

Connect Bidco Limited Quarter Ended December 31, 2024 Results

London, UK: February 12, 2025. Connect Bidco Limited (“Inmarsat”, and together with its subsidiaries, the “Group”), a world leader in global mobile satellite communications, today announces unaudited financial results for the three and twelve months ended December 31, 2024.

All information herein is related to Inmarsat, which is part of the Viasat, Inc. group (“Viasat”), following the acquisition by Viasat of Connect Topco Limited, the parent company of Inmarsat, on May 30, 2023 (the “Viasat Transaction”). All references herein to “we,” “us,” “our,” “Group” and “Company” refer to Inmarsat only and not to Viasat or any member of the wider Viasat group.

BASIS OF PREPARATION

The Management Discussion and Analysis is provided in accordance with the reporting requirements set out in our debt agreements. The financial information has not been prepared in accordance with the requirements of Regulation S-X of the Securities Act of 1933, other requirements of the Securities Exchange Commission (“SEC”), International Financial Reporting Standards (“IFRS”), or other generally accepted accounting principles. The condensed consolidated interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting as contained in UK-adopted international accounting standards, whereas Viasat’s consolidated financial information is prepared in accordance with US GAAP, which differs from IFRS in a number of significant respects.

The information presented herein and in the accompanying financial statements may vary from the results for Inmarsat presented by Viasat, or included in the consolidated financial statements for Viasat because (i) of the differences between IFRS and US GAAP and associated audit standards, (ii) Purchase Price Accounting (“PPA”) adjustments reflected in Viasat’s consolidated financial statements as a result of the Viasat Transaction, and (iii) the accompanying condensed consolidated interim financial statements and associated disclosures contained herein are prepared at the level of Connect Bidco Limited, whereas results for Inmarsat, presented by Viasat, are prepared at the Connect Topco Limited level. This Management Discussion and Analysis has been prepared solely to comply with the reporting requirements under our debt agreements, and the information set forth herein should not be considered to be a substitute for or supplement to Viasat’s consolidated financial statements for the Viasat group prepared in accordance with US GAAP or the disclosures set forth in Viasat’s Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q or other filings with the US Securities and Exchange Commission (the “SEC”).

This Management Discussion and Analysis contains forward-looking statements regarding future events and our future results that are subject to the safe harbors created under the US Securities Act of 1933 and the US Securities Exchange Act of 1934. These statements are based on current expectations, estimates, forecasts and projections about the industries in which we and the wider Viasat group operate and the beliefs and assumptions of management. We use words such as “anticipate,” “believe,” “continue,” “could,” “estimate,” “expect,” “goal,” “intend,” “may,” “plan,” “project,” “seek,” “should,” “target,” “will,” “would,” variations of such words and similar expressions to identify forward-looking statements. In addition, statements regarding our anticipated operations, financial position, liquidity, performance, prospects or growth and scale opportunities; projections of earnings, revenue, costs or other financial items; anticipated growth and trends in our business or key markets; future economic conditions and performance; the development, customer acceptance and anticipated performance of technologies, products or services; satellite construction and launch activities; completion of in-orbit placement and in-orbit testing and commencement of commercial service of our satellites; the performance and anticipated benefits of our satellites; the expected completion, capacity, coverage, service speeds and other features of our satellites, and the timing, cost, economics and other benefits associated therewith; plans, objectives and strategies for future operations; and other characterizations of future events or circumstances, are forward-looking statements. Readers are cautioned that these forward-looking statements are only predictions and are subject to risks, uncertainties and assumptions that are difficult to predict. Factors that could cause actual results to differ materially include the factors identified in Viasat’s Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Viasat’s other filings with the SEC. Therefore, actual results may differ materially and adversely from those expressed in any forward-looking statements. We undertake no obligation to revise or update any forward-looking statements for any reason.

Fiscal Year End Change

During the three months ended December 31, 2024, the Group has changed its fiscal year end from December 31 to March 31, effective for the fiscal year beginning January 1, 2024. The Group's current fiscal year began on January 1, 2024 and ends on March 31, 2025 ("Fiscal 2025"). The Group's 2023 fiscal year began on January 1, 2023 and ended on December 31, 2023 ("Fiscal 2023"). There was no Fiscal 2024.

Therefore, for the three months ending December 31, 2024, the Management Discussion and Analysis and the interim financial statements are prepared for the three and twelve months ending December 31, 2024.

For avoidance of doubt the Annual Report and consolidated period-end audited financial statements will be prepared for the fifteen months ending March 31, 2025.

Looking forward to next three month period, for the period ending March 31, 2025, the Group will present the following in line with the new fiscal year end:

- Management's Discussion and Analysis of Financial Condition and Results of Operations for the three month and twelve month period ending March 31, 2025, with comparative periods reflected and discussed.
- Audited consolidated balance sheet, and consolidated statements of operations and comprehensive loss and cash flows of Bidco and its Subsidiaries for the fifteen month period ending March 31, 2025, with accompanying notes and audit report prepared by PwC PricewaterhouseCoopers LLP with no comparative financials included.
- Previously issued audited consolidated balance sheet, and consolidated statements of operations and comprehensive loss and cash flows of Bidco and its Subsidiaries for the twelve month period ending December 31, 2023, with accompanying notes and audit report by Deloitte LLP.
- Unaudited consolidated balance sheet and, unaudited consolidated statements of operations and comprehensive loss and cash flows of Bidco and its Subsidiaries for the twelve month period ending March 31, 2025, setting forth in comparative form the figures for the corresponding period of the previous year, with accompanying notes.

Conversion from IFRS to GAAP

As part of the acquisition and related integration, the Group will retrospectively convert its Consolidated Financial Statements from International Financial Reporting Standards ("IFRS") to Generally Accepted Accounting Principles ("GAAP"), beginning with the fiscal quarter ending March 31, 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

(\$ in millions)	Three Months Ended		Twelve Months Ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Group revenue	442.7	420.5	1,728.3	1,619.8
Government	157.6	155.3	596.7	571.8
Maritime	120.6	131.2	493.0	538.4
Aviation	116.8	103.1	446.8	380.2
Enterprise	27.9	28.1	113.4	115.1
Central services	19.8	2.8	78.4	14.3
EBITDA*	264.0	244.7	996.0	878.1
Capital expenditure	61.9	123.1	262.7	430.0

Results of Operations

The following table represents the selected results of operations of Inmarsat for the periods indicated.

Direct costs and indirect costs are alternative performance measures used by the directors of Inmarsat (the "Directors") and management to understand the underlying financial performance of the Group. Direct costs are defined as expenses that can be traced directly to the sale of a product or service. Indirect costs are those costs which are not directly attributable to a sale. The measures may be useful to stakeholders to allow them to understand the potential development of our cost profile in the future. Analysing costs as direct and indirect costs is how management internally review performance and make subsequent business decisions.

(\$ in millions)	Three Months Ended		Twelve Months Ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Revenue	442.7	420.5	1,728.3	1,619.8
Direct costs	(69.2)	(54.2)	(252.2)	(228.4)
Indirect costs	(107.3)	(110.1)	(461.5)	(417.5)
Costs associated with the Viasat Transaction and integration	(2.2)	(11.5)	(18.6)	(95.8)
Total net operating costs	(178.7)	(175.8)	(732.3)	(741.7)
EBITDA*	264.0	244.7	996.0	878.1
Depreciation, amortisation and other costs	(158.7)	(156.3)	(641.1)	(751.7)
Operating profit	105.3	88.4	354.9	126.4
Net financing costs	(31.1)	(29.9)	(113.5)	(74.6)
Profit before tax	74.2	58.5	241.4	51.8
Taxation charge	(16.0)	(42.2)	(56.5)	(34.7)
Profit for the period	58.2	16.3	184.9	17.1

* See page 13 for a reconciliation of EBITDA for total profit for the period, which we consider to be the most directly comparable IFRS financial measure.

Comparison of the three months ended December 31, 2024 to the three months ended December 31, 2023

Revenue

Total revenue for the three months ended December 31, 2024 increased by \$22.2m (5.3%), to \$442.7m from \$420.5m for the corresponding period in 2023.

Movements in revenue by business unit were as follows:

- **Government** revenue increased by 1.5% to \$157.6m. U.S. Government revenue increased by 7.4% to \$111.5m following increased services revenue, higher managed services, partially offset by lower equipment sales. Outside the U.S., revenue decreased by 10.5% to \$46.1m, lower equipment sales and usage, lower revenue from the timing of milestones from contracts, partially offset by continued growth in Global Xpress (“GX”) connections.
- **Maritime** revenue decreased by 8.1% to \$120.6m. Very Small Aperture Terminals (“VSAT”) revenue was down 9% due to 9% lower Fleet Xpress (“FX”) average revenue per unit (“ARPU”) on lower installed vessels year on year, partially offset by higher terminal sales. FleetBroadband (“FB”) revenue was down 21% following continued customer migration to VSAT services and an 11% decrease in FB ARPU from migrations of higher value customers and lower other services. Legacy revenue increased 13% year on year following a price change on one legacy product from Q2 2024.
- **Aviation** revenue increased by 13.3% to \$116.8m. Core Aviation revenue, comprising Business Aviation (“BGA”) and Aircraft Operations and Safety services (“AOS”), was 11.3%, or \$8.4m, higher than the corresponding period in 2023, reflecting 14.1% growth in BGA following a 13% increase in the number of JX aircraft with a 6% higher average revenue per aircraft (“ARPA”) from rate plan upgrades and 1.8% growth in AOS following higher usage. Commercial Aviation (“ComAir”), previously In Flight Connectivity (“IFC”), revenue increased by 18.4%, or \$5.3m, to \$34.1m following higher terminal sales, higher year on year active aircraft install base and rising passenger usage. The number of ComAir active aircraft at the end of the three months increased by 6% year on year.
- **Enterprise** revenue decreased by 0.7% to \$27.9m driven primarily by lower handset deliveries, lower satellite phone airtime revenue and reduce usage on legacy products, partially offset by new business and customer upgrades within M2M and lease revenue.
- **Central services** revenue increased by \$17.0m to \$19.8m mainly driven by the recognition of \$17.4m of revenue from one customer.

Direct costs

Direct costs for the three months ended December 31, 2024 increased by \$15.0m, to \$69.2m as compared to \$54.2m for the corresponding period in 2023. This increase was mainly from a release of a customer provision in the prior year upon renegotiation of a contract and higher costs in support of revenue growth, partially offset by a lower terminal & equipment sales mix and lower inventory provisions as stock previously accumulated in response to component shortages is unwound.

Indirect costs

Indirect costs for the three months ended December 31, 2024 decreased by \$2.8m, to \$107.3m as compared to \$110.1m for the corresponding period in 2023. This decreased was mainly from \$13.4m of foreign exchange gains as the U.S. dollar has strengthened, lower employee costs from lower headcount and accelerated transaction-related employee cost accruals in the prior year, partially offset by higher space insurance premiums, higher professional fees, lower capitalized labour, additional restructuring charges, and other inflationary pressure.

Costs associated with the Viasat Transaction and integration

Costs associated with the Viasat Transaction and integration were \$2.2m for the three months ended December 31, 2024 as compared to \$11.5m for the corresponding period in 2023.

EBITDA

EBITDA for the three months ended December 31, 2024 increased by \$19.3m, or 7.9%, to \$264.0m as compared to \$244.7m for the corresponding period in 2023, reflecting the factors discussed above.

Depreciation, amortisation and other costs

Depreciation, amortisation and other costs for the three months ended December 31, 2024 increased by \$2.4m to \$158.7m as compared to \$156.3m for the corresponding period in 2023. The increase mainly related to a \$3.7m loss extinguishment of unamortised deferred finance issues costs following the redemption of the Senior Notes due 2026 during October 2024, higher depreciation following increase space segment assets, partially offset by a decrease in amortisation and lower impairment charges as compared to the corresponding period in 2023.

Operating profit

Operating profit for the three months ended December 31, 2024 increased by \$16.9m, to \$105.3m as compared to an operating profit of \$88.4m for the corresponding period in 2023, reflecting the factors discussed above.

Net financing costs

Net financing costs for the three months ended December 31, 2024 increased by \$1.2m, to \$31.1m as compared to \$29.9m for the corresponding period in 2023. The increase mainly relates to an increase in interest expense relating to the Senior Notes due 2029 following the higher interest rate of 9% from Q4 2024. Financing income partially offset the increase in financing costs following higher interest income on intergroup lending and higher external interest income as a result of higher interest rates and larger amounts held as cash on deposit and short-term investments.

Profit before tax

Profit before tax for the three months ended December 31, 2024 of \$74.2m represents an increase of \$15.7m from the profit before tax of 58.5m for the corresponding period in 2023, reflecting the factors discussed above.

Taxation charge

The taxation charge for the three months ended December 31, 2024 of \$16.0m represents a decrease of \$26.2m from the taxation charge of \$42.2m for the corresponding period in 2023. The effective tax rate for the three months was 21.6%, compared to 72.1% for the corresponding three months in 2023. The 2024 rate differs from the UK statutory rate of 25% due releases in reserves for uncertain tax positions for the quarter, partially offset by non-deductible expenses arising from the new London HQ office move and differing overseas tax rates.

Profit for the period

Profit for the three months ended December 31, 2024 was \$58.2m as compared to a profit of \$16.3m for the corresponding period in 2023, reflecting the factors discussed above.

Comparison of the twelve months ended December 31, 2024 and the twelve months ended December 31, 2023

Revenue

Total revenue for the twelve months ended December 31, 2024 increased by \$108.5m, or 6.7%, to \$1,728.3m from \$1,619.8m for the corresponding period in 2023.

Movements in revenue by business unit were as follows:

- **Government** revenue increased by 4.4% to \$596.7m. U.S. Government revenue increased by 6.7% to \$415.9m following increased services revenue, higher program support, timing of contract milestones, partially offset by lower equipment sales. Outside the U.S., revenue decreased by 0.7% to \$180.8m, following lower equipment sales, lower services, partially offset by continued growth in GX connections, increase usage and new projects.
- **Maritime** revenue decreased by 8.4% to \$493.0m. This decrease was driven by a \$6m one-time FX income from a major customer in the prior year, lower VSAT revenue following a 7% decrease in FX ARPU on lower vessels year on year, lower terminal sales to one customer, partially offset by a price increase on one legacy product. FB revenue declined following continued customer migration to VSAT services and an 8% decrease in FB ARPU as migrations of higher value customers continued.
- **Aviation** revenue increased by 17.5% to \$446.8m. Core Aviation revenue was 11.0%, or \$31.4m, higher than the corresponding period in 2023, reflecting 11.9% growth in BGA following the increase in number of JX aircraft, as well as higher ARPA and 7.8% growth in AOS following higher usage. ComAir revenue increased by 37.1%, or \$35.2m, following a contractual settlement from one customer, higher customer usage, higher terminal sales and higher active aircraft install base.
- **Enterprise** revenue decreased by 1.5% to \$113.4m, driven primarily by lower handset deliveries, lower service revenue following a customer specific contract change, declining usage from legacy products, partially offset by a termination fee from one customer.
- **Central services** revenue increased by \$64.1m to \$78.4m mainly driven by the recognition of \$69.6m of revenue from one customer.

Direct costs

Direct costs for the twelve months ended December 31, 2024 increased by \$23.8m, to \$252.2m as compared to \$228.4m for the corresponding period in 2023. This increase was mainly from higher costs in support of revenue growth and a release of a customer provision in prior year upon renegotiation of a contract, partially offset by a lower terminal & equipment sales mix and lower inventory provisions as stock previously accumulated in response to component shortages is unwound.

Indirect costs

Indirect costs for the twelve months ended December 31, 2024 increased by \$44.0m, to \$461.5m as compared to \$417.5m for the corresponding period in 2023. Indirect costs increased mainly from the one-time \$27.6m foreign exchange gain recognised in the prior period relating to the HMRC launch costs case, additional costs from the recent move to the new London HQ in 2024, VAT write-off following a review of collectability, early termination charges on I6-F2 ground development, along with higher IT costs for improved data resilience and higher space insurance premiums. The increase was partially offset by lower net employee costs from accelerated transaction-related employee cost accruals in the prior year, a reduction in headcount, with lower capitalised employee costs from lower project work.

Costs associated with the Viasat Transaction and integration

Costs associated with the Viasat Transaction and integration were \$18.6m for the twelve months ended December 31, 2024 as compared to \$95.8m for the corresponding period in 2023.

EBITDA

EBITDA for the twelve months ended December 31, 2024 increased by \$117.9m, or 13.4%, to \$996.0m as compared to \$878.1m for the corresponding period in 2023, reflecting the factors discussed above.

Depreciation, amortisation and other costs

Depreciation, amortisation and other costs for the twelve months ended December 31, 2024 decreased by \$110.6m to \$641.1m, as compared to \$751.7m for the corresponding period in 2023. The decrease mainly related to the I-6 F2 satellite net impairment of \$143.0m in the prior period, a decrease in amortisation which was partial offset by an increase in depreciation mainly due to the I-6 F1 being brought into use in Q4 2023.

Operating profit

Operating profit for the twelve months ended December 31, 2024 increased by \$228.5m, to \$354.9m as compared to \$126.4m for the corresponding period in 2023, reflecting the factors discussed above.

Net financing costs

Net financing costs for the twelve months ended December 31, 2024 increased by \$38.9m, to \$113.5m as compared to \$74.6m for the corresponding period in 2023. The increase mainly relates to a decrease in capitalized financing costs due to less capital assets still under construction versus the prior year period, a IFRS non-cash loss on the Term Loan extension in Q1 2024, increase in interest expense following the repayment of the 6.5% Senior Notes due 2026 and the new 9% Senior Notes due 2029 in the quarter, and HMRC late payment interest. Financing income partially offset the increase in net financing costs following higher interest income on intergroup and higher external interest income as a result of higher interest rates and larger amounts held as cash on deposit and short-term investments.

Profit before tax

Profit before tax for the twelve months ended December 31, 2024 of \$241.4m represents an increase of \$189.6m from the profit before tax of \$51.8m for the corresponding period in 2023, reflecting the factors discussed above.

Taxation charge

The taxation charge for the twelve months ended December 31, 2024 of \$56.5m represents an increase of \$21.8m from the taxation charge of \$34.7m for the corresponding period in 2023. The effective tax rate for the twelve months ended December 31, 2024 was 23.4%, compared to 67.0% for the corresponding period in 2023. The 2024 rate differs from the UK statutory rate of 25% due releases in reserves for uncertain tax positions during the period, partially offset by non-deductible expenses arising from the new London HQ office move and differing overseas tax rates.

Profit for the period

Profit for the twelve months ended December 31, 2024 was \$184.9m as compared to \$17.1m for the corresponding period in 2023, reflecting the factors discussed above.

Balance Sheet

	As of December	As of December
(\$ in millions)	31, 2024	31, 2023
Non-current assets	6,772.5	6,804.7
Current assets	1,073.0	1,156.3
Total assets	7,845.5	7,961.0
Current liabilities	535.6	1,495.6
Non-current liabilities	5,199.0	4,498.3
Total liabilities	5,734.6	5,993.9
Net assets	2,110.9	1,967.1

Non-current assets

Non-current assets at December 31, 2024 decreased by \$32.2m to \$6,772.5m as compared to \$6,804.7m at December 31, 20243. This decrease was mainly driven by a decrease in property, plant and equipment and intangible assets following depreciation and impairments exceeding additions, a decrease in right of use assets following impairment of the City Road building lease and annual depreciation exceeding additions, a decrease in the interest rate cap non-current asset as the instruments mature in February 2025, partially offset by an increase in right of use assets following the recognition of the GX10 payload lease following operational service during the quarter and an increase in the intercompany loan to the Group's direct parent undertaking following additional accrued interest. The interest rate cap provides protection on Term Loan interest when the USD SOFR is above 2%.

Current assets

Current assets at December 31, 2024 decreased by \$83.3m to \$1,073.0m as compared to \$1,156.3m at December 31, 20243. The decrease was mainly driven by a decrease in insurance recoveries receivable following the cash receipts of \$348.9m during Q1 2024, a decrease in inventory on hand, a decrease in trade debtors following large payments from certain customers, and a decrease in the interest rate cap current asset as the instruments mature in February 2025. The decrease was partially offset by an increase in cash and cash equivalents balance following the receipt of insurance recoveries in Q1 2024, partially offset by an outflow of \$87.6m in relation to the principal repayment of the Term Loan following the Term Loan extension and quarter principal repayment.

Current liabilities

Current liabilities at December 31, 2024 decreased by \$960.0m to \$535.6m as compared to \$1,495.6m at December 31, 20243. This was mainly driven by a decrease in deferred income relating to a customer contract being reclassified from current to non-current liabilities following the reassessment of collectability assessment under IFRS-15, a decrease in general accruals following lower employee related accruals & the payment of a legacy employee long term incentive scheme, a decrease in current tax liability following tax payments, partially offset by an increase in the intercompany payable to the Group's parent company, Viasat Inc..

Non-current liabilities

Non-current liabilities at December 31, 2024 increased by \$700.7m to \$5,199.0m as compared to \$4,498.3m at December 31, 2023. The increase was mainly driven by an increase in deferred income relating to a customer contract being reclassified from current to non-current liabilities following the reassessment of the collectability assessment under IFRS-15 and the recognition of the GX10 payload lease liability following operational service during the quarter. This was partially offset by the Term Loan principal repayments of \$87.6m & IFRS-9 related reduction in the carrying value of the Term Loan following the Term Loan extension in March 2024, the Group paying down and retiring approximately \$101.7 million of principal of Senior Notes due 2026 by paying approximately \$99.9 million in cash (plus accrued interest) during July 2024, and the full retirement of the Senior Secured Notes due 2026 and the issuance of Senior Secured Notes due 2029 with a net decrease of approximately \$30m.

During September 2024, the Group issued \$1,975m of 9% Senior Secured Notes ("Senior Notes due 2029") that will mature on September 15, 2029. The Senior Notes due 2029 recognised under non-current borrowings consisting of the principal balance of \$1,975m and partially offset by deferred finance costs of \$35.6m. On October 1, 2024, the Group used the net proceeds from the issuance of the Senior Notes due 2029, together with cash on hand, to redeem all of the outstanding Senior Notes due 2026 at a redemption price of 100% of the principal amount so redeemed plus accrued and unpaid interest thereon to the redemption date, and the indenture governing the Senior Notes due 2026 was satisfied and discharged in accordance with its terms. As a result of the redemption of the Senior Notes due 2026, the Group recognised a loss of approximately \$3.7m on extinguishment of debt during the three months ending December 31, 2024.

Liquidity and Capital Resources

The following tables set out the cash flows for the periods indicated.

(\$ in millions)	Three Months Ended		Twelve Months Ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Cash generated from operations ¹	188.4	226.8	892.0	797.4
Cash capital expenditure ²	(61.9)	(123.1)	(262.7)	(430.0)
Net interest paid ³	(82.9)	(90.7)	(206.3)	(246.0)
Other movements ⁴	(40.8)	(33.4)	(154.8)	(134.3)
Free cash flow⁵	2.8	(20.4)	268.2	(12.9)
Dividends related to associates and NCI ^{1,6}	1.8	1.2	6.5	4.4
Proceeds from insurance recoveries	-	-	348.9	-
Debt financing arrangement fees	(8.1)	-	(83.0)	-
Acquisition of remaining shares in Inmarsat Iceland ⁷	-	-	(1.9)	(1.7)
Net cash flow	(3.5)	(19.2)	538.7	(10.2)
Cash received from short-term deposits	-	(30.0)	30.0	79.1
Net drawdown / (repayment) of borrowings	(1,978.3)	(4.4)	(194.1)	(17.5)
Movement in cash and cash equivalents	(1,981.8)	(53.6)	374.6	51.4
Foreign exchange adjustment	(0.6)	0.5	(0.7)	(0.3)
Net (decrease) / increase in cash and cash equivalents	(1,981.2)	(54.1)	375.3	51.7

- Cash generated from operations excludes "dividends related to associates and NCI" which is disclosed separately in the table above, however it is included in "cash generated from operations" within cash flow from operating activities within the cash flow statement on page 19.
- Cash capital expenditure comprises "Purchase of property, plant and equipment"; "Additions to intangible assets" and "Own worked capitalised" as included in investing activities within the cash flow statement on page 19.
- Net interest paid comprises "Interest received" included in cash flow from operating activities and "interest paid" and "other financing activities" included in cash flow from financing activities within the cash flow statement of page 19.
- Other movements comprises "tax paid" included in cash flow from operating activities and "cash payments for the principal portion of lease obligations" included in cash flow from financing activities within the cash flow statement on page 19.
- See page 14 for a reconciliation of free cash flow to net cash from operating activities for the period, which we consider to be the most directly comparable IFRS financial measure.
- Non-controlling interest ("NCI") refers to the Group's 51% shareholding in Inmarsat Solutions ehf. During Q2 2023 Inmarsat acquired the remaining shareholding in Inmarsat Solutions ehf.
- During Q2 2023, the Group acquired the remaining shareholding in Inmarsat Solutions ehf, which resulted in a cash outflow of \$1.7m to the previous shareholders. During Q2 2024, a subsequent deferred payment was made, resulting in a further cash outflow of \$1.9m.

(\$ in millions)	Three Months Ended		Twelve Months Ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Cash and cash equivalents				
At beginning of the period	2,641.6	338.8	285.2	233.8
Net (decrease) / increase in cash and cash equivalents	(1,981.2)	(54.1)	375.3	105.8
Foreign exchange adjustment	(0.6)	0.5	(0.7)	(0.8)
At end of the period	659.8	285.2	659.8	338.8
Short-term deposits				
At beginning of the period	-	-	-	109.1
Net increase in short-term deposits	-	30.0	-	(79.1)
At end of the period	-	30.0	-	30.0
Total cash, cash equivalents and short-term deposits	659.8	315.2	659.8	315.2

Comparison of the three months ended December 31, 2024 to the three months ended December 31, 2023

Cash generated from operations

Cash generated from operations for the three months ended December 31, 2024 decreased by \$38.4m to \$188.4m as compared to \$226.8m for the corresponding period in 2023. This decrease was mainly due to lower working capital net outflows primarily due to an increase in trade and other payables due to timings of payments, partially offset by higher EBITDA performance.

Cash capital expenditure

Cash capital expenditure for the three months ended December 31, 2024 decreased by \$61.2m to \$61.9m as compared to \$123.1m for the corresponding period in 2023. This was driven mainly by the timing of contractual payments on major infrastructure investments and by higher expenditure relating to the London HQ move and IT projects in the prior period. The cash capital expenditure table on page 12 provides a more detailed breakdown for the period.

Net interest paid

Net interest paid for the three months ended December 31, 2024 decreased by \$7.8m to \$82.9m as compared to \$90.7m for the corresponding period in 2023. This decrease was mainly driven by higher interest income following higher levels of cash in interest bearing deposit and money market accounts, and lower Senior Note due 2026 interest expense paid following the partial redemption during July 2024 and full redemption in October 2024, resulting in a lower semi-annual interest payment year on year.

Other movements

Other movements for the three months ended December 31, 2024 increased by \$7.4m to \$40.8m as compared to \$33.4m for the corresponding period in 2023. The increase mainly relates to higher tax payments made in the current period as compared to the corresponding period in 2023.

Dividends related to associates and NCI

Dividends of \$1.8m were received for the three months ended December 31, 2024 as compared to \$1.2m for the corresponding period in 2023. The increase relates to the higher dividends received from associates.

Debt financing arrangement fees

Debt financing arrangement fees for the three months ended December 31, 2024 was \$8.1m as compared to \$nil for the corresponding period in 2023 and relates to the costs associated with the issuance of the Senior Notes due 2029 paid during the current period.

Cash received from short-term deposits

Cash received from short-term deposits for the three months ended December 31, 2024 was \$nil as compared to cash invested in short-term deposits of \$30.0m in the corresponding period in 2023. All short-term deposits had maturity terms of less than three months and therefore classified as cash and cash equivalents at current period end. In the corresponding period in 2023 the investing strategy differed with the short-term deposits focusing on maturity terms more than three months which resulted in higher cash movement from short term deposits.

Net drawdown / (repayment) of borrowings

Net repayment of borrowings for the three months ended December 31, 2024 was \$1978.3m as compared to net repayments of \$4.4m for the corresponding period in 2023. During the current period the Group used the net proceeds from the issuance of the Senior Notes due 2029, together with cash on hand, to redeem all of the outstanding Senior Notes due 2026 at a redemption price of 100% of the principal amount so redeemed

plus accrued and unpaid interest thereon to the redemption date, and the indenture governing the Senior Notes due 2026 was satisfied and discharged in accordance with its terms.

Comparison of the twelve months ended December 31, 2024 and the twelve months ended December 31, 2023

Cash generated from operations

Cash generated from operations for the twelve months ended December 31, 2024 increased by \$94.6m to \$892.0m as compared to \$797.4m for the corresponding period in 2023. This increase was driven by higher EBITDA performance, partially offset by higher working capital outflows. The working capital outflows primarily resulted from a decrease in trade and other payables due to timings of payments, partially offset by a decrease in trade and other receivables driven by timing of invoicing and receipts, and lower inventory on hand.

Cash capital expenditure

Cash capital expenditure for the twelve months ended December 31, 2024 decreased by \$167.3m to \$262.7m as compared to \$430.0m for the corresponding period in 2023. This was driven mainly by the timing of contractual payments on major infrastructure investments and by higher expenditure relating to the London HQ move and IT projects in the prior period. The cash capital expenditure table on page 12 provides a more detailed breakdown for the period.

Net interest paid

Net interest paid for the twelve months ended December 31, 2024 decreased by \$39.7m to \$206.3m as compared to \$246.0m for the corresponding period in 2023. This decrease was mainly driven by interest being paid in relation to the HMRC launch costs case settlement in the prior period, and higher interest income following higher levels of cash in interest bearing deposit and money market accounts in the current period.

Other movements

Other movements for the twelve months ended December 31, 2024 increased by \$20.5m to \$154.8m as compared to \$134.3m in the corresponding period in 2023. The increase was mainly driven by higher tax payments in the current period, predominantly in the UK.

Dividends related to associates and NCI

Dividends of \$6.5m were received for the twelve months ended December 31, 2024 as compared to \$4.4m for the corresponding period in 2023. The increase relates to the higher dividends received from associates and no dividend paid to NCI in 2024 following the Group acquiring the remaining shareholding in Inmarsat Solutions ehf. during Q2 2023.

Proceeds from insurance recoveries

Proceeds from insurance recoveries in relation to I-6 F2 for the twelve months ended December 31, 2024 were \$348.9m as compared to \$nil for the corresponding period in 2023.

Debt financing arrangement fees

Debt financing arrangement fees for the twelve months ended December 31, 2024 were \$83.0m as compared to \$nil for the corresponding period in 2023 following the Term Loan extension in March as well as the costs associated with the issuance of the Senior Notes due 2029.

Cash received from short-term deposits

Cash received from short-term deposits for the twelve months ended December 31, 2024 was \$30.0m as compared to \$79.1m in the corresponding period in 2023. All short-term deposits had maturity terms of less than three months and therefore classified as cash and cash equivalents at current period end. In the

corresponding period in 2023 the investing strategy differed with the short-term deposits focusing on maturity terms more than three months which resulted in higher cash movement from short term deposits.

Net drawdown / (repayment) of borrowings

Net repayment of borrowings for the twelve months ended December 31, 2024 was \$194.1m as compared to net repayments of \$17.5m for the corresponding period in 2023. The increase in net repayments mainly relates to the full redemption of the \$2,075m Senior Notes due 2026, the \$87.6m principal repayments of the Term Loan following the extension in March 2024, partially offset by the receipt of the Senior Notes due 2029 proceeds of \$1,975m in September 2024. The quarterly principal repayment decreases from \$4.3m to \$3.3m following the Term Loan extension in March 2024.

Cash capital expenditure breakdown

Cash capital expenditure, which relates to tangible and intangible asset additions, includes capitalised labour costs and excludes capitalised interest, is set out in the following table.

(\$ in millions)	Three Months Ended		Twelve Months Ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Major infrastructure projects ¹	46.5	55.3	131.2	173.4
Success-based capital expenditure ²	8.5	10.0	38.6	51.6
Other capital expenditure ³	23.0	49.1	100.0	175.3
Cash flow timing ⁴	(16.1)	8.7	(7.1)	29.7
Total cash capital expenditure	61.9	123.1	262.7	430.0

1. Major infrastructure projects consists of satellite design, build and launch costs and ground network infrastructure costs.

2. Success-based capital expenditure consists of capital equipment installed on ships, aircraft and other customer platforms.

3. Other capital expenditure investment primarily includes infrastructure maintenance, IT and capitalised product and service development costs.

4. Cash flow timing represents the difference between accrued capital expenditures and the actual cash flows.

Other Notable Developments

Litigation

As part of normal operations, from time to time, the Group is subject to legal disputes with customers, suppliers and other third parties. We continuously monitor these disputes in order to manage and account for them appropriately.

Inmarsat Senior Secured Notes due 2026; Discharge of Indenture and Loss on Extinguishment of Debt

On October 1, 2024, the Group used the net proceeds from the issuance of the Senior Notes due 2029 (issued in the prior quarter), together with cash on hand, to redeem all of the outstanding Senior Notes due 2026 at a redemption price of 100% of the principal amount so redeemed plus accrued and unpaid interest thereon to the redemption date, and the indenture governing the Senior Notes due 2026 was satisfied and discharged in accordance with its terms. As a result of the redemption of the Senior Notes due 2026, the Group recognised a loss of approximately \$3.7m on extinguishment of debt during the three months ending December 31, 2024.

Non-IFRS Financial Measures

This Management Discussion and Analysis and the accompanying presentation to bondholders include non-IFRS financial measures such as EBITDA, Adjusted EBITDA, and free cash flow to supplement consolidated financial information presented on an IFRS basis. We believe EBITDA, Adjusted EBITDA, and free cash flow are measures that are appropriate to enhance an overall understanding of our past financial performance or liquidity and prospects for the future. However, the presentation of this additional information is not meant to be considered in isolation or as a substitute for measures of financial performance prepared in accordance with IFRS. Moreover, Viasat and Inmarsat calculate EBITDA and Adjusted EBITDA differently and therefore the two measures may not be comparable. A reconciliation between the non-IFRS financial information and the most comparable IFRS financial information is set forth below. You should not consider such items as an alternative to the historical financial position or results, or other indicators of our position or performance based on IFRS measures.

EBITDA and Adjusted EBITDA

EBITDA is a non-IFRS performance measure which we define as profit for the period before net financing costs, taxation, depreciation and amortisation, gains / losses on disposal of assets, impairment of assets and share of profit of associates. Adjusted EBITDA ("AEBITDA") is defined as EBITDA adjusted to exclude EBITDA attributable to costs associated with the Viasat Transaction and associated integration activities. Ligado attributed EBITDA was previously included as an adjustment to EBITDA, however it is no longer classified within exceptional items and therefore AEBITDA now include contributions from Ligado. For the twelve months ending December 31, 2023, AEBITDA has been revised to include contributions from Ligado of \$4.5m credit to direct costs.

The following table reconciles EBITDA and Adjusted EBITDA to total profit for the period, which we consider to be the most directly comparable IFRS financial measure.

(\$ in millions)	Three Months Ended		Twelve Months Ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Profit for the period	58.2	16.3	184.9	17.1
Taxation charge	16.0	42.2	56.5	34.7
Net financing costs	31.1	29.9	113.5	74.6
Depreciation and amortisation	158.4	156.8	633.6	609.5
Impairment of assets	0.1	1.3	18.9	145.2
Loss on disposal of assets	3.6	0.9	2.1	4.1
Share of profit of associates	(3.4)	(2.7)	(13.5)	(7.1)
EBITDA	264.0	244.7	996.0	878.1
Cost associated with the Viasat Transaction	-	(1.7)	-	61.2
Viasat integration costs	2.2	13.2	18.6	34.6
Adjusted EBITDA	266.2	256.2	1,014.6	973.9

Free Cash Flow

Free cash flow is a non-IFRS performance measure which we define as net cash from operating activities for the period less purchase of property, plant and equipment, additions to intangible assets, own work capitalised, interest paid, other financing activities, cash payments for the principal portion of lease obligations, dividends paid related to NCI, and adjusted to exclude for dividends related to associates and NCI and foreign exchange adjustment which is included in cash generated from operations.

The following table reconciles free cash flow to net cash from operating activities for the period, which we consider to be the most directly comparable IFRS financial measure.

(\$ in millions)	Three Months Ended		Twelve Months Ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Net cash from operating activities	159.9	199.7	785.8	694.2
Purchase of property, plant and equipment	(46.3)	(95.4)	(175.8)	(305.0)
Additions to intangible assets	(8.7)	(16.3)	(54.3)	(80.1)
Own work capitalised	(6.9)	(11.4)	(32.6)	(44.9)
Interest paid	(92.2)	(94.3)	(239.4)	(259.6)
Other financing activities	-	(0.4)	(1.3)	(1.8)
Cash payments for the principal portion of lease obligations	(0.6)	(1.6)	(7.0)	(10.5)
Dividends paid related to NCI	-	-	-	(0.5)
Less: dividends related to associates and NCI	(1.8)	(1.2)	(6.5)	(4.4)
Less: foreign exchange adjustment	(0.6)	0.5	(0.7)	(0.3)
Free Cash flow	2.8	(20.4)	268.2	(12.9)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THREE AND TWELVE MONTHS ENDED DECEMBER 31, 2024

CONNECT BIDCO LIMITED

CONDENSED CONSOLIDATED INCOME STATEMENT

For the three and twelve months ended December 31, 2024 (unaudited)

(\$ in millions)	Three Months Ended		Twelve Months Ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Revenue	442.7	420.5	1,728.3	1,619.8
Employee benefit costs	(80.6)	(90.8)	(327.2)	(393.7)
Network and satellite operations costs	(70.3)	(39.1)	(247.9)	(179.6)
Reversal of impairment of financial assets	(0.3)	0.9	1.7	4.1
Other operating costs ¹	(35.5)	(58.8)	(197.2)	(226.6)
Own work capitalised	8.0	12.0	38.3	54.1
Total net operating costs	(178.7)	(175.8)	(732.3)	(741.7)
EBITDA	264.0	244.7	996.0	878.1
Depreciation and amortisation	(158.4)	(156.8)	(633.6)	(609.5)
Impairment of assets	(0.1)	(1.3)	(18.9)	(145.2)
Loss on disposals of assets	(3.6)	(0.9)	(2.1)	(4.1)
Share of profit of associates	3.4	2.7	13.5	7.1
Operating profit	105.3	88.4	354.9	126.4
Financing income	41.7	36.4	168.8	136.2
Financing costs	(72.8)	(66.3)	(282.3)	(210.8)
Net financing costs	(31.1)	(29.9)	(113.5)	(74.6)
Profit before tax	74.2	58.5	241.4	51.8
Taxation charge	(16.0)	(42.2)	(56.5)	(34.7)
Profit for the period	58.2	16.3	184.9	17.1
Attributable to:				
Equity holders	58.2	16.3	184.9	16.9
Non-controlling interest²	-	-	-	0.2

1. Other operating costs for the twelve months ended December 31, 2024 include foreign exchange gain of \$3.5m (twelve months ended December, 2023: gain of \$22.3m). The twelve months ended December 31, 2023 foreign exchange gain included a foreign exchange gain relating to the provision held for the HMRC launch costs case that was settled during Q1 2023 (\$27.6 million).

2. Non-controlling interest ("NCI") refers to the Group's 51% shareholding in Inmarsat Solutions ehf. During Q2 2023 Inmarsat acquired the remaining shareholding in Inmarsat Solutions ehf.

CONNECT BIDCO LIMITED

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three and twelve months ended December 31, 2024 (unaudited)

(\$ in millions)	Three Months Ended		Twelve Months Ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Profit for the period	58.2	16.3	184.9	17.1
Other comprehensive income				
Items that may be reclassified subsequently to the Income Statement:				
Foreign exchange translation differences	(0.5)	0.1	(0.6)	(0.4)
Change in fair value of hedging instrument	2.5	(9.5)	10.7	15.7
Reclassified from OCI to profit or loss from the hedge reserve	(11.2)	(14.1)	(53.7)	(50.1)
Tax credited directly to equity	2.2	5.9	10.8	9.1
Items that will not be reclassified subsequently to the Income Statement:				
Re-measurement of the defined benefit asset	(8.6)	(0.8)	(8.6)	(0.8)
Tax credited directly to equity	2.1	0.2	2.1	0.2
Other comprehensive (expense) / income for the period, net of tax	(13.5)	(18.2)	(39.3)	(26.3)
Total comprehensive income for the period, net of tax	44.7	(1.9)	145.6	(9.2)
Attributable to:				
Equity holders	44.7	(1.9)	145.6	(9.4)
Non-controlling interest¹	-	-	-	0.2

1. Non-controlling interest ("NCI") refers to the Group's 51% shareholding in Inmarsat Solutions ehf. During Q2 2023 Inmarsat acquired the remaining shareholding in Inmarsat Solutions ehf.

CONNECT BIDCO LIMITED
CONDENSED CONSOLIDATED BALANCE SHEET
As of December 31, 2024 (unaudited)

(\$ in millions)	As of December 31, 2024	As of December 31, 2023
Assets		
Non-current assets		
Property, plant and equipment	2,603.3	2,776.1
Intangible assets	2,469.4	2,621.3
Right of use assets	227.3	81.6
Investments	37.5	30.4
Finance lease receivable	0.7	0.2
Other receivables	1,392.5	1,248.6
Derivative financial instruments	-	4.7
Deferred tax asset	41.8	41.8
	6,772.5	6,804.7
Current assets		
Cash and cash equivalents	659.8	285.2
Short-term deposits	-	30.0
Trade and other receivables	335.0	707.3
Finance lease receivable	0.3	0.2
Inventories	53.4	71.1
Current tax assets	18.3	18.3
Derivative financial instruments	6.2	44.2
	1,073.0	1,156.3
Total assets	7,845.5	7,961.0
Liabilities		
Current liabilities		
Borrowings	13.0	17.5
Trade and other payables ¹	442.7	1,317.0
Provisions	13.6	9.7
Current tax liabilities	57.1	132.4
Lease obligations	9.2	19.0
	535.6	1,495.6
Non-current liabilities		
Borrowings	3,419.6	3,644.4
Other payables ¹	822.9	14.0
Provisions	9.0	4.3
Deferred tax liabilities	723.6	754.5
Lease obligations	223.9	81.1
	5,199.0	4,498.3
Total liabilities	5,734.6	5,993.9
Net assets	2,110.9	1,967.1
Shareholders' equity		
Ordinary shares	2,361.5	2,361.5
Other reserves	2.9	35.7
Retained earnings	(253.5)	(430.1)
Equity attributable to shareholders	2,110.9	1,967.1
Total equity	2,110.9	1,967.1

1. Trade and other payables within Current liabilities decreased significantly following the reclassification of deferred income relating to one customer contract from current to non-current liabilities following a reassessment of the collectability assessment under IFRS-15 in Q1 2024. This resulted in revenue being recognised in 2024 and deferred income apportioned between current and non-current liabilities based on management's best estimate of the revenue recognition profile.

CONNECT BIDCO LIMITED

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three and twelve months ended December 31, 2024 (unaudited)

(\$ in millions)	Share capital	Hedge reserve	Other	Retained earnings	NCI ¹	Total
Balance at January 1, 2023	2,361.5	61.8	(0.4)	(445.1)	0.8	1,978.6
Dividend declared	-	-		-	(0.5)	(0.5)
Acquisition of remaining shares in Inmarsat Solutions ehf.	-	-	-	(1.3)	(0.5)	(1.8)
<i>Comprehensive Income:</i>		-				
Profit for the period	-	-	-	16.9	0.2	17.1
OCI – before tax	-	(34.4)	(0.4)	(0.8)	-	(35.6)
OCI – tax	-	9.1	-	0.2	-	9.3
Balance at December 31, 2023	2,361.5	36.5	(0.8)	(430.1)	-	1,967.1
Balance at January 1, 2024	2,361.5	36.5	(0.8)	(430.1)	-	1,967.1
Dividend declared	-	-	-	-	-	-
Acquisition of remaining shares in Inmarsat Solutions ehf. ¹	-	-	-	(1.8)	-	(1.8)
<i>Comprehensive Income:</i>						
Profit for the period	-	-	-	184.9	-	184.9
OCI – before tax	-	(43.0)	(0.6)	(8.6)	-	(52.2)
OCI – tax	-	10.8	-	2.1	-	12.9
Balance at December 31, 2024	2,361.5	4.3	(1.4)	(253.5)	-	2,110.9

1. Non-controlling interest ("NCI") refers to the Group's 51% shareholding in Inmarsat Solutions ehf. During Q2 2023 Inmarsat acquired the remaining shareholding in Inmarsat Solutions ehf. During Q2 2024, a subsequent deferred payment was made, resulting in a further cash outflow of \$1.9m.

CONNECT BIDCO LIMITED

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the three and twelve months ended December 31, 2024 (unaudited)

(\$ in millions)	Three Months Ended		Twelve Months Ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Cash flow from operating activities				
Cash generated from operations	190.2	228.0	898.5	802.3
Interest received	9.0	3.6	33.5	14.0
Tax paid	(39.3)	(31.9)	(146.2)	(122.1)
Net cash from operating activities	159.9	199.7	785.8	694.2
Cash flow from investing activities				
Purchase of property, plant and equipment	(46.3)	(95.4)	(175.8)	(305.0)
Additions to intangible assets	(8.7)	(16.3)	(54.3)	(80.1)
Own work capitalised	(6.9)	(11.4)	(32.6)	(44.9)
Acquisition of remaining shares in Inmarsat Solutions ehf. ¹	-	-	(1.9)	(1.7)
Net withdrawal in short-term deposits	-	(30.0)	30.0	79.1
Proceeds from insurance recoveries	-	-	348.9	-
Net cash (used in) / from investing activities	(61.9)	(153.1)	114.3	(352.6)
Cash flow from financing activities				
Dividends paid related to NCI ²	-	-	-	(0.5)
Repayment of borrowings ³	(1,978.3)	(4.4)	(2,169.1)	(17.5)
Drawdown of borrowings ⁴	-	-	1,975.0	-
Interest paid	(92.2)	(94.3)	(239.4)	(259.6)
Debt financing arrangement fees	(8.1)	-	(83.0)	-
Cash payments for the principal portion of lease obligations	(0.6)	(1.6)	(7.0)	(10.5)
Other financing activities	-	(0.4)	(1.3)	(1.8)
Net cash used in financing activities	(2,079.2)	(100.7)	(524.8)	(289.9)
Net increase in cash and cash equivalents	(1,981.2)	(54.1)	375.3	51.7
Cash and cash equivalents				
At beginning of the period	2,641.6	338.8	285.2	233.8
Net increase in cash and cash equivalents	(1,981.2)	(54.1)	375.3	51.7
Foreign exchange adjustment	(0.6)	0.5	(0.7)	(0.3)
At end of the period	659.8	285.2	659.8	285.2
Comprising:				
Cash at bank and in hand	335.6	119.6	335.6	119.6
Short-term deposits with original maturity of <3months	324.2	165.6	324.2	165.6
Cash and cash equivalents	659.8	285.2	659.8	285.2
Net cash and cash equivalents at end of period	659.8	285.2	659.8	285.2

1. During Q2 2023, the Group acquired the remaining shareholding in Inmarsat Solutions ehf, which resulted in a cash outflow of \$1.7m to the previous shareholders. During Q2 2024, a subsequent deferred payment was made, resulting in a further cash outflow of \$1.9m.
2. Non-controlling interest ("NCI") refers to the Group's 51% shareholding in Inmarsat Solutions ehf. During Q2 2023 Inmarsat acquired the remaining shareholding in Inmarsat Solutions ehf.
3. Repayment of borrowing mainly consists of the repayment of the Senior Note due 2026 on October 1, 2024, see note 6 for further details.
4. Drawdown of borrowings of \$1,975m following the receipt of the proceeds from the issuance of Senior Notes due 2029, see note 6 for further details.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Connect Bidco 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. Details of the nature of the Group is provided in note 3.

On May 30, 2023, Viasat, Inc. acquired Connect Topco Limited (the previous ultimate controlling party of the Group). Following the acquisition, the ultimate controlling party of the Company is Viasat, Inc. which is an entity based in the United States. The Company's immediate parent company is Connect Midco Limited.

2. PRINCIPAL ACCOUNTING POLICIES

Basis of preparation

During the three months ended December 31, 2024, the Group has changed its fiscal year end from December 31 to March 31, effective for the fiscal year beginning January 1, 2024. The Group's current fiscal year began on January 1, 2024 and ends on March 31, 2025 (“Fiscal 2025”). The Group's 2023 fiscal year began on January 1, 2023 and ended on December 31, 2023 (“Fiscal 2023”). There was no Fiscal 2024.

The Group shall report a complete set of financial statements for a longer period, being a fifteen-month period, for Fiscal 2025 in accordance with IAS 1.36.

As part of the acquisition and related integration, the Group will retrospectively convert its Consolidated Financial Statements from International Financial Reporting Standards (“IFRS”) to Generally Accepted Accounting Principles (“GAAP”), beginning with the fiscal quarter ending March 31, 2025.

The Condensed Consolidated Interim Financial Statements for the twelve months ended December 31, 2024 have been prepared in accordance with IAS 34, ‘Interim Financial Reporting’ as contained in UK-adopted international accounting standards and Companies (Guernsey) Law, 2008. They were approved by the Company's board of directors (the “Board of Directors”) on February 11, 2025.

The financial information presented in this Condensed Consolidated Interim Financial Statements does not constitute consolidated financial statements as defined in Section 245 of the Companies (Guernsey) Law, 2008. The consolidated financial statements for the year ended December 31, 2023 were approved by the Board of Directors on May 2, 2024. The appointed auditors (Deloitte LLP) have issued an unqualified report on this date. There were no matters drawn to attention by way of emphasis of matter.

Going concern

As of December 31, 2024, the Group had \$1,209.8m of liquid resources (Cash and cash equivalents: \$659.8m, short-term deposits: \$nil and undrawn revolving credit facility: \$550.0m) and a continued expectation that the Group will generate positive free cash flow and reduce leverage over the medium to long term. The going concern assessment has been performed using the Group financial performance and position.

The Group has a robust and resilient business model, positive free cash flow generation, and is compliant with all banking covenants. The directors of Inmarsat (the “Directors”) have a reasonable expectation that the Group shall continue to operate as a going concern for the foreseeable future. Consequently, the Group continues to adopt the going concern basis in preparing the Condensed Consolidated Interim Financial Statements.

Basis of accounting

The functional and reporting currency of the Company and most of the Group's subsidiaries is the US Dollar, as the majority of receipts from operational transactions and borrowings are denominated in US Dollars. The same accounting policies and methods of computation are followed in the Condensed Consolidated Interim Financial Statements as in the most recent annual financial statements, at December 31, 2023.

The preparation of the Condensed Consolidated Interim Financial Statements in conformity with IAS 34 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 period. Although these estimates are based on management's best estimate of the amount, event or actions, the actual results may ultimately differ from these estimates.

3. SEGMENT INFORMATION

The Group has 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 lines, namely:

- Government: focusing on military and other government services to the U.S. and other international governments;
- Maritime: focusing on worldwide commercial maritime services including safety services;
- 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 lines 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.

(\$ in millions)	Three Months Ended		Twelve Months Ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Government	157.6	155.3	596.7	571.8
Maritime	120.6	131.2	493.0	538.4
Aviation	116.8	103.1	446.8	380.2
Enterprise	27.9	28.1	113.4	115.1
Central services	19.8	2.8	78.4	14.3
Revenue	442.7	420.5	1,728.3	1,619.8

(\$ in millions)	Three Months Ended		Twelve Months Ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Cash capital expenditure	61.9	123.1	262.7	430.0
Financing costs capitalised in the cost of qualifying assets	8.7	4.2	32.3	70.0
Cash flow timing	17.5	(8.7)	7.1	(29.7)
Total capital expenditure	88.1	118.6	302.1	470.3

4. TAXATION

The interim period income tax charge is accrued based on the forecast annual effective tax rate of 23.4% (twelve month ended December 31, 2023: 67.0%). The forecast annual effective tax rate reflects adjustments for non-deductible expenses arising from the new London HQ office move and overseas tax rates differing from the 25% UK statutory tax rate.

From time to time, the Group may be involved in disputes in relation to on-going tax matters where a tax authority adopts a different interpretation to our own. The Group's total tax reserve for uncertain tax positions is \$15.6m (Q4 2023 \$24.8m) and relates to management's judgement of the amount of tax payable in respect of on-going enquiries with tax authorities. The movement of \$5.3m recorded during the quarter updates the Group's uncertain tax position reserves following the expiry of the statute of limitations in respect of certain matters. Releases of uncertain tax provision reserves are treated as discrete items in the quarter in which they arise.

UK tax returns for 2007, and 2020 and thereafter remain open for HMRC's ongoing enquiry into treatment of Ligado deferred income. In relation to the Group's Launch Costs case, tax returns for the years 1999-2006 and 2008-2017 inclusive were closed in Q1 2024. It has been agreed with HMRC that the liabilities for the 2018 and 2019 years have been settled, and we anticipate those years being closed in due course.

5. NET FINANCING COSTS

(\$ in millions)	Three Months Ended		Twelve Months Ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Bank interest receivable and other interest	7.8	4.2	34.7	15.6
Intergroup lending interest receivable	33.9	32.2	134.1	120.6
Total financing income	41.7	36.4	168.8	136.2
Interest on Senior Notes and credit facilities	(69.1)	(58.9)	(249.3)	(236.6)
Amortisation of debt issue costs	(8.2)	(5.2)	(25.7)	(21.2)
Amortisation of term loan gain	(1.1)	(3.4)	(6.4)	(12.7)
Net interest on the net pension asset and post-employment liability	0.8	(0.6)	(0.2)	(1.1)
Interest on lease obligations	(2.9)	(1.6)	(7.6)	(6.4)
Other interest	(1.0)	(0.8)	(10.9)	(2.8)
Total financing costs	(81.5)	(70.5)	(300.1)	(280.8)
Add: Amounts capitalised in the cost of qualifying assets	8.7	4.2	32.3	70.0
Less: IFRS-9 loss on term loan extension ¹	-	-	(14.5)	-
Net financing costs	(31.1)	(29.9)	(113.5)	(74.6)

1. IFRS-9 loss on Term Loan extension relates to a \$14.5m IFRS-9 related loss following the Term Loan extension in March 2024, see further information in note 7.

6. NET BORROWINGS

During September 2024, the Group issued \$1,975m 9% Senior Notes due 2029 that will mature on September 15, 2029. The Senior Notes due 2029 recognised under non-current borrowings consisting of the principal amount of \$1,975m, net of debt issuance costs of \$35.6m.

October 1, 2024, the Group used the net proceeds from the issuance of the Senior Notes due 2029, together with cash on hand, to redeem all of the outstanding Senior Notes due 2026 at a redemption price of 100% of the principal amount so redeemed plus accrued and unpaid interest thereon to the redemption date, and the indenture governing the Senior Notes due 2026 was satisfied and discharged in accordance with its terms. As a result of the redemption of the Senior Notes due 2026, the Group recognised a loss of approximately \$3.7m on extinguishment of debt during the fourth quarter of 2024.

These balances are shown net of unamortised deferred finance costs as follows:

(\$ in millions)	As of December 31, 2024				At December 31, 2023			
	Amount	Unamortised term loan gain ¹	Deferred finance costs	Net balance	Amount	Unamortised term loan gain ¹	Deferred finance costs	Net balance
Current borrowings								
Term loan	13.0	-	-	13.0	17.5	-	-	17.5
Total current borrowings	13.0	-	-	13.0	17.5	-	-	17.5
Non-current borrowings								
Senior Notes due 2026	-	-	-	- 2,075.0	-	-	(6.1)	2,068.9
Term loan	1,577.2	(20.3)	(78.4)	1,478.5	1,666.9	(41.1)	(50.3)	1,575.5
Senior Notes due 2029	1,975.0	-	(33.9)	1,941.1	-	-	-	-
Total non-current borrowings	3,552.2	(20.3)	(112.3)	3,419.6	3,741.9	(41.1)	(56.4)	3,644.4
Total borrowings	3,565.2	(20.3)	(112.3)	3,432.6	3,759.4	(41.1)	(56.4)	3,661.9
Cash and cash equivalents	(659.8)	-	-	(659.8)	(285.2)	-	-	(285.2)
Short-term deposits	-	-	-	-	(30.0)	-	-	(30.0)
Net borrowings	2,905.4	(20.3)	(112.3)	2,772.8	3,444.2	(41.1)	(56.4)	3,346.7

1. Gain on term loan repricing relates to a \$76.4m IFRS-9 related gain, following repricing of the term loan during 2021 and a \$14.5m loss following amendment of the Term Loan during 2024. Net of amortisation the remaining gain is \$20.3m as of December 31, 2024 (December 31, 2023: \$41.1m)

7. FAIR VALUE OF FINANCIAL INSTRUMENTS

The Group extended the maturity of the Term Loan and revolving credit facility in March 2024. Of the existing \$1.75bn Term Loan, \$1.3bn was extended for a period of 5.5 years with a new maturity date of September 28 2029. Interest on the extended portion is, at the option of the Group, either the term Secured Overnight Financing Rate, plus 450 bps or the alternate base rate, plus 350 bps. Of the non-extended portion, \$300m was left in place with an original maturity date of December 12, 2026 and the remaining \$84m was retired with cash. Concurrently, the Inmarsat revolving credit facility was downsized from \$700m to \$550m and extended 3 years with a new maturity date of March 28, 2027 (or, if more than \$100m of the non-extended portion of the Term Loan is outstanding on the date that is 91 days prior to the maturity thereof, such date).

As of December 31, 2024, there were no outstanding balances under the revolving credit facility. The extension of the Term Loan represents a debt modification and as a result the Group recorded an IFRS-9 loss through the income statement of \$14.5m in Q1 2024. The carrying value of the Term Loan on the balance sheet was reduced by a similar value. This will be offset by amortisation of the net overall gain (including the previous unamortised gain from 2020 repricing) which is charged over the life of the loan. The repricing gain from 2020 repricing has therefore been rolled up into an updated carrying value and will be amortised over remaining life

of the loan. The deferred finance costs has also increased following direct transaction costs and discount on the extension. These costs equated to \$44.2m and have been included in the carrying value of the Term Loan and will be recognised in the income statement over the term of loan using the effective interest rate method.

The Group's derivative financial instruments consist of an interest rate cap. The Group entered into interest rate cap agreements in February 2020 to hedge against the movements in the USD SOFR. The Group generally does not hedge 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. At present the Group has no material hedges on foreign currency milestone payments.

The fair values and level of fair value on the hierarchy at the Balance Sheet date were:

(\$ in millions)	As of December 31, 2024	As of December 31, 2023
Financial assets		
Interest rate cap ^(Level 2)	6.2	48.9
Total derivative financial assets	6.2	48.9

The fair value of the interest rate cap is based on the forward interest rate curve at each reporting date. 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 Directors consider that the carrying value of non-derivative financial assets and liabilities approximately equal to their fair values except for those items listed below:

(\$ in millions)	As of December 31, 2024		As of December 31, 2023	
	Carrying value ¹	Fair value	Carrying value ¹	Fair value
Financial liabilities				
Senior Notes due 2026	-	-	2,068.9	2,053.5
Senior Notes due 2029	1,941.1	1,809.1	-	-
Term loan	1,491.5	1,614.5	1,593.0	1,717.9
Financial assets				
Related party loan	1,360.0	1,404.5	1,226.1	1,270.5

1. Gross of unamortised arrangement cost and gain on term loan reprice and amendment, net of amortisation.

8. CONTINGENT ASSETS AND 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 December 31, 2024, the Group had no material contingent liabilities.

9. RELATED PARTY TRANSACTIONS & PRINCIPAL RISKS AND UNCERTAINTIES

In the normal course of operations, the Group engages in transactions with its ultimate parent company, Viasat. Transactions with Viasat mainly comprise of intercompany revenue, expenses (mainly legal fees, payroll related expenses, and travel) and balance sheet items such as prepayments and capex recharges. All transactions are measured at the amounts exchanged. The net amount owed to Viasat Inc. are \$21.8m as of December 31, 2024 (\$16.2m as of September 30, 2024).

There have been no other material changes in the related party transactions nor principal risks and uncertainties described in the 2023 Connect Bidco Limited Annual Report.

10. EVENTS AFTER THE BALANCE SHEET DATE

There are no events after balance sheet date which would require disclosure in these Condensed Consolidated Interim Financial Statements.

APPENDIX 1: ALTERNATIVE PERFORMANCE MEASURES (“APMs”)

The Directors use APMs to better understand the underlying financial performance of the Group and to provide comparability of information between reporting periods and business units. The measures are also used in discussions with the investment analyst community and the credit rating agencies. Given that APMs are not defined by IFRS they may not be directly comparable with other companies who use similar measures. APMs used in these financial statements are:

APM	Description and reconciliation
1. Direct and indirect costs	<p>Direct costs are defined as expenses that can be traced directly to the sale of a product or service. Indirect costs are those costs which are not directly attributable to a sale. The measures are useful to shareholders because it allows them to understand the potential development of our cost profile in the future. Direct and indirect costs have been reconciled to total net operating costs on page 3.</p>
2. EBITDA and Adjusted EBITDA	<p>EBITDA is defined as profit for the period before net financing costs, taxation, depreciation and amortisation, gains / losses on disposal of assets, impairment of assets, and share of profit of associates. It reflects how the effect of growing revenue and cost management deliver value for our shareholders. Adjusted EBITDA is defined as EBITDA adjusted to exclude EBITDA attributable to costs associated with the Viasat Transaction and associated integration activities. Ligado attributed EBITDA is no longer classified within exceptional items and therefore AEBITDA now include contributions from Ligado.</p> <p>These measures have been reconciled to total profit for the period on page 13.</p>
3. Cash capital expenditure	<p>Cash capital expenditure is the cash flow relating to tangible and intangible asset additions, it includes capitalised labour costs and excludes capitalised interest. Cash capital expenditure indicates our continued investment in the growth and development of our network and infrastructure as well as our investment in the future technologies of the business. This has been reconciled to total capital expenditure within note 3.</p>
4. Free cash flow	<p>Free cash flow is a non-IFRS performance measure which we define as net cash from operating activities for the period less purchase of property, plant and equipment, additions to intangible assets, own work capitalised, interest paid, other financing activities, cash payments for the principal portion of lease obligations, dividends paid related to NCI, and adjusted to exclude for dividends related to associates and NCI and foreign exchange adjustment which is included in cash generated from operations.</p> <p>This measure has been reconciled to net cash from operating activities for the period on page 14.</p>

APPENDIX 2: LAST TWELVE-MONTH ADJUSTED EBITDA (“LTM RECONCILIATION”)

The following table reconciles LTM Adjusted EBITDA to total profit for the period, which we consider to be the most directly comparable IFRS financial measure. Twelve months ended December 31, 2023 has been revised to include \$4.5m EBITDA attributable to Ligado.

A reconciliation for the twelve months ended December 31, 2024 and December 31, 2023 is as follows:

	Twelve Months Ended December 31, 2024	Three Months Ended December 31, 2024	Three Months Ended September 30, 2024	Three Months Ended June 30, 2024	Three Months Ended March 31, 2024
(\$ in millions)					
Profit for the period	184.9	58.2	43.8	63.5	19.4
Taxation charge	56.5	16.0	11.9	21.8	6.8
Net financing costs	113.5	31.1	22.1	18.8	41.5
Depreciation and amortisation	633.6	158.4	159.2	157.8	158.2
Impairment loss	18.9	0.1	0.2	4.3	14.3
Loss / (gain) on disposal of assets	2.1	3.6	(0.8)	(4.1)	3.4
Share of profit of associates	(13.5)	(3.4)	(3.4)	(2.7)	(4.0)
EBITDA	996.0	264.0	233.0	259.4	239.6
Viasat Integration Costs	18.6	2.2	8.3	1.0	7.1
Adjusted EBITDA	1,014.6	266.2	241.3	260.4	246.7

	Twelve Months Ended December 31, 2023	Three Months Ended December 31, 2023	Three Months Ended September 30, 2023	Three Months Ended June 30, 2023	Three Months Ended March 31, 2023
(\$ in millions)					
Profit / (loss) for the period	17.1	16.3	(62.7)	13.0	50.5
Taxation charge / (income)	34.7	42.2	(32.7)	4.3	20.9
Net financing costs	74.6	29.9	12.6	15.7	16.4
Depreciation and amortisation	609.5	156.8	153.2	152.9	146.6
Impairment loss	145.2	1.3	143.0	0.9	-
Loss on disposal of assets	4.1	0.9		0.5	2.7
Share of profit of associates	(7.1)	(2.7)	(0.4)	(2.3)	(1.7)
EBITDA	878.1	244.7	213.0	185.0	235.4
Cost associated with the Viasat Transaction	61.2	(1.7)	-	34.9	28.0
Viasat Integration Costs	34.6	13.2	15.2	6.2	-
Adjusted EBITDA	973.9	256.2	228.2	226.1	263.4