

UK Government Accepts Connect Bidco's Offer of Voluntary Undertakings in Relation to Inmarsat's UK-Based Operations

Connect Bidco Limited ("**Connect**"), which on 25 March 2019 announced a recommended cash offer for the entire issued, and to be issued, share capital of Inmarsat plc ("**Inmarsat**"), the world leader in global mobile satellite communications (the "**Acquisition**"), today announces it has voluntarily agreed legally-binding undertakings regarding the future UK operations of the company.

The voluntary undertakings follow constructive discussions between the UK Government, Inmarsat, Connect and the four-member consortium that comprises funds advised by Apax; funds advised by Warburg Pincus or its affiliates; Canada Pension Plan Investment Board; and Ontario Teachers' Pension Plan Board.

The undertakings supplement Connect's strategic plans and intention statements for Inmarsat, which were set out in the scheme document relating to the Acquisition ("**Scheme Document**")¹ published earlier this year.

The voluntary undertakings are given for the benefit of the Secretary of State for Digital, Culture, Media and Sport of the United Kingdom of Great Britain and Northern Ireland ("**SoS**"). For a period of three years following the Effective Date (as defined in the Scheme Document), Connect has undertaken to:

- Support Inmarsat's continued role as a leader in the space sector;
- Procure that the majority of key strategic decisions of both Connect and Inmarsat are taken in the UK;
- Procure that Inmarsat and its subsidiaries (the "**Inmarsat Group**") maintain in the United Kingdom those areas of Inmarsat's global network operations centres that, as at the Effective Date, are located in the UK and have been identified by the SoS as being important to remain in the UK (the "**Core Global Network Operations**");
- Procure that the Core Global Network Operations shall (i) continue to perform substantially the same functions as are conducted at the Effective Date; (ii) retain substantially the same skilled engineering resources which as at the Effective Date are based in the UK for the purposes of operating such Core Global Network Operations, and (iii) remain the principal Core Global Network Operations of Inmarsat; and
- Procure that the members of the Inmarsat Group comply with their respective obligations in respect of certain commercial contracts identified by the SoS as being important in order to support the Inmarsat Group's investment in capital expenditure and supply chain maintenance.

The undertakings are subject to certain limited exceptions (in particular if business continuity issues could prevent compliance with the undertakings).

¹ Paragraph 9 of Part 2 (*Explanatory Statement*)

<https://investors.inmarsat.com/wp-content/uploads/2019/04/1.-Scheme-Document.pdf>

Connect has undertaken to provide the SoS with an annual written notice confirming its compliance with the undertakings. Each year, following delivery of such a notice, Connect and members of the Inmarsat management team shall, if requested, attend a meeting with the SoS to discuss the contents of the notice, answer any reasonable questions the SoS may have and provide such further information as the SoS may reasonably require.

Competition and Markets Authority (“CMA”)

Connect and the SoS note that the undertakings voluntarily agreed to by Connect are separate from and without prejudice to the merger control review of the Acquisition, including any associated review of public interest considerations, announced by the CMA on 16 July 2019. This followed Connect’s submission of a merger notice to the CMA seeking clearance for the Acquisition.