.4m) with lease obligations denominated in various currencies. Total lease interest paid was $1.6m (2021: $2.0m).

The Group does not face a significant liquidity risk with regard to its lease liabilities. The Group's obligations are secured by the lessors' title to the leased assets for such leases.

16. INVESTMENTS

($ in millions)	As at 31 December 2022	As at 31 December 2021
Interest in associates	27.3	23.8
Other investments	1.1	1.1
Total investments	**28.4**	**24.9**

Interest in associates represents the Group's investments which have been treated as associates and have all been accounted for using the equity method of accounting. Individually, all of the investments in associates are deemed to be immaterial and as a result the associates' assets, liabilities, revenues and profits have not been presented.

Other investments represent the Group's investment in Actility S.A. and is accounted for as fair value through profit and loss.

Cash dividends received from the associates for the year ended 31 December 2022 total $3.7m (2021: $3.4m). The Group's aggregate share of its associates' profits from continuing operations for the year is $7.2m (2021: $5.1m) and has been recognised in the income statement.

17. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash in hand, deposits held on call with banks, other short-term highly liquid investments with original maturities of three months or less.

($ in millions)	As at 31 December 2022	As at 31 December 2021
Cash at bank and in hand	192.5	94.3
Short-term deposits with original maturity less than 3 months	41.7	270.0
Total Cash and cash equivalents	**234.2**	**364.3**

Short-term deposits

At 31 December 2022, the Group has $109.1m of cash held in short-term deposits with an original maturity of between four and twelve months (2021: $30.0m).

18. TRADE AND OTHER RECEIVABLES

($ in millions)	As at 31 December 2022	As at 31 December 2021
Current:		
Trade receivables and contract assets	227.9	204.9
Other receivables	21.1	19.2
Accrued income	9.9	12.3
Prepayments	46.0	26.3
Total trade and other receivables	**304.9**	**262.7**
Non-current:		
Other receivables	3.4	3.2
Total other receivables	**3.4**	**3.2**

Expected credit loss

The Group applies the simplified approach under IFRS 9 for the impairment of receivables and contract assets. A provisioning matrix based on internal debtor credit ratings has been used in order to calculate the lifetime loss allowances for each grouping.

Debtors have been grouped based on ageing and each debtor's internal credit rating. This rating is a measure from A to E (with E being the highest risk of default) and considers the debtors financial strength, history and magnitude of past defaults, personal credit history with the Group and the associated level of sovereign and market risk. The information used in assigning ratings is both historical and forward looking as regular contact with debtors is maintained to understand if there is any additional risk forecast. Specific allowances are made to reflect any additional risk identified.

The table below presents the lifetime expected credit losses for trade receivables within each debtor category. No loss allowance has been recognised for other receivables and accrued income.

2022

($ in millions)	Internal rating A	Internal rating B	Internal rating C	Internal rating D/E	Total
Carrying value of trade receivables (gross)[1]	**20.8**	**193.5**	**66.8**	**12.2**	**293.3**
Lifetime ECL	-	2.1	6.6	0.1	8.8
Specific allowances	-	0.4	5.6	4.5	10.5
Group loss allowance	**-**	**2.5**	**12.2**	**4.6**	**19.3**

1 This is presented gross of credit note allowances of $46.1m.

2021

($ in millions)	Internal rating A	Internal rating B	Internal rating C	Internal rating D/E	Total
Carrying value of trade receivables (gross)[1]	**18.1**	**161.6**	**61.9**	**41.1**	**282.7**
Lifetime ECL	0.3	3.1	6.0	0.4	9.8
Specific allowances	-	-	8.1	19.8	27.9
Group loss allowance	**0.3**	**3.1**	**14.1**	**20.2**	**37.7**

1 This is presented gross of credit note allowances of $40.5m.

The Group's trade and other receivables are stated after impairments. Movements during the year in the Group loss allowance were as follows:

($ in millions)	2022	2021
As at 1 January	**37.7**	**36.5**
Charged in the year	7.6	13.4
Utilised in the year	(0.8)	(2.3)
Released in the year	(9.9)	(9.9)
Ligado release in the year	(15.3)	-
As at 31 December[1]	**19.3**	**37.7**

1 The maturity of the Group's provision for uncollectable trade receivables for the period ended 31 December 2022 is $0.9m current, $0.9m between one and 30 days overdue, $3.1m between 31 and 120 days overdue and $14.4m over 120 days overdue (2021: $0.8m current, $0.0m between one and 30 days overdue, $6.5m between 31 and 120 days overdue and $30.4m over 120 days overdue).

19. INVENTORIES

($ in millions)	As at 31 December 2022	As at 31 December 2021
Finished goods	55.7	35.7
Work in progress	1.5	0.9
Total inventories	**57.2**	**36.6**

The Group's inventories are stated after allowances for obsolescence. Movements in the allowance during the year were as follows:

($ in millions)	2022	2021
As at 1 January	**20.2**	**16.2**
Charged to the allowance in respect of the current year	8.7	4.4
Released in the year	(1.9)	(0.4)
As at 31 December	**27.0**	**20.2**

20. NET BORROWINGS

	As at 31 December 2022				As at 31 December 2021			
($ in millions)	Amount	Unamortised term loan gain	Deferred finance costs	Net balance	Amount	Unamortised term loan gain	Deferred finance costs	Net balance
Current:								
Term loan	17.5	-	-	17.5	17.5	-	-	17.5
Total current borrowings	**17.5**	**-**	**-**	**17.5**	**17.5**	**-**	**-**	**17.5**
Non-current:								
Senior Notes due 2026	2,075.0	-	(9.1)	2,065.9	2,075.0	-	(11.6)	2,063.4
Term loan	1,684.4	(53.8)	(65.7)	1,564.9	1,701.9	(65.9)	(80.3)	1,555.7
Total non-current borrowings	**3,759.4**	**(53.8)**	**(74.8)**	**3,630.8**	**3,776.9**	**(65.9)**	**(91.9)**	**3,619.1**
Total borrowings	**3,776.9**	**(53.8)**	**(74.8)**	**3,648.3**	**3,794.4**	**(65.9)**	**(91.9)**	**3,636.6**
Cash and cash equivalents	(234.2)	-	-	(234.2)	(364.3)	-	-	(364.3)
Short-term deposits	(109.1)	-	-	(109.1)	(30.0)	-	-	(30.0)
Net borrowings	**3,433.6**	**(53.8)**	**(74.8)**	**3,305.0**	**3,400.1**	**(65.9)**	**(91.9)**	**3,242.3**

Senior revolving credit facility

On 12 December 2019, the Group signed a new five-year $700m revolving credit facility ('Senior Revolving Credit Facility'). Advances in U.S. dollar under the facility bear interest at a rate equal to the applicable USD LIBOR, plus a margin of between 3.0% and 3.5% determined by reference to the ratio of Senior Secured First Lien Net Leverage. At 31 December 2022, there were no drawings under the Senior Revolving Credit Facility. In line with the IBOR interest rate benchmark reform, the Senior Revolving Credit Facility will shift its reference rate to Term SOFR from 30 June 2023 (refer note 2).

Senior Notes due 2026

On 7 October 2019, the Group issued $2.075bn of 6.75% Secured Senior Notes due 1 October 2026. The aggregate gross proceeds were $2.055bn, net of $19.7m issuance discount. The fair value of Secured Senior Notes is provided in note 31. Accrued interest of $35.0 million (2021: $35.0 million) are recognized as Other accruals within Trade and Other Payables, see note 21.

Term loan

On 12 December 2019, the Group entered into a $1.75bn Term Facility with Barclays Bank PLC acting as administrative and collateral agent. As at 31 December 2022 the Group had drawn down $1.70bn which is repayable in quarterly instalments over 7 years (the credit agreement will mature in 2026). On 25 January 2021, the term loan was repriced from USD Libor +4.5% to USD Libor +3.5%. This reduction of 1% on the margin resulted in the Group recognising a gain through the income statement of $76.4m. The carrying value of the term loan was reduced by a similar value and is offset by amortisation, charged over the life of the loan. In line with the IBOR interest rate benchmark reform, the Term Loan Facility will shift its reference rate to Term SOFR from 30 June 2023 (refer note 2). The fair value of the term loan is provided in note 31. Accrued interest of $0.5 million ($0.2 million) are recognized as Other accruals within Trade and Other Payables, see note 21.

Effective interest rate

The effective interest rates at the balance sheet dates were as follows:

Effective interest rate %	**2022**	**2021**
Senior Notes due 2026	7.0%	7.0%
Term Loan	5.8%	4.9%

Reconciliation of movements in liabilities to cash flows arising from financing activities:

($ in millions)	As at 1 January 2022	Cashflows[1]	Transfers[2]	Deferred finance costs & term loan gain	Interest expenses	Foreign exchange	Lease adjustments	Other adjustments	As at 31 December 2022
Short-term borrowings	17.5	(17.5)	17.5	-	-	-	-	-	17.5
Long-term borrowings	3,619.1	(228.7)	(17.5)	29.2	228.7	-	-	-	3,630.8
Lease liabilities	45.5	(12.0)	-	-	-	(3.0)	2.4	0.9	33.8
Total liabilities from financing activities	**3,682.1**	**(258.2)**	**-**	**29.2**	**228.7**	**(3.0)**	**2.4**	**0.9**	**3,682.1**

($ in millions)	As at 1 January 2021	Cashflows[1]	Transfers[2]	Deferred finance costs & term loan gain	Interest expenses	Foreign exchange	Lease adjustments	Other adjustments	As at 31 December 2021
Short-term borrowings	17.5	(17.5)	17.5	-	-	-	-	-	17.5
Long-term borrowings	3,688.9	(222.1)	(17.5)	(52.3)	222.1	-	-	-	3,619.1
Lease liabilities	54.6	(13.4)	-	-	-	(0.6)	3.0	1.9	45.5
Total liabilities from financing activities	**3,761.0**	**(253.0)**	**-**	**(52.3)**	**222.1**	**(0.6)**	**3.0**	**1.9**	**3,682.1**

1 Cashflows relate to repayment of borrowings, interest paid, and cash payments for the principal portion of lease obligations.

2 Transfers comprise debt maturing from long-term to short-term borrowings.

21. TRADE AND OTHER PAYABLES

($ in millions)	Note	As at 31 December 2022	As at 31 December 2021
Current:			
Trade payables		155.1	107.4
Other taxation and social security payables		4.6	5.6
Other creditors		7.6	2.8
Other accruals		149.8	137.8
Deferred income[1]		1,037.3	1,018.0
Total trade and other payables		**1,354.4**	**1,271.6**
Non-current:			
Other payables		2.0	1.8
Defined benefit pension and post employment liability	28	10.8	16.3
Total other payables		**12.8**	**18.1**

1 The deferred income balance includes $906.1m (2021: $906.5m) relating to payments received from Ligado Networks (refer note 4).

The Directors consider the carrying value of trade and other payables to approximate to their fair value.

Deferred income

Deferred income represents obligations to transfer goods or services to a customer for which the entity has received consideration and is therefore considered a contract liability. The Group has recognised the following movements in deferred income throughout the year:

($ in millions)	2022	2021
As at 1 January	1,018.0	1,001.1
Contract liability raised in the year	421.9	524.9
Contract liability utilised in the year	(402.6)	(508.0)
As at 31 December	**1,037.3**	**1,018.0**

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22. PROVISIONS

Movements in the Group's provisions were as follows:

($ in millions)	Restructuring	Contract Obligation	Asset retirement	Deferred salary	Other	Total
As at 1 January 2022	**2.0**	**6.7**	**1.0**	**0.9**	**1.1**	**11.7**
Charged in respect of year	2.3	-	0.1	-	-	2.4
Utilised in year	(1.9)	(3.3)	-	(0.1)	-	(5.3)
Reversal in the year	-	(1.2)	-	-	(0.3)	(1.5)
As at 31 December 2022	**2.4**	**2.2**	**1.1**	**0.8**	**0.8**	**7.3**
Non-current	-	1.2	1.1	0.8	0.6	**3.7**
Current	2.4	1.0	-	-	0.2	**3.6**
	2.4	**2.2**	**1.1**	**0.8**	**0.8**	**7.3**

A. Restructuring

The restructuring provision relates to organisational restructuring and employee severance. The provision is calculated based on the estimated costs from the terms of relevant employee contracts. The remaining provision is expected to be utilised within 1 year.

B. Contract Obligation

Contract obligation provisions relate to various contracts within the Aviation business unit, which are expected to result in an outflow of economic benefit as a result of the contract terms. The provisions are calculated using various best estimate methods including weighted probability of a range of potential outcome. The costs do not include future operating costs.

C. Asset retirement

Asset retirement obligations relate to the expected costs of removing equipment from occupied premises. This is based on contractual obligations set out in the occupation agreements and is calculated using the best estimate of the cost to remove equipment at the end of the term. The costs are expected to be utilised within 2 - 5 years.

D. Deferred Salary

Deferred salary payments are regulatory provisions arising from staff located in Italy and the United Arab Emirates, where the amounts are paid upon the termination of the employment relationship. The provision is calculated based on the estimated costs from the terms of relevant employee contracts.

23. CURRENT AND DEFERRED TAXATION

The current tax asset of $3.1m and the current tax liability of $158.3m (2021: $0.4m and $169.8m) represent the tax receivable and payable in respect of current and prior periods, less amounts paid.

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities (prior to the offsetting of balances within the same jurisdiction as permitted by IAS-12) for the year are shown below:

	As at 31 December 2022			As at 31 December 2021		
($ in millions)	**Assets**	**Liabilities**	**Net**	**Assets**	**Liabilities**	**Net**
Property, plant and equipment and intangible assets	(0.6)	911.3	910.7	(2.2)	885.5	883.3
Provisions	(10.8)	-	(10.8)	(7.9)	-	(7.9)
Other[1]	(82.9)	-	(82.9)	(64.6)	-	(64.6)
Tax losses	(64.1)	-	(64.1)	(64.1)	-	(64.1)
Hedge reserve on interest rate caps	-	21.3	21.3	-	-	-
Net deferred tax liabilities	**(158.4)**	**932.6**	**774.2**	**(138.8)**	**885.5**	**746.7**

1 Other relates to pensions and corporate interest restrictions.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

The value of deferred income tax assets and liabilities included in the net deferred income tax balance is shown below:

($ in millions)	**As at 31 December 2022**	**As at 31 December 2021**
Deferred tax assets	(34.6)	(33.7)
Deferred tax liabilities	808.8	780.4
Net deferred tax liabilities	**774.2**	**746.7**

Movement in temporary differences during the year:

($ in millions)	**As at 1 January 2022**	**Recognised in income**	**Recognised in other comprehensive income**	**As at 31 December 2022**
Property, plant and equipment and intangible assets	883.3	27.4	-	910.7
Provisions	(7.9)	(2.9)	-	(10.8)
Other[1]	(64.6)	(19.4)	1.1	(82.9)
Tax losses	(64.1)	-	-	(64.1)
Hedge reserve on interest rate caps	-	-	21.3	21.3
Total	**746.7**	**5.1**	**22.4**	**774.2**

($ in millions)	**As at 1 January 2021**	**Recognised in income**	**Recognised in other comprehensive income**	**As at 31 December 2021**
Property, plant and equipment and intangible assets	699.1	184.2	-	883.3
Provisions	(8.1)	0.2	-	(7.9)
Other[1]	(46.5)	(17.8)	(0.3)	(64.6)
Tax losses	(43.0)	(21.1)	-	(64.1)
Total	**601.5**	**145.5**	**(0.3)**	**746.7**

1 Other relates to pensions and corporate interest restrictions.

Total unrecognised deferred tax assets:

($ in millions)	**As at 31 December 2022**	**As at 31 December 2021**
Unrecognised income tax losses	-	-
Unrecognised capital losses	(60.5)	(63.8)
Total	**(60.5)**	**(63.8)**

Deferred tax assets are recognised to the extent there is probable utilisation of the underlying temporary difference using existing tax laws and forecasts of future taxable profits based on Board-approved business plan forecasts.

Overseas dividends received are largely exempt from UK tax but may be subject to foreign withholding taxes. The unrecognised gross temporary difference in respect of the unremitted earnings of those overseas subsidiaries affected by such taxes is $nil (2021: $nil), resulting in a deferred tax liability of $nil (2021: $nil).

The unrecognised gross temporary difference in respect of the investments in associates is $2.7m (2021: $2.3m), resulting in an unrecognised deferred tax liability of $0.8m (2021: $0.7m).

24. RECONCILIATION OF CASH GENERATED FROM OPERATIONS

Reconciliation of profit / (loss) for the year to cash generated from operations:

($ in millions)	2022	2021
Profit / (loss) for the year	**48.4**	**(176.5)**
Adjustments for:		
Taxation charge	17.7	165.0
Financing costs	190.8	194.9
Financing income	(5.6)	(2.8)
Fair value changes in financial assets and liabilities	-	(76.4)
Operating profit	**251.3**	**104.2**
Depreciation and amortisation	600.8	632.5
Loss on disposal of assets	4.1	7.6
Impairment of assets	0.5	(0.3)
Share of profit of associates	(7.2)	(5.1)
Dividends received from associates	3.7	-
Non-cash foreign exchange movements	(7.4)	2.1
Changes in net working capital:		
Decrease in restricted cash[1]	-	6.9
(Increase) / decrease in trade and other receivables	(41.6)	16.9
(Increase) / decrease in inventories	(20.6)	0.3
Increase in trade and other payables	64.4	45.4
Decrease in provisions	(4.4)	(9.5)
Cash generated from operations	**843.6**	**801.0**

1 Restricted cash related to cash held in escrow from the Speedcast asset acquisition. This asset acquisition was finalised during 2021 and the cash held in escrow was released.

25. SHARE CAPITAL

($ in millions)	As at 31 December 2022	As at 31 December 2021
Authorised:		
2,350,000,000 ordinary shares of $1 each	2,350.0	2,350.0
Allotted, issued and fully paid:		
2,350,000,000 ordinary shares of $1 each	2,350.0	2,350.0

During 2022, no new shares were authorised, allotted, or issued (2021: nil).

Non-controlling interests

Management incentive plan

During the year ended 31 December 2020, 14,525,721 ordinary shares were issued in Connect Sub-Topco Limited in relation to the Group management incentive plan (refer note 27), which represent a non-controlling interest in the Group. The shares issued include 8,769,320 priority ordinary shares, which carry a 9% coupon that will be settled upon an exit event.

During the year ended 31 December 2021, 2,627,263 priority ordinary shares ($0.1 par and $0.9 premium) were bought-back from NCI as part of the February 2021 (2,200,205) and July 2021 (427,058) distributions to shareholders. A further net $0.3m was acquired from NCI during 2021 (2021 total NCI repurchase was $2.9m). During the year ended 31 December 2022, 550,515 priority ordinary shares ($0.1 par and $0.9 premium) were bought-back from NCI as part of the April 2022 distribution to shareholders. A further net $0.1m has been acquired from NCI during 2022 (2022 total NCI repurchase is $0.7m).

Inmarsat Solutions ehf

The remaining non-controlling interest relates to the Group's 51% shareholding in Inmarsat Solutions ehf.

26. RESERVES

Reserves relate to fair value movements in the Group's interest rate cap which provides interest protection on the variable Term Loan borrowing (refer note 20). IFRS 9 requires the separate valuation for foreign currency basis, where the changes in the fair value of currency basis are recognised as a separate component of equity, being the cost of hedging reserve, in other comprehensive income.

Gains and losses relating to the effective portion of hedges are recognised in other comprehensive income and accumulated in the cost of hedging reserve. When a hedged item is recognised in the income statement the cumulative deferred gain or loss accumulated in other comprehensive income and the cost of hedging reserve is reclassified to the income statement. When a hedged item is recognised as a non-financial asset or liability in the balance sheet the accumulated gain or loss is removed from the cost of hedging reserve and included directly in the initial cost of the asset or liability.

The cost of hedging reserve includes the effects of the following:

- Changes in fair value of the time value of option when only the intrinsic value of the option is designated as the hedging instrument;
- Changes in fair value of the forward element of a forward contract; and
- Changes in fair value of the foreign currency basis spread of a financial instrument when the foreign currency basis spread of a financial instrument is excluded from the designation of that financial instrument as the hedging instrument (consistent with the Group's accounting policy to recognise non-designated component of foreign currency derivative in equity).

	Cashflow hedge reserve			
($ in millions)	**Cost of hedging reserve**	**Intrinsic value of options**	**Foreign currency forwards**	**Total hedge reserves**
As at 1 January 2021	**(6.6)**	**-**	**0.4**	**(6.2)**
Add: change in fair value of hedging instrument recognised in OCI	-	0.1	-	0.1
Add: costs of hedging deferred and recognised in OCI in respect of the time value of options	8.5	-	-	8.5
Less: reclassified from OCI to profit or loss in respect of the time value of options	2.0	-	-	2.0
Less: gain on foreign currency basis on cash flow hedges capitalised to tangible assets	-	-	0.3	0.3
Less: reclassified from OCI to profit or loss from the cash flow hedge reserve	-	-	(0.7)	(0.7)
As at 31 December 2021	**3.9**	**0.1**	**-**	**4.0**
Add: change in fair value of hedging instrument recognised in OCI	-	91.8	-	91.8
Add: costs of hedging deferred and recognised in OCI in respect of the time value of options	(6.3)	-	-	(6.3)
Less: reclassified from OCI to profit or loss in respect of the time value of options	2.0	-	-	2.0
Less: reclassified from OCI to profit or loss from the cash flow hedge reserve	-	(8.4)	-	(8.4)
Less: deferred tax on change in fair value of hedging instrument recognised in OCI	-	(21.3)	-	(21.3)
As at 31 December 2022	**(0.4)**	**62.2**	**-**	**61.8**

Hedge ineffectiveness for 2022 was $0.1m (2021: less than $0.1m) (refer note 31). The positive increase in the net derivative reserve position for 2022 is driven by increases in the USD LIBOR rate over 2022 (4% at 31 December 2022) compared to the fixed interest rate cap rate of 2%, deriving a material benefit to the Group.

27. EMPLOYEE LONG-TERM INCENTIVE PLAN

Cash Long-Term Incentive Plan (LTIP)

The cash LTIP is a senior management (excluding Executive management) remuneration scheme which runs over three years, starting in 2020. A new LTIP is granted each year with a performance period from 1 January to 31 December. The performance conditions attached to the scheme are based on revenue growth over the three-year period and the aggregate free cash flow over a three-year period with both having a 50% weighting. The maximum pay out under the scheme is 150% of salary.

The total cash LTIP charge for the year is $4.3m (2021: $2.6m), comprising of the 2020, 2021 and 2022 LTIP, bringing the accumulated cash LTIP provision to $8.8m (2021: $4.5m).

Based on Group performance against the objectives, the 2020 LTIP will vest at 82.7% of pay-out ($3.4m) and will be paid to participants during Q1 2023.

2022 LTIP:

($ in millions)	Weighting	Threshold	Target	Maximum
Objective				
Revenue	50%	1,648.0	1,782.0	1,916.0
Free cash flow	50%	1,100.0	1,200.0	1,300.0
	100%			

2021 LTIP :

($ in millions)	Weighting	Threshold	Target	Maximum
Objective				
Revenue	50%	1,475.0	1,595.0	1,714.0
Free cash flow	50%	960.0	1,060.0	1,160.0
	100%			

2020 LTIP :

($ in millions)	Weighting	Threshold	Target	Maximum
Objective				
Revenue	50%	1,456.0	1,574.0	1,692.0
Free cash flow	50%	723.0	773.0	823.0
	100%			

Employee Participation Units (EPU)

The employee participation unit scheme provides 100 participation units to all permanent employees each year, beginning in 2020. This continues until an exit-event, such as the Viasat acquisition. The value of these units is based on a fixed amount of share capital issued in Connect Sub-Topco Limited, held in ownership by Connect Topco Limited, the ultimate parent of the Group. The total EPU credit for the year was $0.4m, resulting in a year-end provision of $2.1m (2021: $2.5m).

Management Incentive Plan (MIP)

The management incentive plan (MIP) is a long term incentive plan for senior and executive management of the Group, where participants are required to make a material cash investment by buying shares in Connect Sub-Topco Ltd, a direct subsidiary of the Company, at fair market value. The equity issued under the MIP represents non-controlling interest (NCI) in the Group (refer note 25). Participants receive pay-out on an exit event, payable by the acquiring entity and not the Group.

28. PENSIONS AND POST-EMPLOYMENT BENEFITS

The Group operates pension schemes in each of its principal locations. The Group's pension plans are provided through both defined benefit schemes and defined contribution arrangements.

The Group operates defined benefit pension schemes in Germany and Indonesia which remain active. The Group's previous principal defined benefit pension plan was the Inmarsat Global defined benefits scheme, which was a UK funded scheme. This scheme underwent a 'buy-in' during 2020 and has since undergone a buy-out during 2022 which is explained below.

During October 2020, the Trustee of the Inmarsat Global defined benefits scheme entered into a bulk annuity insurance contract with Aviva Life & Pensions UK Limited (Aviva), a UK insurance company authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority in respect of the liabilities of the scheme. This is known as a 'buy-in'. Under this policy Aviva undertakes, via the Plan, to pay the Plan's benefit obligations as they fall due. The Trustee retain the legal obligation for the benefits provided under the scheme. During 2022 the scheme underwent a buy-out, whereby the legal obligation for the benefits provided under the scheme moved to Aviva. As at 31 December 2022 the value of the defined benefit obligation and corresponding buy-in insurance asset are nil. No further obligations for the Group or Trustee exist under the Inmarsat Global defined benefits scheme.

The Group held the liability obligations under the Inmarsat Global defined benefit plan during 2022 up until buy-out. The disclosures below show the change in these liability obligations and final settlement of the obligations at buy-out. This has been valued using the projected unit credit method with the valuation undertaken by professionally qualified and independent actuaries as at 31 December 2022. The results of the valuation, which have been updated for any material transactions and material changes in circumstances (including changes in market prices and interest rates) up to buy-out, are set out below. There are no guaranteed minimum pension (GMP) benefits held under the scheme.

The Group also provides post-employment benefits for some of its employees. The Group's principal scheme is the Inmarsat Global post-retirement healthcare benefit scheme, which is the provision of healthcare to retired employees (and their dependants) who were employed before 1 January 1998. Employees who have 10 years of service at the age of 58 and retire are eligible to participate in the post-retirement healthcare benefit plans. Membership of this plan is multinational, although most staff are currently employed in the UK. The plans are self-funded and there are no plan assets from which the costs are paid. The cost of providing these benefits is actuarially determined and accrued over the service period of the active employee groups. The Group's post-retirement medical liability is capped at CPI +1%.

There have been no pension plan amendments, curtailments or settlements since the previous year end, other than the buy-out disclosure above. Schemes denominated in local currencies are subject to fluctuations in the exchange rate between U.S. Dollars and local currencies.

The principal actuarial assumptions used to calculate the Group's pension and post-employment benefits liabilities under IAS 19 are:

Weighted average actuarial assumptions:	As at 31 December 2022	As at 31 December 2021
Discount rate	5.2%	1.8%
Future salary increases	7.0%	5.2%
Medical cost trend	3.3%	3.3%
Future pension increases[1]	-	3.3%

1 Nil in 2022 due to buy-out of the Inmarsat Global defined benefit pension scheme.

Mortality assumptions have been updated to reflect experience and expected changes in life expectancy. The average life expectancy assumptions for the Company's pension and post-employment benefits liabilities are as follows:

Life expectancy	2022	2021
Mortality assumptions - male	88.5	88.4
Mortality assumptions - female	89.7	89.6

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

Mortality assumptions used are consistent with those recommended by the individual scheme actuaries and reflect the latest available tables, adjusted for the experience of the Group where appropriate. For the Inmarsat Global defined benefit pension scheme and the Inmarsat Global post-retirement healthcare benefits for 2022, mortality has been assumed to follow the S2PA tables with -1 year age rating for males and CMI 2017 improvement with a long-term trend of 1.75% pa.

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, mortality and healthcare cost trend rates. The sensitivity analysis below is for the Group's principal post-employment benefits scheme and has been determined based on reasonable possible changes of the assumptions occurring at the end of the reporting period assuming that all other assumptions are held constant. No sensitivities are relevant for the Inmarsat Global defined benefit pension scheme following the buy-out in 2022.

Inmarsat Global post-retirement healthcare benefit scheme:

($ in millions)	**Impact on benefit obligation increase / (decrease)**	**Impact on service cost increase / (decrease)**
Change in assumption:		
Increase in discount factor of 0.5%	(0.6)	-
Increase in inflation of 0.5%	0.6	-
Increase in medical price inflation trend rate of 1%	1.4	0.1
Decrease in medical price inflation trend rate of 1%	(1.1)	(0.1)

In reality, there is an expectation of inter-relationships between the assumptions, for example, between discount rate and inflation. The above analysis does not take the effect of these inter-relationships into account.

Amounts recognised in the balance sheet are:

($ in millions)	**As at 31 December 2022**	**As at 31 December 2021**
Present value of funded defined benefit obligations (pension)	-	(124.1)
Present value of unfunded defined benefit obligations (pension)	(0.2)	(0.2)
Present value of unfunded defined benefit obligations (post-employment benefits)	(10.6)	(16.1)
Fair value of defined benefit assets	-	124.1
Net defined benefit liability recognised in the Balance Sheet	**(10.8)**	**(16.3)**

The above net liability is recognised in the balance sheet as follows:

($ in millions)	**Note**	**As at 31 December 2022**	**As at 31 December 2021**
Defined benefit pension and post-employment liability	21	(10.8)	(16.3)

Analysis of the movement in the present value of the defined benefit obligations is as follows:

($ in millions)	**Defined benefit pension plan**	**Post-employment benefits**
As at 1 January 2022	**124.3**	**16.1**
Current service cost	-	0.2
Interest cost	2.0	0.2
Remeasurement gain / (loss):		
Actuarial gain from changes in financial assumptions	(43.7)	(5.6)
Experience adjustment	-	1.8
Benefits paid	(0.7)	(0.4)
Foreign exchange gain	(13.3)	(1.7)
Defined benefit pension buy-out	(68.4)	-
As at 31 December 2022	**0.2**	**10.6**

Analysis of the movement in the fair value of the assets of the defined benefit pension plans is as follows:

($ in millions)	2022	2021
As at 1 January	**124.1**	**141.3**
Interest income	2.0	1.9
Remeasurement (loss) / gain:		
(Loss) / return on plan assets (excluding interest amounts)	(43.7)	2.6
Contributions by employer	-	(2.6)
Benefits paid	(0.1)	(2.1)
Expenses paid (included in service cost)	(0.6)	(0.6)
Foreign exchange loss	(13.3)	(1.4)
Defined benefit pension buy-out	(68.4)	(15.0)
As at 31 December	**-**	**124.1**

Amounts recognised in the income statement in respect of the plans are as follows:

	2022		2021	
($ in millions)	Defined benefit pension plan	Post-employment benefits	Defined benefit pension plan	Post-employment benefits
Current service cost	0.6	0.2	0.6	0.2
Past service gain	-	-	-	(0.2)
Net interest expense	-	0.2	(0.1)	0.3
Foreign exchange gain	-	(1.7)	-	(0.3)
	0.6	**(1.3)**	**0.5**	**-**

Current service cost is included within employee benefit costs (note 7). The net financing costs together with foreign exchange gains and losses are included within interest payable (note 9).

Amounts recognised in the statement of comprehensive income in respect of the plans are as follows:

	2022		2021	
($ in millions)	Defined benefit pension plan	Post -employment benefits	Defined benefit pension plan	Post -employment benefits
Actuarial gain from changes in financial assumptions	(43.7)	(5.6)	3.0	0.3
Actuarial gain arising from changes in experience adjustment	-	1.8	-	0.8
Loss / (return) on plan assets (excluding interest amounts)	43.7	-	(2.6)	-
Remeasurement of the net defined benefit liability	**-**	**(3.8)**	**0.4**	**1.1**

The assets held in respect of the Group's defined benefit schemes were as follows:

	As at 31 December 2022		As at 31 December 2021	
	Value ($ in millions)	Percentage of total plan assets	Value ($ in millions)	Percentage of total plan assets
Cash	-	-	-	-
Assets held by insurance company	-	-	124.1	100.0%
Other	-	-	-	-
Fair value of scheme assets	**-**	**-**	**124.1**	**100.0%**

Previously the Plan's main asset was the buy-in policy with Aviva, the value of which was set equal to the corresponding value of the IAS-19 liability it covers. Following buy-out, this asset is released.

The duration of the defined benefit liabilities within the Inmarsat Global defined benefit plan is approximately 20 years. Given the buy-out of this plan, a split by member is not provided. The average age of the deferred and pensioner members at the date of the last statutory funding valuation for the Inmarsat Global defined benefit plan (at 31 December 2017) was 56 years and 69 years, respectively.

Given the buy-out in 2022, the estimated contributions expected to be paid into the Inmarsat Global defined benefit pension plan during 2023 are $nil. In 2022 actual contributions under this plan were $nil (2021: $2.6m).

29. OPERATING LEASES

During the year the Group received income from various agreements deriving revenue from leased equipment. These amounts are recorded as revenue on a straight-line basis over the respective lease terms and represent the majority of the Group's future aggregate minimum lease payments under non-cancellable operating leases expected to be received.

During the year the Group received $37.2m (2021: $31.6m) revenue from various agreements deriving revenue from leased equipment. The income relates predominantly to maritime antenna leases, as well as other onboard vessel equipment which is required for customers to connect to the Group's satellite network.

Customers must be deemed to be creditworthy under the Group's credit policy before any equipment is leased. Should any customer terminate its relationship with the Group, then onboard leased assets are required to be returned as these remain property of the Group. In the event of damage, or the non-return of equipment, the Group will invoice the customer for the value of the equipment. Collection of this debt falls under the Group's credit policy.

The following table summarises the future minimum lease payments:

($ in millions)	As at 31 December 2022	As at 31 December 2021
Within one year	40.9	37.2
Between two to five years	52.8	56.9
	93.7	**94.1**

30. CAPITAL RISK MANAGEMENT

The following table summarises the capital of the Group:

($ in millions)	As at 31 December 2022	As at 31 December 2021
As per balance sheet		
Cash and cash equivalents	(234.2)	(364.3)
Short-term deposits greater than three months	(109.1)	(30.0)
Borrowings[1]	3,648.3	3,636.6
Net borrowings	**3,305.0**	**3,242.3**
Equity attributable to shareholders of the parent	872.1	1,063.1
Capital	**4,177.1**	**4,305.4**

1 This excludes lease obligations of $33.8m (2021: $45.5m).

The Group's objective when managing its capital is to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Group continually evaluates sources of capital and may repurchase, refinance, exchange or retire current or future borrowings and/or debt securities from time to time in private or open-market transactions, or by any other means permitted by the terms and conditions of borrowing facilities and debt securities. Additionally, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

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The Group regularly monitors movements in cash and borrowings, as well as total available liquidity. The Group's liquidity is disclosed in note 3(d).

31. FINANCIAL INSTRUMENTS

Treasury management and strategy

The Group's treasury activities are managed by its treasury department which reports into the Chief Financial Officer. The Group has in place a risk management programme that seeks to limit adverse effects on the financial performance of the Group by monitoring foreign exchange exposures and proposing a strategy to manage this exposure to the CFO for approval on an annual basis, and using interest rate caps as required to minimise the exposure arising from floating rate debt.

The Board of Directors of the Group has delegated to the treasury department the responsibility for setting and implementing the financial risk management policies applied by the Group. The treasury department has a policy and procedures manual that sets out specific guidelines for managing foreign exchange risk, interest rate risk and credit risk.

Key features of treasury management include:

- Ensuring that the Group is in a position to fund its obligations in appropriate currencies as they fall due;
- Maintaining adequate undrawn borrowing facilities; and
- Maximising return on short-term investments based on counterparty limits and credit ratings.

The Group's foreign exchange policy is not to hedge its foreign currency transactions. Where there is a material contract with a foreign currency exposure, a specific hedge to match the specific risk will be evaluated and must be approved by the Chief Financial Officer prior to any hedge being undertaken.

Financial instruments by category

The following table sets out the categorisation of financial assets and liabilities under IFRS 9:

	As at 31 December 2022			As at 31 December 2021		
($ in millions)	**Amortised cost**	**Derivatives used for hedging**	**Total**	**Amortised cost**	**Derivatives used for hedging**	**Total**
Assets as per balance sheet						
Trade receivables and other[1]	262.3	-	262.3	239.6	-	239.6
Cash and cash equivalents	234.2	-	234.2	364.3	-	364.3
Short-term deposits	109.1	-	109.1	30.0	-	30.0
Derivative financial instruments	-	83.0	83.0	-	5.8	5.8
	605.6	**83.0**	**688.6**	**633.9**	**5.8**	**639.7**

1 Consists of trade receivables, other receivables and accrued income (see note 18).

	As at 31 December 2022		As at 31 December 2021		
($ in millions)	**Amortised cost**	**Total**	**Amortised cost**	**Derivatives used for hedging**	**Total**
Liabilities as per balance sheet					
Borrowings	3,648.3	3,648.3	3,636.6	-	3,636.6
Trade payables and other[1]	314.5	314.5	249.8	-	249.8
Lease liabilities	33.8	33.8	45.5	-	45.5
Derivative financial instruments	-	-	-	1.8	1.8
	3,996.6	**3,996.6**	**3,931.9**	**1.8**	**3,933.7**

1 Consists of trade payables, other payables, accruals and excludes pension liabilities and other taxation and social security payables (see note 21).

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NOTES TO THE FINANCIAL STATEMENTS CONTINUED

The table below analyses the Group's financial liabilities and net-settled derivative financial instruments into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying values as the impact of discounting is not significant.

					As at 31 December 2022
($ in millions)	**Less than 1 year**	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 years**	**Total**
Borrowings[1]	294.9	295.2	4,266.3	-	4,856.4
Trade payables and other[2]	312.5	0.1	0.2	1.7	314.5
	607.4	**295.3**	**4,266.5**	**1.7**	**5,170.9**

					As at 31 December 2021
($ in millions)	**Less than 1 year**	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 years**	**Total**
Borrowings[1]	235.6	234.7	4,402.8	-	4,873.1
Trade payables and other[2]	248.0	0.1	0.2	1.6	249.8
Derivative financial instruments	1.8	-	-	-	1.8
	485.4	**234.8**	**4,403.0**	**1.5**	**5,124.7**

1 Includes interest obligations on the Senior Notes due 2026 and Term Loan.

2 Consists of trade payables, other payables, accruals and excludes pension liabilities and other taxation and social security payables (see note 21).

Fair values of derivative financial instruments

The Group's derivative financial instruments consist of interest rate caps. Forward foreign currency contracts have previously been held by the Group, however are nil at year end (2021: nil) and were designated as cash flow hedges. The Group generally does not hedge foreign currency transactions, however where there is a material contract with a foreign currency exposure, a specific hedge to match the specific risk will be evaluated. Previously, certain foreign currency milestone payments to Airbus for the construction of the I-6 satellites were hedged.

Derivative financial instruments are initially measured at fair value (see further below) on the contract date and are re-measured at each reporting date. The change in the fair value is accounted for under the hedge accounting rules of IFRS 9. Under hedge accounting, the change in fair value initially goes through other comprehensive income. At the point hedge accounting is discontinued, i.e. when the hedging instrument expires, is terminated or no longer qualifies for hedge accounting, the amounts sitting in other comprehensive income at that time remain in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, the amounts that were reported in equity are immediately reclassified to profit or loss. Where hedge accounting does not apply, the change in fair value is included in net financing costs in the income statement.

The fair value of the interest rate cap is based on the forward interest rate curve at each reporting date and is classified as level 2 in the fair value hierarchy according to IFRS 13. The Group has no financial instruments with fair values that are determined by reference to significant unobservable inputs, i.e. those that would be classified as level 3 in the fair value hierarchy, nor have there been any transfers of assets or liabilities between levels of the fair value hierarchy. There are no non-recurring fair value measurements.

The value of a hedging derivative is classified as non-current asset or liability if the cash flows are due to be received in greater than twelve months, and as a current asset or liability if the cash flows are due to be received in less than 12 months.

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The fair values at the balance sheet date were:

($ in millions)	As at 31 December 2022	As at 31 December 2021
Financial liabilities:		
Interest rate cap - current	-	1.8
Total derivative financial liabilities	**-**	**1.8**
Financial assets:		
Interest rate cap - current	45.0	-
Interest rate cap - non-current	38.0	5.8
Total derivative financial assets	**83.0**	**5.8**

Interest rate cap

The Group has entered into interest rate cap arrangements to hedge the variable interest rates on the Term Loan. The cap provides protection of where USD LIBOR is above 2% and is designated as cashflow hedges. The total nominal amount of the interest rate cap arrangement is $1.7bn, hedging 98% of the term loan balance. In line with the IBOR interest rate benchmark reform, the interest rate cap will adopt the ISDA Fallbacks Protocol and shift its reference rate to Compound SOFR from 30 June 2023 (refer note 2).

Hedge ineffectiveness can arise from changes in the creditworthiness of counterparties hedged with and the credit risk of the Group, along with the ability of the Group to refinance the debt and make changes to the economic terms of the hedged loan, resulting in mismatches. The hedge ineffectiveness for 2022 was $0.1m (2021: less than $0.1m)

Non-derivative financial assets and financial liabilities

Non-derivative financial assets consist of cash at bank, short-term investments, trade receivables, other receivables, and accrued income.

Non-derivative financial liabilities consist of borrowings, trade payables, lease liabilities, other payables, and accruals.

Fair value of non-derivative financial assets and financial liabilities

With the exception of the Senior Notes and Term loan, the fair values of all non-derivative financial instruments approximate to the carrying value in the balance sheet. The fair value of Senior Notes & Term Loan are classified as level 2 in the fair value hierarchy according to IFRS 13.

The following methods and assumptions have been used to determine fair values:

- The fair values of cash at bank, overdrafts and short-term deposits approximate their carrying values because of the short-term maturity of these instruments (see note 17);
- The fair value of trade and other receivables and payables, accrued income and costs, lease liabilities, and deferred consideration approximate their carrying values (see notes 18 and 21 respectively);
- The Senior Notes due 2026 are reflected in the balance sheet net of unamortised arrangement costs of $9.1m (2021: $11.6m) (see note 20). The fair values of the Senior Notes due 2026 are based on the market price of the bonds and are reflected in the next table; and
- The Term loan is reflected in the balance sheet net of unamortised arrangement costs and IFRS 9 related gain from repricing (refer note 20) of $128.6m (2021: $157.8m) and the fair value is based on the net present value discounted at LIBOR +3.5%.

	As at 31 December 2022		As at 31 December 2021	
($ in millions)	Carrying amount	Fair value amount	Carrying amount	Fair value amount
Senior Notes due 2026	2,065.9	1,942.2	2,063.4	2,182.6
Term Loan	1,582.4	1,760.2	1,573.2	1,737.4

32. CAPITAL AND PURCHASE COMMITMENTS

($ in millions)	Total	Less than 1 year	Between 2 and 5 years	Over 5 years
Purchase commitments	44.9	33.2	7.0	4.7
Lease commitments	405.3	-	78.4	326.9
Capital commitments	454.5	369.0	85.5	-
Total commitments	**904.7**	**402.2**	**170.9**	**331.6**

Capital commitments primarily represent commitments in respect of the Group's I-6 and GX 7/8/9 satellite programs. Lease and purchase commitments mainly comprise the commitment for development of Arctic capabilities for GX in partnership with Space Norway and a property lease in relation to the Group's London Headquarters.

33. CONTINGENT LIABILITIES

In the ordinary course of business, the Group is subject to contingencies pursuant to requirements that it complies with relevant laws, regulations and standards. Failure to comply could result in restrictions in operations, damages, fines, increased tax, increased cost of compliance, interest charges, reputational damage and other sanctions. These matters are inherently difficult to quantify.

In cases where the Group has an obligation as a result of a past event existing at the balance sheet date, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be reliably estimated, a provision will be recognised based on best estimates and management judgement.

A contingent liability is disclosed where the existence of the obligation will only be confirmed by future events, or where the amount of the obligation cannot be measured with reasonable reliability. At 31 December 2022, the Group had $25.0m of contingent liabilities in relation to employee retention compensation. This will be payable on successful completion of the Viasat acquisition and is subject to employees being retained for a set retention period, post-acquisition. (2021: $nil).

34. RELATED PARTY TRANSACTIONS

In the normal course of operations, the Group engages in transactions with its equity-accounted associates (Navarino UK and JSAT Mobile), along with the ultimate shareholders (the 'Consortium': Apax LLP, Warburg Pincus LLC, Canada Pension Plan Investment Board, Ontario Teachers' Pension Plan Board, and Pretzel Logic BV).

Transactions with equity-accounted associates represent sales of airtime and equipment and are measured at the amounts exchanged. Group revenue from Navarino UK and JSAT Mobile for the 2022 financial year is $43.4m and $24.6m respectively (2021: $39.3m and $17.3m, respectively). The amount receivable from Navarino UK and JSAT Mobile at 31 December 2022 is $9.9m and $3.4m, respectively (2021: $9.3m and $2.0m, respectively).

Transactions with the Consortium, related to expenses, for the 2022 financial year is $nil. (2021: $0.2m). No amount remains outstanding.

Transactions with the Executive and Non-executives, relating to remuneration earned in the normal course of operations, is provided in note 8.

35. EVENTS AFTER BALANCE SHEET DATE

Viasat acquisition

On 8 November 2021 Viasat Inc and Inmarsat announced a definitive agreement under which Viasat will acquire Inmarsat in a transaction then valued at $7.3bn, comprised of $850m in cash (reduced to $551m, post prior distribution to shareholders) approximately 46.36 million shares of Viasat common stock valued at $3.1bn based on the closing price on Friday November 5, 2021, and the assumption of $3.4 billion of net debt. The agreement has been approved by both the Inmarsat and Viasat Board of Directors, and Viasat shareholders. We currently expect the deal to close in the second half of 2023, assuming all regulatory approvals are obtained.

HMRC Launch Cost Case

The Group's 1999 claim for a tax deduction for satellite launch costs was heard at the Court of Appeal which ruled in favour of HMRC in July 2022. The Group subsequently appealed directly to the Court of Appeal which was heard and rejected on 5 January 2023. This is treated as a non-adjusting post balance sheet date event per IAS 10. The Group has provided fully for the expected cost of c. $128m, comprising current and deferred tax ($100m) and interest ($28m). Given the affected tax computations span over 20 years, the exact amount of tax and interest has yet to be agreed with HMRC. To manage ongoing late payment interest, during Q1 2023 the Group has paid £57.2m Income tax ($69.1m) and £17.4m interest ($20.9m) resulting in a foreign exchange gain of c.$32m.

36. GROUP ENTITIES

At 31 December 2022, the Company had investments in the following subsidiaries and associates:

Entity name	Principal activity	Country of incorporation / registered address	Ownership
Inmarsat Group Holdings Limited (formerly Inmarsat plc)	Holding company	England and Wales/A	100%
Connect Finco SARL	Finance company	Luxembourg/AI	100%
Connect U.S. Finco LLC	Finance company	United States/D	100%
Inmarsat Holdings Limited	Holding company	England and Wales/A	100%
Inmarsat Group Limited	Holding company	England and Wales/A	100%
Inmarsat Finance Limited	Finance company	England and Wales/A	100%
Inmarsat Investments Limited	Holding company	England and Wales/A	100%
Inmarsat Ventures SE	Operating company	Luxembourg /AI	100%
Inmarsat Global Limited	Satellite telecommunications	England and Wales/A	100%
ISAT Global Xpress OOO	Dormant	Russian Federation/X	100%
Inmarsat Brasil Eireli	Dormant	Brazil/H	100%
Inmarsat Leasing (Two) Limited	Satellite leasing	England and Wales/A	100%
Inmarsat New Zealand Limited	Operating company	New Zealand/U	100%
Inmarsat Services Limited	Operating company	England and Wales/A	100%
PT ISAT	Operating company	Indonesia/Q	100%
Inmarsat Communications Company LLC	Operating company	UAE/AC	49%
Inmarsat Group Holdings Inc.	Operating company	United States/C	100%
ISAT U.S. Inc.	Operating company	United States/C	100%
Inmarsat Government Inc.	Operating company	United States/D	100%
Stratos Government Services Inc.	Operating company	United States/D	100%
Inmarsat Commercial Services Inc.	Operating company	United States/D	100%
Inmarsat Solutions (U.S.) Inc.	Operating company	United States/D	100%
Inmarsat Inc.	Holding company	United States/D	100%
Europasat Limited	Operating company	England and Wales/A	100%
Inmarsat Employment Company Limited	Employment company	Jersey/T	100%
Inmarsat Trustee Company Limited	Dormant	England and Wales/A	100%
Inmarsat Finance III Limited	Operating company	England and Wales/A	100%
Inmarsat Solutions Limited	Holding company	England and Wales/A	100%
Inmarsat Solutions (Canada) Inc.	Operating company	Canada/B	100%
Inmarsat Holdings (Cyprus) Limited	Holding company	Cyprus/K	100%
Connect Bidco Limited	Holding company	Guernsey/AJ	100%
Connect Midco Limited	Holding company	Guernsey/AJ	100%
Connect Sub-Topco Limited	Holding company	Guernsey/AJ	100%
Inmarsat Germany (GmBH)	Operating company	Germany/L	100%
Inmarsat Global Japan KK	Holding company	Japan/S	100%
Inmarsat Investments BV	Holding company	The Netherlands/V	100%
Inmarsat Solutions B.V.	Operating company	The Netherlands/V	100%
Inmarsat Solutions SA (PTY) Limited	Operating company	South Africa/Z	100%
Inmarsat Spain S.A.	Operating company	Spain/AA	100%
Inmarsat Hong Kong Limited	Operating company	Hong Kong/N	100%
Inmarsat Hellas Satellite Services SA	Satellite telecommunications	Greece/M	100%
Inmarsat Navigation Ventures Limited	Operating company	England and Wales/A	100%
Inmarsat SA	Operating company	Switzerland/AB	100%

Entity name	Principal activity	Country of incorporation / registered address	Ownership
Inmarsat Solutions Global Limited	Operating company	England and Wales/A	100%
Inmarsat Solutions AS	Operating company	Norway/W	100%
Inmarsat Solutions Pte. Limited	Operating company	Singapore/Y	100%
Inmarsat Solutions ehf.	Operating company	Iceland/O	51%
Inmarsat Australia Pty Limited	Operating company	Australia/F	100%
Inmarsat KK	Operating company	Japan/S	100%
Inmarsat Solutions (Shanghai) Co. Limited	Operating company	China/J	100%
Inmarsat India Private Limited	Operating company	India/P	100%
Inmarsat Licences (Canada) Inc.	Holding company	Canada/B	100%
Flysurfer Colombia S.A.S.	Operating company	Columbia/I	100%
Inmarsat New Ventures Limited	Holding company	England and Wales/A	100%
Flysurfer-Ecuador S.A.	Operating company	Ecuador/AE	100%
Inmarsat Satellite Services S.R.L.	Operating company	Romania/AF	100%
Inmarsat BH d.o.o.	Operating company	Bosnia and Herzegovina/AG	100%
Inmarsat Solutions doo Beograd	Operating company	Serbia/AH	100%
Inmarsat DOOEL Skopje	Operating company	Macedonia/E	100%
Inmarsat Maritime Ventures Limited	Operating company	England and Wales/A	100%
Inmarsat Turkey Telekomünikasyon Limited Şirketi	Operating company	Turkey/R	100%
Navarino UK Limited	Associate	England and Wales/AD	49%
JSAT Mobile Communications Inc.	Associate	Japan/G	26.67%

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

Registered address key:

Key	Registered Address
A	99 City Road, London EC1Y 1AX, United Kingdom
B	34 Glencoe Drive, Box 5754, Donovan's Bus. Park, Mount Pearl Newfoundland A1N 4S8, Canada
C	874 Walker Road, Suite C, City of Dover DE 19904, United States
D	251 Little Falls Drive, Wilmington DE 19808, United States
E	Str. Risto Ravanovski no 13a, Skopje, Republic of Macedonia, Macedonia, the former Yugoslav Republic of Macedonia
F	Mills Oakley, Level 7, 151 Clarence Street, Sydney NSW 2000, Australia
G	Nisso Building #22 8F, Azabudai1-11-10, Minato-ku, Tokyo 106-0041, Japan
H	Av. Brig Faria Lima, 3400 – Cj. 151 – 15.° andar, parte C 04538-132 , São Paulo, Brazil
I	Cra. 7 No. 71-52 Tower B 9th Floor, Bogota, DC, Colombia 110231
J	11F, Tower B, Central Towers, No.567, Lan Gao Road, Putuo District, Shanghai, 200333, China
K	1, Lampousas, Nicosia, 1095, Cyprus
L	Willy-Brandt, 23, 20457, Hamburg, Germany
M	280 Kifisias Avenue, Halandri, 152 32, Greece
N	Unit 4217- Metroplaza, Tower 1, 223 Hing Fong Road, Kwai Fong, N.T, Hong Kong, Hong Kong
O	Hlíðarsmára 10, 201 Kópavogi, Iceland
P	P-24, Green Park Extension, New Delhi, 110016, India
Q	Panbil Residence 1st – 2nd Floor, Jl. Ahmad Yani, Muka Kuning – Batam – 29433, Indonesia
R	Maltepe Mah. Eski Çırpıcı , Yolu Sk. Parima , Blok No:8 İç kapı , 14 Zeytinburnu, İstanbul, Turkey
S	Level 25 Ark Hills Sengokuyama Mori Tower, 1-9-10, Roppongi, Minato-ku, Tokyo, 106-0032, Japan
T	44 Esplanade, St. Helier, Jersey JE4 9WG, Jersey
U	24 Unity Drive North, North Harbour, Auckland, New Zealand
V	Loire 158-160, 2491 AL, The Hague, Netherlands
W	NMK – Borgundveien 340, 6009 Ålesund, Norway
X	Bld. 5, 13 Kasatkina Street, 129301, Moscow, Russian Federation
Y	11 Lorong 3 Toa Payoh , #01-31, Jackson Square, 319579, Singapore
Z	Deloitte Place, The Woodlands, 20 Woodlands Drive, Woodmead, Sandton, Johannesburg, Gauteng, 2052, South Africa
AA	Príncipe de Vergara 73, 28006, Madrid, Spain
AB	Avenue Gratta-Paille 2, c/o MAZARS SA, World Trade Center, 1018, Lausanne, Switzerland
AC	Festival Tower - Unit 2303, P.O. Box 27313, Dubai Festival City, Dubai, United Arab Emirates
AD	Camburgh House, 27 New Dover Road, Canterbury, Kent CT1 3DN, United Kingdom
AE	Republica de El Salvador N35-146 y Suecia, Edif. Prisma Norte, Piso 11, Quito, C.P. 170505, Ecuador
AF	22 Tudor Vladimirescu Blv., Building Green Gate Office, Bucharest, 5th Floor 573Campus07, Sector, Bucharest, Romania
AG	Street Skenderpasina 1, Sarajevo, Bosnia and Herzegovina
AH	GTC Avenue 19, 38-40 Vladimira Popovica Street, New Belgrade, Servia, 11070, Serbia
AI	6, rue Engene Ruppert, L-2453, Luxembourg
AJ	Redwood House, St Julian's Avenue, St Peter Port, GY1 1WA, Guernsey

COMPANY BALANCE SHEET

As at 31 December 2022

($ in millions)	As at 31 December 2022	As at 31 December 2021
Assets		
Non-current assets		
Investments[1]	1,334.0	1,632.8
	1,334.0	**1,632.8**
Current assets		
Cash and cash equivalents	0.3	0.3
Trade and other receivables	-	0.2
	0.3	**0.5**
Total assets	**1,334.3**	**1,633.3**
Liabilities		
Current liabilities		
Trade and other payables	0.5	0.7
Total liabilities	**0.5**	**0.7**
Net assets	**1,333.8**	**1,632.6**
Shareholders' equity		
Ordinary shares	2,350.0	2,350.0
Retained earnings	(1,016.2)	(717.4)
Total equity	**1,333.8**	**1,632.6**

1 Investments represent a $1,334.0m investment in Connect Sub-Topco Limited (2021: $1,632.8m). This reduction was due to a share buy-back, in support of the dividend to shareholders.

The Company reported a profit for the financial year ended 31 December 2022 of $nil (2021: $nil).

The financial statements of the Company, registered number 661877, were approved by the Board of Directors on 20 March 2023 and signed on its behalf by

DocuSigned by:
Eric Hargrave
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Eric Hargrave
Chairman

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COMPANY STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2022

($ in millions)	Ordinary shares	Retained earnings	Total
As at 1 January 2021	**2,350.0**	**-**	**2,350.0**
Profit for the year	-	-	-
Dividends declared[1]	-	(717.4)	(717.4)
As at 31 December 2021	**2,350.0**	**(717.4)**	**1,632.6**
Profit for the year	-	-	-
Dividends declared[1]	-	(298.8)	(298.8)
As at 31 December 2022	**2,350.0**	**(1,016.2)**	**1,333.8**

1 Following strong performance and cashflow generation, during April 2022 the Board declared and paid $298.8m of dividends to company shareholders (2021: $717.4m). Pursuant to Companies (Guernsey) Law, 2008 prior to the dividend being issued, the Company performed a solvency test by ensuring its debts can be paid as they become due (cash flow test) and the value of assets were greater that the liabilities (balance sheet test).

NOTES TO THE COMPANY FINANCIAL STATEMENTS

For the year ended 31 December 2022

a) Principal accounting policies

Basis of accounting

The Company meets the definition of a qualifying entity under FRS 100 'Application of Financial Reporting Requirements' issued by the Financial Reporting Council ('FRC'). Accordingly, the Company financial statements have been prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework'.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to presentation of a cash flow statement, the reconciliation of net cash from operations, capital management, presentation of comparative information in respect of certain assets, standards not yet effective, impairment of assets and related party transactions, and financial instruments. Where required, equivalent disclosures have been given in the Group accounts of Connect Topco Limited.

The accounting policies and financial risk management policies and objectives, where relevant to the Company, are consistent with those of the consolidated Group as set out in notes 2 and 3 to the consolidated financial statements.

Investments in subsidiaries are carried at cost less accumulated impairment losses in the Company's balance sheet. On disposal of investments in subsidiaries the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

The Company was incorporated on 15 March 2019.

b) Critical accounting estimates and key judgements

The critical accounting estimates and key judgements, where relevant to the Company, are consistent with those of the consolidated Group as set out in note 4 to the consolidated financial statements.

c) Income statement

Under Section 244 (5) of the Companies (Guernsey) Law 2008, the Company is not required to prepare individual accounts. However, The Directors are mindful of corporate governance and seek to demonstrate understanding of their accountability and statutory responsibilities, including application of duties under applicable local legislation. Therefore, a Company only Balance Sheet and Statement of Changes in Equity have been presented. The profit for the period ended 31 December 2022 was $nil (2021: $nil).

Auditor's remuneration

During the year, the Company paid its external auditor less than $0.1m (2021: less than $0.1m) for statutory audit services.

Employee costs and Directors' remuneration

The average monthly number of people employed during the year was nil (2021: nil). Total staff costs for 2022 were $nil (2021: $nil). Full details of Directors' remuneration are given in the consolidated Group results as set out in note 8 & 27.

Foreign currency translation

Accounting for foreign currency transactions of the Company is consistent with that of the Group, which is disclosed in note 2 to the consolidated financial statements.

Share capital

All shares are fully paid. Total shares issued (at $1.00 each) and fully paid is 2,350,000,000 (2021: 2,350,000,000 at $1.00 each).

d) Financial instruments

The IFRS 7, 'Financial Instruments' disclosures, where relevant to the Company, are consistent with that of the Group as set out in note 31 to the consolidated financial statements.

The differences between the Group and Company in relation to intercompany balances is $0.7m other amounts due to and $nil receivable from Group companies (2021: $0.6m & $0.2m, respectively), which eliminates on consolidation. The Directors consider the carrying value of the intercompany balances to approximate to their fair value.

The Group has assessed the intercompany receivables under the IFRS 9 expected credit loss model and no impairment losses have been recognised.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CONNECT TOPCO LIMITED

Report on the audit of the financial statements

1. Opinion

In our opinion:

- The financial statements of Connect Topco Limited (the 'Company') and its subsidiaries (the 'Group') give a true and fair view of the state of the Group's and of the Company's affairs as at 31 December 2022 and of the Group's profit for the year then ended;
- The Group financial statement have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB);
- The Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- The financial statements have been prepared in accordance with the requirements of the Companies (Guernsey) Law, 2008.

We have audited the financial statements which comprise:

- The consolidated income statement;
- The consolidated statement of comprehensive income;
- The consolidated and Company balance sheets;
- The consolidated and Company statement of changes in equity;
- The consolidated cash flow statement; and
- The related notes 1 to 36.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and IFRSs as issued by the IASB. The financial reporting framework that has been applied in the preparation of the Company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" United Kingdom Generally Accepted Accounting Practice.

2. Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Group and the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the directors' assessment of the group's and company's ability to continue to adopt the going concern basis of accounting included:

- Agreeing the level of committed, undrawn facilities of $700 million to the signed facility agreement and evaluating the other financing facilities in place including the repayment terms and covenants in place;
- Assessing the historical accuracy of forecasts prepared by the directors;
- Testing the clerical accuracy of the model used to prepare the forecasts;
- Recalculating the EBITDA headroom within the forecasts for covenant compliance and assessing the sensitivities run by the directors on the EBITDA headroom;
- Assessing the significant cash outflows in the going concern period; and
- Assessing the appropriateness of going concern disclosures in the financial statements including the directors' considerations of the Viasat acquisition.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the respwonsibilities of the directors with respect to going concern are described in the relevant sections of this report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CONNECT TOPCO LIMITED CONTINUED

4. Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

5. Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

6. Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

7. Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the Group's and Company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- Had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the Companies (Guernsey) Law, 2008 and relevant tax legislation; and
- Do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty such as data protection requirements, US Government regulations and telecom regulations.

We discussed among the audit engagement team including relevant internal specialists such as tax and IT regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following areas, and our specific procedures performed to address them are described below:

- Accounting for capital expenditure on assets under construction:
  - Obtaining an understanding of, and testing, relevant controls over the additions to AUC and the annual impairment review process;
  - Discussing material capital projects within the year with the respective project managers in order to understand the nature of the costs capitalised, inquiring as to the reasons for any significant deviations from budget, corroborating the movements in the year to supporting evidence and assessing the indicators of impairment;
  - Agreeing a sample of capitalised expenditure, including internally capitalised costs, to supporting evidence and assessed whether it is appropriate to capitalise the expenditure in accordance with IAS 16;
  - Testing the integrity of AUC ageing reports and comparing the profile of capitalised expenditure during the period to previous periods, in order to identify projects that may be at risk of being abandoned.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- Reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Enquiring of management concerning actual and potential litigation and claims and instances of non-compliance with laws and regulations; and
- Reading minutes of meetings of those charged with governance.

8. Report on other legal and regulatory requirements

Matters on which we are required to report by exception

Under the Companies (Guernsey) Law, 2008 we are required to report to you if, in our opinion:

- We have not received all the information and explanations we require for our audit; or
- Adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- The company financial statements are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Section 262 of the Companies (Guernsey) Law, 2008. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

David Sweeney CA
For and on behalf of Deloitte LLP
Recognised Auditor

Glasgow, United Kingdom
20th March 2023

GLOSSARY

Active terminal	A terminal that has been used to access commercial services (except certain handheld terminals) at any time during the preceding 12 months and is registered for one of our services at the year end. It includes the average number of certain handheld terminals active on a daily basis during the final month of a year and excludes M2M terminals.
Alphasat	A satellite developed with the European Space Agency and launched in 2013, also known as I-4 F4 in our Inmarsat-4 satellite constellation.
ARPA	Average Revenue Per Aircraft.
ARPU	Average Revenue Per User.
ATC	Ancillary Terrestrial Components provide communications services from ground stations either as stand-alone services or to complement satellite services.
ATG	ATG means the air to ground terrestrial component of the EAN.
Bandwidth	The radio spectrum is divided into different bands which each cover a section of frequencies that are usually used for a similar purpose. Bands are allocated to specific uses at international level by the ITU and regulated at a national level by domestic organisations and governments.
BGAN	Broadband Global Area Network is a data satellite network using L-band frequency that spans the globe.
Business and General Aviation ('BGA'):	Business and General Aviation refers to all civil aviation operations other than commercial air transport, covering private jets flying globally and regionally.
Cash capital expenditure ('Capex')	Cash capital expenditure is the cash flow relating to tangible and intangible asset additions, it includes capitalised labour costs and excludes capitalised interest.
Commissioned terminal	A terminal that is registered for one of our services at the year end.
CAGR	The Compound Annual Growth Rate measures average annual growth over a period of time.
CGU	A cash-generating unit is the smallest group of assets that generates cash inflows largely independently from the other parts of the business and which represents the lowest level at which goodwill is monitored within the business.
The Company	Where we refer to the Company we are referring to Connect Bidco Limited, the holding company of the Inmarsat Group.
Defined benefit and defined contribution schemes	Defined benefit pensions schemes provide post-employment benefits based on an employee's final salary. Defined contribution pension schemes are schemes into which Inmarsat makes fixed contributions based on a percentage of an employee's salary.
Distribution Partner ('DP')	A Distribution Partner is an entity that has a direct relationship with Inmarsat and re-sells Inmarsat's services to an end customer.
EAN	Our European Aviation Network ('EAN') comprises an integrated satellite and complementary ground component ('CGC').
EBITDA	EBITDA is defined as profit for the year before net financing costs, taxation, depreciation and amortisation, gains/losses on disposal of assets, impairment losses and share of profit of associates. EBITDA is a commonly used industry measure which helps investors to understand the contribution made by each of our business units. It reflects how the effect of growing revenues and cost management deliver value for our shareholders. This measure has been reconciled to both operating profit and profit after tax on the face of the income statement.
ELERA	ELERA is the name of Inmarsat's L-band network and represents all of the satellites and infrastructure around L-band and the future vision for the network.
FleetBroadband ('FB')	A L-band maritime service providing voice and broadband data services across the world's oceans.
Fleet Xpress ('FX')	Fleet Xpress is Inmarsat's GX-based product for the maritime market using our Ka-band satellites. The FX Service includes FB as a back-up service.
GAAP	Generally Accepted Accounting Principles is the standard financial reporting framework as defined by a body of accounting standards and other guidance used in a given jurisdiction (see 'IFRS').

Geostationary orbit	A circular geosynchronous orbit directly above the Earth's equator. Satellites in geosynchronous orbit match their orbit to the orbit of the earth and so remain permanently in the same area of the sky.
Global Xpress ('GX')	Services offered by Inmarsat using Inmarsat's Inmarsat-5 satellites and Ka-band frequencies. Global Xpress is the first high-speed broadband satellite network to span the globe, from a single operator. It uses powerful beams able to reach small antennas on earth providing digital connections for aviation, land and maritime use.
GMDSS	Global Maritime Distress and Safety Service which is a system designed to automate a vessel's radio distress alert, eliminating the need for manual watchkeeping of distress channels. Inmarsat is approved by the International Maritime Organization ('IMO') to provide these services.
The Group	The Group refers to Connect Bidco Limited and all of its subsidiaries. We may also use 'we' and 'our' in reference to the Group, depending on the context.
GSPS	Global Satellite Phone Services are our handheld products and services such as the IsatPhone 2.
Global Workforce Advisory Panel ('GWAP')	In compliance with regulations recommended by the Financial Reporting Council within the UK Corporate Governance Code, Inmarsat has a Global Workforce Advisory Panel which is made up of workforce representatives from across the Company allowing Board members to hear feedback from the workforce.
IAS or IFRS	International Accounting Standards or International Financial Reporting Standards are the accounting standards issued by the International Accounting Standards Board. IFRS is also used to refer to international GAAP as a whole.
Industrial Internet of Things ('IIoT')	The Industrial Internet of Things describes the concept of networked, machine-to-machine, data-producing elements that are delivering new levels of insight to businesses across the global production, transportation, logistics and supply chain.
In-Flight Connectivity ('IFC')	In-Flight Connectivity refers to data connectivity and data services provided to commercial airlines, for aircraft passengers to access the internet, use email, social chat and messaging, and for airline crew to access non-critical connected airline operations.
In-Flight Entertainment ('IFE')	In-Flight Entertainment refers to digital entertainment services provided to commercial airlines, for aircraft passengers to use content services on seatback or overheads screens, and increasingly digital services provided over personal devices such as mobile phones and tablets, but not connected to data sources outside the plane.
ICAO	International Civil Aviation Organization.
Inmarsat-3 ('I-3'), Inmarsat-4 ('I-4'), Inmarsat-5 ('I-5'), Inmarsat-6 ('I-6') Inmarsat-7 ('I-7')	The third, fourth, fifth and sixth generations of Inmarsat satellites. Individual satellites in each constellation are numbered F1, F2, F3, etc., so I-5 F2 refers to the second satellite launched in the fifth generation of Inmarsat satellites.
Inmarsat gateway	Our platform for GX delivering customer support, network services and an app store. It also opens up our networks to innovators through a developer portal.
ITU	International Telecommunications Union.
Jet ConneX ('JX')	Jet ConneX is Inmarsat's GX-based product for the business and general aviation market.
Ka-band	Downlink frequencies between 18GHz and 22GHz and uplink frequencies between 27GHz and 31GHz. Often referred to as 20/30GHz. This is the frequency band used by our GX satellites, it has higher bandwidth than other bands allowing more data to be transmitted over the same satellite capacity.
Ku-band	Downlink frequencies between 10.7GHz and 12.74GHz and uplink frequencies between 13.75GHz and 14.8GHz. Often referred to as 11/14 or 12/14GHz. This is the frequency band used by a limited number of products and services that we procure from other satellite network operators.
L-band	Uplink and downlink frequencies between satellites and mobile users between 1.5GHz and 1.6GHz. This is the frequency band used by our Inmarsat-3 and Inmarsat-4 satellites and also by our Inmarsat-6 satellites.

GLOSSARY CONTINUED

Low-Earth orbit (LEO)	Low-Earth orbit (often known as LEO) encompasses Earth-centered orbits with an altitude of 2,000 km (1,200 mi) or less.
Ligado networks	A Cooperation Agreement between Inmarsat and Ligado Networks (formerly LightSquared LP, Skyterra (Canada) Inc. and LightSquared Inc.) for the use of L-band spectrum in North America.
M2M	Machine-to-machine services and products.
MSS	Mobile Satellite Services.
MBPS	Megabits per second are the units used to measure data transfer rates in the satellite communications industry.
Network Operations Centre ('NOC')	The network operations centre is one or more locations from which network monitoring and control, or network management, is exercised over our satellite network.
Network and satellite operations costs	The costs of operating our ground stations.
Own work capitalised	Employee-related costs including salary and travel costs incurred in bringing property, plant and equipment into use. Own work capitalised is capitalised as part of the total cost of an asset.
ORCHESTRA	Inmarsat's newly announced dynamic mesh-network that will be a configuration of ELERA (L-band) and Global Xpress (Ka band) networks with terrestrial 5G and targeted Low-Earth orbit (LEO) capacity.
OCI	Other comprehensive income.
SAS	Satellite Access Stations that receive the satellite signal and transfer it via our ground network to terrestrial systems.
Safety and Operational Services ('SOS'):	Safety and Operational Services refers to connectivity and related services to ensure the safety, operational efficiency and safe navigation of aircraft as well as data services for critical flight operations and pilot communications.
SOS	Safety and Operational Services.
S-band	A mobile satellite band between 2 and 2.5GHz, which we are using for a high-speed broadband service under development for the EU aviation industry. The programme has an Inmarsat S-band satellite fully integrated with a ground network. We also use the term S-band to refer to the S-band programme in general.
Scope 1, 2 and 3 emissions	Carbon emissions as defined by the greenhouse gas protocol.
Scope 1	All direct greenhouse gas emissions.
Scope 2	Indirect emissions from purchased electricity, heat or steam.
Scope 3	Other indirect emissions including travel.
SwiftBroadband	A global service providing voice and high-speed data simultaneously through a single installation on an aircraft.
Télécoms Sans Frontières ('TSF')	The telecommunications relief aid organisation is the principle beneficiary of our charitable support.
Terminals	The consumer hardware used to receive and transmit voice and data from earth across our satellite network. It includes antenna enabled hardware such as satellite phones and onboard antennas.
Vessel monitoring system ('VMS')	A vessel monitoring system is fitted to fishing vessels to track and report the location, course and speed at regular intervals (typically 30 minutes to 1 hour) to fishing regulators.
VMS	Vessel monitoring system.
VSAT	Very Small Aperture Terminals are small mobile two-way satellite antennas able to receive and transmit voice and broadband data to a satellite. VSAT services are typically charged using a fixed monthly fee.

CONNECT TOPCO LIMITED
ANNUAL REPORT AND ACCOUNTS 2022

Deloitte.

Deloitte AS
Strandavegen 15
NO-6905 Florø
Norway

Tel: +47 23 27 90 00
www.deloitte.no

To the General Meeting of Inmarsat Solutions AS

INDEPENDENT AUDITOR'S REPORT

Opinion
We have audited the financial statements of Inmarsat Solutions AS (the Company), which comprise the balance sheet as at 31 December 2022, the income statement, statement of comprehensive income and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable statutory requirements, and
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act.

Basis for Opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information
The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appear to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Deloitte.

Responsibilities of Management for the Financial Statements
Management is responsible for the preparation of financial statements that give a true and fair view in accordance with simplified application of International Accounting Standards according to the Norwegian Accounting Act section 3-9, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Florø, 30 June 2023
Deloitte AS

Hallgeir A. Bruvik
State Authorised Public Accountant