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FOR IMMEDIATE RELEASE

20 November 2019

Recommended cash acquisition of

Inmarsat plc

by

Connect Bidco Limited

a newly incorporated entity owned by a consortium of (i) funds advised by Apax; (ii) funds advised by Warburg Pincus or its affiliates; (iii) Canada Pension Plan Investment Board; and (iv) Ontario Teachers' Pension Plan Board

Statement by Inmarsat in relation to Ligado

Inmarsat plc ("**Inmarsat**" or the "**Company**") announces that it has provided to a law firm representing certain contesting shareholders, as part of the Court process, evidence in connection with the Court Hearing scheduled for 28 and 29 November 2019 to seek sanction of the scheme of arrangement (the "**Scheme**") in respect of the recommended cash acquisition of the entire issued and to be issued share capital of Inmarsat by Connect Bidco Limited ("**Bidco**") (the "**Acquisition**").

As required by the Takeover Panel, the evidence is available at <https://investors.inmarsat.com/>

As signalled in the Company's prior announcements of 5 and 8 November 2019, the Company has received representations from certain investors expressing views on, amongst other things, the potential for Ligado Networks LLC (US) and Ligado Networks (Canada) (together, "**Ligado**") to obtain a licence modification from the US Federal Communications Commission (the "**FCC**") (the "**Ligado Licence Modification**") and the impact of any such grant on the terms and recommendation of the Scheme.

The board of directors of Inmarsat (the "**Board**") makes the following points by way of response to the views expressed by investors involved:

- The Board has fully considered its fiduciary duties when assessing the terms of the Acquisition, recommending the Scheme and deciding to proceed with the Court Hearing and the Company has complied with all applicable law and regulation, including the Takeover Code, in connection with its conduct of the Acquisition.
- The Board continues to monitor the Ligado situation and properly assess (in each case with appropriate financial and legal advice) the valuation of the Company including the prospect of revenue attributable to the cooperation agreement with Ligado (the "**Ligado Cooperation Agreement**").
- The potential in the Ligado Cooperation Agreement was considered by the Board, along with a range of other factors, when determining whether to recommend the Acquisition to Inmarsat Shareholders. The Board concluded that the terms of the Acquisition, taking into account a wide range of relevant factors, including any potential for residual upside in the Ligado Cooperation Agreement, were fair and reasonable and notes that the Inmarsat Shareholders voted in favour of the Scheme and the Acquisition on 10 May 2019.
- The grant of the Ligado Licence Modification would not, in the Board's view, cause any material change in the valuation ascribed to the income stream flowing from the payments contractually due under the Ligado Cooperation Agreement (even were the grant to be imminent). The Board is of the view that the potential

income under the Ligado Cooperation Agreement remains uncertain given cumulative contingencies including:

- the likely terms of the Ligado Licence Modification (if granted);
  - the refinancing of Ligado's existing debt, equivalent to a principal amount of \$4.6bn plus accrued payment-in-kind interest charges, which is due to be repaid or refinanced in December 2020; and
  - Ligado's ability to obtain sufficient funding and generate the operating free cash flows necessary to sustain its business and debt portfolio, and to effect payments to the Company on a sustainable basis into the longer term (which is likely to be dependent on its ability to generate revenues from a terrestrial network which has yet to be financed, constructed or brought into service).
- The Board considered the possibility of a contingent value right ("CVR") when assessing the terms of the Acquisition (prior to its recommendation and since (along with alternative structures with the objective of Inmarsat Shareholders retaining any upside in the Ligado Cooperation Agreement)). Aside from the practical difficulties of structuring a CVR to fit the complex circumstances of possible payments over the life of the Ligado Cooperation Agreement, Bidco has previously confirmed to the Board of Inmarsat that the terms of its offer already reflect the value of possible payments from the Ligado Cooperation Agreement and accordingly, in the Board's view, any CVR so negotiated (assuming that such an instrument could have been structured successfully), would have had implications for the terms of the Acquisition, including the Cash Consideration.

### **The Board's Recommendation**

Accordingly, the Inmarsat Directors, having been so advised by J.P. Morgan Cazenove, PJT Partners and Credit Suisse as to the financial terms of the Acquisition, continue to consider the terms of the Acquisition to be fair and reasonable. Accordingly, the Inmarsat Directors continue to unanimously recommend the Acquisition to the Inmarsat Shareholders. In providing their financial advice to the Inmarsat Directors, J.P. Morgan Cazenove, PJT Partners and Credit Suisse have taken into account the commercial assessments of the Inmarsat Directors. PJT Partners is providing independent financial advice to the Inmarsat Directors for the purposes of Rule 3 of the Takeover Code.

*Unless otherwise defined, all capitalised terms in this announcement shall have the meaning given to them in the scheme document dated 18 April 2019 (the "Scheme Document").*

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### **Further information**

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*The Acquisition is made solely pursuant to the terms of the Scheme Document, which, together with the Forms of Proxy, contains the full terms and conditions of the Scheme.*

*This announcement has been prepared for the purpose of complying with English law and the Takeover Code and the information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws and regulations of jurisdictions outside the United Kingdom.*

*The Acquisition will be subject to the applicable requirements of the Takeover Code, the Panel, the London Stock Exchange ("LSE") and the Financial Conduct Authority ("FCA").*

### **Important notices about financial advisers**

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### **Forward-looking statements**

*This announcement and the evidence which are being made available (as referred to above) may contain certain "forward-looking statements", beliefs or opinions with respect to the financial condition, results of operations and business of Inmarsat or Ligado. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements also often use words such as "believe", "aims", "continue", "will", "may", "should", "would", "could", "likely" or other words of similar meaning. These statements are based on assumptions and assessments made by Inmarsat and its directors, in light of their experience and their perception of historical trends, current conditions, future developments and other factors they believe appropriate. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future and the factors described in the context of such forward-looking statements in this announcement or the evidence that could cause actual results and developments to differ materially from those expressed in or implied by them. Although it is believed that the expectations reflected in such forward-looking*

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*There are several factors which could cause actual results to differ materially from those expressed or implied in forward-looking statements. Among the factors that could cause actual results to differ materially from those described in the forward-looking statements are the satisfaction of the conditions, as well as additional factors such as changes in global, political, economic, business, competitive, market and regulatory forces, future exchange and interest rates, changes in tax rates and future business combinations or dispositions. Such forward-looking statements should therefore be construed in the light of such factors. Neither Inmarsat nor any of its associates or directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this announcement or the evidence will or will not actually occur.*

***Publication on website***

*A copy of this announcement will be available on Inmarsat's website at <https://investors.inmarsat.com/> by no later than 12 noon (London time) on the Business Day following the date of this announcement.*

*The content of Inmarsat's website is not incorporated into and does not form part of this announcement.*