

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended March 31, 2023

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____.

Commission file number (000-21767)



VIASAT, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

33-0174996
(I.R.S. Employer
Identification No.)

6155 El Camino Real
Carlsbad, California 92009
(760) 476-2200

(Address of principal executive offices and telephone number)

Securities registered pursuant to Section 12(b) of the Act:

(Title of Each Class)	(Trading Symbol)	(Name of Each Exchange on which Registered)
Common Stock, par value \$0.0001 per share	VSAT	The Nasdaq Stock Market LLC

Securities registered pursuant to Section 12(g) of the Act:

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act of 1933. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The aggregate market value of the common stock held by non-affiliates of the registrant as of September 30, 2022 was approximately \$2,190,853,412 (based on the closing price on that date for shares of the registrant's common stock as reported by the Nasdaq Global Select Market).

The number of shares outstanding of the registrant's common stock, \$0.0001 par value, as of May 5, 2023 was 76,912,401.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive Proxy Statement to be filed with the Securities and Exchange Commission pursuant to Regulation 14A in connection with its 2023 Annual Meeting of Stockholders are incorporated by reference into Part III of this Form 10-K where indicated. Such Proxy Statement will be filed with the Securities and Exchange Commission not later than 120 days after the registrant's fiscal year ended March 31, 2023.

VIASAT, INC.
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FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K, including "Management's Discussion and Analysis of Financial Condition and Results of Operations," contains forward-looking statements regarding future events and our future results that are subject to the safe harbors created under the Securities Act of 1933 and the Securities Exchange Act of 1934. These statements are based on current expectations, estimates, forecasts and projections about the industries in which we operate and the beliefs and assumptions of our 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 that refer to the proposed Inmarsat Transaction (as defined below) and any statements regarding the expected timing, benefits, synergies, growth opportunities and other financial and operating benefits thereof; the closing of the Inmarsat Transaction and timing or satisfaction of regulatory and other closing conditions; our anticipated operations, financial position, liquidity, performance, prospects or growth and scale opportunities following the closing of the Inmarsat Transaction or the Link-16 TDL Sale (as defined below); 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, commencement of commercial service on our ViaSat-3 Americas satellite; the performance and anticipated benefits of our ViaSat-3 and ViaSat-4 class satellites and any future satellite we may construct or acquire; the expected completion, capacity, coverage, service speeds and other features of our satellites, and the timing, cost, economics and other benefits associated therewith; anticipated subscriber growth; plans, objectives and strategies for future operations; international growth opportunities; the number of additional aircraft under existing contracts with commercial airlines anticipated to be put into service with our IFC systems; 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: risks and uncertainties related to the Inmarsat Transaction, including the failure to obtain, or delays in obtaining, required regulatory approvals or clearances; the risk that any such approval may result in the imposition of conditions that could adversely affect us or the expected benefits of the Inmarsat Transaction; the failure to satisfy any of the closing conditions to the Inmarsat Transaction on a timely basis or at all; any adverse impact on our business or on the business of Inmarsat as a result of uncertainty surrounding the Inmarsat Transaction; the nature, cost and outcome of any legal proceedings related to the Inmarsat Transaction; the occurrence of any event, change or other circumstances that could give rise to the termination of the definitive agreement for the Inmarsat Transaction, including in circumstances requiring Viasat to pay a termination fee; the risk that Viasat's stock price may decline significantly if the Inmarsat Transaction is not consummated; the failure to obtain the necessary debt financing arrangements set forth in the commitment letters received in connection with the Inmarsat Transaction; risks that the Inmarsat Transaction disrupts current plans and operations or diverts management's attention from its ongoing business; the effect of the announcement of the Inmarsat Transaction on our ability to retain and hire key personnel and maintain relationships with our customers, suppliers and others with whom we do business; our ability to successfully integrate Inmarsat operations, technologies and employees; the ability to realize anticipated benefits and synergies of the Inmarsat Transaction and our other acquisitions, including the expectation of enhancements to Viasat's products and services, greater revenue or growth opportunities, operating efficiencies and cost savings; the ability to ensure continued performance and market growth of our business following the closing of the Inmarsat Transaction; our ability to realize the anticipated benefits of the ViaSat-3 class satellites and any future satellite we may construct or acquire; unexpected expenses related to our satellite projects; our ability to successfully implement our business plan for our broadband services on our anticipated timeline or at all; capacity constraints in our business in the lead-up to the launch of services on our ViaSat-3 satellites; risks associated with the construction, launch and operation of satellites, including the effect of any anomaly, operational failure or degradation in satellite performance; our ability to successfully develop, introduce and sell new technologies, products and services; audits by the U.S. Government; changes in the global business environment and economic conditions; delays in approving U.S. Government budgets and cuts in government defense expenditures; our reliance on U.S. Government contracts, and on a small number of contracts which account for a significant percentage of our revenues; reduced demand for products and services as a result of continued constraints on capital spending by customers; changes in relationships with, or the financial condition of, key customers or suppliers; our reliance on a limited number of third parties to manufacture and supply our products; increased competition; introduction of new technologies and other factors affecting the communications and defense industries generally; the effect of adverse regulatory changes (including changes affecting spectrum availability or permitted uses) on our ability to sell or deploy our products and services; changes in the way others use spectrum; our inability to access additional spectrum, use spectrum for additional purposes, and/or operate satellites at additional orbital locations; competing uses of the same spectrum or orbital locations that we utilize or seek to utilize; the effect of changes to global tax laws; our level of indebtedness and ability to comply with applicable debt covenants; our involvement in litigation, including intellectual property claims and litigation to protect our proprietary technology; our dependence on a limited number of key employees; and other factors identified

under the heading “Risk Factors” in Part I, Item 1A of this report, elsewhere in this report and our other filings with the Securities and Exchange Commission (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.

ITEM 1. BUSINESS

Corporate Information

We were incorporated in California in 1986 under the name Viasat, Inc., and subsequently reincorporated in Delaware in 1996. The mailing address of our worldwide headquarters is 6155 El Camino Real, Carlsbad, California 92009, and our telephone number at that location is (760) 476-2200. Our website address is www.viasat.com. The information on our website does not constitute part of this report.

Company Overview

We are an innovator in communications technologies and services, focused on making connectivity accessible, available and secure for all. Our end-to-end platform of high-capacity Ka-band satellites, ground infrastructure and user terminals enables us to provide cost-effective, high-speed, high-quality broadband solutions to enterprises, consumers, military and government users around the globe, whether on the ground, in the air or at sea. In addition, our government business includes a portfolio of communications gateways; situational awareness products and services; Ka-band, Ku-band and UHF satellite communication products and services; cybersecurity and information assurance products and services; and tactical data link solutions. We believe that our diversification strategy—anchored in a broad portfolio of customer-centric products and services—our vertical integration approach and our ability to effectively cross-deploy technologies between government and commercial applications and segments as well as across different geographic markets, provide us with a strong foundation to sustain and enhance our leadership in advanced communications and networking technologies. We conduct our business through three segments: satellite services, commercial networks and government systems.

Sale of Link-16 TDL Business

On October 1, 2022, we entered into an Asset Purchase Agreement to sell certain assets and assign certain liabilities comprising our Link-16 Tactical Data Links business (the Link-16 TDL Business), part of our government systems segment, to L3Harris Technologies, Inc., (L3Harris) in exchange for approximately \$1.96 billion in cash, subject to adjustments (the Link-16 TDL Sale). In accordance with the authoritative guidance for discontinued operations (Accounting Standards Codification (ASC) 205-20), we determined that the Link-16 TDL Business met held-for-sale and discontinued operations accounting criteria at the end of the second quarter of fiscal year 2023. Accordingly, we classified the results of the Link-16 TDL Business as discontinued operations in our consolidated statements of operations for all periods presented. Additionally, the related assets and liabilities associated with the discontinued operations were classified as held for sale and discontinued operations in the consolidated balance sheet as of March 31, 2022. The cash flows related to discontinued operations have not been segregated and are included in the consolidated statements of cash flows. Unless otherwise noted, discussion throughout this Annual Report on Form 10-K relates to continuing operations only and excludes the Link-16 TDL Business. On January 3, 2023, we completed the Link-16 TDL Sale. See Note 4 — Discontinued Operations to our consolidated financial statements for additional information.

Inmarsat Acquisition

On November 8, 2021, we entered into a Share Purchase Agreement (the Purchase Agreement) to combine with Connect Topco Limited, a private company limited by shares and incorporated in Guernsey (Inmarsat), with the shareholders of Inmarsat and certain management and employees who hold options and shares of a subsidiary of Inmarsat whose options and shares will be exchanged for shares of Inmarsat prior to closing (collectively, the Sellers). Pursuant to the Purchase Agreement, we will purchase all of the issued and outstanding shares of Inmarsat from the Sellers upon the terms and subject to the conditions set forth therein (the Inmarsat Transaction). The total consideration payable by us under the Purchase Agreement consists of \$850.0 million in cash, subject to adjustments (such as the dividend paid by Inmarsat in April 2022, see below), and approximately 46.36 million unregistered shares of our common stock. On April 6, 2022, Inmarsat paid a dividend of \$299.3 million to the Sellers, resulting in a \$299.3 million reduction in the cash consideration payable by us at the closing of the Inmarsat Transaction. Our board of directors has unanimously approved the Purchase Agreement and the proposed Inmarsat Transaction. Our stockholders approved the issuance of shares in the Inmarsat Transaction and an amendment to our certificate of incorporation to increase the number of shares of our common stock authorized for issuance at a special meeting held on June 21, 2022.

The closing of the Inmarsat Transaction is subject to customary closing conditions, including receipt of regulatory approvals and clearances. The Purchase Agreement contains certain termination rights for both us and certain of the Sellers and further provides that, upon termination of the Purchase Agreement under certain circumstances, we may be obligated to pay a termination fee of up to \$200.0 million or to reimburse certain out-of-pocket expenses of certain Sellers up to \$40.0 million.

We have obtained financing commitments for an additional \$1.6 billion of new debt facilities in connection with the Inmarsat Transaction (which may be secured and/or unsecured). We also plan to assume \$2.1 billion in principal amount of Inmarsat senior secured bonds and the outstanding indebtedness under Inmarsat's \$2.4 billion senior secured credit facilities.

Other Acquisitions

On April 30, 2021, we completed our acquisition of the remaining 51% interest in Euro Broadband Infrastructure Sàrl (EBI), a satellite broadband internet service provider in Europe, Middle East and Africa (EMEA), from Eutelsat. We paid approximately \$167.0 million in cash, net of what is currently estimated to be an immaterial amount of estimated purchase price consideration (net of approximately \$121.7 million of EBI's cash on hand, resulting in a cash outlay of approximately \$51.0 million).

On April 30, 2021, we completed our acquisition of RigNet, Inc. (RigNet), a leading provider of ultra-secure, intelligent networking solutions and specialized applications. In connection with the acquisition, we issued approximately 4.0 million shares of our common stock to RigNet former shareholders, paid down \$107.3 million of outstanding borrowings of RigNet's revolving credit facility, and retained approximately \$20.6 million of RigNet's cash on hand.

The assets and results of operations of EBI and RigNet are primarily included in our satellite services segment, with insignificant amounts included in our commercial networks segment.

Segments

Satellite Services

Our satellite services segment uses our proprietary technology platform to provide satellite-based high-speed broadband services around the globe for use in commercial applications.

Our proprietary Ka-band satellites are at the core of our technology platform, and we also have access to various Ka-band and Ku-band satellites globally. We own four Ka-band satellites in commercial service — three over North America (our second-generation ViaSat-2 satellite (launched in 2017), our first-generation ViaSat-1 satellite (launched in 2011) and the WildBlue-1 satellite (launched in 2007)), and the KA-SAT satellite (launched in 2010) over EMEA. In addition, we have lifetime leases of Ka-band capacity on two satellites. We successfully launched the first of our third-generation ViaSat-3 class satellites, ViaSat-3 Americas, into orbit on April 30, 2023 (which satellite is currently being prepared for commercial service) and we are planning to launch two additional third-generation ViaSat-3 class satellites currently under construction to complete our global constellation. We expect our ViaSat-3 constellation, once in commercial service, to provide approximately eight times the capacity of the ViaSat-1 and ViaSat-2 satellites combined and to enable us to deliver affordable connectivity across most of the world.

The primary services offered by our satellite services segment are comprised of:

- *Fixed Broadband Services*, which provide consumers and businesses with high-speed, high-quality broadband internet access and Voice over Internet Protocol (VoIP) services, primarily in the United States as well as in various countries in Europe and Latin America. Our service offerings include premium data plans with download speeds of up to 150 Mbps in select areas in the United States. We also offer wholesale and retail fixed broadband services to our distribution partners.
- *In-Flight Services*, which provide industry-leading IFC, wireless in-flight entertainment (W-IFE) and aviation software services to commercial airlines and private business jets. The data capacity of our IFC systems enables all passengers and crew to receive in-flight internet service in the air similar to the internet service available on the ground, supporting applications such as high-speed web browsing, streaming and social media applications. Our W-IFE service is a cloud-based platform providing passengers with access to a wide range of premium entertainment, video and information services maintained on an onboard server and wirelessly delivered direct to passengers' own devices. As of March 31, 2023, our IFC systems were installed and in service on approximately 2,270 commercial aircraft, of which approximately 40 were inactive at fiscal year end (mostly due to standard aircraft maintenance). We anticipate that approximately 1,310 additional commercial aircraft under existing customer agreements with commercial airlines will be put into service with our IFC systems. However, the timing of installation and entry into service for additional aircraft under existing customer agreements may be delayed due to lingering COVID-19 impacts. Additionally, due to the nature of commercial airline contracts, there can be no assurance that anticipated IFC services will be activated on all such additional commercial aircraft.
- *Prepaid Internet Services*, which offer innovative, affordable, satellite-based connectivity in communities that have little or no access to the internet. These services help foster digital inclusion by enabling millions of people to connect to affordable, high-quality internet services via a centralized terminal connected to the internet via satellite, that is then used to provide community hotspots, home broadband and mobile broadband. We provide Prepaid Internet services in multiple regions in Mexico and Brazil and are trialing services in advance of full-service launch in various other countries in South America and Central America.
- *Other Mobile Broadband Services*, which include high-speed, satellite-based internet services to seagoing vessels, such as energy offshore vessels, cruise ships, consumer ferries and yachts. In addition, we offer L-band managed services enabling real-time machine-to-machine (M2M) position tracking, management of remote assets and operations and visibility into critical areas of the supply chain. Our high-performance M2M terminals are used for a broad range of applications including emergency response, oil and gas pipeline monitoring, mobile fleet management and high-value asset tracking.
- *Energy Services*, which include ultra-secure solutions spanning global IP connectivity, bandwidth-optimized over-the-top applications, satellite-based managed services across multiple satellite frequency bands (Ku- and Ka-band), industrial internet-of-things, big data enablement and industry-leading machine learning analytics. These services support the evolution of always-on digital enablement and primarily derive from our acquisition of RigNet in April 2021.

Our ViaSat-3 class satellites are our third-generation, high-capacity Ka-band satellite design and are expected to further improve the speed, availability and cost-efficiency of our proprietary Ka-band satellite network. The satellites will have significantly greater data capacity and geographic coverage than our second-generation ViaSat-2 satellite. Our third-generation satellite design has enhanced ability to flexibly and dynamically allocate capacity by service, time and geography, allowing us to allocate our satellite capacity to markets where bandwidth usage demands and returns are highest. The first ViaSat-3 class satellite is intended to cover the Americas, the second to cover the EMEA region, and the third to cover the Asia Pacific (APAC) region. On April 30, 2023, we successfully launched ViaSat-3 Americas into orbit. We expect the ViaSat-3 Americas satellite to commence commercial service in the summer of 2023. The ViaSat-3 EMEA satellite is anticipated to launch later this calendar year, with the ViaSat-3 APAC satellite not much further behind.

We believe that growth in our satellite services segment will be driven in the coming years by continued demand for high-speed broadband services across the globe, reflecting continued increases in the number of internet users, applications and connected devices. This anticipated growth presents opportunities across a number of Viasat satellite services businesses, including residential, business internet and prepaid internet services. Further growth in our in-flight services business is expected to be driven by the installation of our IFC systems on additional commercial aircraft and the expansion of airlines and flight routes covered by the footprint of our satellite fleet following the commencement of commercial service on our ViaSat-3 constellation. However, we expect that our anticipated growth will be partially offset by ramping start-up expenses in new international and vertical markets and ground network infrastructure investments associated with the launch of commercial service on our ViaSat-3 constellation.

While the COVID-19 pandemic and its associated effects appear to have waned, global airline traffic has not yet recovered to pre-pandemic levels. We expect to continue to see some negative impacts on revenues and operating cash flows from our IFC businesses in fiscal year 2024 and potentially beyond, but for the effects to continue to lessen over time with increases in passenger air traffic and the return to service of additional currently inactive aircraft. The extent of lingering impacts of the COVID-19 pandemic on our business in fiscal year 2024 and potentially beyond will depend on many factors, including the extent of its effects on important global, regional and local supply chains, overall supply and demand, global air travel, consumer confidence, discretionary spending levels and levels of economic activity.

Commercial Networks

We are a leading end-to-end network technology and equipment supplier in broadband satellite markets. In addition to developing our own proprietary high-capacity Ka-band satellite systems, our commercial networks segment develops and sells a wide array of advanced satellite and wireless products, antenna systems and network and terminal solutions that support or enable the provision of high-speed fixed and mobile broadband services. We design, develop and produce space system solutions for multiple orbital regimes, including geostationary (GEO), medium earth orbit (MEO) and low earth orbit (LEO).

Our products, systems and solutions are generally developed through a combination of customer funding and discretionary internal research and development (R&D) funding, with products often linked through common underlying technologies, customer applications and market relationships. For example, products, systems and solutions developed and sold in our commercial networks segment are often complementary to those developed and sold to government customers in our government systems segment, and our portfolio of government and military offerings in our government systems segment leverages our technological investments in our commercial networks segment. Our commercial networks segment also drives growth in our satellite services segment. For example, the IFC terminals sold and installed on commercial aircraft and business jets in our commercial networks segment are then utilized to receive IFC services, driving recurring revenues in our satellite services segment.

The primary products, systems, solutions and services offered by our commercial networks segment are comprised of:

- *Mobile Broadband Satellite Communication Systems*, which include systems and products designed for use in aircraft, land-mobile and seagoing vessels, such as the IFC systems we install on business and commercial aircraft. These systems and products are designed to provide high-speed, cost-efficient broadband access to customers while on the move, and also utilize fixed broadband satellite infrastructure. The lingering impacts of the COVID-19 pandemic continue to affect our mobile broadband satellite communications system business, as global airline traffic has not yet recovered to pre-pandemic levels.
- *Fixed Broadband Satellite Communication Systems*, which include next-generation satellite network infrastructure and ground terminals designed to enable satellite-based broadband access for residential, enterprise and Prepaid Internet users. Products and solutions in this category include space-to-earth connectivity systems, ground network infrastructure, user terminals and design and implementation for customer telecommunication systems. We also offer related products and services to enterprise customers to address bandwidth constraints and other issues. In addition to commercial sales of these products and solutions, our fixed broadband satellite communication systems also support our own fleet of proprietary Ka-band satellites.

- *Antenna Systems*, which include state-of-the-art ground and airborne terminals, antennas and gateways for terrestrial and satellite customer applications (such as real-time Earth imaging and remote sensing services, mobile satellite communication, Ka-band earth stations and other multi-band/multi-function antennas).
- *Space Systems Design and Satellite Networking Development*, which includes the design and development of the architecture of high-capacity Ka-band geosynchronous satellites and the associated satellite payload and antenna technologies (both for our own satellite fleet as well as for third parties), and special purpose LEO and MEO satellites and other small satellite platforms, as well as semiconductor design for application-specific integrated circuit (ASIC) and monolithic microwave integrated circuit (MMIC) chips. Satellite networking development includes specialized design and technology services covering all aspects of satellite communication system architecture, networks and technology. Products and services include analysis, design and development of satellite and ground communications systems and network function virtualization, as well as ground-based network subsystems for various commercial, military and space uses.

We believe growth in our commercial networks segment will be driven in the coming years by continued growth in worldwide demand for mobile and fixed broadband connectivity. As the cost-effectiveness of satellite technologies to rapidly deploy broadband services across wide geographic areas and to large numbers of people continues to increase, we believe demand for the ground networking equipment and products that enable or support access to satellite-based broadband services will continue to grow.

Government Systems

We are a leading provider of innovative communications and cybersecurity products and solutions to the U.S. Government and other military and government users around the world. Our government systems segment offers a broad array of products and services designed to enable the collection and transmission of secure real-time digital information and communications between fixed and mobile command centers, intelligence and defense platforms and individuals in a dispersed environment. Customers of our government systems segment include the U.S. Department of Defense (DoD), U.S. Department of Homeland Security (DHS), other elements of the U.S. federal government, state governments, allied foreign governments, allied armed forces, public safety first-responders and remote government employees.

The primary products and services of our government systems segment include:

- *Government Mobile Broadband Products and Services*, which provide military and government users with high-speed, real-time broadband and multimedia connectivity in key regions of the world, as well as line-of-sight (LOS) and beyond-line-of-sight (BLOS) Intelligence, Surveillance and Reconnaissance (ISR) missions. Our government mobile broadband services include high-bandwidth global communications services in support of VIP and senior-level airborne operations and emergency response, as well as LOS and BLOS ISR missions. Products include mobile broadband modems, terminals, network access control systems and antenna systems using a range of satellite frequency bands capable of being installed and operated on a wide variety of fixed wing, rotary wing, manned and unmanned aircraft, ground vehicles and maritime platforms. Services include advanced mobility services to governments for aircraft and ships, as well as for nomadic and ground-based missions. Our high-capacity, secure mobile broadband products and services are enabled by our next-generation satellite network infrastructure, which will be further enhanced following the launch of commercial service on our ViaSat-3 constellation.

- *Government Satellite Communication (SATCOM) Systems*, which offer an array of portable, mobile and fixed broadband modems, terminals, network access control systems and antenna systems using a range of satellite frequency bands for Command and Control (C2) missions, satellite networking services, and network management systems for Wi-Fi and other internet access networks. Our SATCOM systems, products and services are designed to support high-throughput broadband data links, to increase available bandwidth using existing satellite capacity, and to be resilient to withstand certain catastrophic events. Our range of SATCOM broadband modems, terminals and systems support high-speed broadband and multimedia transmissions over point-to-point, mesh and hub-and-spoke satellite networking systems, and include products designed for manpacks, aircraft, unmanned aerial vehicles (UAVs), seagoing vessels, ground-mobile vehicles, space-based systems and fixed applications.
- *Secure Networking, Cybersecurity and Information Assurance Products and Services*, which provide advanced, high-speed IP-based "Type 1" and High Assurance Internet Protocol Encryption (HAiPE®)-compliant encryption solutions that enable military and government users to communicate information securely, and that protect the integrity of data stored on computers and storage devices. Our encryption products and modules use a programmable, high-assurance architecture that can be easily upgraded in the field or integrated into existing communication networks, and are available both on a stand-alone basis and as embedded modules within our tactical radio, information distribution and other SATCOM systems and products.
- *Tactical Data Link Solutions*, which continue to provide certain solutions in the tactical data link space, including our Move Out/Jump Off (MOJO) tactical gateway family of products and simulation environments via our radio frequency generators which test our customers' tactical data links. On January 3, 2023 we sold the remainder of our Link-16 TDL Business to L3Harris. See Note 4 — Discontinued Operations to our consolidated financial statements for additional information.

We believe the battlefield of the future will require a resilient communications architecture capable of supporting tomorrow's Joint All-Domain Command and Control (JADC2) and high-velocity, data-rich network-centric operations, enabling secure, reliable and ubiquitous connectivity while under attack, on the move or at a pause, or at fixed locations around the globe. These requirements will potentially provide significant growth opportunities in our government systems segment in the coming years, as demand increases for secure, higher-capacity, higher-quality broadband services, associated ground systems and advanced cybersecurity protections. Additional growth factors include an increasing military interest for high-speed broadband BLOS connectivity, supporting real-time C2 decision-making and enhanced situational awareness across land, maritime, air and space applications.

Our Strengths

We believe the following strengths position our business to capitalize on attractive growth opportunities in our business:

- *Innovation of Next-Generation Satellite and Space Technologies.* We have a long history of innovation in next-generation satellite and space technologies. Our award-winning first-generation, high-capacity Ka-band spot-beam satellite, ViaSat-1, earned a Guinness World Records® title in 2013 as the highest-capacity communications satellite in the world at that time. Our second-generation ViaSat-2 satellite and its advanced ground network infrastructure significantly expanded our total bandwidth capacity and geographic reach, and support the flexible allocation of capacity to meet demand within the satellite's footprint. By improving satellite speed, capacity, availability and geographic coverage area, our ViaSat-2 satellite enabled us to provide compelling premium retail service plans in select markets that can compete against traditional terrestrial broadband service providers and to significantly expand our IFC services business. In 2018, ViaSat-2 was selected as a winner in the 'Space, Platforms' category of Aviation Week's 61st Annual Laureate Awards, honoring extraordinary achievements in the global aerospace arena. Our third-generation ViaSat-3 class satellites utilize a new satellite architecture with miniaturized electronics and more productive and efficient antenna designs. This new satellite design is expected to significantly expand the geographic coverage area and data capacity of each satellite and to further enhance our ability to flexibly and dynamically allocate capacity to match demand, resulting in greater speed, availability and cost-efficiency. Furthermore, we are now working on the design of our next-generation ViaSat-4 satellite system, which is expected to have even greater capacity with each satellite expected to be able to deliver multiple Terabits per second—yielding another significant productivity gain relative to our ViaSat-3 class satellites. We believe our history since inception of developing proprietary and innovative satellite technologies spanning spacecraft, ground infrastructure, user terminals and network design demonstrates that we possess the expertise and credibility required to serve the evolving technology needs of our customers whether on the ground, in the air or at sea.
- *Vertically Integrated End-to-End Platform of Leading Broadband Technologies.* We believe our innovative ecosystem of high-capacity Ka-band satellites, ground infrastructure and user terminals creates significant synergies in our business and positions us to drive operational efficiencies and cost-effectively deliver a diverse portfolio of high-speed, high-quality broadband solutions and applications to enterprises, consumers, military and government users. Our product, system and service offerings are often linked through common underlying technologies, customer applications and market relationships. We believe that our comprehensive and vertically integrated portfolio of satellites, products and services, combined with our ability to effectively cross-deploy technologies between government and commercial segments and across different geographic markets, provides us with a strong foundation to sustain and enhance our leadership in broadband technologies and services.
- *Diversification of Business Model.* Our business is highly diversified. Our fixed broadband services range from premium residential services at high data speeds to Prepaid Internet services designed to provide affordable internet access via satellite-powered centralized terminals in countries with significant unserved or underserved populations. Our IFC systems and services support high-speed broadband services for commercial, private and military aircraft around the globe. In addition, we offer software that combines cutting-edge artificial intelligence and machine learning to help customers digitally transform data into actionable results. We also sell complex satellite communication systems and products to communications service providers, enterprises and government users. In our government systems segment we offer a portfolio of communications gateways, situational awareness products and services, Ka-band, Ku-band and UHF satellite communication products and services, cybersecurity information assurance products and services and tactical data link solutions. This diversification in product and service offerings, customer base and market segment helps to reduce our exposure to fluctuations in any of the individual markets we serve and to provide resilience in our business performance in times of economic or political disruption. For example, during fiscal year 2021, revenue impacts to our commercial aviation business in our satellite services and commercial networks segments resulting from the global disruption in the airline industry caused by the COVID-19 pandemic were offset by strong demand in our fixed broadband services business and other parts of our business.

- *Broad Array of Broadband Service Offerings, Tailored to Market Demand.* Our proprietary Ka-band satellite network provides the platform for us to provide a broad array of satellite-based high-quality, high-speed broadband services with multiple applications. Our offerings include fixed broadband services to residential and enterprise customers, market-leading mobility services to aircraft utilizing our IFC systems, and Prepaid Internet services that provide affordable and reliable high-speed connectivity via satellite-powered centralized terminals in unserved and underserved areas. In the U.S. residential broadband market, our ViaSat-2 satellite supports retail service plans offering download speeds in selected markets of up to 150 Mbps. We expect our ViaSat-3 satellites to support a wide array of premium service offerings in more geographic areas. Our IFC services enable connectivity services to be provided to more passengers and crew on more flights, across commercial and business aircraft, and the ability to leverage high-capacity internet services such as streaming video. Our IFC services have received numerous awards and accolades, including both the 2023 and 2022 APEX Passenger Choice Award Winner for Best Wi-Fi (for our services on Delta Air Lines), the 2023 APEX Regional Passenger Choice Award Winner for Best Wi-Fi in the South Pacific (for our services on Qantas), the 2022 APEX Regional Passenger Choice Award Winner for Best Wi-Fi in each of Europe and North America (for our services on Finnair and Jetblue, respectively), the 2019 APEX Global Passenger Choice Award Winner and the 2018 APEX Regional Passenger Choice Award Winner for Best Wi-Fi (for our services on JetBlue). These awards were derived from passenger-submitted data, showcasing the power of the Viasat internet platform to deliver exceptional IFC services. The flexibility, high data throughput and broad geographic coverage area of our ViaSat-2 and our even more powerful ViaSat-3 class satellites (once in commercial service), combined with our ability to dynamically allocate capacity based on demand, enable us to support a wide range of high-speed broadband services addressing multiple markets, provide innovative new services creating new market opportunities, tailor our service offerings to market needs, and compete more effectively in the markets we serve.
- *Diverse Portfolio of Market-Leading Military and Government Offerings.* We are a leading provider of innovative communications, cybersecurity and information assurance products and solutions to the U.S. Government and other military and government users around the world. These products and services enable the transmission of secure real-time digital information and communications between fixed and mobile command centers, intelligence and defense platforms and individuals. Our portfolio of government and military offerings leverages our technological investments in our commercial business, and includes expeditionary tactical gateways, small satellite development, fixed and mobile satellite broadband systems and services, cybersecurity and information assurance products and services. Total new awards in our government systems segment (excluding awards relating to our Link-16 TDL Business sold to L3Harris in January 2023) grew from \$353.8 million in fiscal year 2012 to \$851.5 million in fiscal year 2023, despite an uneven defense spending environment, reflecting the high demand for our diverse portfolio of products and services for military and government users. Our expeditionary tactical gateways bridge the gap between air and ground forces by providing secure, reliable access to air and ground data transmitted over disparate networks for improved situational awareness capabilities and support communications. Our small satellite development work is market leading and is designed to enable a new tactical space layer for our government customers, enabling increasingly advanced precision operations and maneuvering. Our mobile satellite broadband offerings leverage our innovative satellite technologies and proprietary Ka-band satellite platforms, allowing us to provide high-speed, high-quality internet services to government and military personnel, aircraft, ships and land vehicles. In September 2018, we were awarded an eight-year, firm fixed-price contract to provide in-flight broadband and connectivity services to U.S. Government Senior Leader and VIP aircraft. Our secure networking products and services include a broad portfolio of advanced, high-speed Type 1 encryption solutions that are capable of operating at speeds of up to 200 Gbps, as well as advanced cybersecurity products to detect and mitigate malicious network effects. In February 2021, we received enhanced cybersecurity accreditation from the DHS through their Enhanced Cybersecurity Services (ECS) program. As an accredited ECS provider, we receive DHS-provided sensitive and classified cybersecurity threat indicators and information to defend U.S.-based public and private computer networks, including state and local governments, against unauthorized access, denial, degradation, exploitation and data exfiltration.

- **Blue-Chip Customer Base.** Our blue-chip customer base includes customers such as the U.S. Government, leading aerospace and defense prime contractors, allied foreign governments, civil agencies, satellite network integrators, large communications service providers, commercial airlines and enterprises requiring complex communications and networking solutions and services. We believe that the credit strength of these key customers helps support more consistent financial performance. Moreover, our direct relationships with key customers such as commercial airlines and the DoD allow us to adapt our satellite designs and product and service offerings to better meet their desired outcomes.
- **Experienced Management Team and Diversified Board of Directors.** Our core management team is comprised of seasoned executives with significant leadership experience in satellite communications, defense, aerospace, global mobility and integration. For example, our Chairman of the Board and Chief Executive Officer, Mark Dankberg, has been with Viasat since its inception in 1986. Mr. Dankberg is considered to be a leading expert in the field of satellite, wireless and defense communications. Richard Baldrige, our Vice Chairman, has been with Viasat for over 20 years. During Mr. Baldrige's tenure, Viasat has grown organically and through acquisitions by more than a factor of 10. K. Guru Gowrappan, who joined Viasat in April 2023 as our new President, brings extensive leadership experience building products globally and operationalizing and scaling businesses across ecosystems. In addition, in recent years we undertook a conscious effort to diversify our Board of Directors, bringing in a wide variety of skills and experience aligned with our long-term goals. Our Board is comprised of a diverse range of high-profile corporate leaders with extensive experience in globalization, communications, space operations, and technology and business integration.

Our Strategy

Our business strategy is to maintain our leadership position in cost-efficient, high-quality satellite-based communications products and services, focused on making connectivity accessible, available and secure for all. The principal elements of our strategy include:

- **Drive Capital Efficiencies**
 - o **Deliver the Most Productive Satellite Systems:** We are hyper-focused on maximizing the useful bandwidth per total lifetime capital cost of each satellite. We refer to this as “bandwidth productivity” and see this metric as a key factor in determining our return on satellite investment for each satellite we design, develop and build. We believe our ViaSat-3 and ViaSat-4 satellites will be leaders in bandwidth productivity compared to other existing and announced satellite constellations.
 - o **Drive Efficiencies of Scale and Operations:** We intend to continue to drive efficiencies in our businesses through our vertical integration strategy and increasing scale as we move into new and adjacent geographic, product and service markets. We optimize our satellite systems through our development of an end-to-end platform of next-generation Ka-band satellites, ground networking equipment and user terminals that enable the provision of a broad array of high-speed broadband services. Our ViaSat-3 class satellites are expected to further drive scale and operational efficiencies through their enhanced ability to efficiently and dynamically match supply and demand through the flexible allocation of capacity by service, time and geography within the satellite footprint, as well as through their expected global geographic reach.
- **Focus on Relentless Execution**
 - o **Maintain Focus on Technology Leadership:** We continue to focus on strategic R&D to bring more efficient, effective and customer-centric high-capacity, high-speed broadband communications to the global market. Our continued innovation in satellite system product development has been one of our hallmarks. We intend to maintain our leadership position in satellite systems, technologies and services, while continuing to expand our efforts in wireless communications, cloud networking and security. Our R&D efforts are supported by a global employee base that includes approximately 3,500 engineers and a culture that deeply values and supports innovation.

- o *Follow Our Path of Proven Performance:* We have an enviable track record for identifying and bringing to market impactful communications technologies in space systems. ViaSat-1 was the highest capacity communications satellite at the time of its launch; ViaSat-2 almost doubled the capacity of ViaSat-1; and the ViaSat-3 constellation is anticipated to have approximately eight times more capacity than the capacity of the ViaSat-1 and ViaSat-2 satellites combined and to enable us to deliver affordable connectivity across most of the world.
 - o *Customer-Centricity Evolution:* We are focused on continuing to increase our customer interactions and have incorporated new technologies, tools and learnings from artificial intelligence and machine learning to enhanced customer intimacy techniques and customer advisory councils. We strive to continue to improve our ongoing customer engagements through proactive response, deeper customer insights and enhanced customer exchanges. This is an ongoing effort that will continue to be an investment and nurture opportunity for us.
- **Continue to Expand into New Markets and Geographies**
 - o *Enter and Disrupt New and Adjacent Markets through Technology Innovation:* We continue to create or address new and adjacent markets using our technological advancements to disrupt existing business models and drive shifts in target markets and user demand. For example, the technological innovations and power of our proprietary Ka-band satellite network enabled us to disrupt the IFC business model and successfully expand our broadband service offerings into the commercial air market. As the capacity and geographic coverage areas of our satellite systems continue to increase with each generation of our high-capacity Ka-band satellite designs, we expect the addressable markets for our broadband technologies, products and services to continue to expand. Higher capacity, more flexible satellites will allow us to offer a broader array of cost-effective, high-quality broadband services that can be tailored to different geographic regions and bandwidth usage demands.
 - o *Think Beyond Current Customer Requirements to Open New Markets:* In our government systems business, we actively identify market or operational needs that are not currently served by existing communications and encryption products and services, with a view to developing unique or disruptive products and services and creating new addressable markets. In fact, a key component to the continued success of Viasat's defense business is its expansive portfolio of non-developmental items (NDI), which are designed to rapidly deliver cutting-edge technology solutions well ahead of the traditional government procurement model. Our business model delivers advanced capabilities significantly faster, at lower lifecycle costs and with lower risk to the customer when compared to traditional defense acquisition programs and timelines.
 - o *Target International Expansion.* With the expected upcoming commencement of commercial service on our ViaSat-3 constellation, we have placed tremendous effort on growing our operations, sales/distribution, customer/partner base and regulatory framework globally. We continue to believe that international markets provide attractive opportunities for the long-term growth of our business. As worldwide demand for broadband connectivity continues to grow, we expect that our comprehensive offering of next-generation Ka-band satellites, advanced end-to-end communication systems and ground networking equipment and products, and their ability to enable a wide range of cost-effective, high-speed, high-quality broadband services, will be increasingly attractive internationally. Our ViaSat-2 satellite significantly expanded the geographic coverage area of our broadband services over North and Central America and the primary aeronautical and maritime routes across the Atlantic Ocean, allowing us to bring high-value in-flight services to many more commercial, business and government aircraft within the expanded satellite footprint and launch new, innovative ground-based services in new markets, such as our Prepaid Internet services which offer community hotspots, home broadband and mobile broadband in unserved and underserved areas using satellite-powered centralized terminals. Ahead of the launch of commercial service on our ViaSat-3 constellation, we have leveraged third-party partner satellites (such as Telebras in Brazil, Avanti in EMEA, nbn in Australia and China Satcom in China) to create a runway for Viasat to begin offering and trialing service plans internationally as well as build brand presence and name recognition. We have also undertaken a thoughtful approach to mergers and acquisitions to drive international expansion. For example, in the Inmarsat Transaction, Inmarsat's existing satellite fleet would provide global coverage (including strong oceanic coverage and polar reach) and greater redundancy and resiliency for the combined company versus Viasat on a standalone basis. The acquisition of the remaining interest in EBI enables us to expand more effectively and rapidly in the EMEA region. Our acquisition of RigNet also positioned us to expand into new global markets, as RigNet has customers and operations globally. Finally, we expect our ViaSat-3 and ViaSat-4 global constellations will be enablers for the scalable, long-term global expansion of our business, providing the platform for us to deliver

high-quality and affordable broadband connectivity worldwide. Demand profile differs by geographic market, reflecting geographic, economic, political, regulatory and other factors. However, the flexibility, high bandwidth capacity and broad geographic coverage area of our second- and third-generation proprietary Ka-band satellites allow us to tailor our service offerings for the opportunities and needs of different geographic markets.

- **Prioritize the End-User**
 - o *Recognize Broadband Connectivity is a Means to an End, not an End in Itself.* The value of a broadband network is in the applications it enables. With this understanding, we have worked closely with leading edge and content providers (including companies such as Apple, Facebook, fuboTV and the NBA, among others) to enhance end-users' experiences with their online and streaming media services over our network, helping them leverage the potential of making affordable broadband available in places where it has never been. We also work with U.S. Government agencies, major airlines and others on multiple continents to help ensure end-users have satisfying — and affordable — broadband experiences on our network. Our ViaSat-3 constellation will help meet increasing end-user demand and the need for global reach. In addition, we work with various international governments to help bring digital and social inclusion to their constituents through efficient satellite-enabled services such as our Prepaid Internet services, which offer community hotspots, home broadband and mobile broadband in unserved and underserved areas using satellite-powered centralized terminals. By making broadband connectivity accessible to millions of people living in regions where traditional terrestrial and wireless internet services were either non-existent or cost prohibitive, we have been able to help generate positive socio-economic impacts — in education, e-commerce, finance, healthcare and more — at lower bandwidth costs.

- **Manage for the Long Term**
 - o *Pursue Growth Through Strategic Alliances, Partnering Arrangements and Relationships.* We actively seek strategic relationships and joint ventures with companies whose financial, marketing, operational or technological resources may accelerate the introduction of new technologies, service offerings and/or the penetration of new markets. For example, we have entered into strategic agreements in Brazil, Guatemala, Mexico and Peru with local partners to bring high-speed, affordable internet to unserved and underserved communities, which allows us to gain market insights and build brand awareness in advance of the roll-out of services in the region following the commencement of commercial services on our ViaSat-3 Americas satellite. In our government systems segment, we also regularly enter into teaming arrangements with other government contractors to more effectively capture complex government programs. We may continue to evaluate acquisitions of, or investments in, complementary companies, businesses, products or technologies to supplement our internal growth.
 - o *Encourage Safe Sustainable Access to Space.* We strive to be a leader in bringing benefits of space technology to the world in a sustainable, responsible and inclusive way. We are focused on cooperating with a broad range of responsible nations and global partners to ensure safe, responsible and equitable access to space for all.

Our Customers

Our customer base is highly diversified. Customers of our satellite services segment reflect the diversity in our broadband service offerings and include residential customers, small and medium-sized businesses, enterprise customers, commercial airlines and Prepaid Internet users. Customers of our fixed broadband services are obtained through either our direct or partner distribution channels. The customers of our government systems and commercial networks segments include the DoD, the DHS, select other U.S. federal, state and local government agencies, allied foreign governments and militaries, commercial and defense contractors, satellite network integrators, large communications service providers and enterprises requiring complex communications and networking solutions. We enter into government contracts either directly with U.S. or foreign governments, or indirectly through domestic or international partners or resellers. In our commercial networks segment, we also act as both a prime contractor and subcontractor for the sale of equipment and services.

Revenues from the U.S. Government as an individual customer comprised approximately 17%, 18% and 21% of total revenues for fiscal years 2023, 2022 and 2021, respectively. None of our other customers comprised 10% or more of total revenues in fiscal years 2023, 2022 or 2021.

U.S. Government Contracts

Substantial portions of our revenues are generated from contracts and subcontracts with the DoD and other federal government agencies. Many of our contracts are subject to a competitive bid process and are awarded on the basis of technical merit, personnel qualifications, experience and price. We also receive some contract awards involving special technical capabilities on a negotiated, noncompetitive basis due to our unique mix of communication products, satellite services, engineering capabilities and technical expertise in specialized areas. The Federal Acquisition Streamlining Act of 1994 has encouraged the use of commercial type pricing, such as firm fixed-price contracts, on dual use products. Our future revenues and income could be materially affected by changes in government procurement policies and related oversight, a reduction in expenditures for the products and services we provide, and other risks generally associated with federal government contracts.

We provide products and services under federal government contracts that usually require performance over a period of several months to multiple years. Long-term contracts may be impacted based on when the government appropriated funds are available and to what level, which may result in a delay, reduction or termination of these contracts.

Our federal government contracts are performed under cost-reimbursement contracts, time-and-materials contracts and fixed-price contracts. Cost-reimbursement contracts provide for reimbursement of costs and payment of a fee. The fee may be either fixed by the contract or variable, based upon cost control, quality, delivery and the customer's subjective evaluation of the work. Under time-and-materials contracts, we receive a fixed amount by labor category for services performed and are reimbursed for the cost of materials purchased to perform the contract. Under a fixed-price contract, we agree to perform specific work, which may include product R&D, for a fixed price and, accordingly, realize the benefit or detriment to the extent that the actual cost of performing the work differs from the contract price. In fiscal year 2023, approximately 10% of our total government revenues were generated from cost-reimbursement contracts with the federal government or our prime contractors, less than 1% from time-and-materials contracts and approximately 90% from fixed-price contracts.

Our allowable federal government contract costs and fees are subject to audit and review by the Defense Contracting Management Agency (DCMA) and the Defense Contract Audit Agency (DCAA), as discussed below under “— Regulatory Environment — Other Regulations.”

Our federal government contracts may be terminated, in whole or in part, at the convenience of the U.S. Government. If a termination for convenience occurs, the U.S. Government generally is obligated to pay for work completed or services rendered and/or the cost incurred by us under the contract, which may include a fee or allowance for profit. Contracts with prime contractors may have negotiated termination schedules that apply. When we participate as a subcontractor, we are at risk if the prime contractor does not perform its contract. Similarly, when we act as a prime contractor employing subcontractors, we are at risk if a subcontractor does not perform its subcontract.

Some of our federal government contracts contain options that are exercisable at the discretion of the customer. An option may extend the period of performance for one or more years for additional consideration on terms and conditions similar to those contained in the original contract. An option may also increase the level of effort and assign new tasks to us.

Our eligibility to perform under our federal government contracts requires us to maintain adequate security measures. We have implemented security procedures that we believe adequately satisfy the requirements of our federal government contracts.

Research and Development

The industries in which we compete are subject to rapid technological developments, evolving standards, changes in customer requirements and continuing developments in the communications and networking environment. Our continuing ability to adapt to these changes, and to develop innovative satellite and communications technologies, and new and enhanced products and services, is a significant factor in maintaining or improving our competitive position and our prospects for growth. Therefore, we continue to make significant investments in next-generation satellite technologies and communications product and services development.

We conduct the majority of our R&D activities in-house and have R&D and engineering staff, which includes approximately 3,500 engineers worldwide. Our product development activities focus on products that we consider viable revenue opportunities to support all of our segments. We incurred \$128.9 million, \$149.5 million and \$108.5 million during fiscal years 2023, 2022 and 2021, respectively, on independent research and development (IR&D) expenses, which comprise R&D not directly funded by a third party. Funded R&D contains a profit component and is therefore not directly comparable to IR&D. As a U.S. Government contractor, we may also recover a portion of our IR&D expenses, consisting primarily of salaries and other personnel-related expenses, supplies and prototype materials related to R&D programs.

Intellectual Property

We seek to establish and maintain our proprietary rights in our technology and products through a combination of patents, copyrights, trademarks, trade secrets and contractual rights. We also seek to maintain our trade secrets and confidential information through nondisclosure policies, the use of appropriate confidentiality agreements and other security measures. We have registered a number of patents and trademarks in the United States and in other countries and have a substantial number of patent filings pending determination. There can be no assurance, however, that these rights can be successfully enforced in any particular jurisdiction. Although we believe the protection afforded by our patents, copyrights, trademarks, trade secrets and contractual provisions has value, the rapidly changing technology in the networking, satellite and wireless communications industries and uncertainties in the legal process make our future success dependent primarily on the innovative skills, technological expertise and management abilities of our employees rather than on the protections afforded by patent, copyright, trademark and trade secret laws and contractual rights. Accordingly, while these legal protections are important, they must be supported by other factors such as the expanding knowledge, ability and experience of our personnel, and the continued development of new products and product enhancements.

Certain of our products and services include software or other intellectual property licensed from third parties. While it may be necessary in the future to seek or renew licenses relating to various aspects of our products and services, we believe, based upon past experience and standard industry practice, that such licenses generally could be obtained on commercially reasonable terms. Nonetheless, there can be no assurance that the necessary licenses would be available on acceptable terms, if at all. Our inability to obtain these licenses or other rights or to obtain such licenses or rights on favorable terms, or the need to engage in litigation regarding these matters, could have a material adverse effect on our business, operating results and financial condition.

The industry in which we compete is characterized by rapidly changing technology, a large number of patents, and frequent claims and related litigation regarding patent and other intellectual property rights. We cannot assure you that our patents and other proprietary rights will not be challenged, invalidated or circumvented, that others will not assert intellectual property rights to technologies that are relevant to us, or that our rights will give us a competitive advantage. In addition, the laws of some foreign countries may not protect our proprietary rights to the same extent as the laws of the United States.

Sales and Marketing

We have a sales presence in various domestic and international locations, and we sell our products and services both directly and indirectly through partners, as described below:

- *Satellite Services Sales Organization.* Our satellite services sales organization involves both direct and indirect channels and varies based on subscriber and service type. Our residential fixed broadband services are primarily sold directly to customers through our Viasat Internet website, sales call centers and active retail dealers, and we utilize extensive dealer networks across the United States, as well as in each country where residential fixed broadband services are offered, to sell such services. Our Prepaid Internet services are sold through local distribution partnerships. Our business internet offerings are sold through a mix of direct sales personnel who work with enterprises and a network of enterprise-focused master agents and wholesale distribution partners. Our commercial aviation offerings are sold direct to airlines, and our business aviation offerings are sold through direct sales and business development personnel as well as through aviation-focused value-added resellers. Finally, our maritime service offerings are sold through direct and indirect value-added reseller partners targeting a variety of maritime commercial prospects. In each case, our focus is to identify business opportunities and develop solutions for the unique needs of each customer segment.

- *Commercial Networks Sales Organization.* Our commercial networks sales organization consists of sales managers and sales engineers, who act as the primary interface to establish account relationships and determine technical requirements for customer networks. In addition to our sales force, we maintain a highly-trained service staff to provide technical product and service support to our customers. The sales cycle in the commercial network market is often lengthy and it is not unusual for a sale to take up to 18 months from the initial contact through the execution of the agreement. The sales process often includes several network design iterations, network demonstrations and pilot networks consisting of a few sites.
- *Government Systems Sales Organization.* Our government systems sales organization consists of both direct sales personnel who sell our standard products and services, and business development personnel who work with engineers, program managers, marketing managers and contract managers to identify business opportunities, develop customer relationships, develop solutions for customers' needs, prepare proposals and negotiate contractual arrangements. The period of time from initial contact through the point of product sale and delivery can take over three years for more complex product developments. Products already in production can usually be delivered to a customer between 90 to 180 days from the point of product sale.
- *Strategic Partners.* To augment our direct sales efforts, we seek to develop key strategic relationships to market and sell our products and services. We direct our sales and marketing efforts to our strategic partners, primarily through our senior management relationships. In some cases a strategic ally may be the prime contractor for a system or network installation and will subcontract a portion of the project to us. In other cases, the strategic ally may recommend us as the prime contractor for the design and integration of the network. We seek strategic relationships and partners based on many factors, including financial resources, technical capability, geographic location and market presence.

Our marketing team works closely with our corporate and segment leadership, customer account executives, and business development, sales and operations organizations to increase the awareness and value of the Viasat brand through a mix of positive program performance, agile, results-oriented multichannel marketing campaigns that reflect new and evolving customer journeys, public relations, paid and owned media, live and virtual events, and conference speaking engagements that keep the market current on our services, products and features. Viasat products and services, both in the U.S. and internationally, are typically sold under one unified master global brand, using a single logo and visual identity system. Our marketing team also identifies and sizes new and adjacent target markets for our products and services, evaluates our customer experience, creates awareness of our company and our portfolio of offerings, and generates contacts and leads within these targeted markets.

Competition

The markets in which we compete are characterized by rapid change, converging technologies and a migration to solutions that offer higher capacity and speed and other superior advantages. These market factors represent both an opportunity and a competitive threat to us. In many cases our competitors can also be our customers or partners. Accordingly, maintaining an open and cooperative relationship is important. The overall number of our competitors may increase, and the identity and composition of competitors may change. As we continue to expand our business globally, we may see new competition in different geographic regions.

To compete, we emphasize:

- the high-speed, high-quality and broad geographic availability of our broadband services;
- our deep understanding of our customers' unique expectations and requirements;
- our proven designs and network integration services for complex, customized network needs;
- our demonstrated performance in uniquely challenging environments;
- the increased bandwidth efficiency offered by our networks, products and services;
- our advanced security and information assurance capabilities;
- the innovative and flexible features integrated into our products and services;
- our network management experience;
- our end-to-end network implementation capabilities;
- the distinct advantages of satellite data networks;
- the technical advantages and advanced features of our antenna systems as compared to our competitors' offerings; and
- the overall cost-effectiveness of our communications systems, products and services.

While we believe we compete successfully on each of these factors, we expect to continue to face intense competition in each of our markets.

In our satellite services segment, we face competition for fixed broadband services both from existing competitors and emerging technologies. Our fixed broadband service offerings compete with broadband service offerings from wireline and wireless telecommunications companies, including cable companies, fiber and DSL companies, satellite companies and fixed wireless companies. Many of our competitors are larger than us, have substantial capital resources, have greater brand recognition, have access to spectrum or technologies not available to us, or are able to offer bundled service offerings that we are not able to duplicate, all of which may reduce demand for our broadband services. This has in part driven our strategic focus on suburban and rural geographies outside of the cable and fiber competitive footprint. New entrants, some with significant financial resources and new emerging technologies (including terrestrial and space-based networks, such as LEO and MEO constellations) also compete with our broadband service offerings. Additionally, wireless telecommunications carriers such as AT&T, T-Mobile and Verizon are currently offering unlimited wireless data plans and fixed wireless services that could attract our existing and future fixed broadband subscribers. Our IFC and W-IFE service offerings compete against air-to-ground mobile services and other satellite-based services, such as the services offered by Anuvu (formerly Global Eagle), Gogo, Inmarsat, Intelsat, SES, SpaceX, Thales Group, SmartSky, Iridium and Panasonic Avionics Corporation, among others.

In our commercial networks segment, we compete with numerous other providers of satellite and terrestrial communications systems, products and equipment, including: CPI Antenna Systems Division, Comtech, EchoStar (Hughes Network Systems), General Dynamics, Gilat, iDirect Technologies, Newtec, L3Harris, Panasonic Avionics Corporation, Safran Aerosystems, Space Systems/Loral (SS/L) (MAXAR), SpaceX and Thales Group. In addition, some of our customers continuously evaluate whether to develop and manufacture their own products and could elect to compete with us at any time.

Within our government systems segment, we generally compete with government communications service providers and manufacturers of defense electronics products, systems or subsystems, such as BAE Systems, Collins Aerospace, General Dynamics, Inmarsat, Intelsat, Iridium, Eutelsat, OneWeb, SES, SpaceX, Telesat, L3Harris, EchoStar (Hughes Network Systems) and similar companies. We may also compete directly with the largest defense prime contractors, including Boeing, Lockheed Martin, Northrop Grumman and Raytheon Technologies Corporation. In many cases we partner with our competitors, and therefore maintaining an open and cooperative relationship is important.

Many of our competitors have significant competitive advantages, including strong customer relationships, more experience with regulatory compliance, greater financial and management resources and access to technologies not available to us. Many of our competitors are also substantially larger than we are and may have more extensive engineering, manufacturing and marketing capabilities than we do. As a result, these competitors may be able to adapt more quickly to changing technology or market conditions or may be able to devote greater resources to the development, promotion and sale of their products.

Manufacturing

Our manufacturing objective is to produce high-quality products that conform to specifications at the lowest possible manufacturing cost. To achieve this objective, we primarily utilize a range of contract manufacturers that are selected based on the production volumes and complexity of the product. By employing contract manufacturers, we are able to reduce the costs of products and support rapid fluctuations in delivery rates when needed. As part of our manufacturing process, we conduct extensive testing and quality control procedures for all products before they are delivered to customers.

Contract manufacturers produce products for many different customers and pass on the benefits of large-scale manufacturing to their customers. These manufacturers are able to produce high quality products at lower costs by: (1) exercising their high-volume purchasing power, (2) employing advanced and efficient production equipment and capital intensive systems whose costs are leveraged across their broad customer base, and (3) using a cost-effective skilled workforce.

Our experienced management team facilitates an efficient contract manufacturing process through the development of strong relationships with a number of different domestic and offshore contract manufacturers. By negotiating beneficial contract provisions and purchasing some of the equipment needed to manufacture our products, we retain the ability to move the production of our products from one contract manufacturing source to another if required. Our operations management has experience in the successful transition from in-house production to contract manufacturing. The degree to which we employ contract manufacturing depends on the maturity of the product and the forecasted production life cycle. We intend to limit our internal manufacturing capacity to supporting new product development activities, building customized products that need to be manufactured in strict accordance with a customer's specifications or delivery

schedules, and building proprietary, highly sensitive Viasat-designed products and components for use in our proprietary technology platform. Therefore, our internal manufacturing capability for standard products has been, and is expected to continue to be, very limited and we intend to continue to rely on contract manufacturers for large-scale manufacturing. Our internal manufacturing capability is dependent on the availability of essential materials, parts and subassemblies from our suppliers and subcontractors. We use numerous sources for the wide array of raw materials required for our operations and our products, such as electronic components, printed circuit boards, metals and plastics. Although alternative sources generally exist for these raw materials, qualification of the sources could take a year or more. We also rely on outside vendors to manufacture specific components and subassemblies used in the production of our products. Some components, subassemblies, and services necessary for the manufacture of our products are obtained from a sole source supplier or a limited group of suppliers.

Regulatory Environment

We are required to comply with the laws and regulations of, and often obtain approvals from, national and local authorities in connection with the services that we provide. In particular, we provide a number of services that rely on the use of radio-frequency spectrum, and the provision of such services is highly regulated. National authorities generally require that the satellites they authorize be operated in a manner consistent with the regulations and procedures of the International Telecommunication Union (ITU), a specialized agency of the United Nations, which require the coordination of the operation of satellite systems in certain circumstances, and more generally are intended to avoid the occurrence of harmful interference among different users of the radio spectrum.

We also produce a variety of communications systems and networking equipment, the design, manufacture, and marketing of which are subject to the laws and regulations of the jurisdictions in which we sell such equipment. We are subject to export control laws and regulations, and trade and economic sanctions laws and regulations, with respect to the export of such systems and equipment. As a government contractor, we are subject to U.S. procurement laws and regulations.

Radio-frequency and Communications Regulation

International Telecommunication Union (ITU)

The orbital location and frequencies for our satellites are subject to the ITU's regulations, including its frequency registration and coordination procedures, and its various provisions on spectrum usage. Those procedures are specified in the ITU Radio Regulations and seek to facilitate shared international use of limited spectrum and orbital resources in a manner that avoids harmful interference. Among other things, the ITU regulations set forth procedures for establishing international priority with respect to the use of such resources, deadlines for bringing satellite networks into use in order to maintain such priority, and coordination rights and obligations with respect to other networks, which vary depending on whether such networks have higher or lower ITU priority.

The ITU regulations provide allocations or designations for how spectrum can be used for various purposes, and whether such uses operate on a primary or secondary basis with respect to one another. Secondary uses may not cause harmful interference to primary uses and may not claim interference protection from primary uses.

On our behalf, various countries have made ITU filings, and may in the future make additional filings, for the frequency assignments at particular orbital locations that are used, or may in the future be used, by our current satellite networks and potential future satellite networks we may build or acquire. In the event that any international coordination process that is triggered by such an ITU filing is not successfully completed, or bringing into use deadlines or requirements are not satisfied, we may be compelled to accept more limited or suboptimal orbital and spectrum rights, to operate the applicable satellite(s) on a non-interference basis, or to cease operating such satellite(s) altogether. The orbital arc is becoming increasingly congested with respect to such ITU filings and the satellite networks operated under those filings.

In addition, the ITU's Radio Regulations are subject to change at periodic ITU World Radio-communication Conferences (WRCs), and their application is determined by various governing bodies within the ITU. WRCs typically are convened approximately every four years, with the next one occurring at the end of calendar year 2023. The next WRC is considering various changes to the Radio Regulations that address the terms and conditions under which spectrum is used for satellite and terrestrial purposes, and future WRCs are likely to do the same.

Spectrum

The space stations and ground networks we use to provide our broadband services rely on access to spectrum within each country in which we do business. Use of such spectrum is authorized by regulatory authorities within each country (or a regional authority whose jurisdiction over spectrum rights encompasses that country), which determine the terms and conditions for access to and use of that spectrum in that particular country. The terms and conditions for access can and do vary by country, may differ from the ITU's Radio Regulations, and may change over time. In particular, the growing demand for both satellite and terrestrial communications services is causing many countries to evaluate how spectrum is used within their borders, and to consider changes in the local terms and conditions for access to and use of spectrum. Those terms and conditions affect, among other things, the extent to which, and how, we must share spectrum with other spectrum users, including terrestrial and satellite uses, and whether we must operate on a secondary basis in some cases. Most of the spectrum on which we rely is shared with other satellite networks, including those operating in different orbits that could cross our orbital location and result in interference conditions. In many countries, portions of the spectrum on which we rely also are shared with terrestrial wireless services.

If the deployment of new terrestrial or satellite networks results in harmful interference into our satellite operations, or if the implementation of those networks under newly adopted terms and conditions constrains or prohibits the types of spectrum uses for which we have planned in a manner that we do not anticipate, such developments could have a material adverse effect on our business, financial condition and results of operations.

Broadband Services

We provide high-speed broadband internet access and VoIP services to customers in the United States, as well as in Europe and Latin America and on aircraft and seagoing vessels travelling around the world. Our provision of these services is subject to a number of legal obligations, including requirements to obtain licenses, authorizations and/or registrations to provide service in or to a given jurisdiction, implementation of certain network capabilities to assist law enforcement, and open internet requirements. Legislators and regulators often consider changes to existing statutes, rules and requirements, or prescribe new ones, which could significantly impact the ability to comply, or the costs of complying with, these types of obligations, or that otherwise could materially and adversely affect our ability to provide service in a given jurisdiction.

US Regulation

The commercial use of radio-frequency spectrum in the United States is subject to the jurisdiction of the Federal Communications Commission (FCC) under the Communications Act of 1934, as amended (Communications Act). The FCC is responsible for licensing the operation of satellite earth stations and spacecraft, regulating the technical and other aspects of the operation of these facilities, and regulating certain aspects of the provision of services to customers.

Earth Stations. The Communications Act requires a license for the operation of transmitting satellite earth station facilities and certain receiving satellite earth station facilities in the United States. We currently hold licenses authorizing us to operate various earth stations within the United States, including but not limited to user terminals and facilities that aggregate traffic and interconnect with the internet backbone and network hubs. These licenses typically are granted for 15 year terms, and typically are renewed in the ordinary course. Material changes in earth station operations would require prior approval by the FCC. The operation of our earth stations is subject to various license conditions, as well as the technical and operational requirements of the FCC's rules and regulations.

Space Stations. In the United States, the FCC authorizes the launch and operation of commercial spacecraft, and also authorizes non-U.S. licensed spacecraft to be used to serve the United States. The FCC has authorized the use of the ViaSat-1, ViaSat-2, WildBlue-1, Anik F2 and one ViaSat-3 class spacecraft (ViaSat-3 Americas) to serve the United States. The use of these spacecraft in our business is subject to various conditions in the underlying authorizations, as well as the technical and operational requirements of the FCC's rules and regulations.

Universal Service and other Broadband Subsidies. Certain of our services may constitute the provision of telecommunications to, from or within the United States, and may require us to contribute a percentage of our revenues from such services to universal service support mechanisms that subsidize the provision of services to low-income consumers, high-cost areas, schools, libraries and rural health care providers. This percentage is set each calendar quarter by the FCC, and currently is 29.0%. Current FCC rules permit us to pass this universal service contribution through to our customers. The FCC has established universal service funding mechanisms to support the provision of voice and broadband services in certain high-cost areas of the United States. These supporting mechanisms are known as the Connect America Fund (CAF) and the Rural Digital Opportunity Fund (RDOF). In addition, under the new Broadband Equity, Access, and Deployment (BEAD) program, funding for broadband service is expected to be distributed by U.S. states and territories under the oversight and administration of the National Telecommunications and Information Administration (NTIA). Among other things, the CAF, RDOF and BEAD mechanisms provide, or will likely provide, support to terrestrial service providers under terms and conditions that are not available to satellite-based service providers. The CAF and RDOF mechanisms could provide other service providers a competitive advantage in providing broadband services in supported areas, which could have a material adverse effect on our business, financial condition and results of operations. Additionally, Viasat has been selected as the winning bidder with respect to \$122.5 million in support under the CAF program to serve certain portions of the country, and must comply with federal and state obligations imposed in connection with such support.

CALEA. We are obligated to comply with the requirements of the Communications Assistance for Law Enforcement Act (CALEA), which requires telecommunications providers and broadband internet access providers to ensure that law enforcement agencies are able to conduct lawfully-authorized surveillance of users of their services.

Net Neutrality. In February 2015, the FCC adopted new rules intended to preserve the openness of the internet, a concept generally referred to as "net neutrality" or "open internet." The FCC's "net neutrality" rules, among other things, prohibited all ISPs from: (i) blocking access to legal content, applications, services, or non-harmful devices (subject to an exception for "reasonable network management"); (ii) impairing or degrading lawful internet traffic on the basis of content, applications, services, or non-harmful devices (subject to the same exception); (iii) favoring some lawful internet traffic over other lawful traffic in exchange for consideration of any kind whatsoever; and (iv) unreasonably interfering with or unreasonably disadvantaging the ability of end users to access content or the ability of content providers to access end users (again subject to the exception for "reasonable network management"). ISPs also are obligated to make certain disclosures to consumers with respect to their network management policies.

In adopting these rules, the FCC relied on Title II of the Communications Act, which authorizes the FCC to regulate telecommunications common carriers. More specifically, the FCC reclassified mass-market retail broadband internet access service as a "telecommunications service" subject to common-carrier regulation under Title II, reversing longstanding precedent classifying broadband as a lightly regulated "information service" *not* subject to such regulation. Such common-carrier regulation potentially could have included review of the reasonableness of an ISP's rates and practices.

In January 2018, the FCC adopted an order restoring the classification of broadband internet access service as a lightly regulated information service, ending the Title II regulatory approach adopted in 2015. The order eliminated explicit requirements against blocking or throttling traffic and paid prioritization of traffic. At the same time, the FCC maintained the consumer disclosure requirements with some modifications and acknowledged the jurisdiction of the Federal Trade Commission to enforce consumer protection measures. The 2018 order was largely upheld by the D.C. Circuit, though it may be revisited by the FCC in the future. In addition, legislative proposals that would restore net neutrality requirements are being considered in Congress, and some states have adopted versions of the net neutrality requirements. A lawsuit challenging California's net neutrality statute was dismissed without prejudice in May 2022, and the California statute is now in effect. Other legislative actions at the state level are being challenged in courts on federal preemption and other grounds. We cannot predict the outcome of these pending lawsuits or regulatory and legislative efforts, or any resulting impact on ISPs.

Privacy and Data Security. We are subject to federal and state laws concerning the privacy of consumers and the security we apply to their personal information. Certain of these laws provide privacy protections for certain types of personal information related to our voice services (referred to by such laws as customer proprietary network information). The Federal Trade Commission also oversees consumer privacy and data security more broadly through its authority to take enforcement action for unfair or deceptive practices, and state consumer protection laws can prompt review of privacy practices by state attorneys general. In addition, certain states have established specific consumer privacy and data security requirements, including the California Consumer Privacy Act (CCPA) and the California Privacy Rights Act that amended the CCPA in January 2023, which combined give California residents, among other things, the right to receive certain disclosures regarding the collection, use, and disclosure of personal information, as well as rights to access, delete, and restrict the sale and sharing of certain personal information collected about them by us and our service providers. State laws similar to those in California continue to multiply and evolve, and as various states pass their own comprehensive privacy laws, we and our business customers and partners could be exposed to additional regulatory complexities and obligations. Many states also have enacted security breach notification laws requiring notice to consumers and government agencies upon disclosure of certain information to an unauthorized party resulting from a security breach; in addition, the SEC is considering enhanced requirements related to the reporting of material cybersecurity incidents.

Foreign Regulation

Our operation of spacecraft and ground network and our provision of services to customers outside of the United States are subject to legal requirements of the jurisdictions issuing the satellite authorizations and in which Viasat provides services. These include obtaining the market access, spectrum access and licenses, authorizations and/or registrations that are necessary to operate or provide service in or to a given jurisdiction, and in many cases licenses for the operation of transmitting satellite earth station facilities and certain receiving satellite earth station facilities. In particular, we must obtain authority to operate various earth stations outside the United States, including but not limited to user terminals and facilities that aggregate traffic and interconnect with the internet backbone and network hubs. This authority is subject to conditions and limitations that vary from jurisdiction to jurisdiction.

The spacecraft we use in our business are subject to the regulatory authority of, and conditions imposed by, foreign governments, as well as contractual arrangements with third parties and the rules and procedures of the ITU. Our ViaSat-1 satellite operates under authority granted to ManSat Limited by the governments of the Isle of Man and the United Kingdom (as well as authority from the FCC), and pursuant to contractual arrangements we have with ManSat Limited that extend past the expected useful life of ViaSat-1. ViaSat-2 operates under the authority of the United Kingdom. ViaSat-3 Americas operates under the authority of the United Kingdom and the FCC. We also use Ka-band capacity on the Anik F2 satellite to provide our broadband services under an agreement with Telesat Canada, and we may do so until the end of the useful life of that satellite. Telesat Canada operates that satellite under authority granted to it by the government of Canada. We also currently use the WildBlue-1 satellite, which we own, and which is co-located with Anik F2 under authority granted to Telesat Canada by the government of Canada, and pursuant to an agreement we have with Telesat Canada that expires upon the end of the useful life of Anik F2. Accordingly, we are reliant upon ManSat Limited and Telesat Canada maintaining their respective governmental rights on which our operating rights are based. The use of these spacecraft in our business is subject to various conditions in the underlying authorizations held by us, ManSat Limited and Telesat Canada, as well as the technical and operational requirements of the rules and regulations of those jurisdictions.

We are also subject to certain other forms of foreign regulation in connection with our provision of communications services. In the area of privacy, we are subject to existing, new, and evolving laws and regulations in the markets in which we operate. For instance, certain of our business units are subject to the European Union's (EU) General Data Protection Regulation (GDPR), which imposes transparency, accountability, data protection, cross-border data transfer, and other obligations on Viasat both as a data controller and a data processor of the personal data of individuals in the EU. Privacy laws and regulations can be subject to differing interpretations and may be inconsistent among jurisdictions. Certain foreign jurisdictions in which we operate also impose requirements related to network management practices, cooperation with local law enforcement agencies, and other matters. A smaller number of foreign jurisdictions in which we operate have adopted laws enabling the government to suspend ISP services in the country.

Equipment Design, Manufacture, and Marketing

We must comply with the applicable laws and regulations and, where required, obtain the approval of the regulatory authority of each country in which we design, manufacture, or market our communications systems and networking equipment. Applicable laws and regulatory requirements vary from country to country, and jurisdiction to jurisdiction. The increasing demand for wireless communications has exerted pressure on regulatory bodies worldwide to adopt new standards for these products, generally following extensive investigation and deliberation over competing technologies. The delays inherent in this government approval process have in the past caused and may in the future cause the cancellation, postponement or rescheduling of the installation of communication systems by our customers, which in turn may have a material adverse impact on the sale of our products to the customers.

Equipment Testing and Verification. Certain equipment that we manufacture must comply with applicable technical requirements intended to minimize radio interference to other communications services and ensure product safety. In the United States, the FCC is responsible for ensuring that communications devices comply with technical requirements for minimizing radio interference and human exposure to radio emissions. Other regulators perform similar functions around the world. These types of requirements typically provide for equipment to be tested either by the manufacturer or by a private testing organization to ensure compliance with the applicable technical requirements. In some cases, the regulator requires submission of an application, which must be approved by the regulator or a private testing organization accredited by the regulator.

Export Controls. Due to the nature and sophistication of our communications products, we must comply with applicable U.S. Government and other agency regulations regarding the handling and export of certain of our products. This often requires extra or special handling of these products and could increase our costs. Failure to comply with these regulations could result in substantial harm to the company, including fines, penalties and the forfeiture of future rights to sell or export these products.

Aviation-Related Regulation

Aircraft Modification. The Federal Aviation Administration (FAA) is responsible for the regulation and oversight of civil aviation within the United States. The FAA develops and enforces airworthiness standards and regulations that certify the industry's ability to manufacture aircraft and aircraft components, perform modification and maintenance activities on aircraft, and repair equipment previously installed on aircraft. We interact with the FAA regarding aircraft modification through two main activities: (1) supporting Type Certificate (TC) activity with an aircraft original equipment manufacturer (OEM) to obtain linefit installation certification of our IFC and W-IFE equipment and (2) obtaining a Supplemental Type Certificate (STC) to enable the retrofit installation of our IFC and W-IFE equipment. With respect to TC activity, the OEM is responsible for full certification and FAA regulatory compliance and we are responsible for providing certified equipment to the OEM. With respect to STC activity, we typically use Organization Designation Authorization (ODA) to support holding and maintaining our STCs to ensure FAA regulatory compliance. Our commercial aviation business depends on our ability to interact with the FAA and ODAs, as well as FAA-certified engineering professionals, in order to access data and obtain authorizations and approvals.

Parts Manufacturing Approval. We have a wide range of products supporting both commercial and business aviation customers. The FAA, under its Part Manufacturing Approval (PMA) program, provides authorization to entities like us and our vendors to manufacture and deliver IFC and W-IFE equipment. These approvals are provided through assigned FAA Manufacturing Inspection District Offices and are subject to strict rules and ongoing oversight. We have been able to obtain PMA on all of our current IFC and W-IFE product offerings due to multiple agreements with both major OEMs for linefit installations and ODAs for retrofit installations.

FAA Part 145 Repair Stations. The FAA has approved several of our locations as 14 CFR Part 145 repair stations, which enables us to provide ongoing support to customers with respect to our IFC and W-IFE systems. These repair stations support both line-replaceable unit (LRU) and line maintenance activities associated with our IFC and W-IFE products. These approvals are provided and overseen by FAA Flight Standards District Offices. We have also obtained European Aviation Safety Agency (EASA) approval for our repair stations dedicated to LRU repair and maintenance for our IFC and W-IFE products.

Environmental Regulations

We are subject to a variety of U.S. and international regulations relating to the storage, discharge, handling, emission, generation, manufacture and disposal of toxic or other hazardous substances used to manufacture our products. In addition, we could be affected by future U.S. or international laws or regulations imposed in response to concerns over climate change, and we monitor developments in environmental and climate-related laws and regulations and their potential impact to our business and financial condition. The failure to comply with current or future laws or regulations could result in the imposition of substantial fines on us, suspension of production, alteration of our manufacturing processes or cessation of operations. To date, the current regulations have not had a material effect on our business, as we have neither incurred significant costs to maintain compliance nor to remedy past noncompliance, and we do not expect such regulations to have a material effect on our business in the current fiscal year.

Other Regulations

As a government contractor, we are routinely subject to audit and review by the DCMA, the DCAA and other U.S. Government agencies of our performance on government contracts, indirect rates and pricing practices, accounting and management internal control business systems, and compliance with applicable contracting and procurement laws, regulations and standards. Both contractors and the U.S. Government agencies conducting these audits and reviews have come under increased scrutiny. In particular, audits and reviews have become more rigorous and the standards to which we are held are being more strictly interpreted, increasing the likelihood of an audit or review resulting in an adverse outcome. Increases in congressional scrutiny and investigations into business practices and major programs supported by contractors may lead to increased legal costs and may harm our reputation and profitability if we are among the targeted companies. An adverse outcome to a review or audit or other failure to comply with applicable contracting and procurement laws, regulations and standards could result in material civil and criminal penalties and administrative sanctions being imposed on us, which may include termination of contracts, forfeiture of profits, triggering of price reduction clauses, suspension of payments, significant customer refunds, fines and suspension, or a prohibition on doing business with U.S. Government agencies. In addition, if we fail to obtain an "adequate" determination of our various accounting and management internal control business systems from applicable U.S. Government agencies or if allegations of impropriety are made against us, we could suffer serious harm to our business or our reputation, including our ability to bid on new contracts or receive contract renewals or our competitive position in the bidding process. Any of these outcomes could have a material adverse effect on our business, financial condition and results of operations.

Seasonality

In our satellite services segment, historically subscriber activity for our fixed broadband services has been influenced by seasonal effects related to traditional retail selling periods, with new sales activity generally anticipated to be higher in the second half of the calendar year. However, sales activity and churn can be strongly affected by other factors which may either offset or magnify any anticipated seasonal effects, including availability of capacity, promotional and subscriber retention efforts, changes in our resellers, distributors and wholesalers, changes in the competitive landscape, economic conditions, and changes in credit check and subscriber approval processes. In addition, we typically see increased demand for our IFC services from airline passengers during peak holiday and summer travel periods.

Our commercial networks segment is not generally affected by seasonal impacts. In our government systems segment, our results are impacted by various factors including the timing of contract awards (with the second quarter of our fiscal year, for example, typically receiving a greater number of government contract awards) and the timing and availability of U.S. Government funding, as well as the timing of product deliveries and customer acceptance.

Availability of Public Reports

Through a link on the Investor Relations section of our website at www.viasat.com, we make available the following filings as soon as reasonably practicable after they are electronically filed with or furnished to the SEC: our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and any amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934. All such filings are available free of charge. They are also available free of charge on the SEC's website at www.sec.gov.

We webcast our earnings calls and post the materials used in meetings with members of the investment community on the Investor Relations section of our website. Additionally, we provide notifications of news or announcements regarding our financial performance, including SEC filings, investor events and press and earnings releases on the Investor Relations section of our website. We also use the Investor Relations section of our website as a means of disclosing material non-public information and for complying with our disclosure obligations under Regulation FD. Accordingly, investors should monitor the Investor Relations section of our website, in addition to following our press releases, SEC filings and public conference calls and webcasts. Information relating to our corporate governance, including our certificate of incorporation, bylaws, corporate governance guidelines, board committee charters and guide to business conduct, is also included on the Investor Relations section of our website. The information contained on, or that may be accessed through, our website is neither incorporated by reference into nor made a part of this report.

Human Capital

Employees. As of March 31, 2023, we employed approximately 6,800 individuals worldwide, with 81% of our workforce located in the United States. We consistently engage with our employees and generally consider the relationships with our employees to be positive, with a significant majority stating that they are proud to work at Viasat. Competition for technical personnel in our industry is intense. We believe our future success depends in part on our continued ability to attract, hire, engage and retain qualified personnel.

Human Capital Resources. Viasat has a long history of putting people first. We believe that one of the most important investments we make is in our people. Our mission to connect the world depends on our ability to come together as one team to make a positive impact. As a global team, we take pride in our culture of teamwork, trust and collaboration. We prioritize our employees' health and well-being to ensure we are all able to do our best work. For example, in response to the COVID-19 pandemic, we quickly transitioned teams to a work-from-home model and equipped them with the resources to perform their jobs safely. For certain employees, whose roles needed to be performed onsite, we deployed a robust set of safety protocols aligned with then-current medical best practices and government mandates. We also introduced additional resources and benefits, including mental health and well-being resources and paid time off for COVID-19-related issues.

Our key pillars of human capital management are ensuring the health and safety of our employees, developing talented people, fostering diversity and inclusion and engaging communities. We believe that our long-term success is in large part dependent on our success across these dimensions, and we will continue to invest in and prioritize these areas in the future.

Diversity, Equity and Inclusion. The diversity of our employees is one of our most treasured assets. Our strategy for diversity, equity, and inclusion (DEI) is to embed and embrace DEI in everything we do, from how we approach talent to our overall business strategy. We understand that an authentic commitment to DEI starts with inclusive and equitable recruitment and talent development practices. In fiscal year 2022, we began applying hiring attribute lenses to recruitment practices to enable a more effective assessment of candidates to the talent needs of Viasat. To date, we have nine active employee resource groups designed to build meaningful connections among employees around shared experiences, cultures and interests.

Executive Officers

Set forth below is information concerning our executive officers and their ages:

Name	Age	Position
Mark Dankberg	68	Chairman of the Board and Chief Executive Officer
Richard Baldrige	65	Vice Chairman and Board Director
Robert Blair	48	Senior Vice President, General Counsel and Secretary
Girish Chandran	58	Chief Technical Officer
Evan Dixon	41	President, Global Fixed Broadband
James Dodd	61	Senior Vice President and President, Global Enterprise & Mobility
Shawn Duffy	53	Senior Vice President and Chief Financial Officer
K. Guru Gowrappan	42	President
Kevin Harkenrider	67	Executive Vice President and Chief Operating Officer
Keven Lippert	51	Executive Vice President, Strategic Initiatives and Chief Commercial Officer
Craig Miller	51	President, Government Systems
Mark Miller	63	Executive Vice President and Chief Technical Officer
Krishna Nathan	61	Chief Information Officer
David Ryan	68	Senior Vice President and President, Space & Commercial Networks

Mark Dankberg is a founder of Viasat and has served as Chairman of the Board and Chief Executive Officer since its inception in May 1986, except for the period from November 2020 to June 2022 when he served as Executive Chairman. Mr. Dankberg provides Viasat with significant operational, business and technological expertise in the satellite and communications industry, and intimate knowledge of the issues facing our management. Mr. Dankberg also has significant expertise and perspective as a member of the boards of directors of companies in various industries, including communications. Mr. Dankberg currently serves on the board of Lytx, Inc., a privately-held company that provides fleet safety management solutions. Prior to founding Viasat, he was Assistant Vice President of M/A-COM Linkabit, a manufacturer of satellite telecommunications equipment, from 1979 to 1986, and Communications Engineer for Rockwell International Corporation from 1977 to 1979. Mr. Dankberg holds B.S.E.E. and M.E.E. degrees from Rice University.

Richard Baldrige joined Viasat in April 1999, and currently serves as our Vice Chairman. Previously, he served as our Executive Vice President, Chief Financial Officer and Chief Operating Officer from 2000, as our Executive Vice President and Chief Operating Officer from 2002, as our President and Chief Operating Officer from 2003, and as our President and Chief Executive Officer from November 2020 until he assumed his current role of Vice Chairman in July 2022. Mr. Baldrige has also served on our Board of Directors since 2016. In addition, Mr. Baldrige serves as a director of Ducommun Incorporated (NYSE: DCO), a provider of engineering and manufacturing services to the aerospace and defense industries, and EvoNexus, a San Diego based non-profit technology incubator. Prior to joining Viasat, Mr. Baldrige served as Vice President and General Manager of Raytheon Corporation's Training Systems Division from January 1998 to April 1999. From June 1994 to December 1997, Mr. Baldrige served as Chief Operating Officer and Chief Financial Officer for Hughes Information Systems and Hughes Training Inc., prior to their acquisition by Raytheon in 1997. Mr. Baldrige's other experience includes various senior financial and general management roles with General Dynamics Corporation. Mr. Baldrige holds a B.S.B.A. degree in Information Systems from New Mexico State University.

Robert Blair joined Viasat in May 2008 as Assistant General Counsel. In April 2009, Mr. Blair was appointed Associate General Counsel and in 2014 was appointed Vice President and Deputy General Counsel. In May 2017, Mr. Blair served as Vice President, General Counsel and Secretary beginning in May 2017 and assumed his current position as Senior Vice President, General Counsel and Secretary in December 2021. In addition, Mr. Blair has served as a director of the San Diego Regional Economic Development Corporation since 2015. Prior to joining Viasat, Mr. Blair was an associate at the law firm of Latham & Watkins LLP. Mr. Blair holds a J.D. degree from Stanford University and A.B. degrees in Broadcast Journalism and Policy Studies from Syracuse University.

Girish Chandran joined Viasat in October 2007 as a Principal Engineer. In September 2013, Mr. Chandran was appointed Chief Technology Officer — Commercial Networks. In May 2017, he assumed his current position as Chief Technical Officer. Mr. Chandran has extensive experience building multimedia networks. Prior to joining Viasat, from 2001 to 2007, Mr. Chandran served as Vice President of Engineering at Newtec America Inc., a satellite communications equipment provider. From 1995 to 2001, he held several roles, including Vice President of Systems Engineering, at Tiernan Communications Inc. (acquired by Radyne Comstream Inc.), a provider of video compression and transmission solutions. Mr. Chandran earned a Ph.D. degree in Electrical Engineering from the University of California, San Diego, an M.S. degree in Electrical Communication Engineering from the Indian Institute of Science and a BSc. degree in Physics from the University of Kerala.

Evan Dixon joined Viasat in 2015 and served as Deputy CEO and Chief Marketing Officer of Euro Broadband Infrastructure Sàrl (which was at that time 49% owned by Viasat). In March 2018, he was appointed Vice President and General Manager of Viasat Europe, and in March 2020, he was appointed President, Global Fixed Broadband. Mr. Dixon previously held senior management positions at DIRECTV, a satellite television company, and AT&T Inc., a telecommunications company. Mr. Dixon holds a B.S. degree in Business Administration from the University of Colorado and an M.B.A. degree from Pepperdine University.

James Dodd joined Viasat in March 2020 as President, Global Mobile Solutions. In December 2020, he assumed his current position as Senior Vice President and President, Global Enterprise & Mobility. Prior to joining Viasat, Mr. Dodd held a number of senior-level aviation management and engineering roles at Boeing, focused on complex Department of Defense and international contracted programs, overseeing strategic planning, execution, engineering and business development. Mr. Dodd was retired from October 2016 to February 2020, and at Boeing served as Vice President and Program Manager – Mobility, Surveillance and Engagement from 2015 to September 2016, Vice President and Program Manager – Weapons and Missile Systems from 2013 to 2014, and Vice President and Program Manager – Phantom Works, Advanced Boeing Military Aircraft from 2011 to 2012. Mr. Dodd earned an M.B.A. degree from Seattle University and a B.S. degree in Physics from Arkansas State University.

Shawn Duffy joined Viasat in 2005 as Corporate Controller. In 2009, she was appointed Viasat's Vice President and Corporate Controller and in 2012 was appointed Vice President — Corporate Controller and Chief Accounting Officer. From August 2012 until April 2013, Ms. Duffy also served as interim Chief Financial Officer. She assumed her current position as Senior Vice President and Chief Financial Officer in June 2014. Prior to joining Viasat, Ms. Duffy was a Senior Manager at Ernst & Young, LLP, serving the technology and consumer product markets. Ms. Duffy is a certified public accountant in the State of California, and earned a B.S.B.A. degree in Accounting from San Diego State University.

K. Guru Gowrappan joined Viasat in April 2023 as President. Mr. Gowrappan is a co-founder of Bali Venture Partners, a privately held company that invests in early and growth stage enterprises. From October 2018 until September 2021, Mr. Gowrappan served as Chief Executive Officer of Verizon Media Group, the media division of Verizon Communications, Inc., a telecommunications company. He joined Verizon in April 2018 as President and Chief Operating Officer of Oath, Inc. From 2015 until joining Verizon in 2018, he held the position of Global Managing Director at the Alibaba Group, a multinational e-commerce company. Previously, Mr. Gowrappan served as Chief Operating Officer at Quixey, a mobile technology company, and Chief Operating Officer for Growth and Emerging Initiatives at Zynga Inc., a video game developer. Mr. Gowrappan currently serves on the boards of Bank of New York Mellon Corp (NYSE: BK) and Water.org, a global nonprofit focused on access to safe water and sanitation. Mr. Gowrappan earned an M.S. degree in Computer Science from the University of Southern California and completed the Business Bridge Program with the Tuck School of Business at Dartmouth College. He also holds a bachelor's degree from the University of Madras in Chennai, India.

Kevin Harkenrider joined Viasat in October 2006 as Director — Operations, served as Vice President — Operations from January 2007 until December 2009, served as Vice President of Viasat and Chief Operating Officer of Viasat Communications Inc. from December 2009 to April 2011, as Senior Vice President — Infrastructure Operations from April 2011 to May 2012, as Senior Vice President — Broadband Services from May 2012 to May 2015, as Senior Vice President — Commercial Networks from May 2015 to May 2018, as Senior Vice President and President, Broadband Systems from May 2018 until March 2020, and as Executive Vice President – Global Operations and Chief Operations Officer from March 2020 until November 2021. Mr. Harkenrider assumed his current position as Executive Vice President and Chief Operating Officer in November 2021. Prior to joining Viasat, Mr. Harkenrider served as Account Executive at Computer Sciences Corporation from 2002 through October 2006. From 1992 to 2001, Mr. Harkenrider held several positions at BAE Systems, Mission Solutions (formerly GDE Systems, Marconi Integrated Systems and General Dynamics Corporation, Electronics Division), including Vice President and Program Director, Vice President — Operations and Vice President — Material. Prior to 1992, Mr. Harkenrider served in several director and program manager positions at General Dynamics Corporation. Mr. Harkenrider holds a B.S. degree in Civil Engineering from Union College and an M.B.A. degree from the University of Pittsburgh.

Keven Lippert joined Viasat in May 2000 as Associate General Counsel and Assistant Secretary. In April 2007, he was appointed Viasat's Vice President, General Counsel and Secretary, in 2012 he was appointed Senior Vice President — General Counsel and Secretary, and in June 2014 he was appointed Executive Vice President — General Counsel and Secretary. In May 2017, he was appointed President, Broadband Services and Chief Legal Officer, and in May 2018, he was appointed Executive Vice President, Corporate Development and Chief Administrative Officer. Effective September 2018, he assumed his current position as Executive Vice President, Strategic Initiatives and Chief Commercial Officer. Prior to joining Viasat, Mr. Lippert was a corporate associate at the law firm of Latham & Watkins LLP. Mr. Lippert holds a J.D. degree from the University of Michigan and a B.S. degree in Business Administration from the University of California, Berkeley.

Craig Miller joined Viasat in 1995 and has held numerous technology, business and strategic leadership roles. In January 2015, Mr. Miller was appointed Chief Technology Officer, Government Systems, and in May 2021, he was promoted to President, Government Systems. Mr. Miller holds a B.S. degree in Electrical Engineering from the University of Arizona.

Mark Miller is a founder of Viasat and served as Vice President and Chief Technical Officer of Viasat from March 1993 to June 2014, when he assumed his current position as Executive Vice President and Chief Technical Officer. From 1986 through 1993, Mr. Miller served as Engineering Manager. Prior to joining Viasat, Mr. Miller was a Staff Engineer at M/A-COM Linkabit from 1983 to 1986. Mr. Miller holds a B.S.E.E. degree from the University of California, San Diego and an M.S.E.E. degree from the University of California, Los Angeles.

Krishna Nathan joined Viasat in September 2019 as its Chief Information Officer. Mr. Nathan previously held senior leadership roles at S&P Global, a financial information and analytics company, and IBM, a technology company. Mr. Nathan holds a B.S. degree in Electrical Engineering from George Washington University, an M.S. degree in Electrical Engineering from M.I.T. and a Ph.D. degree in Engineering from Brown University.

David Ryan joined Viasat in May 2016 as Vice President — Intelligence Programs, was appointed Senior Vice President and President, Space Systems in March 2018, and was appointed Senior Vice President and President, Space & Commercial Networks in March 2019. Prior to joining Viasat, Mr. Ryan held several roles at Northrop Grumman Corporation from 2005 to 2014, including Sector Vice President and General Manager of the Intelligence Systems Division. He also served in various roles at Boeing from 1990 to 2005, including President of Boeing Satellite Systems International. Mr. Ryan earned a B.S.E.E and an M.E.E degree from Rice University.

ITEM 1A. RISK FACTORS

You should consider each of the following factors as well as the other information in this Annual Report in evaluating our business and prospects. The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties not presently known to us or that we currently consider immaterial may also impair our business operations. If any of the following risks actually occur, our business and financial results could be harmed. In that case, the trading price of our common stock could decline. You should also refer to the other information set forth in this Annual Report, including our financial statements and the related notes.

Risks Related to Our Satellites and Business

Our Operating Results Are Difficult to Predict

Our operating results have varied significantly from quarter to quarter in the past and may continue to do so in the future. Factors that cause our quarter-to-quarter operating results to be unpredictable include the status of satellite-related activities (including the construction, launch and bringing into service of satellites and the associated levels of investment); impact of any construction or launch delays, operational or launch failures or other disruptions to our satellites; timing, quantity and mix of products and services sold; unpredictability or length of procurement processes; timing of customer payments; cost overruns (due to inflation or otherwise); impact of one-time charges; and other factors described under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations – Factors and Trends Affecting our Results of Operations" in Part II, Item 7 of this report. Any of the foregoing factors, or any other factors discussed elsewhere herein, could have a material adverse effect on our business, financial condition and results of operations that could adversely affect our stock price.

Satellite Failures or Degradations in Satellite Performance Could Affect Our Business, Financial Condition and Results of Operations

Satellites utilize highly complex technology, operate in the harsh environment of space and are subject to significant operational risks while in orbit. These risks include malfunctions (commonly referred to as anomalies), such as malfunctions in the deployment of subsystems and/or components, interference from electrostatic storms, and collisions with meteoroids, decommissioned spacecraft or other space debris. Anomalies can occur as a result of various factors, including satellite manufacturer error, problems with the power or control sub-system of a satellite or general failures caused by the harsh space environment. Our satellites have experienced various anomalies in the past and we will likely experience anomalies in the future. Any single anomaly or other operational failure or degradation on the satellites we use could have a material adverse effect on our business, financial condition and results of operations. Anomalies may also reduce the expected useful life of a satellite, thereby creating additional expense due to the need to provide replacement or backup capacity, which may not be available on reasonable economic terms, a reasonable schedule or at all. In addition, anomalies may cause a reduction of the revenues generated by the applicable satellite or the recognition of an impairment loss, and could lead to claims from third parties for damages. Finally, anomalies may adversely affect our ability to insure our satellites at commercially reasonable premiums or terms, if at all. While some anomalies are covered by insurance policies, others may not be covered or may be subject to large deductibles. Although our satellites have redundant or backup systems and components that operate in the event of an anomaly, operational failure or degradation of primary critical components, these redundant or backup systems and components are subject to risk of failure similar to those experienced by the primary systems and components. The occurrence of a failure of any of these redundant or backup systems and components could materially impair the useful life, capacity, coverage or operational capabilities of the satellite.

Satellites Have a Finite Useful Life, and Their Actual Operational Life May Be Shorter than Their Design Life

Our ability to earn revenues from our satellite services depends on the continued operation of the satellites we own and operate or use. Each satellite has a limited useful life, referred to as its design life. There can be no assurance as to the actual operational life of a satellite, which may be shorter than its design life. A number of factors affect the useful lives of the satellites, including the quality of design and construction, durability of component parts and back-up units, the ability to continue to maintain proper orbit and control over the satellite's functions, the efficiency of the launch vehicle used, consumption of on-board fuel, degradation and durability of solar panels, the actual space environment experienced and the occurrence of anomalies or other in-orbit risks affecting the satellite. In addition, continued improvements in satellite technology may make satellites obsolete prior to the end of their operational life.

New or Proposed Satellites Are Subject to Significant Risks Related to Construction and Launch that Could Limit Our Ability to Utilize these Satellites

Satellite construction and launch are subject to significant risks, including construction delays, manufacturer error, cost overruns, regulatory conditions or delays, unavailability of launch opportunities, launch failure, damage or destruction during launch and improper orbital placement, any of which could result in significant additional cost or materially impair the useful life, capacity, coverage or operational capabilities of the satellite. Unlike our ViaSat-1 and ViaSat-2 satellites, which were constructed in their entirety by the satellite manufacturer, we construct the payload for our ViaSat-3 class

satellites ourselves at our own facilities, with Boeing then integrating the completed payload into the satellite bus at their facilities. The technologies in our satellite designs are also very complex, and there can be no assurance that the technologies will work as we expect or that we will realize any or all of their anticipated benefits. We have in the past identified construction-related issues in our satellites. For example, our ViaSat-2 satellite experienced an antenna deployment issue which reduced its output capabilities. We have also experienced delays in satellite construction and launch, such as the delay in launching our ViaSat-2 satellite caused by civil unrest in French Guiana (the location of the satellite launch), construction delays in our ViaSat-3 satellites caused by the COVID-19 pandemic and delays in the launch of the ViaSat-3 Americas satellite due to high priority launch missions and adverse weather conditions at the launch site. If satellite construction schedules are not met or other events prevent satellite launch on schedule, a launch opportunity may not be available at the time the satellite is ready to be launched. In addition, delays in construction or launch could impact our ability to meet milestone conditions in our satellite authorizations and/or to maintain the rights we may enjoy under various ITU filings. A launch failure may result in significant delays because of the need both to construct a replacement satellite and to obtain other launch opportunities. The overall historical loss rate in the satellite industry for all launches of commercial satellites in fixed orbits in the last five years is estimated by some industry participants to be close to 0% but could at any time be higher. Launch vehicles may also underperform, in which case the satellite may still be able to be placed into service by using its onboard propulsion systems to reach the desired orbital location, but this would cause a reduction in its useful life. Moreover, even if launch is successful, there can be no assurance that the satellite will successfully reach its geostationary orbital slot and pass in-orbit testing prior to transfer of control of the satellite to us. The failure to implement our satellite deployment plan on schedule could have a material adverse effect on our business, financial condition and results of operations.

Potential Satellite Losses May Not Be Fully Covered By Insurance, or at All

We may not be able to obtain or renew pre-launch, launch or in-orbit insurance for our satellites on reasonable economic terms or at all. A failure to obtain or renew our satellite insurance may also result in a default under our debt instruments. In addition, the occurrence of anomalies on other satellites, or failures of a satellite using similar components or failures of a similar launch vehicle to any launch vehicle we intend to use, may materially adversely affect our ability to insure our satellites at commercially reasonable premiums or terms, if at all.

The policies covering our insured satellites will not cover the full cost of constructing and launching or replacing a satellite nor fully cover our losses in the event of a satellite failure or significant degradation. Moreover, such policies do not cover lost profits, business interruptions, fixed operating expenses, loss of business or similar losses, including contractual payments that we may be required to make under our agreements with our customers for interruptions or degradations in service. Our insurance contains customary exclusions, material change and other conditions that could limit recovery under those policies, and may contain exclusions for past satellite anomalies. Further, any insurance proceeds may not be received on a timely basis in order to launch a replacement satellite or take other remedial measures. In addition, the policies are subject to limitations involving uninsured losses, large satellite performance deductibles and policy limits.

The Markets in Which We Compete Are Highly Competitive and Our Competitors May Have Greater Resources than Us

The markets in which we compete are highly competitive and competition is increasing. In addition, because the markets in which we operate are constantly evolving and characterized by rapid technological change, it is difficult for us to predict whether, when and by whom new competing technologies, products or services may be introduced into our markets. Currently, we face substantial competition in each of our segments. See "Business—Competition" in Part I, Item 1 of this report for a discussion of the competitive environment in each of our segments. Many of our competitors have significant competitive advantages, including strong customer relationships, more experience with regulatory compliance, greater financial and management resources and access to technologies not available to us. Many of our competitors are also substantially larger than we are and may have more extensive engineering, manufacturing and marketing capabilities than we do. As a result, these competitors may be able to adapt more quickly to changing technology or market conditions or may be able to devote greater resources to the development, promotion and sale of their products. Our ability to compete in each of our segments may also be adversely affected by limits on our capital resources and our ability to invest in maintaining and expanding our market share.

The Global Business Environment and Economic Conditions Could Negatively Affect Our Business, Financial Condition and Results of Operations

Our business and operating results are affected by the global business environment and economic conditions, including changes in interest rates, consumer credit conditions, consumer debt levels, consumer confidence, rates of inflation, unemployment rates, energy costs, geopolitical issues and other macro-economic factors. For example, high unemployment levels or energy costs may impact our customer base in our satellite services segment by reducing consumers' discretionary income and affecting their ability to subscribe for our broadband services. Our commercial networks segment similarly depends on the economic health and willingness of our customers and potential customers to

make and adhere to capital and financial commitments to purchase our products and services. During periods of slowing global economic growth or recession, our customers or key suppliers may experience deterioration of their businesses, cash flow shortages and difficulty obtaining financing or insolvency. Existing or potential customers may reduce or postpone spending in response to tighter credit, reduced consumer demand, negative financial news or declines in income or asset values, which could have a material negative effect on the demand for our products and services. For example, the business and financial condition of our commercial airline customers were materially impacted during the COVID-19 pandemic by the severe decline in global air travel. In addition, current supply chain and labor market challenges and inflationary pressures have negatively affected and may continue to negatively affect our performance as well as the performance of our suppliers and customers. Moreover, natural disasters (including those resulting from climate change), political instability, civil unrest, terrorist activity, acts of war, and public health issues such as the COVID-19 pandemic or epidemics could disrupt supplies and raise prices globally which, in turn, may have adverse effects on the world and U.S. economies. Any of these factors could result in reduced demand for, and pricing pressure on, our products and services, which could reduce our revenues and adversely affect our business, financial condition and results of operations.

In addition, U.S. credit and capital markets have experienced significant dislocations and liquidity disruptions from time to time. Uncertainty or volatility in credit or capital markets may negatively impact our ability to access additional debt or equity financing or to refinance existing indebtedness in the future on favorable terms or at all. Any of these risks could impair our ability to fund our operations or limit our ability to expand our business, which could have a material adverse effect on our business, financial condition and results of operations.

Acquisitions such as the Inmarsat Transaction, Joint Ventures and Other Strategic Alliances May Have an Adverse Effect on Our Business; We May Fail to Realize the Anticipated Benefits of such Transactions

In order to position ourselves to take advantage of growth opportunities, from time to time we make strategic acquisitions and enter into joint ventures and other strategic alliances that involve significant risks and uncertainties. For example, during 2021 we announced the Inmarsat Transaction and closed the acquisitions of RigNet and EBI. Risks and uncertainties relating to these transactions and any other acquisitions, joint ventures and other strategic alliances we may undertake include:

- the difficulty in combining, integrating and managing newly acquired businesses or any businesses of a joint venture or strategic alliance in an efficient and effective manner;
- the challenges in achieving the objectives, cost savings, synergies and other benefits expected from such transactions;
- the risk of diverting resources and the attention of senior management from the operations of our business;
- additional demands on management related to integration efforts or the increase in the size and scope of our company following an acquisition or to the complexities of a joint venture or strategic alliance, including challenges of coordinating geographically dispersed organizations and addressing differences in corporate cultures or management philosophies;
- difficulties in the assimilation and retention of key employees and in maintaining relationships with present and potential customers, distributors and suppliers;
- the lack of unilateral control over a joint venture or strategic alliance and the risk that joint venture or strategic partners have business goals and interests that are not aligned with ours, or the failure of a joint venture partner to satisfy its obligations or its bankruptcy or malfeasance;
- costs and expenses associated with any undisclosed or potential liabilities of an acquired business;
- delays, difficulties or unexpected costs in the integration, assimilation, implementation or modification of platforms, systems, functions (including corporate, administrative, information technology, marketing and distribution functions), technologies, infrastructure, and product and service offerings of the acquired business, joint venture or strategic alliance, or in the harmonization of standards, controls (including internal accounting controls), procedures and policies;
- the risk that funding requirements of the acquired business, joint venture or combined company may be significantly greater than anticipated;
- the risks of entering markets in which we have less experience; and
- the risks of disputes concerning indemnities and other obligations that could result in substantial costs.

We may not achieve the anticipated growth, cost savings or other benefits from the Inmarsat Transaction or any other transaction we may undertake without adversely affecting current revenues and investments in future growth. Moreover, the anticipated growth, cost savings, synergies and other benefits of the Inmarsat Transaction or any other

transaction we may undertake may not be realized fully, or at all, or may take longer to realize than expected. Additionally, we may inherit legal, regulatory, and other risks of the acquired business, whether known or unknown to us, which may be material to the combined company. Moreover, uncertainty about the effect of a pending transaction such as the Inmarsat Transaction on employees, suppliers and customers may have an adverse effect on us and/or the acquired business, which uncertainties may impair our or its ability to attract, retain and motivate key personnel, and could cause our or its customers, suppliers and distributors to seek to change existing business relationships with either of us. In addition, in connection with acquisitions, joint ventures or strategic alliances, we may incur debt, issue equity securities, assume contingent liabilities or have amortization expenses and write-downs of acquired assets, which could cause our earnings per share to decline. In addition, companies such as Inmarsat that are private companies at the time of acquisition are not subject to reporting requirements and may not have accounting personnel specifically employed to review internal controls over financial reporting and other procedures or to ensure compliance with the requirements of the Sarbanes-Oxley Act of 2002. Bringing the legacy systems for these businesses into compliance with those requirements and integrating them into our compliance and accounting systems may cause us to incur substantial additional expense, make some activities more difficult, time-consuming or costly and increase demand on our systems and resources.

Mergers, acquisitions, joint ventures and strategic alliances are inherently risky and subject to many factors outside of our control, and we cannot be certain that our previous or future acquisitions, joint ventures and strategic alliances will be successful and will not materially adversely affect our business, operating results or financial condition. We may not be able to successfully integrate the businesses, products, technologies or personnel that we might acquire in the future, and any strategic investments we make may not meet our financial or other investment objectives. Any failure to do so could seriously harm our business, financial condition and results of operations.

Our Reliance on U.S. Government Contracts Exposes Us to Significant Risks

Our government systems segment revenues typically represent a significant percentage of our total revenues, and are derived primarily from U.S. Government applications. Therefore, any significant disruption or deterioration of our relationship with the U.S. Government would significantly reduce our revenues. U.S. Government business exposes us to various risks, including:

- changes in governmental procurement legislation and regulations and other policies, which may reflect military and political developments;
- unexpected contract or project terminations or suspensions;
- unpredictable order placements, reductions or cancellations;
- reductions or delays in government funds available for our projects due to government policy changes, budget cuts or delays, changes in available funding, reductions in defense expenditures and contract adjustments;
- the ability of competitors to protest contractual awards;
- penalties arising from post-award contract audits;
- the reduction in the value of our contracts as a result of the routine audit and investigation of our costs by U.S. Government agencies;
- higher-than-expected final costs, particularly relating to software and hardware development, for work performed under contracts where we commit to specified deliveries for a fixed price;
- limited profitability from cost-reimbursement contracts under which the profit is limited to a specified amount;
- unpredictable cash collections of unbilled receivables that may be subject to acceptance of deliverables by the customer and contract close-out procedures, including government approval of final indirect rates;
- competition with programs managed by other government contractors for limited resources and for uncertain levels of funding;
- significant changes in contract scheduling or program structure, which generally result in delays or reductions in deliveries; and
- intense competition for available U.S. Government business necessitating increases in time and investment for design and development.

We must comply with and are affected by laws and regulations relating to the award, administration and performance of U.S. Government contracts. Government contract laws and regulations affect how we do business with our customers and, in some instances, impose added costs on our business, including the establishment of compliance procedures. A violation of specific laws and regulations could result in the imposition of fines and penalties, the termination of our contracts or debarment from bidding on contracts.

Substantially all of our U.S. Government backlog scheduled for delivery can be terminated at the convenience of the U.S. Government because our contracts with the U.S. Government typically provide that orders may be terminated with limited or no penalties. If we are unable to address any of the risks described above, or if we were to lose all or a substantial portion of our sales to the U.S. Government, it could materially harm our business and impair the value of our common stock.

The funding of U.S. Government programs is subject to congressional appropriations. Congress generally appropriates funds on a fiscal year basis even though a program may extend over several fiscal years. Consequently, programs are often only partially funded initially and additional funds are committed only as Congress makes further appropriations. In the event that appropriations for one of our programs become unavailable, or are reduced or delayed, our contract or subcontract under such program may be terminated or adjusted by the government, which could have a negative impact on our future sales and results of operations. Budget cuts to defense spending, such as those that took effect in March 2013 under the Budget Control Act of 2011, can exacerbate these problems. From time to time, when a formal appropriation bill has not been signed into law before the end of the U.S. Government's fiscal year, Congress may pass a continuing resolution that authorizes agencies of the U.S. Government to continue to operate, generally at the same funding levels from the prior year, but does not authorize new spending initiatives, during a certain period. During such period (or until the regular appropriation bills are passed), delays can occur in procurement of products and services due to lack of funding, and such delays can affect our results of operations during the period of delay.

Our Success Depends on the Investment in and Development of New Broadband Technologies and Advanced Communications and Secure Networking Systems, Products and Services, as well as their Market Acceptance

Broadband, advanced communications and secure networking markets are subject to rapid technological change, frequent new and enhanced product and service introductions, product obsolescence and changes in user requirements. Our ability to compete successfully in these markets depends on our success in applying our expertise and technology to existing and emerging broadband, advanced communications and secure networking markets, as well as our ability to successfully develop, introduce and sell new products and services on a timely and cost-effective basis that respond to ever-changing customer requirements, which depends on numerous factors, including our ability to: continue to develop market-leading satellite technologies (including high-capacity Ka-band satellites and associated ground networks); continue to increase satellite capacity, bandwidth cost-efficiencies and service quality; develop and introduce competitive products, services and technologies with innovative features that differentiate our offerings from those of our competitors; successfully integrate our complex technologies and system architectures; and implement manufacturing and assembly processes and cost reduction efforts.

We cannot assure you that our new technology, product or service offerings will be successful or that any of our offerings will achieve market acceptance. Many of these risks are amplified in new and emerging markets where we do not currently operate or have limited operations, but which present opportunities for international expansion following the launch of commercial service on our ViaSat-3 global constellation. The time from conception through satellite launch for a new satellite design may be four years or longer, thereby delaying our ability to realize the benefits of our investments in new satellite designs and technologies. We may experience difficulties that could delay or prevent us from successfully selecting, developing, manufacturing or marketing new technologies, products or services, which could increase costs and divert our attention and resources from other projects. We cannot be sure that our efforts and expenditures will ultimately lead to the timely development of new offerings and technologies. In addition, defects may be found in our products after we begin deliveries that could degrade service quality, or result in the delay or loss of market acceptance. If we are unable to design, manufacture, integrate and market profitable new products and services for existing or emerging markets, it could materially harm our business, financial condition and results of operations, and impair the value of our common stock.

In addition, we believe that significant investments in next-generation broadband satellites and associated infrastructure will continue to be required as demand for broadband services and satellite systems with higher capacity and higher speed continues to grow. The development of these capital-intensive next-generation systems may require us to undertake debt financing and/or the issuance of additional equity, which could expose us to increased risks and impair the value of our common stock. In addition, if we are unable to effectively or profitably design, manufacture, integrate and market such next-generation technologies, it could materially harm our business, financial condition and results of operations, and impair the value of our common stock.

Because Our Products Are Complex and Are Deployed in Complex Environments, Our Products May Have Defects that We Discover Only After Full Deployment, which Could Seriously Harm Our Business

We produce highly complex products that incorporate leading-edge technology, including both hardware and software. Software typically contains defects or programming flaws that can unexpectedly interfere with expected operations. In addition, our products are complex and are designed to be deployed across complex networks, which in some cases may include over a million users. Because of the nature of these products, there is no assurance that our pre-shipment testing programs will be adequate to detect all defects. As a result, our customers may discover errors or

defects in our hardware or software, or our products may not operate as expected after they have been fully deployed. If we are unable to cure a product defect, we could experience damage to our reputation, reduced customer satisfaction, loss of existing customers and failure to attract new customers, failure to achieve market acceptance, cancellation of orders, loss of revenues, reduction in backlog and market share, increased service and warranty costs, diversion of development resources, legal actions by our customers, product returns or recalls, issuance of credit to customers and increased insurance costs. Further, due to the high volume nature of our fixed broadband business, defects of products used in this business could significantly increase these risks. Defects, integration issues or other performance problems in our products could also result in financial or other damages to our customers. Our customers could seek damages for related losses from us, which could seriously harm our business, financial condition and results of operations. A product liability claim brought against us, even if unsuccessful, would likely be time consuming and costly. The occurrence of any of these problems would seriously harm our business, financial condition and results of operations.

Our Reputation and Business Could Be Materially Harmed as a Result of Data Breaches, Data Theft, Unauthorized Access or Hacking

Our success depends, in part, on the secure and uninterrupted performance of our information technology systems. These systems may be subject to damage or interruption from, among other things, earthquakes, adverse weather conditions, other natural disasters, terrorist attacks, rogue employees, power loss, telecommunications failures and cybersecurity risks. An increasing number of companies have disclosed breaches of their security, some of which have involved sophisticated and highly targeted attacks on their computer networks. Because the techniques used to obtain unauthorized access, disable or degrade service, or sabotage systems, change frequently and often are not recognized until launched against a target, we may be unable to anticipate these techniques or to implement adequate preventative measures. Additionally, outside parties may attempt to induce employees or users to disclose sensitive or confidential information in order to gain access to data. If unauthorized parties gain access to our information technology systems, they may be able to misappropriate assets or sensitive information (such as personal information of our customers, business partners and employees), cause interruption in our operations, corrupt our data or computers, or otherwise damage our reputation and business. In such circumstances, we could be held liable to our customers or other parties, or be subject to regulatory or other actions for breaching privacy rules. In late fiscal year 2022, a cyberattack involving our KA-SAT network resulted in a partial interruption of consumer-oriented fixed broadband services provided through our KA-SAT satellite, affecting thousands of fixed broadband customers in Europe and North Africa. Based on our comprehensive investigation efforts to date, there is no evidence that any end-user data was accessed, nor is there any evidence that the KA-SAT satellite itself or its supporting satellite ground infrastructure was directly involved, impaired or compromised. Any compromise of our security could result in a loss of confidence in our security measures, and subject us to litigation, civil or criminal penalties, and negative publicity that could adversely affect our financial condition and results of operations. We could also suffer other negative consequences, including significant remediation costs, significant increased cybersecurity protection costs, loss of material revenues resulting from attacks on our satellites or technology, and the unauthorized use of proprietary information or the failure to retain or attract customers following an attack. Further, if we are unable to comply with the security standards established by banks and the payment card industry, we may be subject to fines, restrictions, and expulsion from card acceptance programs, which could adversely affect our operations.

A Significant Portion of Our Revenues Is Derived from a Few of Our Contracts

A small number of our contracts account for a significant percentage of our revenues. Our five largest contracts generated approximately 17% of our total revenues in fiscal year 2023. The failure of these customers or any of our key distributors to place additional orders or to maintain their contracts with us for any reason, including any downturn in their business or financial condition or our inability to renew our contracts with these customers or obtain new contracts when they expire, could materially harm our business and impair the value of our common stock.

Our Development Contracts May Be Difficult for Us to Comply with and May Expose Us to Third-Party Claims for Damages, and We May Experience Losses from Fixed-Price Contracts

We are often party to government and commercial contracts involving the development of new products. We derived approximately 16% of our total revenues for fiscal year 2023 from these development contracts. These contracts typically contain strict performance obligations and project milestones. We cannot assure you we will comply with these performance obligations or meet these project milestones in the future. If we are unable to comply with these performance obligations or meet these milestones, our customers may terminate these contracts and, under some circumstances, recover damages or other penalties from us. We are not currently, nor have we always been, in compliance with all outstanding performance obligations and project milestones in our contracts. We cannot assure you that the other parties to any such contract will not terminate the contract or seek damages from us. If other parties elect to terminate their contracts or seek damages from us, it could materially harm our business and impair the value of our common stock.

A substantial majority of revenues in our government systems and commercial networks segments are derived from contracts with fixed prices. These contracts carry the risk of potential cost overruns because we assume all of the cost burden. We assume greater financial risk on fixed-price contracts than on other types of contracts because if we do not

anticipate technical problems, estimate costs accurately or control costs during performance of a fixed-price contract, it may significantly reduce our net profit or cause a loss on the contract. In the past, we have experienced significant cost overruns and losses on fixed-price contracts. Because many of these contracts involve new technologies and applications and can last for years, unforeseen events, such as technological difficulties, fluctuations in the price of raw materials, a significant increase in or a sustained period of increased inflation, problems with our suppliers and cost overruns, can result in the contractual price becoming less favorable or even unprofitable to us over time (which, especially in the case of sharp increases in or significant sustained inflation, could happen quickly and have long-lasting impacts). Furthermore, if we do not meet contract deadlines or specifications, we may need to renegotiate contracts on less favorable terms, be forced to pay penalties or liquidated damages or suffer major losses if the customer exercises its right to terminate. We believe a high percentage of our contracts in our government systems and commercial networks segments will be at fixed prices in the future. Although we attempt to accurately estimate costs for fixed-price contracts, we cannot assure you our estimates will be adequate or that substantial losses on fixed-price contracts will not occur in the future. If we are unable to address any of the risks described above, it could materially harm our business, financial condition and results of operations, and impair the value of our common stock.

Our Reliance on a Limited Number of Third Parties to Manufacture and Supply Our Products and the Components Contained therein Exposes Us to Various Risks

We expect our internal manufacturing capacity to be limited to supporting new product development activities, building customized products that need to be manufactured in strict accordance with a customer's specifications or delivery schedules, and building proprietary, highly sensitive Viasat-designed products and components for use in our proprietary technology platform. Therefore, our internal manufacturing capacity has been, and is expected to continue to be, very limited and we intend to continue to rely on contract manufacturers to produce the majority of our products. In addition, some components, subassemblies and services necessary for the manufacture of our products are obtained from a sole source supplier or a limited group of suppliers.

Our reliance on contract manufacturers and on sole source suppliers or a limited group of suppliers involves several risks. We may not be able to obtain an adequate supply of required components, and our control over the price, timely delivery, reliability and quality of finished products may be reduced. The process of manufacturing our products and some of our components and subassemblies is extremely complex. We have in the past experienced and may in the future experience delays in the delivery of and quality problems with products and components and subassemblies from vendors. Some of the suppliers we rely upon have relatively limited financial and other resources. Significant events such as an outbreak of a pandemic such as the COVID-19 pandemic and its lingering effects, natural disasters or extreme weather events (including as a result of climate change), acts of terrorism or civil unrest, cyberattacks, labor market instability or global shortages of components or materials may cause temporary or long-term disruptions in our supply chain and distribution systems and/or delays in the delivery of inventory. If we are not able to obtain timely deliveries of components and subassemblies of acceptable quality or if we are otherwise required to seek alternative sources of supply or to substitute alternative technology, or to manufacture our finished products or components and subassemblies internally, our ability to satisfactorily and timely complete our customer obligations could be negatively impacted which could result in reduced sales, termination of contracts and damage to our reputation and relationships with our customers. This failure could also result in a customer terminating our contract for default. A default termination could expose us to liability and have a material adverse effect on our ability to compete for future contracts and orders. In addition, a delay in our ability to obtain components and equipment parts from our suppliers may affect our ability to meet our customers' needs and may have an adverse effect upon our profitability.

We Depend on a Limited Number of Key Employees Who Would Be Difficult to Replace

We depend on a limited number of key technical, marketing and management personnel to manage and operate our business. In particular, we believe our success depends to a significant degree on our ability to attract and retain highly skilled personnel, including our Chairman of the Board and Chief Executive Officer (Mark Dankberg), our Vice Chairman (Richard Baldrige), and those highly skilled design, process and test engineers involved in the manufacture of existing products and the development of new products and processes. The competition for these types of personnel is intense, and the loss of key employees could materially harm our business and impair the value of our common stock. To the extent that the demand for qualified personnel exceeds supply, we could experience higher labor, recruiting or training costs to attract and retain such employees, or experience difficulties in performing under our contracts if our needs for such employees were unmet.

Because We Conduct Business Internationally, We Face Additional Risks, including Risks Related to Global Political and Economic Conditions, Changes in Regulation and Currency Fluctuations

Approximately 16% of our total revenues in fiscal year 2023 were derived from international sales. Following the completion of the Inmarsat Transaction and the commencement of commercial service on the ViaSat-3 EMEA and ViaSat-3 APAC satellites, we expect that a significantly greater percentage of our business and sales will be conducted internationally. Conducting business internationally involves additional risks, including unexpected changes in laws,

policies and regulatory requirements (including regulations related to import-export control); increased cost of localizing systems in foreign countries; increased sales and marketing and R&D expenses; availability of suitable export financing; timing and availability of export licenses; imposition of taxes, tariffs, embargoes, sanctions and other trade barriers; political and economic instability, wars, insurrections and other conflicts, such as the ongoing conflict between Russia and Ukraine; issues related to the political relationship between the United States and other countries; fluctuations in currency exchange rates (including their effect on sales denominated in foreign currencies), foreign exchange controls and restrictions on cash repatriation; compliance with international laws and U.S. laws affecting the activities of U.S. companies abroad, including existing and future privacy and cyber-related laws; challenges in staffing and managing foreign operations; difficulties in managing distributors; requirements for additional liquidity to fund our international operations; ineffective legal protection of our intellectual property rights in certain countries; potentially adverse tax consequences; potential difficulty in making adequate payment arrangements; and potential difficulty in collecting accounts receivable. In addition, some of our customer purchase agreements are governed by foreign laws, which may differ significantly from U.S. laws and we may be limited in our ability to enforce our rights under these agreements and to collect damages, if awarded. As a result of these and other risks, we may be unsuccessful in implementing our business plan for our business internationally, or we may not be able to achieve the revenues that we expect. If we are unable to address any of the risks described above, it could materially harm our business and impair the value of our common stock.

Due to the global nature of our operations, we are subject to the complex and varying tax laws and rules of many countries and have material tax-related contingent liabilities that are difficult to predict or quantify. We are also subject to tax audits, including with respect to transfer pricing, in the United States and other jurisdictions and our tax positions may be challenged by tax authorities. There can be no assurance that our current tax provisions will be settled for the amounts accrued, that additional tax exposures will not be identified in the future or that additional tax reserves will not be necessary for any such exposures. Any increase in the amount of taxation incurred as a result of challenges to our tax filing positions could result in a material adverse effect on our business, financial condition and results of operations.

Adverse Resolution of Litigation May Harm Our Operating Results or Financial Condition

We are a party to various lawsuits and claims in the normal course of our business. Moreover, significant transactions like the Inmarsat Transaction are frequently subject to litigation or other legal proceedings, including actions alleging that our board of directors breached their fiduciary duties to our stockholders by entering into the transaction. Litigation can be expensive, lengthy and disruptive to normal business operations, including through the possible diversion of company resources or distraction of key personnel. Moreover, the results of complex legal proceedings are difficult to predict. An unfavorable resolution of a particular lawsuit, as well as the costs and efforts of a defense even if successful, could have a material adverse effect on our business, financial condition and results of operations.

Future Sales of Our Common Stock Could Lower Our Stock Price and Dilute Existing Stockholders

From time to time, we raise capital from equity financings and file universal shelf registration statements with the SEC for the future sale of an unlimited amount of common stock, preferred stock, warrants, rights, and other securities. For example, during fiscal year 2017 we sold 7.5 million shares of our common stock in an underwritten public offering, and during fiscal year 2021 we sold 4.5 million shares of our common stock to certain accredited investors in a private placement transaction exempt from registration under the Securities Act of 1933, as amended.

We may also issue additional shares of common stock to finance future acquisitions. For example, we have agreed to issue 46.36 million unregistered shares of our common stock as consideration in the Inmarsat Transaction, and during fiscal year 2022 we issued 4.0 million shares of our common stock as consideration for the acquisition of RigNet. Additionally, a substantial number of shares of our common stock are available for future sale pursuant to stock options, warrants or issuance pursuant to our 1996 Equity Participation Plan of ViaSat, Inc. and the ViaSat, Inc. Employee Stock Purchase Plan. Future issuances of shares may be dilutive to existing stockholders. We cannot predict the size of future issuances of our common stock or the effect, if any, that future sales and issuances of shares of our common stock will have on the market price of our common stock. Sales of substantial amounts of our common stock (including shares issued upon the exercise of stock options and warrants or in connection with acquisition financing), or the perception that such sales could occur, may adversely affect prevailing market prices for our common stock.

We Expect Our Stock Price to Be Volatile, and You May Lose All or Some of Your Investment

The market price of our common stock has been volatile in the past. For example, between April 1, 2019 and March 31, 2023, the market price of our common stock ranged from \$97.31 to \$25.10 (the low price occurred during the fourth quarter of fiscal year 2020, during a period when the COVID-19 pandemic drove significant volatility and dislocation in the stock market generally). Trading prices may continue to fluctuate in response to a number of events and factors, including quarterly variations in operating results (or operating results falling below the expectations of analysts and investors), significant announcements by us or our competitors (including with respect to technological innovations, satellite construction and launch activities, acquisitions and other material transactions), regulatory developments, or changes in

market conditions in our industry or the economy as a whole. Any of these events may cause the market price of our common stock to fall. In addition, the stock market in general and the market prices for technology companies in particular have experienced significant volatility that often has been unrelated to the operating performance of these companies. These broad market and industry fluctuations may adversely affect the market price of our common stock, regardless of our operating performance.

We May Not Be Able to Utilize All of Our Deferred Tax Assets

We believe that we are likely to have sufficient taxable income in the future to fully realize our net deferred tax assets (consisting primarily of net operating loss and tax credit carryforwards, reserves and accruals that are not currently deductible for tax purposes). However, some or all of these deferred tax assets could expire unused if we are unable to generate sufficient taxable income in the future to take advantage of them or we enter into transactions that limit our right to use them. If it became more likely than not that deferred tax assets would expire unused, we would have to increase our valuation allowance against deferred tax assets to reflect this fact, which could materially increase our income tax expense, and adversely affect our results of operations and tangible net worth in the period in which it is recorded.

Moreover, our ability to utilize our net operating loss and tax credit carryforwards to offset future taxable income and reduce future cash tax liabilities would be negatively impacted if we were to experience an "ownership change," as defined in Section 382 of the Internal Revenue Code of 1986, as amended (the Code). In general terms, an "ownership change" can occur whenever the ownership of a company by one or more "5% shareholders" changes by more than 50 percentage points within a rolling three-year period. The determination of whether an ownership change has occurred for purposes of Section 382 of the Code is complex and requires significant judgment. Moreover, the number of shares of our common stock outstanding at any time for purposes of Section 382 of the Code may differ from the number of shares that we report as outstanding in our filings with the SEC. In the event that an ownership change occurs, our ability to utilize our net operating loss and tax credit carryforwards would be negatively impacted, which could have a material adverse effect on our business, financial condition and results of operations.

Provisions in Our Certificate of Incorporation and Bylaws, under Delaware Law and in Our Credit Facilities May Discourage, Delay or Prevent a Change in Control or Prevent an Acquisition of Our Business at a Premium Price

Some of the provisions of our certificate of incorporation, our bylaws and Delaware law could discourage, delay or prevent an acquisition of our business, even if a change in control of Viasat would be beneficial to the interests of our stockholders and was made at a premium price. These provisions permit the board of directors to increase its own size and fill the resulting vacancies, provide for a board comprised of three classes of directors with each serving a staggered three-year term, authorize the issuance of blank check preferred stock in one or more series, and prohibit stockholder action by written consent.

We are also subject to Section 203 of the Delaware General Corporation Law, which imposes restrictions on mergers and other business combinations between us and any holder of 15% or more of our common stock. In addition, under the Indentures, if certain "change of control" events occur, each holder of Notes may require us to repurchase all of such holder's Notes at a purchase price equal to 101% of the principal amount of such Notes. Additionally, our Credit Facilities provide for an event of default upon the occurrence of certain specified "change of control" events.

Risks Related to the Regulation of Our Business

We May Be Unable to Obtain or Maintain Required Authorizations or Contractual Arrangements

Various types of U.S. domestic and international authorizations and contractual arrangements are required in connection with the products and services that we provide. See "Regulatory Environment." Compliance with certain laws, regulations, conditions and other requirements, including the payment of fees, may be required to maintain the rights provided by such authorizations, including the rights to operate satellite networks at certain orbital slots in certain radio frequencies. Failure to comply with such requirements, or comply in a timely manner, could lead to the loss of such authorizations and could have a material adverse impact on our business, financial condition and results of operations.

We currently hold authorizations to, among other things, operate various satellite earth stations (including but not limited to user terminals, facilities that interconnect with the internet backbone, and network hubs) and operate satellite space stations and/or use those space stations to provide service to certain jurisdictions. Such authorizations are conditioned upon meeting certain milestone conditions and/or due diligence requirements, which if not met or extended could result in loss of the authorization. While we anticipate that these authorizations will be extended or renewed in the ordinary course to the extent that they otherwise would expire, or replaced by authorizations covering more advanced facilities, we can provide no assurance that this will be the case. Our inability to timely obtain or maintain such authorizations could delay or preclude our operation of such satellites or our provision of products and services that rely upon such satellites. Further, changes to the laws and regulations under which we operate could adversely affect our ability to obtain or maintain authorizations. Any of these circumstances could have a material adverse impact on our business, financial condition and results of operations.

The spacecraft we use in our business are subject to the regulatory authority of, and conditions imposed by, foreign governments, as well as contractual arrangements with third parties and the regulations and procedures of the ITU governing access to orbital and spectrum rights and the international coordination of satellite networks. The use of spacecraft in our business is subject to various conditions in the underlying authorizations held by us and third parties, as well as the requirements of the laws and regulations of those jurisdictions. Any failure to meet these types of requirements in a timely manner, maintain our contractual arrangements, obtain or maintain our authorizations, or manage potential conflicts with the orbital slot rights afforded to third parties, could lead to us losing our rights to operate from these orbital locations or may otherwise require us to modify or limit our operations from these locations, which could materially adversely affect our ability to operate a satellite at full capacity or at all, and could have a material adverse impact on our business, financial condition and results of operations.

Changes in the Regulatory Environment Could Have a Material Adverse Impact on Our Competitive Position, Growth and Financial Performance

Our business is highly regulated. We are subject to the regulatory authority of the jurisdictions in which we operate, including the United States and other jurisdictions around the world. Those authorities regulate, among other things, the launch and operation of satellites, the use of radio spectrum, the ability to operate satellites at specific orbital locations in space, the licensing of earth stations and other radio transmitters, the provision of communications services, privacy and data security, and the design, manufacture and marketing of communications systems and networking infrastructure. The space stations and ground network we use to provide our broadband services operate using some spectrum that is regulated for use on a primary basis for certain types of the satellite services we provide, some spectrum that is regulated for use on a shared basis with terrestrial wireless services, and some spectrum that is regulated primarily for terrestrial wireless and other uses but that we are authorized to use on a secondary or non-interference basis. Moreover, spectrum availability varies from country to country, and even within countries, within our service areas.

Laws and regulations affecting our business are subject to change in response to industry developments, new technology, and political considerations, among other things. Legislators and regulatory authorities in various countries are considering, and may in the future adopt, new laws, policies and regulations, as well as changes to existing regulations. We cannot predict when or whether applicable laws or regulations may come into effect or change, or what the cost and time necessary to comply with such new or updated laws or regulations may be. For example, cybersecurity and data privacy security and protection laws and regulations are evolving and present increasing compliance challenges, which may increase our costs, affect our competitiveness, cause reputational harm and expose us to substantial fines or other penalties.

Changes in laws or regulations, including changes in the way spectrum is regulated and/or in regulations governing our products and services, changes in the way spectrum is made available to us, or is allowed to be used by others, or competing uses of spectrum or orbital locations, could, directly or indirectly, affect our operations or the operations of our distribution partners, increase the cost of providing our products and services and make our products and services less competitive. Some regulators are considering new or additional terrestrial services in the spectrum in which we operate, which may not be compatible with the way we use, or plan to use, that same spectrum. In certain instances, such changes could have a material adverse effect on our business, financial condition and results of operations.

Among other things, changes to laws and regulations could materially harm our business by (1) affecting our ability to obtain or retain required governmental authorizations, (2) restricting our ability to provide certain products or services, (3) restricting development efforts by us and our customers, (4) making our current products and services less attractive or obsolete, (5) increasing our operational costs, or (6) making it easier or less expensive for our competitors to compete with us. Failure to comply with applicable laws or regulations could result in the imposition of financial penalties against us, the adverse modification or cancellation of required authorizations, or other material adverse actions. Any such matters could materially harm our business and impair the value of our common stock.

Risks Associated with Environmental, Social and Governance Matters, Including Global Climate Change, and Legal, Regulatory or Market Responses to These Matters Could Harm Our Reputation and Business

Increasing shareholder environmental, social and governance (ESG) expectations, physical and transition risks associated with climate change, emerging ESG regulation, contractual requirements and policy requirements present short, medium and long-term risks to our business and financial condition. Changes in environmental and climate change laws or regulations could lead to additional operational restrictions and compliance requirements upon us. For example, in our government systems segment, changes in government procurement laws that mandate or include climate change considerations, such as the contractor's greenhouse gas (GHG) emissions, lower emission products or other climate risks, in evaluating bids could result in costly changes to our operations or affect our competitiveness on future bids. In addition, in our commercial networks segment, increased awareness and adverse publicity in the global marketplace about the GHGs emitted by companies in the airline and transportation industries could adversely impact our business. If consumers reduce their use of air travel in response to new environmental regulations or changes in public perception

about the impact of air travel on climate change, consumers may reduce their usage of our services, which may have a material negative effect on the demand for our products and services.

Compliance with current and future environmental laws and regulations may require significant operating and capital costs. Environmental laws and regulations may institute substantial fines and criminal sanctions to address violations and may require the installation of costly pollution control equipment or operational changes to limit emissions or discharges. Our suppliers may face similar business interruptions and incur additional costs that may be passed on to us. In addition, customers, shareholders and institutional investors continue to increase their focus on ESG, including our environmental sustainability practices and commitments with respect to our business and operations. If our responses to new or evolving legal and regulatory requirements or other sustainability concerns are unsuccessful or perceived as inadequate for the U.S. or our international markets, we also may suffer damage to our reputation, which could have a material adverse impact on our business, financial condition and results of operations.

Our International Sales and Operations Are Subject to Applicable Laws Relating to Trade, Sanctions, Export Controls and Foreign Corrupt Practices, the Violation of Which Could Have a Material Adverse Impact on our Business

We must comply with all applicable export control laws and regulations of the United States and other countries. U.S. export and control laws and regulations applicable to us include the Arms Export Control Act, the International Traffic in Arms Regulations (ITAR), the Export Control Reform Act of 2018 (ECRA) and the Export Administration Regulations (EAR). The export of certain satellite hardware, software services and technical data relating to satellites is regulated by the U.S. Department of State under ITAR. Certain satellites and other items are controlled for export by the U.S. Department of Commerce under the EAR. In addition, we must comply with trade and economic sanctions laws and regulations, including those administered by the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC). We cannot provide certain products and services to certain countries or persons subject to U.S. trade sanctions unless we first obtain the necessary authorizations from OFAC. We are also subject to the Foreign Corrupt Practices Act and the UK Bribery Act, which generally bar bribes to foreign governments or officials. Although we have in place policies for our respective employees, directors and officers, and we have clauses in our contracts with our distribution partners, resellers and other intermediaries, we cannot be certain that any such activities are not undertaken, and cannot guarantee that our policies and contracts will prevent situations occurring, including actions by distribution partners, resellers and other intermediaries, for which we may be held responsible. Non-compliance with any applicable trade control, sanctions, export control or anti-corruption laws or other legal requirements may result in criminal and/or civil penalties, disgorgement and/or other sanctions and remedial measures, and may result in unexpected legal or compliance costs. Violations of any of these laws or regulations could also result in more onerous compliance requirements, more extensive debarments from export privileges or loss of authorizations needed to conduct aspects of our business, and could materially adversely affect our business, financial condition and results of operations. Moreover, any investigation of alleged violations of any such laws could have a material adverse impact on our reputation, business, financial condition and results of operations.

Our Business Could Be Adversely Affected by a Negative Audit by the U.S. Government

As a government contractor, we are routinely subject to audit and review by the DCMA, the DCAA and other U.S. Government agencies of our performance on government contracts, indirect rates and pricing practices, accounting and management internal control business systems, and compliance with applicable contracting and procurement laws, regulations and standards. Audits and reviews have become more rigorous and the standards to which we are held are being more strictly interpreted, increasing the likelihood of an audit or review resulting in an adverse outcome. Increases in congressional scrutiny and investigations into business practices and major programs supported by contractors may lead to increased legal costs and may harm our reputation and profitability if we are among the targeted companies.

An adverse outcome to a review or audit or other failure to comply with applicable contracting and procurement laws, regulations and standards could result in material civil and criminal penalties and administrative sanctions being imposed on us, which may include termination of contracts, forfeiture of profits, triggering of price reduction clauses, suspension of payments, significant customer refunds, fines and suspension, or a prohibition on doing business with U.S. Government agencies. In addition, if we fail to obtain an "adequate" determination of our various accounting and management internal control business systems from applicable U.S. Government agencies or if allegations of impropriety are made against us, we could suffer serious harm to our business or our reputation, including our ability to bid on new contracts or receive contract renewals and our competitive position in the bidding process. Any of these outcomes could have a material adverse effect on our business, financial condition and results of operations.

Risks Related to Intellectual Property

Our Ability to Protect Our Proprietary Technology Is Limited

Our success depends on our ability to protect our proprietary rights to the technologies we use in our products and services. We generally rely on a combination of patents, copyrights, trademarks and trade secret laws and contractual

rights to protect our proprietary rights. We also enter into confidentiality agreements with our employees, consultants and corporate partners, and control access to and distribution of our proprietary information. Despite our efforts, unauthorized parties may attempt to copy or obtain and use our proprietary information. If we are unable to protect our proprietary rights adequately, our competitors could use the intellectual property we have developed to enhance their own products and services, which could materially harm our business and impair the value of our common stock. Monitoring and preventing unauthorized use of our technology is difficult. From time to time, we undertake actions to prevent unauthorized use of our technology, including sending cease and desist letters. In addition, we may be required to commence litigation to protect our intellectual property rights or to determine the validity and scope of the proprietary rights of others. For example, in February 2012 we successfully sued Space Systems/Loral, Inc. and its former parent company Loral Space & Communications, Inc. for patent infringement and breach of contract relating to the manufacture of ViaSat-1. If we are unsuccessful in any such litigation in the future, our rights to enforce such intellectual property may be impaired or we could lose our rights to such intellectual property. We do not know whether the steps we have taken will prevent unauthorized use of our technology, including in foreign countries where the laws may not protect our proprietary rights as extensively as in the United States. If we are unable to protect our proprietary rights, we may find ourselves at a competitive disadvantage to others who need not incur the substantial expense, time and effort required to create the innovative products. Also, we have delivered technical data and information to the U.S. Government under procurement contracts, and the U.S. Government may have unlimited rights to use that technical data and information. There can be no assurance that the U.S. Government will not authorize others to use that data and information to compete with us.

Our Involvement in Litigation Relating to Intellectual Property Claims May Have a Material Adverse Effect on Our Business

We may be party to intellectual property infringement, invalidity, right to use or ownership claims by third parties or claims for indemnification resulting from infringement claims. Regardless of the merit of these claims, intellectual property litigation can be time consuming and costly and may result in the diversion of the attention of technical and management personnel. An adverse result in any litigation could have a material adverse effect on our business, financial condition and results of operations. Asserted claims or initiated litigation can include claims against us or our manufacturers, suppliers or customers alleging infringement of their proprietary rights with respect to our existing or future products, or components of those products. If our products are found to infringe or violate the intellectual property rights of third parties, we may be forced to (1) seek licenses or royalty arrangements from such third parties, (2) stop selling, incorporating or using products that included the challenged intellectual property, or (3) incur substantial costs to redesign those products that use the technology. We cannot assure you that we would be able to obtain any such licenses or royalty arrangements on reasonable terms or at all or to develop redesigned products or, if these redesigned products were developed, they would perform as required or be accepted in the applicable markets.

We Rely on the Availability of Third-Party Licenses

Many of our products are designed to include software or other intellectual property licensed from third parties. It may be necessary in the future to seek or renew licenses relating to various elements of the technology used to develop these products. We cannot assure you that our existing or future third-party licenses will be available to us on commercially reasonable terms, if at all. Our inability to maintain or obtain any third-party license required to sell or develop our products and product enhancements could require us to obtain substitute technology of lower quality or performance standards, or at greater cost.

Risks Related to Our Indebtedness

Our Level of Indebtedness May Adversely Affect Our Ability to Operate Our Business, Remain in Compliance with Debt Covenants, React to Changes in Our Business or the Industry in which We Operate, or Prevent Us from Making Payments on Our Indebtedness

We have a significant amount of indebtedness. As of March 31, 2023, the aggregate principal amount of our total outstanding indebtedness was \$2.5 billion, which was comprised of \$700.0 million in principal amount of 5.625% Senior Notes due 2025 (the 2025 Notes), \$600.0 million in principal amount of 5.625% Senior Secured Notes due 2027 (the 2027 Notes), \$400.0 million in principal amount of 6.500% Senior Notes due 2028 (the 2028 Notes), \$694.8 million in principal amount of outstanding borrowings under the Term Loan Facility, no outstanding borrowings under the Revolving Credit Facility, \$59.0 million in principal amount of outstanding borrowings under the Ex-Im Credit Facility and \$36.4 million of finance lease obligations. As of March 31, 2023, we had undrawn availability of \$657.4 million under our Revolving Credit Facility.

Our high level of indebtedness could have important consequences. For example, it could:

- make it more difficult for us to satisfy our debt obligations;
- increase our vulnerability to general adverse economic and industry conditions;

- impair our ability to obtain additional debt or equity financing in the future for working capital, capital expenditures, product development, satellite construction, acquisitions or general corporate or other purposes, or to refinance existing debt on commercially reasonable terms (or at all);
- require us to dedicate a material portion of our cash flows to the payment of principal and interest on our indebtedness, thereby reducing the availability of our cash flows to fund working capital needs, capital expenditures, product development, satellite construction, acquisitions and other general corporate purposes;
- expose us to variable interest rate risk with respect to borrowings under our Term Loan Facility and Revolving Credit Facility;
- limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate;
- place us at a disadvantage compared to our competitors that have less indebtedness; and
- limit our ability to adjust to changing market conditions.

Any of these risks could materially impact our ability to fund our operations or limit our ability to expand our business, which could have a material adverse effect on our business, financial condition and results of operations.

We may also incur significant additional indebtedness in the future, which may include financing relating to future satellites, potential acquisitions, joint ventures and strategic alliances, working capital, capital expenditures or general corporate purposes. For example, we obtained financing commitments for an additional \$1.6 billion of new debt facilities in connection with the Inmarsat Transaction. We also plan to assume \$2.1 billion in principal amount of Inmarsat senior secured bonds and the outstanding indebtedness under Inmarsat's \$2.4 billion senior secured credit facilities. If our level of indebtedness increases significantly, the related risks that we now face would intensify.

We May Not Be Able to Generate Sufficient Cash to Service All of Our Indebtedness and Fund Our Working Capital and Capital Expenditures or Refinance Our Indebtedness, and May Be Forced to Take Other Actions to Satisfy Our Obligations under Our Indebtedness, which May Not Be Successful

Our ability to make scheduled payments on or to refinance our indebtedness will depend upon our future operating performance and on our ability to generate cash flow in the future, which is subject to economic, financial, business, competitive, legislative, regulatory and other factors beyond our control. We cannot assure you that our business will generate sufficient cash flow from operations, or that future borrowings, including under our Revolving Credit Facility, will be sufficient to enable us to pay our indebtedness, or to fund our other liquidity needs. In the event of satellite failure or loss, amounts recovered under satellite insurance policies may be insufficient to adequately service our debt obligations. In addition, borrowings under our Term Loan Facility and Revolving Credit Facility are subject to variable rates of interest and expose us to interest rate risk, and therefore high prevailing interest rates may adversely impact our levels of interest expense. Moreover, there can be no assurance that we will be able to refinance our debt obligations on commercially reasonable terms, or at all.

If our cash flows and capital resources are insufficient to fund our debt service obligations, we could face substantial liquidity problems and could be forced to reduce or delay investment and capital expenditures or to dispose of material assets or operations, seek additional debt or equity capital or restructure or refinance our indebtedness. We may not be able to effect any such alternative measures, if necessary, on commercially reasonable terms or at all and, even if successful, such alternative actions may not allow us to meet our scheduled debt service obligations. Our Credit Facilities and the Indentures restrict our ability to dispose of assets and use the proceeds from the disposition, and may also restrict our ability to raise debt or equity capital to repay or service our indebtedness.

If we cannot make scheduled payments on our debt, we will be in default and, as a result, the lenders under our Credit Facilities and the holders of the Notes could declare all outstanding principal and interest to be due and payable, the lenders under our Credit Facilities could terminate their commitments to loan money and foreclose against the assets securing the borrowings under our Credit Facilities, and we could be forced into bankruptcy or liquidation, which could result in you losing your investment in our company.

Covenants in Our Debt Agreements Could Limit Our Ability to Implement Our Business Plan

The Credit Facilities and the Indentures contain covenants that may restrict our ability to implement our business plan, borrow under our Credit Facilities or secure additional financing, respond to changing conditions, and engage in opportunistic transactions. The Credit Facilities and the Indentures include covenants restricting, among other things, our ability to incur indebtedness, issue redeemable or preferred stock, incur liens, sell or dispose of assets (including capital stock of subsidiaries), make loans and investments, pay dividends, enter into affiliate transactions, reduce our satellite insurance and consolidate or merge with or into, or sell substantially all of our assets to, another person.

In addition, our Credit Facilities require us to comply with certain financial covenants, including a maximum total leverage ratio and minimum interest coverage ratio. Our Term Loan Facility, Revolving Credit Facility and the 2027 Notes

are equally and ratably secured by first-priority liens on substantially all of the assets of our company, including the stock of our significant subsidiaries, and the assets of any future subsidiary guarantors. Our Ex-Im Credit Facility is guaranteed by Viasat and is secured by first-priority liens on the ViaSat-2 satellite and related assets, as well as the stock of our foreign subsidiary that owns the ViaSat-2 satellite.

If we default under our Credit Facilities or the Indentures, all outstanding amounts thereunder could become immediately due and payable. In the past we violated covenants in our former revolving credit facilities and received waivers for these violations. We cannot assure you that we will be able to comply with covenants or that any covenant violations will be waived in the future. Any violation that is not waived could result in an event of default, permitting our lenders to declare outstanding indebtedness and interest thereon due and payable, and permitting the lenders under our Credit Facilities to suspend commitments to make any advance or, with respect to the Revolving Credit Facility, require any outstanding letters of credit to be collateralized by an interest bearing cash account, any or all of which could have a material adverse effect on our business, financial condition and results of operations. In addition, if we fail to comply with our financial or other covenants under our Credit Facilities or the Indentures, we may need additional financing to service or extinguish our indebtedness. We may not be able to obtain financing or refinancing on terms acceptable to us, if at all. We cannot assure you that we would have sufficient funds to repay all the outstanding amounts under our Credit Facilities or the Indentures, and any acceleration of amounts due would have a material adverse effect on our liquidity and financial condition.

Additional Risks Related to the Inmarsat Transaction

The Inmarsat Transaction is Subject to Closing Conditions and May Not Be Completed, the Purchase Agreement May Be Terminated in Accordance with its Terms, and We May Be Required to Pay a Termination Fee Upon Termination

The Inmarsat Transaction is subject to customary closing conditions that must be satisfied or waived prior to the completion of the Inmarsat Transaction, including receipt of regulatory approvals and clearances. Many of the closing conditions are not within our control. No assurance can be given that the required regulatory approvals and clearances will be obtained or that the required conditions to closing will be satisfied in a timely manner or at all. Any delay in completing the Inmarsat Transaction could cause the combined company not to realize, or to be delayed in realizing, some or all of the benefits that we expect to achieve if the Inmarsat Transaction is successfully completed within its expected time frame.

Additionally, either we or certain Sellers may terminate the Purchase Agreement under certain circumstances, including, among other reasons, if the Inmarsat Transaction is not completed by May 30, 2023 (subject to extension under certain circumstances). In addition, if the Purchase Agreement is terminated under specified circumstances, we may be obligated to pay a termination fee of either \$150.0 million or \$200.0 million or to reimburse certain out-of-pocket expenses of certain Sellers up to \$40.0 million.

Moreover, if the Inmarsat Transaction is not completed for any reason, including because required regulatory approvals and clearances are not obtained, our ongoing businesses may be adversely affected and, without realizing any of the expected benefits of having completed the Inmarsat Transaction, we would be subject to a number of risks, including the following:

- we may experience negative reactions from the financial markets, including negative impacts on our stock price;
- we may experience negative reactions from our customers, suppliers, distributors and employees;
- we will be required to pay our costs relating to the Inmarsat Transaction, such as financial advisory, legal, financing and accounting costs and associated fees and expenses, whether or not the Inmarsat Transaction is completed;
- the Purchase Agreement places certain restrictions on the conduct of our business prior to completion of the Inmarsat Transaction and such restrictions, the waiver of which are subject to the consent of certain of the Sellers, may have prevented us from taking actions during the pendency of the Inmarsat Transaction that would have been beneficial; and
- matters relating to the Inmarsat Transaction will require substantial commitments of time and resources by management, which could otherwise have been devoted to day-to-day operations or to other opportunities that may have been beneficial to us as an independent company.

We Must Obtain Certain Regulatory Approvals and Clearances to Consummate the Inmarsat Transaction, Which, If Delayed, Not Granted or Granted with Burdensome or Unacceptable Conditions, Could Prevent, Substantially Delay or Impair Consummation of the Inmarsat Transaction, Result in Additional Expenditures of Money and Resources or Reduce the Anticipated Benefits of the Inmarsat Transaction

The completion of the Inmarsat Transaction is subject to customary closing conditions, including receipt of regulatory approvals and clearances in various jurisdictions. Governmental and regulatory authorities in various jurisdictions may impose conditions on approvals and clearances as they deem necessary or desirable, including, but not limited to, seeking divestiture of substantial assets of the parties or requiring the parties to license, or hold separate, assets or to not engage in certain types of conduct, or seeking to enjoin the completion of the Inmarsat Transaction.

Any conditions imposed in connection with regulatory approvals or clearances could jeopardize or delay the completion of the Inmarsat Transaction, have a material adverse effect on the combined company or reduce the anticipated benefits of the Inmarsat Transaction. There is no assurance that we and Inmarsat will obtain all required regulatory clearances or approvals on a timely or acceptable basis, or at all. Failure to obtain the necessary clearances and approvals in any relevant jurisdictions could substantially delay or prevent the consummation of the Inmarsat Transaction, which could have a material adverse effect on us. Additionally, we may be required to pay a termination fee of up to \$200.0 million if either we or certain Sellers terminate the Purchase Agreement due to the Inmarsat Transaction not being completed by the long-stop date and at the time of termination the regulatory conditions have not been satisfied.

While the Inmarsat Transaction is Pending, We Are Prohibited From Entering into Certain Transactions and Taking Certain Actions that Might Otherwise be Beneficial to Us and Our Stockholders

During the period between the date of the Purchase Agreement and completion of the Inmarsat Transaction, the Purchase Agreement restricts us from taking specified actions or from pursuing what might otherwise be attractive business opportunities or making other changes to our business, in each case without the consent of certain of the Sellers. These restrictions may prevent us from taking actions during the pendency of the Inmarsat Transaction that would have been beneficial.

The Inmarsat Transaction Will Involve Substantial Costs

We have incurred and expect to incur non-recurring costs associated with the Inmarsat Transaction and combining the operations of the two companies, as well as transaction fees and other costs related to the Inmarsat Transaction. Although a significant portion of these costs is contingent upon the closing of the Inmarsat Transaction occurring, some have been and will be incurred regardless of whether the Inmarsat Transaction is consummated. In addition, the combined company will also incur significant restructuring and integration costs in connection with the Inmarsat Transaction. While we have assumed a certain level of expenses would be incurred to integrate the two companies and achieve synergies and efficiencies and we continue to assess the magnitude of these costs, many of these expenses are, by their nature, difficult to estimate accurately and there are many factors beyond our control that could affect the total amount or timing of these costs. Although we expect that the elimination of duplicative costs, as well as the realization of strategic benefits, additional income, synergies and other efficiencies, should allow the combined company to offset integration-related costs over time, this net benefit may not be achieved in the near term, or at all.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

Our worldwide headquarters are located at our Carlsbad, California campus. In addition to our Carlsbad campus, we have facilities, offices or earth stations located across the United States including our Tempe, Arizona facility, and across the globe. Although we believe that our existing facilities are suitable and adequate for our present purposes, we anticipate operating additional regional sales offices in fiscal year 2024 and beyond. Each of our segments uses each of these facilities.

ITEM 3. LEGAL PROCEEDINGS

Periodically, we are involved in a variety of claims, suits, investigations and proceedings arising in the ordinary course of business, including government investigations and claims, and other claims and proceedings with respect to intellectual property, breach of contract, labor and employment, tax and other matters. Such matters could result in fines; penalties, compensatory, treble or other damages; or non-monetary relief. A violation of government contract laws and regulations could also result in the termination of our government contracts or debarment from bidding on future government contracts. Although claims, suits, investigations and proceedings are inherently uncertain and their results cannot be predicted with certainty, we believe that the resolution of our current pending matters will not have a material adverse effect on our business, financial condition, results of operations or liquidity. Regardless of the outcome, litigation can have an adverse impact on us because of defense costs, diversion of management resources and other factors. In addition, it is possible that an unfavorable resolution of one or more such proceedings could in the future materially and adversely affect our business, financial condition, results of operations or liquidity in a particular period. For further information on the risks we face from existing and future claims, suits, investigations and proceedings, see "Risk Factors" in Part I, Item 1A of this report.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Our common stock is traded on the Nasdaq Global Select Market under the symbol "VSAT." As of May 5, 2023, there were approximately 391 holders of record of our common stock. A substantially greater number of holders of Viasat common stock are "street name" or beneficial holders, whose shares are held of record by banks, brokers and other financial institutions.

Dividend Policy

To date, we have neither declared nor paid any dividends on our common stock. We currently intend to retain all future earnings, if any, for use in the operation and development of our business and, therefore, do not expect to declare or pay any cash dividends on our common stock in the foreseeable future. Any future determination to pay cash dividends will be at the discretion of the Board of Directors and will be dependent upon our financial condition, results of operations, capital requirements, general business condition and such other factors as the Board of Directors may deem relevant. In addition, as more fully described in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Item 7, the existing terms of our Credit Facilities and the Indentures restrict our ability to declare or pay dividends on our common stock.

ITEM 6. [RESERVED]

Company Overview

We are an innovator in communications technologies and services, focused on making connectivity accessible, available and secure for all. Our end-to-end platform of high-capacity Ka-band satellites, ground infrastructure and user terminals enables us to provide cost-effective, high-speed, high-quality broadband solutions to enterprises, consumers, military and government users around the globe, whether on the ground, in the air or at sea. In addition, our government business includes a portfolio of communications gateways, situational awareness products and services, Ka-band, Ku-band and UHF satellite communication products and services, cybersecurity and information assurance products and services and tactical data link solutions. We believe that our diversification strategy—anchored in a broad portfolio of customer-centric products and services—our vertical integration approach and our ability to effectively cross-deploy technologies between government and commercial applications and segments as well as across different geographic markets, provide us with a strong foundation to sustain and enhance our leadership in advanced communications and networking technologies. We conduct our business through three segments: satellite services, commercial networks and government systems.

Satellite Services

Our satellite services segment uses our proprietary technology platform to provide satellite-based high-speed broadband services around the globe for use in commercial applications. Our proprietary Ka-band satellites are at the core of our technology platform. The primary services offered by our satellite services segment are comprised of:

- Fixed broadband services, which provide consumers and businesses with high-speed, high-quality broadband internet access and VoIP services, primarily in the United States as well as in various countries in Europe and Latin America.
- In-flight services, which provide industry-leading IFC, wireless in-flight entertainment and aviation software services.
- Prepaid Internet services, which offer innovative, affordable, satellite-based connectivity in communities that have little or no access to the internet. These services help foster digital inclusion by enabling millions of people to connect to affordable, high-quality internet services via a centralized terminal connected to the internet via satellite, that is then used to provide community hotspots, home broadband and mobile broadband. We provide Prepaid Internet services in multiple regions in Mexico and Brazil and are trialing services in advance of full-service launch in various other countries in South America and Central America.
- Other mobile broadband services, which include high-speed, satellite-based internet services to seagoing vessels (such as energy offshore vessels, cruise ships, consumer ferries and yachts), as well as L-band managed services enabling real-time machine-to-machine (M2M) position tracking, management of remote assets and operations, and visibility into critical areas of the supply chain.
- Energy services, which include ultra-secure solutions spanning global IP connectivity, bandwidth-optimized over-the-top applications, industrial internet-of-things, big data enablement and industry-leading machine learning analytics.

The assets and results of operations of EBI and RigNet are primarily included in our satellite services segment (with insignificant amounts included in our commercial networks segment).

Commercial Networks

Our commercial networks segment develops and sells a wide array of advanced satellite and wireless products, antenna systems and network and terminal solutions that support or enable the provision of high-speed fixed and mobile broadband services. We design, develop and produce space system solutions for multiple orbital regimes, including GEO, MEO and LEO. The primary products, systems, solutions and services offered by our commercial networks segment are comprised of:

- Mobile broadband satellite communication systems, designed for use in aircraft, land-mobile and seagoing vessels.
- Fixed broadband satellite communication systems, including next-generation satellite network infrastructure, ground terminals and design and implementation for customer telecommunication systems.
- Antenna systems, including state-of-the-art ground and airborne terminals, antennas and gateways for terrestrial and satellite customer applications, mobile satellite communication, Ka-band earth stations and other multi-band/multi-function antennas.

- Space systems design and satellite networking development, including the design and development of the architecture of high-capacity Ka-band geosynchronous satellites and associated payload technologies (both for our own satellite fleet as well as for third parties) and special purpose LEO and MEO satellites and other small satellite platforms, as well as semiconductor design for ASIC and MMIC chips. Satellite networking development includes specialized design and technology services covering all aspects of satellite communication system architecture, networks and technology.

Government Systems

Our government systems segment offers a broad array of products and services, including:

- Government mobile broadband products and services, which provide military and government users with high-speed, real-time, broadband and multimedia connectivity in key regions of the world, as well as line-of-sight and beyond-line-of-sight ISR missions.
- Government satellite communication systems, which offer an array of portable, mobile and fixed broadband modems, terminals, network access control systems and antenna systems, and include products designed for manpacks, aircraft, UAVs, seagoing vessels, ground-mobile vehicles, space-based systems and fixed applications.
- Secure networking, cybersecurity and information assurance products and services, which provide advanced, high-speed IP-based "Type 1" and HA/PE-compliant encryption solutions that enable military and government users to communicate information securely, and that protect the integrity of data stored on computers and storage devices.
- Tactical data link solutions, which continue to provide certain solutions in the tactical data link space, including our MOJO tactical gateway family of products and simulation environments via our radio frequency generators which test our customers' tactical data links. On January 3, 2023 we sold the remainder of our Link-16 TDL Business to L3Harris. See Note 4 — Discontinued Operations to our consolidated financial statements for additional information.

Factors and Trends Affecting our Results of Operations

We believe that the performance of our business and our results of operations in a given period are driven by various factors, including:

- the timing and impact of acquisitions and divestitures, such as the pending Inmarsat Transaction and recently completed Link-16 TDL Sale, as well as the payment of transaction consideration and the incurrence of transaction-related or integration costs and any incurrence or repayment of indebtedness in connection therewith (see the discussion below under "Inmarsat Acquisition");
- the extent and stage of our satellite design, construction and launch activities, the associated level of investment required, the impact of any construction or launch delays or operational or launch failures, and the impact of bringing newly launched satellites into commercial service and associated ramp-up activities and costs (see the discussion below under "Satellite-Related Activities");
- our ability to manage available bandwidth ahead of new satellites entering commercial service;
- our ability to maintain the health, capacity, control and level of service of our satellite fleet, or the existence or occurrence of any malfunctions or anomalies in or other disruptions to our satellites;
- changes in the levels of our R&D spending, including the effects of associated tax credits;
- seasonal effects related to the timing of contract awards, the timing and availability of U.S. Government funding, and the timing of product deliveries and customer acceptance in our government systems segment, as well as subscriber activity for our fixed broadband services related to traditional retail selling periods and increased demand for IFC services from airline passengers during peak holiday travel periods in our satellite services segment;
- the rate of growth in worldwide demand for mobile and fixed broadband connectivity, including growth in number internet users, applications and connected devices;
- the rate of technological innovation and change in the industries in which we operate, and the introduction of new competing technologies, products and services by new and existing competitors;
- the marketing and pricing strategies of our competitors with respect to competing technologies, products and services;

- our ability to implement (on a timely basis) our technology roadmap and the associated investments and costs, as well as market acceptance and the timing of availability of our new products and services;
- the timing, quantity and mix of products and services sold in each of our segments;
- the uptake of our in-flight services by commercial airlines and number of aircraft retrofitted or installed with our IFC systems, and the rate of revenue growth in our IFC-related businesses in our satellite services and commercial networks segments resulting from the normalization of or growth in global air traffic;
- varying subscriber addition, churn and average revenue per user (ARPU) rates for our fixed broadband businesses and mix of wholesale and retail subscribers;
- the complex and lengthy procurement process for most of our commercial networks and government systems customers and potential customers, the impact of a failure to receive an expected order or a deferral of an order to a later period, and the timing of or effect of delays in obtaining government product certifications;
- the difficulty in estimating costs over the life of a contract, which may require adjustment in future periods, and the impact of cost overruns (due to inflation or otherwise) on fixed-price development contracts;
- the timing of customer payments under significant contracts;
- our reliance on a few significant customers, particularly agencies of the U.S. Government, for a significant percentage of our revenues, as a result of which the loss or decline in business with any of these customers may negatively impact our revenue and collectability of related accounts receivable;
- our reliance on a global supply chain, including contract manufacturers and single-source or limited groups of suppliers; the impact of supply chain bottlenecks, and our ability to purchase component parts that are periodically subject to shortages resulting from surges in demand, natural disasters or other events;
- one-time charges to operating income arising from items such as costs and expenses, relating to acquisitions or divestitures, impairment of assets and write-offs of assets related to customer non-payments or obsolescence;
- changes in laws, regulations and interpretations affecting our business, including changes affecting spectrum availability or permitted uses;
- our ability to generate sufficient cash flows to repay our indebtedness; and
- the impact of public health crises, such as the COVID-19 pandemic, general economic and political conditions, and other trends that affect the industries in which we operate, and the return to normalization after associated disruptions, such as the timing of return to normalization of government acquisition processes and pre-pandemic global airline traffic levels following COVID-19-related disruptions.

See also “Business–Segments” in Part I, Item 1 of this report for a discussion of what we believe to be key drivers for future growth in each of our segments.

COVID-19

Although the COVID-19 pandemic impacted our financial results for fiscal years ended March 31, 2023, 2022 and 2021 (mostly due to the resulting disruption to regional and local supply chains, as well as its impact on overall supply and demand, global air travel, consumer confidence, discretionary spending levels and levels of economic activity), the impact was not material to our financial position, results of operations or cash flows in such periods. We continue to expect our diversified businesses to provide resiliency in fiscal year 2024.

Inmarsat Acquisition

On November 8, 2021, we entered into a Purchase Agreement with the Sellers to combine Viasat with Inmarsat. Pursuant to the Purchase Agreement, we will purchase all of the issued and outstanding shares of Inmarsat from the Sellers upon the terms and subject to the conditions set forth therein. The total consideration payable by us under the Purchase Agreement consists of \$850.0 million in cash, subject to adjustments (such as the dividend paid by Inmarsat in April 2022, see below), and approximately 46.36 million unregistered shares of our common stock. On April 6, 2022, Inmarsat paid a dividend of \$299.3 million to the Sellers, resulting in a \$299.3 million reduction in the cash consideration payable by us at the closing of the Inmarsat Transaction. Our board of directors has unanimously approved the Purchase Agreement and the proposed Inmarsat Transaction. Our stockholders approved the issuance of shares in the Inmarsat Transaction and an amendment to our certificate of incorporation to increase the number of shares of our common stock authorized for issuance at a special meeting held on June 21, 2022.

The closing of the Inmarsat Transaction is subject to customary closing conditions, including receipt of regulatory approvals and clearances. The Purchase Agreement contains certain termination rights for both us and certain of the Sellers and further provides that, upon termination of the Purchase Agreement under certain circumstances, we may be obligated to pay a termination fee of up to \$200.0 million or to reimburse certain out-of-pocket expenses of certain Sellers up to \$40.0 million.

We have obtained financing commitments for an additional \$1.6 billion of new debt facilities in connection with the Inmarsat Transaction (which may be secured and/or unsecured). We also plan to assume \$2.1 billion in principal amount of Inmarsat senior secured bonds and the outstanding indebtedness under Inmarsat's \$2.4 billion senior secured credit facilities.

We have incurred and expect to incur non-recurring costs associated with the Inmarsat Transaction and combining the operations of the two companies, as well as transaction fees and other costs (including financing costs) related to the Inmarsat Transaction, including (but not limited to) fees paid to investment banking, legal and accounting advisors, regulatory and public relations advisors, rating agency fees, filing fees, printing costs and other costs and expenses. Although a significant portion of these costs is contingent upon the closing of the Inmarsat Transaction occurring, some have been and will be incurred regardless of whether the Inmarsat Transaction is consummated. In addition, the combined company will also incur significant restructuring and integration costs in connection with the Inmarsat Transaction. Costs related to restructuring will be expensed as a cost of the ongoing results of operations of either us or the combined company. There are processes, policies, procedures, operations, technologies and systems that must be integrated in connection with the Inmarsat Transaction and the integration of Inmarsat's business. While we have assumed a certain level of expenses would be incurred to integrate the two companies and achieve synergies and efficiencies and we continue to assess the magnitude of these costs, many of these expenses are, by their nature, difficult to estimate accurately and there are many factors beyond our control that could affect the total amount or timing of these costs. Although we expect that the elimination of duplicative costs, as well as the realization of strategic benefits, additional income, synergies and other efficiencies, should allow the combined company to offset integration-related costs over time, this net benefit may not be achieved in the near term, or at all.

Other Transactions

On January 3, 2023, we completed the sale of our Link-16 TDL Business in our government systems segment to L3Harris in exchange for approximately \$1.96 billion in cash, subject to adjustments. Unless otherwise noted, discussion throughout this Item 7 relates to our continuing operations only and excludes the Link-16 TDL Business. See Note 4 — Discontinued Operations to our consolidated financial statements for additional information.

On April 30, 2021, we completed our acquisition of the remaining 51% interest in EBI, a satellite broadband internet service provider in EMEA, from Eutelsat. We paid approximately \$167.0 million in cash, net of what is currently estimated to be an immaterial amount of estimated purchase price consideration (net of approximately \$121.7 million of EBI's cash on hand, resulting in a cash outlay of approximately \$51.0 million).

On April 30, 2021, we completed our acquisition of RigNet, a leading provider of ultra-secure, intelligent networking solutions and specialized applications. In connection with the acquisition, we issued approximately 4.0 million shares of our common stock to RigNet former shareholders, paid down \$107.3 million of outstanding borrowings of RigNet's revolving credit facility, and retained approximately \$20.6 million of RigNet's cash on hand.

The assets and results of operations of EBI and RigNet are primarily included in our satellite services segment, with insignificant amounts included in our commercial networks segment.

Satellite-Related Activities

We expect to continue to invest in IR&D as we continue our focus on leadership and innovation in satellite and space technologies, including for the development of any new generation satellite designs and next-generation satellite network solutions. The level of our investment in a given fiscal year will depend on a variety of factors, including the stage of development of our satellite projects, new market opportunities and our overall operating performance.

As we continue to build and expand our global network and satellite fleet, from time to time we enter into satellite construction agreements for the construction and purchase of additional satellites and (depending on the satellite design) the integration of our payload and technologies into the satellites. See Note 13 — Commitments to our consolidated financial statements for information as of March 31, 2023 regarding our future minimum payments under our satellite construction contracts and other satellite-related purchase commitments (including satellite performance incentive obligations relating to the ViaSat-1 and ViaSat-2 satellites) for the next five fiscal years and thereafter. The total project cost to bring a new satellite into service will depend, among other things, on the scope and timing of the earth station infrastructure roll-out and the method used to procure fiber or other access to the earth station infrastructure. Our total cash funding of a satellite project may be reduced through third-party agreements, such as potential joint service offerings and other strategic partnering arrangements.

In connection with the launch of any new satellite and the commencement of commercial service on the satellite, we expect to incur additional operating costs that negatively impact our financial results. For example, when ViaSat-2 was placed in commercial service in the fourth quarter of fiscal year 2018, this resulted in additional operating costs in our satellite services segment during the ramp-up period prior to service launch and in the fiscal year following service launch. These increased operating costs included depreciation, amortization of capitalized software development, earth station connectivity, marketing and advertising costs, logistics, customer care and various support systems. In addition, interest expense increased during fiscal year 2019 as we no longer capitalized the interest expense relating to the debt incurred for the construction of ViaSat-2 and the related gateway and networking equipment once the satellite was in commercial service. As services using the new satellite scaled, however, our revenue base for broadband services expanded and we gained operating cost efficiencies, which together yielded incremental segment earnings contributions. We anticipate that we will incur a similar cycle of increased operating costs and constrained bandwidth supply as we prepare for and launch commercial services on future satellites, including our ViaSat-3 constellation, followed by increases in revenue base and in scale. However, there can be no assurance that we will be successful in significantly increasing revenues or achieving or maintaining operating profit in our satellite services segment, and any such gains may also be offset by investments in our global business. In addition, in fiscal year 2023 we experienced (and we may in the future experience) capacity constraints on our existing satellites in the lead-up to the commencement of commercial service on new satellites.

Sources of Revenues

Our satellite services segment revenues are primarily derived from our fixed broadband services, in-flight services and energy services (acquired through the RigNet acquisition).

Revenues in our commercial networks and government systems segments are primarily derived from three types of contracts: fixed-price contracts (which require us to provide products and services under a contract at a specified price), cost-reimbursement contracts (under which we are reimbursed for all actual costs incurred in performing the contract to the extent such costs are within the contract ceiling and allowable under the terms of the contract, plus a fee or profit), and time-and-materials contracts (which reimburse us for the number of labor hours expended at an established hourly rate negotiated in the contract, plus the cost of materials utilized in providing such products or services).

Historically, a significant portion of our revenues in our commercial networks and government systems segments has been derived from customer contracts that include the development of products. The development efforts are conducted in direct response to the customer's specific requirements and, accordingly, expenditures related to such efforts are included in cost of sales when incurred and the related funding (which includes a profit component) is included in revenues. See Note 1 — The Company and a Summary of Its Significant Accounting Policies to our consolidated financial statements for additional information.

To date, our ability to grow and maintain our revenues in our commercial networks and government systems segments has depended on our ability to identify and target markets where the customer places a high priority on the technology solution, and our ability to obtain additional sizable contract awards. Due to the nature of this process, it is difficult to predict the probability and timing of obtaining awards in these markets.

Critical Accounting Policies and Estimates

Management's Discussion and Analysis of Financial Condition and Results of Operations discusses our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. We consider the policies discussed below to be critical to an understanding of our financial statements because their application places the most significant demands on management's judgment, with financial reporting results relying on estimation about the effect of matters that are inherently uncertain. We describe the specific risks for these critical accounting policies in the following paragraphs. For all of these policies, we caution that future events rarely develop exactly as forecast, and even the best estimates routinely require adjustment.

Revenue recognition

We apply the five-step revenue recognition model under Accounting Standards Update (ASU) 2014-09, Revenue from Contracts with Customers (commonly referred to as ASC 606) to our contracts with our customers. Under this model, we (1) identify the contract with the customer, (2) identify our performance obligations in the contract, (3) determine the transaction price for the contract, (4) allocate the transaction price to our performance obligations and (5) recognize revenue when or as we satisfy our performance obligations. These performance obligations generally include the purchase of services (including broadband capacity and the leasing of broadband equipment), the purchase of products, and the development and delivery of complex equipment built to customer specifications under long-term contracts.

The timing of satisfaction of performance obligations may require judgment. We derive a substantial portion of our revenues from contracts with customers for services, primarily consisting of connectivity services. These contracts typically require advance or recurring monthly payments by the customer. Our obligation to provide connectivity services is satisfied over time as the customer simultaneously receives and consumes the benefits provided. The measure of progress over time is based upon either a period of time (e.g., over the estimated contractual term) or usage (e.g., bandwidth used/bytes of data processed). We evaluate whether broadband equipment provided to our customer as part of the delivery of connectivity services represents a lease in accordance with the authoritative guidance for leases (ASC 842). As discussed in Note 1 – The Company and a Summary of Its Significant Accounting Policies – Leases to our consolidated financial statements, for broadband equipment leased to fixed broadband customers in conjunction with the delivery of connectivity services, we account for the lease and non-lease components of connectivity services arrangement as a single performance obligation as the connectivity services represent the predominant component.

We also derive a portion of our revenues from contracts with customers to provide products. Performance obligations to provide products are satisfied at the point in time when control is transferred to the customer. These contracts typically require payment by the customer upon passage of control and determining the point at which control is transferred may require judgment. To identify the point at which control is transferred to the customer, we consider indicators that include, but are not limited to, whether (1) we have the present right to payment for the asset, (2) the customer has legal title to the asset, (3) physical possession of the asset has been transferred to the customer, (4) the customer has the significant risks and rewards of ownership of the asset, and (5) the customer has accepted the asset. For product revenues, control generally passes to the customer upon delivery of goods to the customer.

The vast majority of our revenues from long-term contracts to develop and deliver complex equipment built to customer specifications are derived from contracts with the U.S. Government (including foreign military sales contracted through the U.S. Government). Our contracts with the U.S. Government typically are subject to the Federal Acquisition Regulation (FAR) and are priced based on estimated or actual costs of producing goods or providing services. The FAR provides guidance on the types of costs that are allowable in establishing prices for goods and services provided under U.S. Government contracts. The pricing for non-U.S. Government contracts is based on the specific negotiations with each customer. Under the typical payment terms of our U.S. Government fixed-price contracts, the customer pays us either performance-based payments (PBPs) or progress payments. PBPs are interim payments based on quantifiable measures of performance or on the achievement of specified events or milestones. Progress payments are interim payments based on a percentage of the costs incurred as the work progresses. Because the customer can often retain a portion of the contract price until completion of the contract, our U.S. Government fixed-price contracts generally result in revenue recognized in excess of billings which we present as unbilled accounts receivable on the balance sheet. Amounts billed and due from our customers are classified as receivables on the balance sheet. The portion of the payments retained by the customer until final contract settlement is not considered a significant financing component because the intent is to protect the customer. For our U.S. Government cost-type contracts, the customer generally pays us for our actual costs incurred within a short period of time. For non-U.S. Government contracts, we typically receive interim payments as work progresses, although for some contracts, we may be entitled to receive an advance payment. We recognize a liability for these advance payments in excess of revenue recognized and present it as collections in excess of revenues and deferred revenues on the balance sheet. An advance payment is not typically considered a significant financing component because it is used to meet working capital demands that can be higher in the early stages of a contract and to protect us from the other party failing to adequately complete some or all of its obligations under the contract.

Performance obligations related to developing and delivering complex equipment built to customer specifications under long-term contracts are recognized over time as these performance obligations do not create assets with an alternative use to us and we have an enforceable right to payment for performance to date. To measure the transfer of control, revenue is recognized based on the extent of progress towards completion of the performance obligation. The selection of the method to measure progress towards completion requires judgment and is based on the nature of the products or services to be provided. We generally use the cost-to-cost measure of progress for our contracts because that best depicts the transfer of control to the customer which occurs as we incur costs on our contracts. Under the cost-to-cost measure of progress, the extent of progress towards completion is measured based on the ratio of costs incurred to date to the total estimated costs at completion of the performance obligation. Estimating the total costs at completion of a performance obligation requires management to make estimates related to items such as subcontractor performance, material costs and availability, labor costs and productivity and the costs of overhead. When estimates of total costs to be incurred on a contract exceed total estimates of revenue to be earned, a provision for the entire loss on the contract is recognized in the period the loss is determined. A one percent variance in our future cost estimates on open fixed-price contracts as of March 31, 2023 would change our income (loss) before income taxes by an insignificant amount.

The evaluation of transaction price, including the amounts allocated to performance obligations, may require significant judgments. Due to the nature of the work required to be performed on many of our performance obligations, the estimation of total revenue, and where applicable the cost at completion, is complex, subject to many variables and requires significant judgment. Our contracts may contain award fees, incentive fees, or other provisions, including the potential for significant financing components, that can either increase or decrease the transaction price. These amounts, which are sometimes variable, can be dictated by performance metrics, program milestones or cost targets, the timing of payments, and customer discretion. We estimate variable consideration at the amount to which we expect to be entitled. We include estimated amounts in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved. Our estimates of variable consideration and determination of whether to include estimated amounts in the transaction price are based largely on an assessment of our anticipated performance and all information (historical, current and forecasted) that is reasonably available to us. In the event an agreement includes embedded financing components, we recognize interest expense or interest income on the embedded financing components using the effective interest method. This methodology uses an implied interest rate which reflects the incremental borrowing rate which would be expected to be obtained in a separate financing transaction. We have elected the practical expedient not to adjust the promised amount of consideration for the effects of a significant financing component if we expect, at contract inception, that the period between when we transfer a promised good or service to a customer and when the customer pays for that good or service will be one year or less.

If a contract is separated into more than one performance obligation, the total transaction price is allocated to each performance obligation in an amount based on the estimated relative standalone selling prices of the promised goods or services underlying each performance obligation. Estimating standalone selling prices may require judgment. When available, we utilize the observable price of a good or service when we sell that good or service separately in similar circumstances and to similar customers. If a standalone selling price is not directly observable, we estimate the standalone selling price by considering all information (including market conditions, specific factors, and information about the customer or class of customer) that is reasonably available.

Deferred costs to obtain or fulfill contract

Under ASC 340-40, Other Assets and Deferred Costs – Contracts with Customers, we recognize an asset from the incremental costs of obtaining a contract with a customer if we expect to recover those costs. The incremental costs of obtaining a contract are those costs that we incur to obtain a contract with a customer that we would not have incurred if the contract had not been obtained. ASC 340-40 also requires the recognition of an asset from the costs incurred to fulfill a contract when (1) the costs relate directly to a contract or to an anticipated contract that we can specifically identify, (2) the costs generate or enhance our resources that will be used in satisfying (or in continuing to satisfy) performance obligations in the future, and (3) the costs are expected to be recovered. We recognize an asset related to commission costs incurred primarily in our satellite services segment and recognize an asset related to costs incurred to fulfill contracts. Costs to acquire customer contracts are amortized over the estimated customer contract life. Costs to fulfill customer contracts are amortized in proportion to the revenue to which the costs relate. For contracts with an estimated amortization period of less than one year, we expense incremental costs immediately.

Warranty reserves

We provide limited warranties on our products for periods of up to five years. We record a liability for our warranty obligations when we ship the products or they are included in long-term construction contracts based upon an estimate of expected warranty costs. Amounts expected to be incurred within 12 months are classified as accrued liabilities and amounts expected to be incurred beyond 12 months are classified as other liabilities in the consolidated financial statements. For mature products, we estimate the warranty costs based on historical experience with the particular product. For newer products that do not have a history of warranty costs, we base our estimates on our experience with the technology involved and the types of failures that may occur. It is possible that our underlying assumptions will not reflect the actual experience, and, in that case, we will make future adjustments to the recorded warranty obligation.

Property, equipment and satellites

Property, equipment and satellites, net includes our owned and leased satellites and the associated earth stations and networking equipment, as well as the customer premise equipment units which are leased to subscribers under a retail leasing program as part of our satellite services segment.

Satellites and other property and equipment are recorded at cost or in the case of certain satellites and other property acquired, the fair value at the date of acquisition, net of accumulated depreciation. Capitalized satellite costs consist primarily of the costs of satellite construction and launch, including launch insurance and insurance during the period of in-orbit testing, the net present value of performance incentive payments expected to be payable to the satellite manufacturers (dependent on the continued satisfactory performance of the satellites), costs directly associated with the monitoring and support of satellite construction, and interest costs incurred during the period of satellite construction. We also construct earth stations, network operations systems and other assets to support our satellites, and those construction costs, including interest, are capitalized as incurred. At the time satellites are placed in commercial service, we estimate the useful life of our satellites for depreciation purposes based upon an analysis of each satellite's performance against the original manufacturer's orbital design life, estimated fuel levels and related consumption rates, as well as historical satellite operating trends. We periodically review the remaining estimated useful life of our satellites to determine if revisions to the estimated useful lives are necessary.

Leases

In accordance with ASC 842, we assess at contract inception whether the contract is, or contains, a lease. Generally, we determine that a lease exists when (1) the contract involves the use of a distinct identified asset, (2) we obtain the right to substantially all economic benefits from use of the asset, and (3) we have the right to direct the use of the asset. A lease is classified as a finance lease when one or more of the following criteria are met: (1) the lease transfers ownership of the asset by the end of the lease term, (2) the lease contains an option to purchase the asset that is reasonably certain to be exercised, (3) the lease term is for a major part of the remaining useful life of the asset, (4) the present value of the lease payments equals or exceeds substantially all of the fair value of the asset or (5) the asset is of such a specialized nature that it is expected to have no alternative use to the lessor at the end of the lease term. A lease is classified as an operating lease if it does not meet any of these criteria.

At the lease commencement date, we recognize a right-of-use asset and a lease liability for all leases, except short-term leases with an original term of 12 months or less. The right-of-use asset represents the right to use the leased asset for the lease term. The lease liability represents the present value of the lease payments under the lease. The right-of-use asset is initially measured at cost, which primarily comprises the initial amount of the lease liability, less any lease incentives received. All right-of-use assets are periodically reviewed for impairment in accordance with standards that apply to long-lived assets. The lease liability is initially measured at the present value of the lease payments, discounted using an estimate of our incremental borrowing rate for a collateralized loan with the same term as the underlying leases.

Lease payments included in the measurement of lease liabilities consist of (1) fixed lease payments for the noncancelable lease term, (2) fixed lease payments for optional renewal periods where it is reasonably certain the renewal option will be exercised, and (3) variable lease payments that depend on an underlying index or rate, based on the index or rate in effect at lease commencement. Certain of our real estate lease agreements require variable lease payments that do not depend on an underlying index or rate established at lease commencement. Such payments and changes in payments based on a rate or index are recognized in operating expenses when incurred.

Lease expense for operating leases consists of the fixed lease payments recognized on a straight-line basis over the lease term plus variable lease payments as incurred. Lease expense for finance leases consists of the depreciation of assets obtained under finance leases on a straight-line basis over the lease term and interest expense on the lease liability based on the discount rate at lease commencement. For both operating and finance leases, lease payments are allocated between a reduction of the lease liability and interest expense.

For broadband equipment leased to fixed broadband customers in conjunction with the delivery of connectivity services, we have made an accounting policy election not to separate the broadband equipment from the related connectivity services. The connectivity services are the predominant component of these arrangements. The connectivity services are accounted for in accordance ASC 606. We are also a lessor for certain insignificant communications equipment. These leases meet the criteria for operating lease classification. Lease income associated with these leases is not material.

Business combinations

The purchase price for business combinations is allocated to the estimated fair values of acquired tangible and intangible assets, and assumed liabilities, where applicable. Additionally, we recognize technology, contracts and customer relationships, satellite co-location rights, trade names and other as identifiable intangible assets, which are recorded at fair value as of the transaction date. Goodwill is recorded when consideration transferred exceeds the fair value of identifiable assets and liabilities. Measurement-period adjustments to assets acquired and liabilities assumed with a corresponding offset to goodwill are recorded in the period they occur, which may include up to one year from the acquisition date. Contingent consideration is recorded at fair value at the acquisition date.

Impairment of long-lived and other long-term assets (property, equipment and satellites, and other assets, including goodwill)

In accordance with the authoritative guidance for impairment or disposal of long-lived assets (ASC 360), we assess potential impairments to our long-lived assets, including property, equipment and satellites and other assets, when there is evidence that events or changes in circumstances indicate that the carrying value may not be recoverable. We recognize an impairment loss when the undiscounted cash flows expected to be generated by an asset (or group of assets) are less than the asset's carrying value. Any required impairment loss would be measured as the amount by which the asset's carrying value exceeds its fair value, and would be recorded as a reduction in the carrying value of the related asset and charged to results of operations. No material impairments were recorded by us for fiscal years 2023, 2022 and 2021 other than the impairment of certain right-of-use assets in the fourth quarter of fiscal year 2023. See Note 7 — Leases to our consolidated financial statements for additional information.

We account for our goodwill under the authoritative guidance for goodwill and other intangible assets (ASC 350) and the provisions of ASU 2017-04, Simplifying the Test for Goodwill Impairment, which we early adopted in fiscal year 2020. Current authoritative guidance allows us to first assess qualitative factors to determine whether it is necessary to perform the quantitative goodwill impairment test. If, after completing the qualitative assessment, we determine that it is more likely than not that the estimated fair value is greater than the carrying value, we conclude that no impairment exists. Alternatively, if we determine in the qualitative assessment that it is more likely than not that the fair value is less than its carrying value, then we perform a quantitative goodwill impairment test to identify both the existence of an impairment and the amount of impairment loss, by comparing the fair value of the reporting unit with its carrying amount, including goodwill. If the estimated fair value of the reporting unit is less than the carrying value, then a goodwill impairment charge will be recognized in the amount by which the carrying amount exceeds the fair value, limited to the total amount of goodwill allocated to that reporting unit. We test goodwill for impairment during the fourth quarter every fiscal year and when an event occurs or circumstances change such that it is reasonably possible that an impairment may exist.

In accordance with ASC 350, we assess qualitative factors to determine whether goodwill is impaired. The qualitative analysis includes assessing the impact of changes in certain factors including: (1) changes in forecasted operating results and comparing actual results to projections, (2) changes in the industry or our competitive environment since the acquisition date, (3) changes in the overall economy, our market share and market interest rates since the acquisition date, (4) trends in the stock price and related market capitalization and enterprise values, (5) trends in peer companies' total enterprise value metrics, and (6) additional factors such as management turnover, changes in regulation and changes in litigation matters.

Furthermore, in addition to qualitative analysis, we believe it is appropriate to conduct a quantitative analysis periodically as a prudent review of our reporting unit goodwill fair values. Our quantitative analysis estimates the fair values of the reporting units using discounted cash flows and other indicators of fair value. The forecast of future cash flow is based on our best estimate of each reporting unit's future revenue and operating costs, based primarily on existing firm orders, expected future orders, contracts with suppliers, labor resources, general market conditions, and other relevant factors. Based on a quantitative analysis for fiscal year 2023, we concluded that estimated fair values of our reporting units significantly exceed their respective carrying values.

Based on our qualitative and quantitative assessment performed during the fourth quarter of fiscal year 2023, we concluded that it was more likely than not that the estimated fair value of our reporting units exceeded their carrying value as of March 31, 2023.

Income taxes and valuation allowance on deferred tax assets

Management evaluates the realizability of our deferred tax assets and assesses the need for a valuation allowance on a quarterly basis to determine if the weight of available evidence suggests that an additional valuation allowance is needed. In accordance with the authoritative guidance for income taxes (ASC 740), net deferred tax assets are reduced by a valuation allowance if, based on all the available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized. In the event that our estimate of taxable income is less than that required to utilize the full amount of any deferred tax asset, a valuation allowance is established, which would cause a decrease to income in the period such determination is made.

Our analysis of the need for a valuation allowance on deferred tax assets considered historical as well as forecasted future operating results. In addition, our evaluation considered other factors, including our contractual backlog, our history of positive earnings, current earnings trends assuming our satellite services segment continues to grow, taxable income adjusted for certain items, and forecasted income by jurisdiction. We also considered the period over which these net deferred tax assets can be realized and our history of not having federal tax loss carryforwards expire unused.

Accruals for uncertain tax positions are provided for in accordance with the authoritative guidance for accounting for uncertainty in income taxes (ASC 740). Under the authoritative guidance, we may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position should be measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. The authoritative guidance addresses the derecognition of income tax assets and liabilities, classification of deferred income tax assets and liabilities, accounting for interest and penalties associated with tax positions, and income tax disclosures.

We are subject to income taxes in the United States and numerous foreign jurisdictions. In the ordinary course of business, there are calculations and transactions where the ultimate tax determination is uncertain. In addition, changes in tax laws and regulations as well as adverse judicial rulings could adversely affect the income tax provision. We believe we have adequately provided for income tax issues not yet resolved with federal, state and foreign tax authorities. However, if these provided amounts prove to be more than what is necessary, the reversal of the reserves would result in tax benefits being recognized in the period in which we determine that provision for the liabilities is no longer necessary. If an ultimate tax assessment exceeds our estimate of tax liabilities, an additional charge to expense would result.

Results of Operations

The following table presents, as a percentage of total revenues, income statement data of our continuing operations for the periods indicated:

	Fiscal Years Ended		
	March 31, 2023	March 31, 2022	March 31, 2021
Revenues:	100 %	100 %	100 %
Product revenues	37	36	38
Service revenues	63	64	62
Operating expenses:			
Cost of product revenues	29	29	30
Cost of service revenues	43	42	40
Selling, general and administrative	28	27	26
Independent research and development	5	6	6
Amortization of acquired intangible assets	1	1	—
Income (loss) from continuing operations	(6)	(5)	(2)
Interest (expense) income, net	—	(1)	(2)
Income (loss) from continuing operations before income taxes	(6)	(6)	(4)
(Provision for) benefit from income taxes from continuing operations	(2)	2	1
Net income (loss) from continuing operations	(8)	(4)	(3)
Net income (loss) from discontinued operations, net of tax	51	4	4
Net income (loss) attributable to Viasat, Inc.	42	(1)	—

Fiscal Year 2023 Compared to Fiscal Year 2022

Revenues

(In millions, except percentages)	Fiscal Years Ended		Dollar Increase (Decrease)	Percentage Increase (Decrease)
	March 31, 2023	March 31, 2022		
Product revenues	\$ 954.1	\$ 860.7	\$ 93.4	11 %
Service revenues	1,602.0	1,556.5	45.6	3 %
Total revenues	\$ 2,556.2	\$ 2,417.2	\$ 139.0	6 %

Our total revenues increased by \$139.0 million as a result of a \$93.4 million increase in product revenues and a \$45.6 million increase in service revenues. The product revenue increase was driven primarily by an \$86.9 million increase in our commercial networks segment, which was primarily the result of the Cisco Systems, Inc. (Cisco) settlement. Cisco, which previously acquired Acacia Communications, Inc. (Acacia), paid us \$62.2 million during the second quarter of fiscal year 2023 in order to fully satisfy the July 2019 judgment previously entered against Acacia (the Cisco Settlement), of which we recorded \$55.8 million as product revenue in our commercial networks segment (see Note 14 — Contingencies to our consolidated financial statements for more information). The service revenue increase was due to increases of \$21.9 million in our satellite services segment, \$13.6 million in our commercial networks segment and \$10.1 million in our government systems segment.

Cost of revenues

(In millions, except percentages)	Fiscal Years Ended		Dollar Increase (Decrease)	Percentage Increase (Decrease)
	March 31, 2023	March 31, 2022		
Cost of product revenues	\$ 736.4	\$ 699.5	\$ 36.9	5%
Cost of service revenues	1,098.3	1,011.7	86.6	9%
Total cost of revenues	\$ 1,834.8	\$ 1,711.3	\$ 123.5	7%

Cost of revenues increased by \$123.5 million due to an increase of \$86.6 million in cost of service revenues and \$36.9 million in cost of product revenues. A portion of the cost of service revenue increase was driven by lower margins, primarily from our satellite services segment, driven mainly by a decline in U.S. fixed broadband revenue due to fewer residential subscribers as we manage our bandwidth capacity in support of our growing mobility service ahead of the launch of commercial services on the ViaSat-3 Americas satellite. Similar to our prior satellite launch cycles, once commercial service on ViaSat-3 Americas commences and as services using the new satellite scale, we expect the margins from our satellite services segment to improve (see the section captioned "Satellite-Related Activities" for further information). The increase in cost of service revenue was further driven by increased service revenues, also mainly from our satellite services segment. This increase was primarily attributable to an increase in our in-flight services business, causing a \$29.6 million increase in cost of service revenues on a constant margin basis. The cost of product revenue increase was mainly due to increased product revenues, causing a \$30.6 million increase in cost of product revenues on a constant margin basis, prior to the effects of product revenues related to the Cisco Settlement described above. This cost of product revenues increase was mainly from our commercial networks segment. The remainder of the increase in cost of product revenues was driven by lower margins, primarily driven by mobile broadband satellite communication systems in our commercial networks segment and government satellite communication systems in our government systems segment.

Selling, general and administrative expenses

(In millions, except percentages)	Fiscal Years Ended		Dollar Increase (Decrease)	Percentage Increase (Decrease)
	March 31, 2023	March 31, 2022		
Selling, general and administrative	\$ 718.6	\$ 640.8	\$ 77.8	12%

The \$77.8 million increase in selling, general and administrative (SG&A) expenses reflected an increase in support costs across all three segments of \$74.3 million, including an increase in acquisition-related expenses of approximately \$7.4 million (mainly related to the Inmarsat Transaction). The increase in SG&A expenses was also driven by higher proposal costs, primarily in our commercial networks segment. SG&A expenses consisted primarily of personnel costs and expenses for business development, marketing and sales, bid and proposal, facilities, finance, contract administration and general management.

Independent research and development

(In millions, except percentages)	Fiscal Years Ended		Dollar Increase (Decrease)	Percentage Increase (Decrease)
	March 31, 2023	March 31, 2022		
Independent research and development	\$ 128.9	\$ 149.5	\$ (20.6)	(14)%

The \$20.6 million decrease in IR&D expenses was mainly the result of a decrease of \$22.2 million in IR&D efforts in our commercial networks segment (primarily related to decreased IR&D expenses for next-generation satellite payload technologies and next-generation consumer broadband integrated networking technologies, partially offset by an increase in IR&D efforts on mobile broadband satellite communication systems for commercial airline platforms). This overall decrease was slightly offset by an insignificant increase in our government systems segment.

Amortization of acquired intangible assets

We amortize our acquired intangible assets from prior acquisitions over their estimated useful lives, which range from two to 20 years. Amortization of acquired intangible assets in fiscal year 2023 compared to fiscal year 2022 increased by an insignificant amount. Expected amortization expense for acquired intangible assets for each of the following periods is as follows:

	<u>Amortization</u> <u>(In thousands)</u>
Expected for fiscal year 2024	\$ 28,635
Expected for fiscal year 2025	26,560
Expected for fiscal year 2026	26,408
Expected for fiscal year 2027	26,408
Expected for fiscal year 2028	26,331
Thereafter	66,863
	<u>\$ 201,205</u>

Interest income

The \$19.0 million increase in interest income for fiscal year 2023 compared to fiscal year 2022 was primarily due to the interest earned on the invested portion of the cash related to proceeds of approximately \$1.9 billion received from L3Harris in the Link-16 TDL Sale at the beginning of the fourth quarter of fiscal year 2023. The increase also reflected the Cisco Settlement described above, of which we recorded \$6.4 million as interest income. Please refer to Note 14 — Contingencies to our consolidated financial statements for more information.

Interest expense

The \$2.6 million decrease in interest expense in fiscal year 2023 compared to fiscal year 2022 was primarily due to an increase in the amount of interest capitalized compared to the prior year period. This decrease in interest expense was partially offset by the addition of interest expense related to the Term Loan Facility which was entered into during the fourth quarter of fiscal year 2022.

Income taxes

The income tax provision in fiscal year 2023 primarily reflected the establishment of a valuation allowance on the deferred tax asset for California R&D tax credits and the expense for tax deficiencies upon settlement of stock-based compensation during the period, partially offset by the benefit of federal R&D tax credits. Our valuation allowance against deferred tax assets increased from \$78.1 million at March 31, 2022 to \$150.0 million at March 31, 2023. The valuation allowance relates to state and foreign net operating loss carryforwards, state R&D tax credit carryforwards and foreign tax credit carryforwards. The income tax benefit in fiscal year 2022 primarily reflected the benefit of federal R&D tax credits, the reversal of a deferred tax liability recorded for EBI's outside basis difference upon assertion made during the first quarter of fiscal year 2022 to indefinitely reinvest future earnings offset by tax expense for non-deductible compensation and the tax expense for tax deficiencies upon settlement of stock-based compensation during the period.

Segment Results for Fiscal Year 2023 Compared to Fiscal Year 2022

Satellite services segment

Revenues

<u>(In millions, except percentages)</u>	<u>Fiscal Years Ended</u>		<u>Dollar</u> <u>Increase</u> <u>(Decrease)</u>	<u>Percentage</u> <u>Increase</u> <u>(Decrease)</u>
	<u>March 31,</u> <u>2023</u>	<u>March 31,</u> <u>2022</u>		
Segment product revenues	\$ —	\$ —	\$ —	—%
Segment service revenues	1,210.7	1,188.8	21.9	2%
Total segment revenues	\$ 1,210.7	\$ 1,188.8	\$ 21.9	2%

Our satellite services segment revenues increased by \$21.9 million due to an increase in service revenues. The increase in service revenues was primarily attributable to an increase in our in-flight services business, partially offset by lower fixed broadband revenues in the United States as we allocated a greater proportion of our bandwidth to our IFC business due to bandwidth constraints ahead of commercial launch of the ViaSat-3 Americas satellite. The increase in in-flight service revenue was driven primarily by an increase in the number of commercial aircraft receiving our in-flight services through our IFC systems, an increase in passenger air traffic and the continued return to service of aircraft that were previously inactive as a result of the COVID-19 pandemic.

Segment operating profit (loss)

<i>(In millions, except percentages)</i>	Fiscal Years Ended		Dollar Increase (Decrease)	Percentage Increase (Decrease)
	March 31, 2023	March 31, 2022		
Segment operating profit (loss)	\$ (41.0)	\$ 31.6	\$ (72.6)	(230)%
Percentage of segment revenues	(3)%	3%		

The change in our satellite services segment operating profit to an operating loss was primarily driven by lower earnings contributions of \$45.3 million, primarily from our fixed broadband services business, driven mainly by a decline in U.S. fixed broadband revenue due to fewer residential subscribers as we manage our bandwidth capacity in support of our growing mobility service ahead of the launch of commercial services on the ViaSat-3 Americas satellite. Similar to our prior satellite launch cycles, once commercial service on ViaSat-3 Americas commences and as services using the new satellite scale, we expect the margins from our satellite services segment to improve (see the section captioned "Satellite-Related Activities" for further information). The increase in our satellite services segment operating loss was further driven by higher SG&A costs of \$27.2 million (partially attributable to acquisition expenses related to the Inmarsat Transaction), higher expenditures associated with activating more of the ViaSat-3 ground network and supporting international expansion, and increased expenses as a result of supply chain shortages.

Commercial networks segment

Revenues

<i>(In millions, except percentages)</i>	Fiscal Years Ended		Dollar Increase (Decrease)	Percentage Increase (Decrease)
	March 31, 2023	March 31, 2022		
Segment product revenues	\$ 530.4	\$ 443.4	\$ 86.9	20%
Segment service revenues	82.3	68.7	13.6	20%
Total segment revenues	\$ 612.6	\$ 512.1	\$ 100.5	20%

Our commercial networks segment revenues increased by \$100.5 million, due to a \$86.9 million increase in product revenues and a \$13.6 million increase in service revenues. The increase in product revenues was primarily the result of the Cisco Settlement described above, of which we recorded \$55.8 million as product revenue in our commercial networks segment. Please refer to Note 14 — Contingencies to our consolidated financial statements for more information. The remainder of the increase in product revenues was primarily attributable to an increase in mobile broadband satellite communication systems products due to increased IFC terminal deliveries. The increase in service revenues was primarily driven by an increase in mobile broadband satellite communication systems services.

Segment operating profit (loss)

<i>(In millions, except percentages)</i>	Fiscal Years Ended		Dollar (Increase) Decrease	Percentage (Increase) Decrease
	March 31, 2023	March 31, 2022		
Segment operating profit (loss)	\$ (145.3)	\$ (209.1)	\$ 63.8	31%
Percentage of segment revenues	(24)%	(41)%		

The \$63.8 million reduction in our commercial networks segment operating loss was driven primarily by higher earnings contributions of \$61.3 million, primarily due to higher revenues as described above. The reduction in operating loss was also due to a \$22.2 million decrease in IR&D expenses (primarily related to next-generation satellite payload technologies and next-generation consumer broadband integrated networking technologies, partially offset by an increase in IR&D efforts on mobile broadband satellite communication systems for commercial airline platforms). The decrease in operating loss was partially offset by higher SG&A costs of \$19.7 million, which includes legal and other expenses related to the Cisco Settlement described above.

Government systems segment

Revenues

(In millions, except percentages)	Fiscal Years Ended		Dollar Increase (Decrease)	Percentage Increase (Decrease)
	March 31, 2023	March 31, 2022		
Segment product revenues	\$ 423.8	\$ 417.3	\$ 6.5	2%
Segment service revenues	309.0	299.0	10.1	3%
Total segment revenues	\$ 732.8	\$ 716.3	\$ 16.5	2%

Our government systems segment revenues increased by \$16.5 million due to an increase of \$10.1 million in service revenues, and an increase of \$6.5 million in product revenues. The service revenue increase was primarily due to a \$19.6 million increase in government satellite communication systems services and a \$2.8 million increase in tactical satcom radio services, partially offset by a \$14.6 million decrease in government mobile broadband services. The product revenue increase was primarily driven by a \$35.1 million increase in cybersecurity and information assurance products, a \$4.9 million increase in tactical data link solutions and a \$3.1 million increase in government mobile broadband products. The increase in product revenues was partially offset by a \$19.3 million decrease in government satellite communication systems and a \$18.3 million decrease in tactical satcom radio products. Our government systems segment continued to show some impacts from the COVID-19 pandemic, due to continuing certification delays and supply chain component shortages, but government systems segment awards remained strong in the fiscal year.

Segment operating profit (loss)

(In millions, except percentages)	Fiscal Years Ended		Dollar Increase (Decrease)	Percentage Increase (Decrease)
	March 31, 2023	March 31, 2022		
Segment operating profit (loss)	\$ 60.2	\$ 93.1	\$ (32.9)	(35)%
Percentage of segment revenues	8%	13%		

The \$32.9 million decrease in our government systems segment operating profit was primarily driven by a \$30.9 million increase in SG&A costs (partially related to acquisition expenses related to the Inmarsat Transaction).

Fiscal Year 2022 Compared to Fiscal Year 2021

Revenues

(In millions, except percentages)	Fiscal Years Ended		Dollar Increase (Decrease)	Percentage Increase (Decrease)
	March 31, 2022	March 31, 2021		
Product revenues	\$ 860.7	\$ 739.4	\$ 121.4	16%
Service revenues	1,556.5	1,181.5	374.9	32%
Total revenues	\$ 2,417.2	\$ 1,920.9	\$ 496.3	26%

Our total revenues increased by \$496.3 million as a result of a \$374.9 million increase in service revenues and a \$121.4 million increase in product revenues. The service revenue increase was due to increases of \$319.9 million in our satellite services segment, \$38.4 million in our government systems segment and \$16.6 million in our commercial networks segment. The product revenue increase was driven primarily by an increase of \$174.6 million in our commercial networks segment, partially offset by an \$53.3 million decrease in our government systems segment.

Cost of revenues

(In millions, except percentages)	Fiscal Years Ended		Dollar Increase (Decrease)	Percentage Increase (Decrease)
	March 31, 2022	March 31, 2021		
Cost of product revenues	\$ 699.5	\$ 584.2	\$ 115.4	20%
Cost of service revenues	1,011.7	771.5	240.2	31%
Total cost of revenues	\$ 1,711.3	\$ 1,355.7	\$ 355.6	26%

Cost of revenues increased by \$355.6 million due to an increase of \$240.2 million in cost of service revenues and \$115.4 million in cost of product revenues. The cost of service revenue increase was primarily due to increased service revenues, mainly from our satellite services segment, causing a \$244.8 million increase in cost of service revenues on a constant margin basis. The cost of product revenue increase was mainly due to increased product revenues, causing a \$95.9 million increase in cost of product revenues on a constant margin basis, mainly from our commercial networks segment. The remainder of the increase in cost of product revenues was driven by lower margins, primarily driven by cybersecurity and information assurance products in our government systems segment.

Selling, general and administrative expenses

(In millions, except percentages)	Fiscal Years Ended		Dollar Increase (Decrease)	Percentage Increase (Decrease)
	March 31, 2022	March 31, 2021		
Selling, general and administrative	\$ 640.8	\$ 497.2	\$ 143.7	29%

The \$143.7 million increase in SG&A expenses reflected an increase in support costs of \$96.5 million, driven primarily by support costs related to RigNet, as well as acquisition-related expenses of approximately \$34.0 million primarily related to the Inmarsat Transaction. The increase in SG&A expenses was also driven by \$43.7 million of higher selling costs, reflected primarily in our satellite services segment, but was also reflected across our two other segments. SG&A expenses consisted primarily of personnel costs and expenses for business development, marketing and sales, bid and proposal, facilities, finance, contract administration and general management.

Independent research and development

(In millions, except percentages)	Fiscal Years Ended		Dollar Increase (Decrease)	Percentage Increase (Decrease)
	March 31, 2022	March 31, 2021		
Independent research and development	\$ 149.5	\$ 108.5	\$ 41.0	38%

The \$41.0 million increase in IR&D expenses was mainly the result of an increase of \$23.6 million in IR&D efforts in our commercial networks segment (primarily related to next-generation satellite payload technologies and mobile broadband satellite communication systems) and an \$18.4 million increase in our government systems segment (primarily related to the development of next-generation dual band mobility solutions and the advancement of integrated government satellite communications platforms).

Amortization of acquired intangible assets

We amortize our acquired intangible assets from prior acquisitions over their estimated useful lives, which range from two to 20 years. The \$23.2 million increase in amortization of acquired intangible assets in fiscal year 2022 compared to fiscal year 2021 was primarily related to the amortization of new intangibles acquired as a result of the acquisition of RigNet and of the remaining 51% interest in EBI in April 2021. Expected amortization expense for acquired intangible assets for each of the following periods is as follows:

	Amortization (In thousands)
Expected for fiscal year 2023	\$ 31,383
Expected for fiscal year 2024	30,002
Expected for fiscal year 2025	27,880
Expected for fiscal year 2026	26,366
Expected for fiscal year 2027	25,805
Thereafter	94,607
	<u>\$ 236,043</u>

Interest income

Interest income for fiscal year 2022 was relatively flat compared to fiscal year 2021.

Interest expense

The \$3.3 million decrease in interest expense in fiscal year 2022 compared to fiscal year 2021 was primarily due to an increase in the amount of interest capitalized compared to the prior year period. This decrease in interest expense was partially offset by the addition of interest expense related to the 2028 Notes, which were issued in the first quarter of fiscal year 2021, and interest expense related to the Term Loan Facility which was entered into on March 4, 2022.

Income taxes

The income tax benefit in fiscal year 2022 primarily reflected the benefit of federal R&D tax credits, the reversal of a deferred tax liability recorded for EBI's outside basis difference upon assertion made during the first quarter of fiscal year 2022 to indefinitely reinvest future earnings offset by tax expense for non-deductible compensation and the tax expense for tax deficiencies upon settlement of stock-based compensation during the period. The income tax benefit in fiscal year 2021 primarily reflected the tax benefit from our loss before income taxes and the benefit of federal R&D tax credits, partially offset by the tax expense for tax deficiencies upon settlement of stock-based compensation during the period and tax expense for non-deductible compensation.

Segment Results for Fiscal Year 2022 Compared to Fiscal Year 2021

Satellite services segment

Revenues

(In millions, except percentages)	Fiscal Years Ended		Dollar Increase (Decrease)	Percentage Increase (Decrease)
	March 31, 2022	March 31, 2021		
Segment product revenues	\$ —	\$ —	\$ —	—%
Segment service revenues	1,188.8	868.9	319.9	37%
Total segment revenues	\$ 1,188.8	\$ 868.9	\$ 319.9	37%

Our satellite services segment revenues increased by \$319.9 million due to an increase in service revenues. The increase in service revenues was primarily attributable to the acquisition of RigNet in the first quarter of fiscal year 2022, as well as increases in our in-flight services and fixed broadband businesses. The acquisition of RigNet contributed approximately \$154.5 million of service revenues in fiscal year 2022. The increase in in-flight service revenue of \$106.0 million was driven primarily by an increase in the number of commercial aircraft receiving our in-flight services through our IFC systems, as the number of aircraft in service increased, passenger air traffic continued to increase and aircraft that were previously inactive as a result of the COVID-19 pandemic continued to return to service. The increase in fixed broadband service revenues was primarily attributable to the acquisition of the remaining 51% interest in EBI, which also closed during the first quarter of fiscal year 2022, with EBI contributing approximately \$38.5 million of service revenues in fiscal year 2022.

Segment operating profit (loss)

(In millions, except percentages)	Fiscal Years Ended		Dollar Increase (Decrease)	Percentage Increase (Decrease)
	March 31, 2022	March 31, 2021		
Segment operating profit (loss)	\$ 31.6	\$ 26.3	\$ 5.3	20%
Percentage of segment revenues	3%	3%		

The \$5.3 million increase in our satellite services segment operating profit was driven primarily by higher earnings contributions of \$100.4 million, primarily due to an increase in revenues and improved margins from our in-flight services as the business continued to scale. The increase in our satellite services segment operating profit was partially offset by higher SG&A costs of \$96.1 million (mainly attributable to RigNet, which was acquired during the first quarter of fiscal year 2022, as well as acquisition-related expenses related to the Inmarsat Transaction).

Commercial networks segment

Revenues

(In millions, except percentages)	Fiscal Years Ended		Dollar Increase (Decrease)	Percentage Increase (Decrease)
	March 31, 2022	March 31, 2021		
Segment product revenues	\$ 443.4	\$ 268.8	\$ 174.6	65%
Segment service revenues	68.7	52.0	16.6	32%
Total segment revenues	\$ 512.1	\$ 320.9	\$ 191.2	60%

Our commercial networks segment revenues increased by \$191.2 million, due to a \$174.6 million increase in product revenues and a \$16.6 million increase in service revenues. The increase in product revenues was primarily due to increases of \$112.1 million in mobile broadband satellite communication systems products due to increased IFC terminal deliveries as passenger air traffic continued to increase compared to the severe decline in passenger traffic in the prior year period as a result of the COVID-19 pandemic. There was also an increase of \$52.5 million in antenna systems products and \$25.7 million in RigNet products, partially offset by a \$14.8 million decrease in fixed satellite networks products. The increase in service revenues was primarily driven by an increase in mobile broadband satellite communication services.

Segment operating profit (loss)

(In millions, except percentages)	Fiscal Years Ended		Dollar (Increase) Decrease	Percentage (Increase) Decrease
	March 31, 2022	March 31, 2021		
Segment operating profit (loss)	\$ (209.1)	\$ (206.4)	\$ (2.7)	(1)%
Percentage of segment revenues	(41)%	(64)%		

The \$2.7 million increase in our commercial networks segment operating loss was driven primarily by a \$23.6 million increase in IR&D expenses (primarily related to next-generation satellite payload technologies and mobile broadband satellite communication systems) and a \$15.0 million increase in SG&A expenses (primarily related to higher support costs). The increase in commercial networks segment operating loss was offset by higher earnings contributions of \$35.9 million, driven by increased revenues and improved margins from our mobile broadband satellite communication systems products.

Government systems segment

Revenues

(In millions, except percentages)	Fiscal Years Ended		Dollar Increase (Decrease)	Percentage Increase (Decrease)
	March 31, 2022	March 31, 2021		
Segment product revenues	\$ 417.3	\$ 470.5	\$ (53.3)	(11)%
Segment service revenues	299.0	260.5	38.4	15%
Total segment revenues	\$ 716.3	\$ 731.1	\$ (14.8)	(2)%

Our government systems segment revenues decreased by \$14.8 million due to a decrease of \$53.3 million in product revenues, partially offset by an increase of \$38.4 million in service revenues. The product revenue decrease was primarily driven by a \$24.5 million decrease in government satellite communication systems products, a \$20.5 million decrease in government mobile broadband products, and a \$17.6 million decrease in tactical data link solutions products. The decrease in product revenues was partially offset by a \$6.8 million increase in cybersecurity and information assurance products and a \$2.6 million increase in tactical satcom radio products. The service revenue increase was primarily due to a \$18.3 million increase in government mobile broadband services, a \$14.8 million increase in government satellite communication systems services, and a \$6.7 million increase in cybersecurity and information assurance services. As a result of the COVID-19 pandemic, our government systems segment continued to experience complications in product manufacturing and shipments and some administrative delays on certain contractual vehicles reflecting inherent challenges in the remote work environment. In addition, product revenues in the segment were negatively impacted in fiscal year 2022 by anticipated delays in certification of certain information security products, as well as certain unanticipated supply chain issues that affected certain product shipments. Despite these obstacles, new government systems segment awards remained strong through the end of fiscal year 2022.

Segment operating profit (loss)

(In millions, except percentages)	Fiscal Years Ended		Dollar Increase (Decrease)	Percentage Increase (Decrease)
	March 31, 2022	March 31, 2021		
Segment operating profit (loss)	\$ 93.1	\$ 139.7	\$ (46.6)	(33)%
Percentage of segment revenues	13%	19%		

The \$46.6 million decrease in our government systems segment operating profit was driven by a \$32.5 million increase in SG&A costs (including \$10.5 million of acquisition-related expenses related to the Inmarsat Transaction) and a \$18.4 million increase in IR&D expenses (primarily related to the development of next-generation dual band mobility solutions and the advancement of integrated government satellite communications platforms). The decrease in operating profit was partially offset by higher earnings contributions of \$4.3 million, primarily due to a decrease in cost of revenues.

Backlog

Our firm and funded backlog as of March 31, 2023 is reflected in the table below.

	As of March 31, 2023 (In millions)
Firm backlog	
Satellite services segment	\$ 395.8
Commercial networks segment	770.0
Government systems segment	493.1
Total	<u>\$ 1,658.9</u>
Funded backlog	
Satellite services segment	\$ 395.8
Commercial networks segment	728.8
Government systems segment	430.5
Total	<u>\$ 1,555.1</u>

The firm backlog does not include contract options. As of March 31, 2023, a little over half of the firm backlog is expected to be delivered during the next 12 months, with the balance delivered thereafter. We include in our backlog only those orders for which we have accepted purchase orders, and not anticipated purchase orders and requests. In our satellite services segment, our backlog includes fixed broadband service revenues under our subscriber agreements, but does not include future recurring IFC service revenues under our agreements with commercial airlines. As of March 31, 2023, our IFC systems were installed and in service on approximately 2,270 commercial aircraft, of which approximately 40 were inactive at fiscal year end (mostly due to standard aircraft maintenance). We anticipate that approximately 1,310 additional commercial aircraft under existing customer agreements with commercial airlines will be put into service with our IFC systems. However, the timing of installation and entry into service of IFC systems on additional aircraft under existing customer agreements may be delayed as a result of the lingering impacts of the COVID-19 pandemic on the global airline industry. Accordingly, there can be no assurance that all anticipated purchase orders and requests will be placed or that anticipated IFC services will be activated.

Our total new awards (including discontinued operations but excluding future revenue under recurring consumer commitment arrangements) were approximately \$3.2 billion (of which \$384.4 million was attributable to discontinued operations) and \$2.6 billion (of which \$349.3 million was attributable to discontinued operations) for fiscal years 2023 and 2022, respectively.

Backlog is not necessarily indicative of future sales. A majority of our contracts can be terminated at the convenience of the customer. Orders are often made substantially in advance of delivery, and our contracts typically provide that orders may be terminated with limited or no penalties. In addition, purchase orders may present product specifications that would require us to complete additional product development. A failure to develop products meeting such specifications could lead to a termination of the related contract.

Firm backlog amounts are comprised of funded and unfunded components. Funded backlog represents the sum of contract amounts for which funds have been specifically obligated by customers to contracts. Unfunded backlog represents future amounts that customers may obligate over the specified contract performance periods. Our customers allocate funds for expenditures on long-term contracts on a periodic basis. Our ability to realize revenues from contracts in backlog is dependent upon adequate funding for such contracts. Although we do not control the funding of our contracts, our experience indicates that actual contract funding has ultimately been approximately equal to the aggregate amounts of the contracts.

Liquidity and Capital Resources

Overview

We have financed our operations to date primarily with cash flows from operations, bank line of credit financing, debt financing, export credit agency financing and equity financing. In January 2023, we used a portion of the proceeds from the Link-16 TDL Sale to repay all then-outstanding borrowings under our Revolving Credit Facility. In addition, we expect the remaining portion of the net cash proceeds from the Link-16 TDL Sale to be used to support our operations and provide additional liquidity given the current conditions of credit markets and the 2025 Notes maturity. At March 31, 2023, we had \$1.4 billion in cash and cash equivalents and restricted cash, \$1.3 billion in working capital, and no outstanding borrowings and borrowing availability of \$657.4 million under our Revolving Credit Facility. At March 31, 2022, we had \$310.5 million in cash and cash equivalents, \$389.1 million in working capital, and no outstanding borrowings and borrowing availability of \$637.0 million under our Revolving Credit Facility. We invest our cash in excess of current operating requirements in short-term, highly liquid bank money market funds primarily investing in U.S. government-backed securities and treasuries. During the second quarter of fiscal year 2021, we issued and sold an aggregate of 4,474,559 shares of our common stock at a purchase price of \$39.11 per share to certain accredited investors in a private placement transaction exempt from registration under the Securities Act of 1933, as amended, resulting in net proceeds of approximately \$174.7 million after deducting offering expenses.

We have obtained financing commitments for an additional \$1.6 billion of new debt facilities in connection with the Inmarsat Transaction (which may be secured and/or unsecured). We also plan to assume \$2.1 billion in principal amount of Inmarsat senior secured bonds and the outstanding indebtedness under Inmarsat's \$2.4 billion senior secured credit facilities.

The general cash needs of our satellite services, commercial networks and government systems segments can vary significantly and our future capital requirements will depend upon many factors, including the timing and amount of cash required to consummate the Inmarsat Transaction (including the cash portion of the purchase price, transaction-related costs and integration-related costs, see the discussion above under "Inmarsat Acquisition"), cash required for our satellite projects and any future broadband satellite projects we may engage in, expansion of our IR&D and marketing efforts, and the nature and timing of orders. In particular:

- The cash needs of our satellite services segment tend to be driven by the timing and amount of capital expenditures (e.g., payments under satellite construction and launch contracts and investments in ground infrastructure roll-out), investments in joint ventures, strategic partnering arrangements and network expansion activities, as well as the quality of customer, type of contract and payment terms.
- In our commercial networks segment, cash needs tend to be driven primarily by the type and mix of contracts in backlog, the nature and quality of customers, the timing and amount of investments in IR&D activities (including with respect to next-generation satellite payload technologies) and the payment terms of customers (including whether advance payments are made or customer financing is required).
- In our government systems segment, the primary factors determining cash needs tend to be the type and mix of contracts in backlog (e.g., product or service, development or production) and timing of payments (including restrictions on the timing of cash payments under U.S. Government procurement regulations). Other factors affecting the cash needs of our commercial networks and government systems segments include contract duration and program performance. For example, if a program is performing well and meeting its contractual requirements, then its cash flow requirements are usually lower.

Additionally, we will continue to evaluate other possible acquisitions of, or investments in complementary businesses, products and technologies which may require the use of cash or additional financing.

As a result of the divestiture of the Link-16 TDL Business, we have taken measures to mitigate the impact of stranded costs and to right-size our remaining businesses by reducing discretionary spending and by undertaking cost-reduction measures, including reducing our real estate footprint and workforce, which measures resulted in approximately \$40 million of expenses during the fourth quarter of fiscal year 2023, primarily recorded in our SG&A.

To further enhance our liquidity position or to finance the construction and launch of any future satellites, acquisitions, strategic partnering arrangements, joint ventures or other business investment initiatives, we may obtain additional financing, which could consist of debt, convertible debt or equity financing from public and/or private credit and

capital markets. From time to time, we file universal shelf registration statements with the SEC for the future sale of an unlimited amount of common stock, preferred stock, debt securities, depository shares, warrants and rights, which securities may be offered from time to time, separately or together, directly by us, by selling security holders, or through underwriters, dealers or agents at amounts, prices, interest rates and other terms to be determined at the time of the offering. Additionally, we consider strategic divestitures from time to time, such as the Link-16 TDL Sale that was completed in January 2023 for approximately \$1.96 billion in cash, subject to adjustments.

Although we can give no assurances concerning our future liquidity, we believe that we have adequate sources of funding to meet our anticipated operating requirements for the next 12 months, as well as to fund the consummation of the Inmarsat Transaction, which include, but are not limited to, cash on hand, borrowing capacity, cash expected to be provided by operating activities and financing commitments obtained in connection with the Inmarsat Transaction. Although a significant portion of transaction-related costs relating to the Inmarsat Transaction is contingent upon the closing of the Inmarsat Transaction occurring, some have been and will be incurred regardless of whether the Inmarsat Transaction is consummated.

Cash flows

Cash provided by operating activities for fiscal year 2023 was \$367.9 million compared to \$505.6 million for fiscal year 2022. This \$137.8 million decrease was driven by our operating results (net income (loss) adjusted for depreciation, amortization and other non-cash charges) which resulted in \$215.3 million of lower cash provided by operating activities year-over-year, partially offset by a \$77.6 million year-over-year decrease in cash used to fund net operating assets. The decrease in cash used to fund net operating assets during fiscal year 2023 when compared to the prior year period was primarily due to an increase in taxes payable related to the \$1.7 billion gain recognized as a result of the Link-16 TDL Sale in the fourth quarter of fiscal year 2023, as well as an increase in cash inflows year-over-year from our collections in excess of revenues and deferred revenues included in accrued liabilities, primarily due to the timing of milestone billings for certain larger development projects in our government systems segment. This decrease in cash used to fund net operating assets during fiscal year 2023 when compared to the prior year period was partially offset by a higher increase in cash used for IFC terminal inventory in our commercial networks segment in expectation of a related revenue ramp-up over the first part of fiscal year 2024 for commercial airline customers.

Cash provided by investing activities for fiscal year 2023 was \$768.0 million compared to cash used in investing activities of \$1.1 billion for fiscal year 2022. Cash provided by investing activities for fiscal year 2023 was primarily comprised of \$1.9 billion recorded as cash proceeds in our consolidated statement of cash flows for fiscal year 2023 received from the Link-16 TDL Sale in the fourth quarter of fiscal year 2023. Cash used in investing activities related to our discontinued operations was slightly higher in fiscal year 2023 compared to fiscal year 2022, and slightly lower in fiscal year 2022 compared to fiscal year 2021, in each case related to changes in cash used for capital expenditures for property and other general purpose equipment.

Cash used in financing activities for fiscal year 2023 was \$66.1 million compared to cash provided by financing activities of \$643.6 million for fiscal year 2022. Cash used in financing activities for fiscal year 2023 was primarily comprised of debt repayments of \$576.5 million, and a payment of \$30.0 million by our majority-owned subsidiary, TrellisWare Technologies, Inc., to repurchase shares of its common stock from its stockholders in the second quarter of fiscal year 2023 (see Note 1 — The Company and a Summary of Its Significant Accounting Policies – Noncontrolling interests to our consolidated financial statements for further information), partially offset by proceeds from debt borrowings of \$540.0 million. Cash provided by financing activities for fiscal year 2022 was primarily comprised of proceeds from debt borrowings of approximately \$1.3 billion, partially offset by debt repayments of \$610.4 million.

Capital Expenditures and IR&D Investments

Capital expenditures in fiscal year 2023 of \$1.2 billion were 18% higher than fiscal year 2022, primarily due to higher expenditures on customer premise equipment in anticipation of the launch of commercial service on ViaSat-3 Americas, partially offset by lower expenditures on the ViaSat-3 program compared to the prior fiscal year. Despite the capital expenditures in fiscal year 2023 related to the launch of ViaSat-3 Americas as well as ViaSat-3 EMEA, our total capital expenditures in fiscal year 2024 are expected to remain flat compared to fiscal year 2023, as we continue to invest in building and expanding our global network and satellite fleet, as well as incurring costs related to the roll-out of related earth station infrastructure and increased ground network investments related to international expansion and other growth opportunities. See Note 13 — Commitments to our consolidated financial statements for information as of March 31, 2023 regarding our future minimum payments under our satellite construction contracts and other satellite-related purchase commitments (including satellite performance incentive obligations relating to the ViaSat-1 and ViaSat-2 satellites) for the next five fiscal years and thereafter.

We also incur IR&D expenses, which are not directly funded by a third party. IR&D expenses consist primarily of salaries and other personnel-related expenses, supplies, prototype materials, testing and certification related to R&D projects. Our IR&D investments are expected to continue through fiscal year 2024 and beyond to support our growth and acceleration of new opportunities in our government and commercial air mobility businesses. IR&D expenses were

approximately 5%, 6% and 6% of total revenues in fiscal years 2023, 2022 and 2021, respectively. As a government contractor, we are able to recover a portion of our IR&D expenses pursuant to our government contracts.

Long-Term Debt

As of March 31, 2023, the aggregate principal amount of our total outstanding indebtedness was \$2.5 billion, which was comprised of \$700.0 million in principal amount of 2025 Notes, \$600.0 million in principal amount of 2027 Notes, \$400.0 million in principal amount of 2028 Notes (together with the 2025 Notes and 2027 Notes, the Notes), \$694.8 million in principal amount of outstanding borrowings under our Term Loan Facility, no outstanding borrowings under our \$700.0 million Revolving Credit Facility, \$59.0 million in principal amount of outstanding borrowings under our direct loan facility with the Export-Import Bank of the United States (the Ex-Im Credit Facility) and \$36.4 million of finance lease obligations. In January 2023, we used a portion of the proceeds from the Link-16 TDL Sale to repay all then-outstanding borrowings under our Revolving Credit Facility. For information regarding our Term Loan Facility, Revolving Credit Facility and Ex-Im Facility (collectively, the Credit Facilities) and Notes, refer to Note 8 – Senior Notes and Other Long-Term Debt to our consolidated financial statements.

Contractual Obligations

The following table sets forth a summary of certain material cash requirements for known contractual obligations and commitments at March 31, 2023:

(In thousands, including interest where applicable)	Next 12 months	Thereafter
Operating leases	\$ 78,448	\$ 364,075
Senior Notes and Other Long-Term Debt (1)	206,587	3,065,503
Purchase commitments including satellite-related agreements	1,320,316	927,174
Total	<u>\$ 1,605,351</u>	<u>\$ 4,356,752</u>

(1) To the extent that the interest rate on any long-term debt is variable, amounts reflected represent estimated interest payments on the applicable current outstanding balance based on the interest rate at March 31, 2023 until the applicable maturity date.

We purchase components from a variety of suppliers and use several subcontractors and contract manufacturers to provide design and manufacturing services for our products. During the normal course of business, we enter into agreements with subcontractors, contract manufacturers and suppliers that either allow them to procure inventory based upon criteria defined by us or that establish the parameters defining our requirements. We also enter into agreements and purchase commitments with suppliers for the construction, launch, and operation of our satellites. In certain instances, these agreements allow us the option to cancel, reschedule and adjust our requirements based on our business needs prior to firm orders being placed. Consequently, only a portion of our reported purchase commitments arising from these agreements are firm, non-cancelable and unconditional commitments.

Our consolidated balance sheets included \$218.5 million and \$153.2 million of “other liabilities” as of March 31, 2023 and March 31, 2022, respectively, which primarily consisted of deferred income taxes, the long-term portion of deferred revenues, the long-term portion of our satellite performance incentive obligations relating to the ViaSat-1 and ViaSat-2 satellites and our long-term warranty obligations. With the exception of the long-term portion of our satellite performance incentive obligations relating to the ViaSat-1 and ViaSat-2 satellites (which is included under “Purchase commitments including satellite-related agreements”), these remaining liabilities have been excluded from the above table as the timing and/or the amount of any cash payment is uncertain. See Note 13 — Commitments to our consolidated financial statements for additional information regarding satellite performance incentive obligations relating to the ViaSat-1 and ViaSat-2 satellites. See Note 15 — Product Warranty to our consolidated financial statements for a discussion of our product warranties. Also excluded from the above table are amounts payable to the Sellers under the Purchase Agreement in the Inmarsat Transaction.

Off-Balance Sheet Arrangements

We had no material off-balance sheet arrangements at March 31, 2023 as defined in Regulation S-K Item 303(b) other than as discussed under “Contractual Obligations” above or disclosed in the notes to our consolidated financial statements included in this report.

Recent Authoritative Guidance

For information regarding recently adopted and issued accounting pronouncements, see Note 1 — The Company and a Summary of Its Significant Accounting Policies to the consolidated financial statements.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Interest Rate Risk

Our financial instruments consist of cash and cash equivalents, restricted cash, accounts receivable, accounts payable and short-term and long-term obligations (including the Credit Facilities and the Notes). We consider investments in highly liquid instruments purchased with a remaining maturity of three months or less at the date of purchase to be cash equivalents. As of March 31, 2023, we held no short-term investments. Our indebtedness for borrowed money comprises borrowings under our Credit Facilities and the aggregate principal amount outstanding under our Notes. The Notes and borrowings under our Ex-Im Credit Facility bear interest at a fixed rate and therefore our exposure to market risk for changes in interest rates relates primarily to borrowings under our Term Loan Facility and Revolving Credit Facility, cash equivalents, short-term investments and short-term obligations.

The primary objective of our investment activities is to preserve principal while at the same time to maximize the income we receive from our investments without significantly increasing risk. To minimize this risk, we maintain a significant amount of our cash balance in money market accounts, with a significant portion held in U.S. government-backed qualified money-market securities. In general, money market accounts are not subject to interest rate risk because the interest paid on such funds fluctuates with the prevailing interest rate. Our cash and cash equivalents earn interest at variable rates. Our interest income has been and may continue to be negatively impacted by low market interest rates. Fixed rate securities may have their fair market value adversely impacted due to a rise in interest rates, while floating rate securities may produce less income than expected if interest rates fall. If the underlying weighted average interest rate on our cash and cash equivalents, assuming balances remain constant over a year, changed by 50 basis points, interest income would have increased or decreased by \$2.1 million and an insignificant amount for the fiscal years ended March 31, 2023 and 2022, respectively. Because our investment policy restricts us to invest in conservative, interest-bearing investments and because our business strategy does not rely on generating material returns from our investment portfolio, we do not expect our market risk exposure on our investment portfolio to be material.

Our primary interest rate under the Term Loan Facility is the SOFR rate plus 4.50%. As of March 31, 2023, the effective interest rate on our outstanding borrowings under the Term Loan Facility was 9.95%. Our primary interest rate under the Revolving Credit Facility is the Eurodollar rate plus an applicable margin that is based on our total leverage ratio. As of March 31, 2023, the effective interest rate that would have been applied to any new Eurodollar-based borrowings under the Revolving Credit Facility was approximately 7.31%. As of March 31, 2023, we had no outstanding borrowings under our Revolving Credit Facility. Accordingly, assuming the outstanding balance under the Term Loan Facility remained constant over a year and we continued to have no outstanding borrowings under the Revolving Credit Facility, a 50 basis point increase in the interest rates would increase interest incurred, prior to effects of capitalized interest, by approximately \$3.5 million over a 12-month period.

Foreign Exchange Risk

We generally conduct our business in U.S. dollars. However, as our international business is conducted in a variety of foreign currencies, we are exposed to fluctuations in foreign currency exchange rates. A five percent variance in foreign currencies in which our international business is conducted would change our income (loss) before income taxes by \$1.8 million and \$1.3 million for the fiscal years ended March 31, 2023 and 2022, respectively. Our objective in managing our exposure to foreign currency risk is to reduce earnings and cash flow volatility associated with foreign exchange rate fluctuations. Accordingly, from time to time, we may enter into foreign currency forward contracts to mitigate risks associated with foreign currency denominated assets, liabilities, commitments and anticipated foreign currency transactions.

As of March 31, 2023 and March 31, 2022, we had no foreign currency forward contracts outstanding.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Our consolidated financial statements at March 31, 2023 and March 31, 2022 and for each of the three fiscal years in the period ended March 31, 2023, and the Report of PricewaterhouseCoopers LLP, Independent Registered Public Accounting Firm (PCAOB ID 238), are included in this report on pages F-1 through F-46.

Summarized Quarterly Data (Unaudited)

The following financial information reflects all normal recurring adjustments which are, in the opinion of management, necessary for the fair statement of the results for the interim periods. Summarized quarterly data for fiscal years 2023 and 2022 are as follows:

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
	(In thousands, except per share data)			
2023				
Total revenues*	\$ 575,056	\$ 663,559	\$ 651,444	\$ 666,099
Income (loss) from operations*	(56,638)	4,685	(31,311)	(72,692)
Net income (loss) from continuing operations*	(38,564)	(69,743)	(44,758)	(58,574)
Net income (loss) from discontinued operations, net of tax*	17,525	22,187	4,333	1,258,342
Net income (loss)	(21,039)	(47,556)	(40,425)	1,199,768
Net income (loss) attributable to Viasat, Inc.*	(21,564)	(48,240)	(42,228)	1,196,838
Income (loss) per share attributable to Viasat, Inc. common stockholders - basic:				
Continuing operations	\$ (0.52)	\$ (0.93)	\$ (0.61)	\$ (0.80)
Discontinued operations*	0.23	0.29	0.06	16.36
Income (loss)	<u>\$ (0.29)</u>	<u>\$ (0.64)</u>	<u>\$ (0.55)</u>	<u>\$ 15.56</u>
Income (loss) per share attributable to Viasat, Inc. common stockholders - diluted:				
Continuing operations	\$ (0.52)	\$ (0.93)	\$ (0.61)	\$ (0.80)
Discontinued operations*	0.23	0.29	0.06	16.36
Income (loss)	<u>\$ (0.29)</u>	<u>\$ (0.64)</u>	<u>\$ (0.55)</u>	<u>\$ 15.56</u>
2022				
Total revenues*	\$ 575,439	\$ 609,726	\$ 625,267	\$ 606,747
Income (loss) from operations*	(11,674)	(24,096)	(28,731)	(48,640)
Net income (loss) from continuing operations*	(4,338)	(21,168)	(30,443)	(45,725)
Net income (loss) from discontinued operations, net of tax*	22,350	26,318	26,453	24,070
Net income (loss)	18,012	5,150	(3,990)	(21,655)
Net income (loss) attributable to Viasat, Inc.*	16,968	3,291	(6,613)	(29,180)
Income (loss) per share attributable to Viasat, Inc. common stockholders - basic:				
Continuing operations	\$ (0.08)	\$ (0.31)	\$ (0.45)	\$ (0.71)
Discontinued operations*	0.31	0.36	0.36	0.32
Income (loss)	<u>\$ 0.24</u>	<u>\$ 0.04</u>	<u>\$ (0.09)</u>	<u>\$ (0.39)</u>
Income (loss) per share attributable to Viasat, Inc. common stockholders - diluted:				
Continuing operations	\$ (0.08)	\$ (0.31)	\$ (0.45)	\$ (0.71)
Discontinued operations*	0.31	0.36	0.36	0.32
Income (loss)	<u>\$ 0.24</u>	<u>\$ 0.04</u>	<u>\$ (0.09)</u>	<u>\$ (0.39)</u>

* Certain prior period quarterly amounts have been adjusted by an insignificant amount from the amounts previously reported in our Quarterly Report on Form 10-Q for the quarter ended September 30, 2022, due to the determination that certain contracts could not be novated in connection with the closing of the Link-16 TDL Sale.

On January 3, 2023, the Company completed the Link-16 TDL Sale, and as a result the fourth quarter of fiscal year 2023 included the impact of the gain of approximately \$1.66 billion (net of costs to sell of \$40.8 million) within net income (loss) from discontinued operations, net of tax on the consolidated statements of operations and comprehensive income (loss) for fiscal year 2023.

The summarized quarterly data above includes the operating results of RigNet and EBI from the date of acquisition on April 30, 2021. Therefore the first quarter of fiscal year 2022 only includes two months of operating results, whereas the remaining quarters of fiscal year 2022 and all quarters in fiscal year 2023 include a full quarter of operating results.

Basic and diluted net income (loss) per share are computed independently for each of the quarters presented. Therefore, the sum of quarterly basic and diluted per share information may not equal annual basic and diluted net income per share.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES**Evaluation of Disclosure Controls and Procedures**

We maintain disclosure controls and procedures designed to provide reasonable assurance of achieving the objective that information in our Exchange Act reports is recorded, processed, summarized and reported within the time periods specified and pursuant to the requirements of the SEC's rules and forms and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow for timely decisions regarding required disclosures. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

As required by SEC Rule 13a-15(b), we carried out an evaluation, with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures as of March 31, 2023, the end of the period covered by this report. Based upon the foregoing, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective at a reasonable assurance level as of March 31, 2023.

Management's Report on Internal Control Over Financial Reporting

The company's management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. Under the supervision and with the participation of the company's management, including our Chief Executive Officer and Chief Financial Officer, the company conducted an evaluation of the effectiveness of its internal control over financial reporting based on criteria established in the framework in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, the company's management concluded that its internal control over financial reporting was effective as of March 31, 2023.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risks that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

The company's independent registered public accounting firm has audited the effectiveness of the company's internal control over financial reporting as of March 31, 2023, as stated in their report which appears on page F-1.

Changes in Internal Control Over Financial Reporting

We regularly review our system of internal control over financial reporting and make changes to our processes and systems to improve controls and increase efficiency, while ensuring that we maintain an effective internal control environment. Changes may include such activities as implementing new, more efficient systems, consolidating activities, and migrating processes. During the quarter ended March 31, 2023, there were no changes in our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

None.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information required by this item is included in our definitive Proxy Statement to be filed with the SEC in connection with our 2023 Annual Meeting of Stockholders (the Proxy Statement) under the headings “Corporate Governance Principles and Board Matters,” “Election of Directors” and “Ownership of Securities,” and is incorporated herein by reference.

The information required by this item relating to our executive officers is included under the caption “Executive Officers” in Part I of this Form 10-K and is incorporated herein by reference into this section.

We have adopted a code of ethics applicable to all of our employees (including our principal executive officer, principal financial officer, principal accounting officer and controller). The code of ethics is designed to deter wrongdoing and to promote honest and ethical conduct and compliance with applicable laws and regulations. The full text of our code of ethics is published on our website at www.viasat.com. We intend to disclose future amendments to certain provisions of our code of ethics, or waivers of such provisions granted to executive officers and directors, on our website within four business days following the date of such amendment or waiver.

ITEM 11. EXECUTIVE COMPENSATION

The information required by this item is included in the Proxy Statement under the heading “Executive Compensation” and is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information required by this item is included in the Proxy Statement under the headings “Ownership of Securities” and “Executive Compensation — Equity Compensation Plan Information,” and is incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required by this item is included in the Proxy Statement under the headings “Corporate Governance Principles and Board Matters” and “Certain Relationships and Related Transactions,” and is incorporated herein by reference.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The information required by this item is included in the Proxy Statement under the heading “Ratification of Appointment of Independent Registered Public Accounting Firm” and is incorporated herein by reference.

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

(a) The following documents are filed as part of this report:

(1) Consolidated Financial Statements

	Page Number
Report of Independent Registered Public Accounting Firm	F-1
Consolidated Balance Sheets as of March 31, 2023 and March 31, 2022	F-3
Consolidated Statements of Operations and Comprehensive Income (Loss) for the fiscal years ended March 31, 2023, March 31, 2022 and March 31, 2021	F-4
Consolidated Statements of Cash Flows for the fiscal years ended March 31, 2023, March 31, 2022 and March 31, 2021	F-5
Consolidated Statements of Equity for the fiscal years ended March 31, 2023, March 31, 2022 and March 31, 2021	F-6
Notes to the Consolidated Financial Statements	F-7
(2) Schedule II — Valuation and Qualifying Accounts for the three fiscal years ended March 31, 2023	II-1

All other schedules are omitted because they are not applicable or the required information is shown in the financial statements or notes thereto.

(3) Exhibits

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed or Furnished Herewith
		Form	File No.	Exhibit	Filing Date	
2.1*	Share Purchase Agreement, dated as of November 8, 2021, by and among Viasat, Inc. and the shareholders of Connect Topco Limited party thereto	8-K	000-21767	2.1	11/08/2021	
2.1(A)	Letter agreement, dated as of April 11, 2023, by and among Viasat, Inc. and the shareholders of Connect Topco Limited party thereto					X
2.2*	Asset Purchase Agreement, dated as of October 1, 2022, by and between Viasat, Inc. and L3Harris Technologies, Inc.	8-K	000-21767	2.1	10/03/2022	
3.1	Second Amended and Restated Certificate of Incorporation of ViaSat, Inc.	10-Q	000-21767	3.1	11/14/2000	
3.2	Second Amended and Restated Bylaws of ViaSat, Inc.	8-K	000-21767	3.1	12/04/2012	
4.1	Form of Common Stock Certificate (p)	S-1/A	333-13183	4.1	11/05/1996	
4.2	Indenture dated as of September 21, 2017, between ViaSat, Inc. and Wilmington Trust, National Association, as trustee	8-K	000-21767	4.1	09/21/2017	
4.3	Form of 5.625% Senior Note due 2025 of ViaSat, Inc. (attached as Exhibit A to the Indenture filed as Exhibit 4.2 hereto)	8-K	000-21767	4.1	09/21/2017	
4.4	Indenture, dated as of March 27, 2019, between Viasat, Inc. and Wilmington Trust, National Association, as trustee and as collateral trustee	8-K	000-21767	4.1	03/27/2019	
4.5	Form of 5.625% Senior Secured Note due 2027 of Viasat, Inc. (attached as Exhibit A to the Indenture filed as Exhibit 4.4 hereto)	8-K	000-21767	4.1	03/27/2019	
4.6	Indenture, dated as of June 24, 2020, between Viasat, Inc. and Wilmington Trust, National Association, as trustee.	8-K	000-21767	4.1	06/24/2020	

4.7	Form of 6.500% Senior Note due 2028 of Viasat, Inc. (attached as Exhibit A to the Indenture filed as Exhibit 4.6 hereto)	8-K	000-21767	4.1	06/24/2020
4.8	Description of Registered Securities	10-K	000-21767	4.6	05/29/2020
10.1*	Stockholders Agreement, dated as of November 8, 2021, by and among Viasat, Inc. and the shareholders of Connect Topco Limited party thereto	8-K	000-21767	10.3	11/08/2021
10.2	Form of Indemnification Agreement between ViaSat, Inc. and each of its directors and officers	8-K	000-21767	99.1	03/07/2008
10.3**	Viasat, Inc. Employee Stock Purchase Plan (As Amended and Restated Effective September 2, 2021)	8-K	000-21767	10.2	09/03/2021
10.4**	1996 Equity Participation Plan of Viasat, Inc. (As Amended and Restated Effective September 2, 2022)	8-K	000-21767	10.1	09/02/2022
10.5**	Form of Stock Option Agreement for the 1996 Equity Participation Plan of ViaSat, Inc.	10-K	000-21767	10.4	05/26/2015
10.6**	Form of Performance Stock Option Agreement for the 1996 Equity Participation Plan of ViaSat, Inc.	10-Q	000-21767	10.1	02/9/2018
10.7**	Form of Restricted Stock Unit Award Agreement for the 1996 Equity Participation Plan of ViaSat, Inc.—Global	10-K	000-21767	10.5	05/25/2017
10.8**	Form of Restricted Stock Unit Award Agreement for the 1996 Equity Participation Plan of ViaSat, Inc.—Independent Director	10-K	000-21767	10.6	05/26/2015
10.9**	Form of Restricted Stock Unit Award Agreement for the 1996 Equity Participation Plan of ViaSat, Inc.—Executive	10-K	000-21767	10.7	05/26/2015
10.10**	Form of Change in Control Severance Agreement between ViaSat, Inc. and each of its executive officers	8-K	000-21767	10.1	08/04/2010
10.10.1**	Form of First Amendment to Change in Control Severance Agreement between ViaSat, Inc. and each of its executive officers	10-K	000-21767	10.12.1	5/31/2022
10.11**	Severance Agreement, dated as of April 13, 2023, by and between Viasat, Inc. and K. Guru Gowrappan				X
10.12**	RigNet, Inc. 2010 Omnibus Incentive Plan	S-8	333-255690	10.3	04/30/2021

10.12.1**	Amendment to RigNet, Inc. 2010 Omnibus Incentive Plan	S-8	333-255690	10.4	04/30/2021
10.13**	RigNet, Inc. 2019 Omnibus Incentive Plan	S-8	333-255690	10.5	04/30/2021
10.13.1**	Amendment to RigNet, Inc. 2019 Omnibus Incentive Plan	S-8	333-255690	10.6	04/30/2021
10.14**	Restricted Stock Unit Award Agreement, by and between RigNet, Inc. and Errol Olivier, effective as of January 8, 2020	S-8	333-255690	10.8	04/30/2021
10.15	Credit Agreement dated as of November 26, 2013, by and among ViaSat, Inc., Union Bank, N.A. (as agent) and the other lenders party thereto	8-K	000-21767	10.1	11/26/2013
10.15.1	First Amendment to Credit Agreement and Other Loan Documents dated as of March 12, 2015, by and among ViaSat, Inc., Union Bank, N.A. (as agent) and the other lenders party thereto	8-K	000-21767	10.2	03/13/2015
10.15.2	Second Amendment to Credit Agreement and Other Loan Documents dated as of May 24, 2016, by and among Viasat, Inc., MUFG Union Bank, N.A. (as agent) and the other lenders party thereto	8-K	000-21767	10.1	05/24/2016
10.15.3	Third Amendment to Credit Agreement dated as of May 24, 2018 by and among Viasat, Inc., MUFG Union Bank, N.A. (as agent) and the other lenders party thereto	10-K	000-21767	10.10.3	05/30/2018
10.15.4	Fourth Amendment to Credit Agreement dated as of January 18, 2019, by and among Viasat, Inc., MUFG Union Bank, N.A. (as administrative agent and collateral agent) and the other lenders party thereto	8-K	000-21767	10.1	01/22/2019
10.15.5	Fifth Amendment to Credit Agreement, dated as of November 23, 2021, by and among Viasat, Inc., MUFG Union Bank, N.A. (as administrative agent and collateral agent), and the other lenders party thereto	8-K	000-21767	10.1	11/30/2021
10.15.6	Sixth Amendment to Credit Agreement, dated as of March 4, 2022, by and among Viasat, Inc., MUFG Union Bank, N.A. (as administrative agent and collateral agent), and the other lenders party thereto	8-K	000-21767	10.2	03/04/2022
10.16	Credit Agreement dated as of March 12, 2015, by and among ViaSat Technologies Limited, ViaSat, Inc., JPMorgan Chase Bank, National Association (as Ex-Im facility agent) and the Export-Import Bank of the United States	8-K	000-21767	10.1	03/13/2015

10.16.1	First Amendment to Credit Agreement, dated as of June 12, 2015, by and among ViaSat Technologies Limited, ViaSat, Inc., JPMorgan Chase Bank, National Association (as Ex-Im Facility Agent) and the Export-Import Bank of the United States	10-Q	000-21767	10.1	08/10/2015	
10.16.2	Second Amendment Agreement, dated as of March 23, 2016, by and among ViaSat Technologies Limited, ViaSat, Inc., JPMorgan Chase Bank, National Association (as Ex-Im Facility Agent) and the Export-Import Bank of the United States	8-K	000-21767	10.1	03/24/2016	
10.16.3	Third Amendment Agreement, dated as of October 11, 2016, by and among ViaSat Technologies Limited, ViaSat, Inc., JPMorgan Chase Bank, National Association (as Ex-Im Facility Agent) and the Export-Import Bank of the United States	8-K	000-21767	10.1	10/12/2016	
10.16.4	Fourth Amendment to Credit Agreement, dated as of July 17, 2018, by and among Viasat Technologies Limited, Viasat, Inc., JPMorgan Chase Bank, National Association (as Ex-Im Facility Agent) and the Export-Import Bank of the United States	8-K	000-21767	10.1	07/23/2018	
10.16.5	Fifth Amendment Agreement, dated as of February 28, 2019, by and among Viasat Technologies Limited, Viasat, Inc., JPMorgan Chase Bank, National Association (as Ex-Im Facility Agent) and the Export-Import Bank of the United States	8-K	000-21767	10.1	02/28/2019	
10.16.6	Sixth Amendment to Credit Agreement, dated as of August 3, 2022, among Viasat Technologies Limited, Viasat, Inc., JP Morgan Chase Bank, National Association, and the Export-Import Bank of the United States	10-Q	000-21767	10.2	08/09/2022	
10.17	Credit Agreement, dated as of March 4, 2022, by and among Viasat, Inc., Bank of America, N.A. (as administrative agent and collateral agent), and the other lenders party thereto	8-K	000-21767	10.1	03/04/2022	
21.1	Subsidiaries					X
23.1	Consent of PricewaterhouseCoopers LLP, Independent Registered Public Accounting Firm					X
24.1	Power of Attorney (see signature page)					X
31.1	Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 of Chief Executive Officer					X

31.2	Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 of Chief Financial Officer	X
32.1	Certifications Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	X
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.	X
101.SCH	Inline XBRL Taxonomy Extension Schema	X
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase	X
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase	X
101.LAB	Inline XBRL Taxonomy Extension Labels Linkbase	X
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase	X
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)	X

* Certain schedules to this Exhibit omitted pursuant to Regulation S-K Item 601(b)(2) or 601(a)(5) (as applicable). Viasat agrees to furnish a supplemental copy of any omitted schedule to the SEC upon request; provided, however, that Viasat may request confidential treatment pursuant to Rule 24b-2 of the Exchange Act for any document so furnished.

** Indicates management contract, compensatory plan or arrangement.

(p) Filed in paper.

ITEM 16. FORM 10-K SUMMARY

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

VIASAT, INC.

By: /s/ MARK DANKBERG
Chairman of the Board and Chief Executive Officer

Date: May 22, 2023

Know all persons by these presents, that each person whose signature appears below constitutes and appoints Mark Dankberg and Shawn Duffy, jointly and severally, his or her attorneys-in-fact, each with the full power of substitution, for him or her in any and all capacities, to sign any amendments to this Annual Report on Form 10-K, and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, hereby ratifying and confirming all that each of said attorneys-in-fact, or his or her substitute or substitutes, may do or cause to be done by virtue hereof. Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ MARK DANKBERG</u> Mark Dankberg	Chairman of the Board and Chief Executive Officer (Principal Executive Officer)	May 22, 2023
<u>/s/ SHAWN DUFFY</u> Shawn Duffy	Senior Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)	May 22, 2023
<u>/s/ RICHARD BALDRIDGE</u> Richard Baldrige	Vice Chairman	May 22, 2023
<u>/s/ JAMES BRIDENSTINE</u> James Bridenstine	Director	May 22, 2023
<u>/s/ ROBERT JOHNSON</u> Robert Johnson	Director	May 22, 2023
<u>/s/ SEAN PAK</u> Sean Pak	Director	May 22, 2023
<u>/s/ VARSHA RAO</u> Varsha Rao	Director	May 22, 2023
<u>/s/ JOHN STENBIT</u> John Stenbit	Director	May 22, 2023
<u>/s/ THERESA WISE</u> Theresa Wise	Director	May 22, 2023

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of Viasat, Inc.

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of Viasat, Inc. and its subsidiaries (the "Company") as of March 31, 2023 and 2022, and the related consolidated statements of operations and comprehensive income (loss), of equity, and of cash flows for each of the three years in the period ended March 31, 2023, including the related notes and financial statement schedule listed in the index appearing under Item 15(a)(2) (collectively referred to as the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of March 31, 2023, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of March 31, 2023 and 2022, and the results of its operations and its cash flows for each of the three years in the period ended March 31, 2023 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of March 31, 2023, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the COSO.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Report on Internal Control Over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Revenue Recognition – Estimated Costs at Completion

As described in Note 1 to the consolidated financial statements, the vast majority of the Company's revenues from long-term contracts to develop and deliver complex equipment built to customer specifications are derived from contracts with the U.S. government. A portion of the Company's total revenues of \$2.6 billion for the year ended March 31, 2023 are from long-term contracts. Performance obligations related to developing and delivering complex equipment built to customer specifications under long-term contracts are recognized over time as these performance obligations do not create assets with an alternative use to the Company and the Company has an enforceable right to payment for performance to date. To measure the transfer of control, revenue is recognized based on the extent of progress towards completion of the performance obligation. The Company generally uses the cost-to-cost measure of progress for its contracts because that best depicts the transfer of control to the customer which occurs as the Company incurs costs on its contracts. Under the cost-to-cost measure of progress, the extent of progress towards completion is measured based on the ratio of costs incurred to date to the total estimated costs at completion of the performance obligation. Estimating the total costs at completion of a performance obligation requires management to make estimates related to items such as subcontractor performance, material costs and availability, labor costs and productivity, and the costs of overhead.

The principal considerations for our determination that performing procedures relating to revenue recognition – estimated costs at completion is a critical audit matter are the significant judgment by management when developing the estimated costs at completion on individual fixed-price contracts, which in turn led to a high degree of auditor judgment, subjectivity and effort in performing procedures and evaluating the estimated costs at completion related to the assessment of management's judgment as it relates to the subcontractor performance, material costs and availability, labor costs and productivity, and the costs of overhead.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to the revenue recognition process, including controls over the completeness and accuracy of estimated costs at completion. The procedures also included, among others, (i) evaluating and testing management's process for developing estimates of total estimated costs at completion for long-term contracts for a sample of contracts; (ii) testing the completeness and accuracy of costs incurred to date and (iii) evaluating the reasonableness of significant estimates used by management related to subcontractor performance, material costs, labor costs, and overhead costs, and considering factors that could affect the accuracy of those estimates. Evaluating the reasonableness of the significant assumptions used involved assessing management's ability to reasonably estimate costs at completion by (i) testing samples of third-party quotes or bids for materials and subcontractor services; (ii) assessing the reasonableness of estimates of total costs at completion in comparison to actual total costs incurred to date; (iii) recalculating estimated labor and overhead, and (iv) evaluating the timely identification of circumstances that may warrant a modification to estimated costs to complete, including actual costs in excess of estimates.

/s/ PricewaterhouseCoopers LLP

San Diego, California
May 22, 2023

We have served as the Company's auditor since 1992.

VIASAT, INC.
CONSOLIDATED BALANCE SHEETS

	As of March 31, 2023	As of March 31, 2022
	(In thousands, except share data)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,348,854	\$ 310,459
Restricted cash	30,532	—
Accounts receivable, net	419,934	312,172
Inventories	268,563	197,864
Prepaid expenses and other current assets	176,629	141,386
Current assets of discontinued operations	—	197,591
Total current assets	<u>2,244,512</u>	<u>1,159,472</u>
Property, equipment and satellites, net	4,378,283	3,704,991
Operating lease right-of-use assets	281,757	343,339
Other acquired intangible assets, net	201,205	236,043
Goodwill	158,542	168,710
Other assets	466,038	699,280
Non-current assets of discontinued operations	—	77,511
Total assets	<u>\$ 7,730,337</u>	<u>\$ 6,389,346</u>
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	\$ 271,548	\$ 200,673
Accrued and other liabilities	647,232	482,564
Current portion of long-term debt	37,939	34,911
Current liabilities of discontinued operations	—	52,273
Total current liabilities	<u>956,719</u>	<u>770,421</u>
Senior notes	1,689,186	1,686,225
Other long-term debt	732,315	764,991
Non-current operating lease liabilities	273,006	316,178
Other liabilities	218,542	153,156
Non-current liabilities of discontinued operations	—	15,781
Total liabilities	<u>3,869,768</u>	<u>3,706,752</u>
Commitments and contingencies (Notes 13 and 14)		
Equity:		
Viasat, Inc. stockholders' equity		
Preferred stock, \$0.0001 par value; 5,000,000 shares authorized; no shares issued and outstanding at March 31, 2023 and 2022, respectively	—	—
Common stock, \$0.0001 par value, 100,000,000 shares authorized; 76,912,016 and 74,428,816 shares outstanding at March 31, 2023 and 2022, respectively	8	7
Paid-in capital	2,540,679	2,421,950
Retained earnings	1,318,336	233,530
Accumulated other comprehensive income (loss)	(34,713)	(21,621)
Total Viasat, Inc. stockholders' equity	<u>3,824,310</u>	<u>2,633,866</u>
Noncontrolling interest in subsidiary	36,259	48,728
Total equity	<u>3,860,569</u>	<u>2,682,594</u>
Total liabilities and equity	<u>\$ 7,730,337</u>	<u>\$ 6,389,346</u>

See accompanying notes to the consolidated financial statements.

VIASAT, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)

	Fiscal Years Ended		
	March 31, 2023	March 31, 2022	March 31, 2021
	(In thousands, except per share data)		
Revenues:			
Product revenues	\$ 954,126	\$ 860,726	\$ 739,373
Service revenues	1,602,032	1,556,453	1,181,505
Total revenues	2,556,158	2,417,179	1,920,878
Operating expenses:			
Cost of product revenues	736,446	699,549	584,151
Cost of service revenues	1,098,308	1,011,726	771,538
Selling, general and administrative	718,626	640,842	497,159
Independent research and development	128,923	149,474	108,501
Amortization of acquired intangible assets	29,811	28,729	5,482
Income (loss) from operations	(155,956)	(113,141)	(45,953)
Other income (expense):			
Interest income	19,512	504	440
Interest expense	(26,809)	(29,391)	(32,687)
Other income, net	1,098	4,118	—
Income (loss) from continuing operations before income taxes	(162,155)	(137,910)	(78,200)
(Provision for) benefit from income taxes from continuing operations	(49,418)	36,517	11,194
Equity in income (loss) of unconsolidated affiliate, net	(66)	(281)	556
Net income (loss) from continuing operations	(211,639)	(101,674)	(66,450)
Net income (loss) from discontinued operations, net of tax	1,302,387	99,191	83,551
Net income (loss)	1,090,748	(2,483)	17,101
Less: net income (loss) attributable to noncontrolling interest, net of tax	5,942	13,051	13,410
Net income (loss) attributable to Viasat, Inc.	\$ 1,084,806	\$ (15,534)	\$ 3,691
Income (loss) per share attributable to Viasat, Inc. common stockholders - basic:			
Continuing operations	\$ (2.87)	\$ (1.56)	\$ (1.20)
Discontinued operations	17.16	1.35	1.26
Income (loss)	\$ 14.29	\$ (0.21)	\$ 0.06
Income (loss) per share attributable to Viasat, Inc. common stockholders - diluted:			
Continuing operations	\$ (2.87)	\$ (1.56)	\$ (1.20)
Discontinued operations	17.16	1.35	1.26
Income (loss)	\$ 14.29	\$ (0.21)	\$ 0.06
Shares used in computing basic net income (loss) per share	75,915	73,397	66,444
Shares used in computing diluted net income (loss) per share	75,915	73,397	66,444
Comprehensive income (loss):			
Net income (loss)	\$ 1,090,748	\$ (2,483)	\$ 17,101
Other comprehensive income (loss), net of tax:			
Foreign currency translation adjustments, net of tax	(13,092)	(31,424)	15,851
Other comprehensive income (loss), net of tax	(13,092)	(31,424)	15,851
Comprehensive income (loss)	1,077,656	(33,907)	32,952
Less: comprehensive income (loss) attributable to noncontrolling interest, net of tax	5,942	13,051	13,410
Comprehensive income (loss) attributable to Viasat, Inc.	\$ 1,071,714	\$ (46,958)	\$ 19,542

See accompanying notes to the consolidated financial statements.

VIASAT, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Fiscal Years Ended		
	March 31, 2023	March 31, 2022	March 31, 2021
(In thousands)			
Cash Flows from Continuing and Discontinued Operations			
Cash flows from operating activities:			
Net income (loss)	\$ 1,090,748	\$ (2,483)	\$ 17,101
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation	409,564	407,376	330,861
Amortization of intangible assets	90,813	88,071	66,241
Stock-based compensation expense	84,459	86,808	84,879
Loss on disposition of fixed assets	45,892	46,793	39,442
Gain on disposition of business prior to costs to sell	(1,702,686)	—	—
Deferred income taxes and other non-cash adjustments	380,672	(11,772)	7,773
Increase (decrease) in cash resulting from changes in operating assets and liabilities, net of effect of acquisitions:			
Accounts receivable	(128,149)	(60,488)	84,411
Inventories	(73,135)	(2,300)	(42,460)
Other assets	1,125	26,854	36,431
Accounts payable	35,514	25,444	(24,363)
Accrued liabilities	184,257	(48,827)	154,898
Other liabilities	(51,213)	(49,835)	(27,999)
Net cash provided by (used in) operating activities	367,861	505,641	727,215
Cash flows from investing activities:			
Purchase of property, equipment and satellites	(1,076,968)	(938,280)	(827,241)
Cash paid for patents, licenses and other assets	(87,349)	(52,030)	(58,030)
Proceeds from sale of business	1,932,354	—	—
Payments related to acquisition of businesses, net of cash acquired	—	(139,533)	—
Net cash provided by (used in) investing activities	768,037	(1,129,843)	(885,271)
Cash flows from financing activities:			
Proceeds from debt borrowings	540,000	1,266,000	400,000
Payments on debt borrowings	(576,474)	(610,401)	(420,552)
Payments of debt issuance costs	(1,511)	(6,261)	(5,060)
Repurchase of shares by majority-owned subsidiary	(30,000)	—	—
Proceeds from issuance of common stock under equity plans	21,686	20,549	19,101
Purchase of common stock in treasury (immediately retired) related to tax withholdings for stock-based compensation	(16,493)	(22,969)	(13,676)
Proceeds from common stock issued in private placement, net of issuance costs	—	—	174,749
Other financing activities	(3,336)	(3,288)	(4,871)
Net cash provided by (used in) financing activities	(66,128)	643,630	149,691
Effect of exchange rate changes on cash	(843)	(4,918)	5
Net increase (decrease) in cash and cash equivalents and restricted cash	1,068,927	14,510	(8,360)
Cash and cash equivalents and restricted cash at beginning of fiscal year	310,459	295,949	304,309
Cash and cash equivalents and restricted cash at end of fiscal year	<u>\$ 1,379,386</u>	<u>\$ 310,459</u>	<u>\$ 295,949</u>
Supplemental information:			
Cash paid for interest (net of amounts capitalized)	<u>\$ 11,000</u>	<u>\$ 14,627</u>	<u>\$ 23,526</u>
Cash paid for income taxes, net	<u>\$ 16,491</u>	<u>\$ 17,144</u>	<u>\$ 6,670</u>
Non-cash investing and financing activities:			
Capital expenditures not paid for during the period	\$ 72,630	\$ 67,931	\$ 32,616
Issuance of common stock in satisfaction of certain accrued employee compensation liabilities	\$ 27,619	\$ 24,488	\$ 25,406
Issuance of common stock in connection with acquisition	\$ —	\$ 207,169	\$ —

See accompanying notes to the consolidated financial statements.

VIASAT, INC.
CONSOLIDATED STATEMENTS OF EQUITY

Viasat, Inc. Stockholders							
	Common Stock		Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interest in Subsidiary	Total
	Number of Shares Issued	Amount					
(In thousands, except share data)							
Balance at March 31, 2020	62,147,140	\$ 6	\$ 1,788,456	\$ 245,373	\$ (6,048)	\$ 22,355	\$ 2,050,142
Issuance of stock under Employee Stock Purchase Plan	638,792	—	19,101	—	—	—	19,101
Common stock issued in private placement, net of issuance costs	4,474,559	1	174,748	—	—	—	174,749
Stock-based compensation	—	—	98,560	—	—	—	98,560
Shares issued in settlement of certain accrued employee compensation liabilities	580,846	—	25,406	—	—	—	25,406
RSU awards vesting, net of shares withheld for taxes which have been retired	687,796	—	(13,676)	—	—	—	(13,676)
Net income (loss)	—	—	—	3,691	—	13,410	17,101
Other comprehensive income (loss), net of tax	—	—	—	—	15,851	—	15,851
Balance at March 31, 2021	68,529,133	\$ 7	\$ 2,092,595	\$ 249,064	\$ 9,803	\$ 35,765	\$ 2,387,234
Exercise of stock options	27,107	—	1,526	—	—	—	1,526
Issuance of stock under Employee Stock Purchase Plan	586,203	—	19,023	—	—	—	19,023
Stock-based compensation	—	—	100,118	—	—	—	100,118
Shares issued in settlement of certain accrued employee compensation liabilities	457,130	—	24,488	—	—	—	24,488
RSU awards vesting, net of shares withheld for taxes which have been retired	829,054	—	(22,969)	—	—	—	(22,969)
Shares issued in connection with acquisition of business	4,000,189	—	207,169	—	—	—	207,169
Other	—	—	—	—	—	(88)	(88)
Net income (loss)	—	—	—	(15,534)	—	13,051	(2,483)
Other comprehensive income (loss), net of tax	—	—	—	—	(31,424)	—	(31,424)
Balance at March 31, 2022	74,428,816	\$ 7	\$ 2,421,950	\$ 233,530	\$ (21,621)	\$ 48,728	\$ 2,682,594
Issuance of stock under Employee Stock Purchase Plan	873,739	—	21,686	—	—	—	21,686
Stock-based compensation	—	—	97,701	—	—	—	97,701
Shares issued in settlement of certain accrued employee compensation liabilities	719,989	1	27,618	—	—	—	27,619
RSU awards vesting, net of shares withheld for taxes which have been retired	889,472	—	(16,493)	—	—	—	(16,493)
Other noncontrolling interest activity	—	—	(11,783)	—	—	(18,411)	(30,194)
Net income (loss)	—	—	—	1,084,806	—	5,942	1,090,748
Other comprehensive income (loss), net of tax	—	—	—	—	(13,092)	—	(13,092)
Balance at March 31, 2023	76,912,016	\$ 8	\$ 2,540,679	\$ 1,318,336	\$ (34,713)	\$ 36,259	\$ 3,860,569

See accompanying notes to the consolidated financial statements.

VIASAT, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1 — The Company and a Summary of Its Significant Accounting Policies

The Company

Viasat, Inc. (also referred to hereafter as the “Company” or “Viasat”) is an innovator in communications technologies and services, including high-speed and cost-effective broadband and advanced communications products and services.

Principles of consolidation

The Company’s consolidated financial statements include the assets, liabilities and results of operations of Viasat, its wholly owned subsidiaries and its majority-owned subsidiary, TrellisWare Technologies, Inc. (TrellisWare). During the first quarter of fiscal year 2022, the Company completed the acquisitions of the remaining 51% interest in Euro Broadband Infrastructure Sàrl (EBI) and RigNet, Inc. (RigNet) (see Note 5 — Acquisitions for more information). The acquisitions were accounted for as purchases and accordingly, the consolidated financial statements include the operating results of EBI and RigNet from the dates of acquisition.

All significant intercompany amounts have been eliminated. Investments in entities in which the Company can exercise significant influence, but does not own a majority equity interest or otherwise control, are accounted for using the equity method and are included as investment in unconsolidated affiliate in other assets (long-term) on the consolidated balance sheets.

Certain prior period amounts have been reclassified to conform to the current period presentation.

Discontinued Operations

On October 1, 2022, the Company entered into an Asset Purchase Agreement to sell certain assets and assign certain liabilities comprising the Company’s Link-16 Tactical Data Links business (the Link-16 TDL Business), part of the Company’s government systems segment, to L3Harris Technologies, Inc. (L3Harris) in exchange for approximately \$1.96 billion in cash, subject to adjustments (the Link-16 TDL Sale). In accordance with the authoritative guidance for discontinued operations (Accounting Standards Codification (ASC) 205-20), the Company determined that the Link-16 TDL Business met held-for sale and discontinued operations accounting criteria at the end of the second quarter of fiscal year 2023. Accordingly, the Company classified the results of the Link-16 TDL Business as discontinued operations in its consolidated statements of operations for all periods presented. Additionally, the related assets and liabilities associated with the Link-16 TDL Business were classified as held for sale and discontinued operations in the consolidated balance sheet as of March 31, 2022. On January 3, 2023, the Company completed the Link-16 TDL Sale. See Note 4 — Discontinued Operations for additional information.

Management estimates and assumptions

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) 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 date of the financial statements, and reported amounts of revenues and expenses during the reporting period. Estimates have been prepared on the basis of the most current and best available information and actual results could differ from those estimates. Significant estimates made by management include revenue recognition, stock-based compensation, allowance for doubtful accounts, valuation of goodwill and other intangible assets, patents, orbital slots and other licenses, software development, property, equipment and satellites, long-lived assets, contingencies and income taxes including the valuation allowance on deferred tax assets.

Cash equivalents

Cash equivalents consist of highly liquid investments with original maturities of three months or less at the date of purchase, with a significant portion held in U.S. government-backed qualified money-market securities.

Restricted cash

Restricted cash relates to deposits required by certain counterparties as collateral pursuant to outstanding letters of credit. Restricted cash as of March 31, 2023 was \$30.5 million.

In accordance with the authoritative guidance for the statement of cash flows (ASU 230), the following table provides a reconciliation of cash and cash equivalents and restricted cash reported within the consolidated balance sheets that total to the amounts shown in the consolidated statements of cash flows.

	As of March 31, 2023	As of March 31, 2022
	(In thousands)	
Cash and cash equivalents	\$ 1,348,854	\$ 310,459
Restricted cash	30,532	—
Total cash and cash equivalents and restricted cash shown in the consolidated statements of cash flows	\$ 1,379,386	\$ 310,459

Accounts receivable and allowance for doubtful accounts

The Company records any unconditional rights to consideration as receivables at net realizable value including an allowance for estimated uncollectible accounts. The allowance for doubtful accounts is based on the Company's assessment of the collectability of customer accounts. The Company regularly reviews the allowance by considering factors such as historical experience, credit quality, the age of accounts receivable balances and current economic conditions that may affect a customer's ability to pay. Amounts determined to be uncollectible are charged or written off against the reserve. Historically, the Company's allowance for doubtful accounts has been minimal primarily because a significant portion of its sales has been to the U.S. Government or with respect to its satellite services commercial business, the Company bills and collects in advance.

Concentration of risk

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist primarily of cash equivalents and accounts receivable which are generally not collateralized. The Company limits its exposure to credit loss by placing its cash equivalents with high credit quality financial institutions and investing in high quality short-term debt instruments. The Company establishes customer credit policies related to its accounts receivable based on historical collection experiences within the various markets in which the Company operates, historical past due amounts and any specific information that the Company becomes aware of such as bankruptcy or liquidity issues of customers.

Revenues from the U.S. Government as an individual customer comprised approximately 17%, 18% and 21% of total revenues for fiscal years 2023, 2022 and 2021, respectively. Billed accounts receivable to the U.S. Government as of March 31, 2023 and 2022 were approximately 21% and 16%, respectively, of total billed receivables. In addition, none of the Company's commercial customers comprised 10% or more of total revenues for fiscal years 2023, 2022 and 2021. The Company's five largest contracts generated approximately 17%, 17% and 13% of the Company's total revenues for the fiscal years ended March 31, 2023, 2022 and 2021, respectively.

The Company relies on a limited number of contract manufacturers to produce its products.

Inventory

Inventory is valued at the lower of cost and net realizable value, cost being determined by the weighted average cost method.

Property, equipment and satellites

Satellites and other property and equipment, including internally developed software, are recorded at cost or, in the case of certain satellites and other property acquired, the fair value at the date of acquisition, net of accumulated depreciation. Capitalized satellite costs consist primarily of the costs of satellite construction and launch, including launch insurance and insurance during the period of in-orbit testing, the net present value of performance incentives expected to be payable to satellite manufacturers (dependent on the continued satisfactory performance of the satellites), costs directly associated with the monitoring and support of satellite construction, and interest costs incurred during the period of satellite construction. The Company also constructs earth stations, network operations systems and other assets to support its satellites, and those construction costs, including interest, are capitalized as incurred. At the time satellites are placed in commercial service, the Company estimates the useful life of its satellites for depreciation purposes based upon an analysis of each satellite's performance against the original manufacturer's orbital design life, estimated fuel levels and related consumption rates, as well as historical satellite operating trends. The Company periodically reviews the remaining estimated useful life of its satellites to determine if revisions to estimated useful lives are necessary. Costs incurred for additions to property, equipment and satellites, together with major renewals and betterments, are capitalized and depreciated over the remaining life of the underlying asset. Costs incurred for maintenance, repairs and minor renewals and betterments are charged to expense as incurred. When assets are sold or otherwise disposed of, the cost and related accumulated depreciation or amortization are removed from the accounts and any resulting gain or loss is recognized in operations, which for the periods presented, primarily related to losses incurred for unreturned customer premise equipment (CPE). The Company computes depreciation using the straight-line method over the estimated useful lives of the assets ranging from two to 38 years. Leasehold improvements are capitalized and amortized using the straight-line method over the shorter of the lease term or the life of the improvement.

Costs related to internally developed software for internal uses are capitalized after the preliminary project stage is complete and are amortized over the estimated useful lives of the assets, which are approximately three to seven years. Capitalized costs for internal-use software are included in property, equipment and satellites, net in the Company's consolidated balance sheets.

Interest expense is capitalized on the carrying value of assets under construction, in accordance with the authoritative guidance for the capitalization of interest (ASC 835-20). With respect to the construction of satellites, gateway and networking equipment and other assets under construction, the Company capitalized \$159.7 million, \$102.1 million and \$81.0 million of interest expense for the fiscal years ended March 31, 2023, 2022 and 2021, respectively.

The Company owns four satellites in commercial service — three over North America (ViaSat-2, ViaSat-1 and WildBlue-1) and the KA-SAT satellite over Europe, Middle East, and Africa (EMEA). In addition, the Company has lifetime leases of Ka-band capacity on two satellites. The Company successfully launched the first of its third-generation ViaSat-3 class satellites, ViaSat-3 Americas, into orbit on April 30, 2023 (which satellite is currently being prepared for commercial service) and is planning to launch two additional third-generation ViaSat-3 class satellites currently under construction to complete its global constellation. In addition, the Company owns related earth stations and networking equipment for all of its satellites. The Company procures indoor and outdoor CPE units leased to subscribers under a retail leasing program as part of the Company's satellite services segment, which are reflected in investing activities and property, equipment and satellites, net in the accompanying consolidated financial statements. The Company depreciates the satellites, earth stations and networking equipment, CPE units and related installation costs over their estimated useful lives. The total cost and accumulated depreciation of CPE units included in property, equipment and satellites, net, as of March 31, 2023 were \$395.4 million and \$213.6 million, respectively. The total cost and accumulated depreciation of CPE units included in property, equipment and satellites, net, as of March 31, 2022 were \$395.5 million and \$210.6 million, respectively.

Occasionally, the Company may enter into finance lease arrangements for various machinery, equipment, computer-related equipment, software, furniture, fixtures, or satellites. The Company records amortization of assets leased under finance lease arrangements within depreciation expense (see Note 1 — The Company and a Summary of Its Significant Accounting Policies – Leases and Note 7 — Leases for more information).

Cloud computing arrangements

The Company enters into certain cloud-based software hosting arrangements that are accounted for as service contracts. Costs incurred for these arrangements are capitalized for application development activities, if material, and immediately expensed for preliminary project activities and postimplementation activities. The Company amortizes the capitalized development costs straight-line over the fixed, non-cancellable term of the associated hosting arrangement plus any reasonably certain renewal periods. The capitalized costs are included in other current assets within the prepaid expenses and other current assets caption, and other assets (long-term) on the Company's consolidated balance sheets.

Leases

Lessee accounting

In accordance with the authoritative guidance for leases (ASC 842), the Company assesses at contract inception whether the contract is, or contains, a lease. Generally, the Company determines that a lease exists when (1) the contract involves the use of a distinct identified asset, (2) the Company obtains the right to substantially all economic benefits from use of the asset, and (3) the Company has the right to direct the use of the asset. A lease is classified as a finance lease when one or more of the following criteria are met: (1) the lease transfers ownership of the asset by the end of the lease term, (2) the lease contains an option to purchase the asset that is reasonably certain to be exercised, (3) the lease term is for a major part of the remaining useful life of the asset, (4) the present value of the lease payments equals or exceeds substantially all of the fair value of the asset or (5) the asset is of such a specialized nature that it is expected to have no alternative use to the lessor at the end of the lease term. A lease is classified as an operating lease if it does not meet any of these criteria.

At the lease commencement date, the Company recognizes a right-of-use asset and a lease liability for all leases, except short-term leases with an original term of 12 months or less. The right-of-use asset represents the right to use the leased asset for the lease term. The lease liability represents the present value of the lease payments under the lease. The right-of-use asset is initially measured at cost, which primarily comprises the initial amount of the lease liability, less any lease incentives received. All right-of-use assets are periodically reviewed for impairment in accordance with standards that apply to long-lived assets. The lease liability is initially measured at the present value of the lease payments, discounted using an estimate of the Company's incremental borrowing rate for a collateralized loan with the same term as the underlying leases.

Lease payments included in the measurement of lease liabilities consist of (1) fixed lease payments for the noncancelable lease term, (2) fixed lease payments for optional renewal periods where it is reasonably certain the renewal option will be exercised, and (3) variable lease payments that depend on an underlying index or rate, based on the index or rate in effect at lease commencement. Certain of the Company's real estate lease agreements require variable lease payments that do not depend on an underlying index or rate established at lease commencement. Such payments and changes in payments based on a rate or index are recognized in operating expenses when incurred.

Lease expense for operating leases consists of the fixed lease payments recognized on a straight-line basis over the lease term plus variable lease payments as incurred. Lease expense for finance leases consists of the depreciation of assets obtained under finance leases on a straight-line basis over the lease term and interest expense on the lease liability based on the discount rate at lease commencement. For both operating and finance leases, lease payments are allocated between a reduction of the lease liability and interest expense.

Lessor accounting

For broadband equipment leased to fixed broadband customers in conjunction with the delivery of connectivity services, the Company has made an accounting policy election not to separate the broadband equipment from the related connectivity services. The connectivity services are the predominant component of these arrangements. The connectivity services are accounted for in accordance with ASC 606. The Company is also a lessor for certain insignificant communications equipment. These leases meet the criteria for operating lease classification. Lease income associated with these leases is not material.

Business combinations

The authoritative guidance for business combinations (ASC 805) requires that all business combinations be accounted for using the purchase method. The purchase price for business combinations is allocated to the estimated fair values of acquired tangible and intangible assets, and assumed liabilities, where applicable. The Company recognizes technology, contracts and customer relationships, satellite co-location rights, trade names and other as identifiable intangible assets, which are recorded at fair value as of the transaction date. Goodwill is recorded when consideration transferred exceeds the fair value of identifiable assets and liabilities. Measurement-period adjustments to assets acquired and liabilities assumed with a corresponding offset to goodwill are recorded in the period they occur, which may include up to one year from the acquisition date. Contingent consideration is recorded at fair value at the acquisition date.

Goodwill and intangible assets

The authoritative guidance for business combinations (ASC 805) specifies criteria for recognizing and reporting intangible assets apart from goodwill; however, acquired workforce must be recognized and reported in goodwill. The authoritative guidance for goodwill and other intangible assets (ASC 350) requires that intangible assets with an indefinite life should not be amortized until their life is determined to be finite. All other intangible assets must be amortized over their useful life. The authoritative guidance for goodwill and other intangible assets prohibits the amortization of goodwill and indefinite-lived intangible assets, but instead requires these assets to be tested for impairment at least annually and more frequently upon the occurrence of specified events. In addition, all goodwill must be assigned to reporting units for purposes of impairment testing.

Patents, orbital slots and other licenses

The Company capitalizes the costs of obtaining or acquiring patents, orbital slots and other licenses. Amortization of intangible assets that have finite lives is provided for by the straight-line method over the shorter of the legal or estimated economic life. Total capitalized costs of \$3.7 million and \$3.5 million related to patents were included in other assets as of March 31, 2023 and 2022, respectively. The Company capitalized costs of \$77.0 million and \$64.1 million related to acquiring and obtaining orbital slots and other licenses included in other assets as of March 31, 2023 and 2022, respectively. Accumulated amortization related to these assets was \$6.8 million and \$5.4 million as of March 31, 2023 and 2022, respectively. Amortization expense related to these assets was \$1.5 million and \$1.1 million for the fiscal years ended March 31, 2023 and 2022, respectively, and an insignificant amount for the fiscal year ended March 31, 2021. If a patent, orbital slot or other license is rejected, abandoned or otherwise invalidated, the unamortized cost is expensed in that period. During fiscal years 2023, 2022 and 2021, the Company did not write off any significant costs due to abandonment or impairment.

Debt issuance costs

Debt issuance costs are amortized and recognized as interest expense using the effective interest rate method, or, when the results are not materially different, on a straight-line basis over the expected term of the related debt. No, \$7.8 million and \$5.1 million of debt issuance costs were capitalized during fiscal years 2023, 2022 and 2021, respectively. Unamortized debt issuance costs related to extinguished debt are expensed at the time the debt is extinguished and recorded in loss on extinguishment of debt in the consolidated statements of operations and comprehensive income (loss). Debt issuance costs related to the Company's revolving credit facility (the Revolving Credit Facility) are recorded in other long-term assets in the consolidated balance sheets in accordance with the authoritative guidance for imputation of interest (ASC 835-30). Debt issuance costs related to the Company's \$700.0 million senior secured term loan facility (the Term Loan Facility), 5.625% Senior Notes due 2025 (the 2025 Notes), the Company's 5.625% Senior Secured Notes due 2027 (the 2027 Notes), the Company's 6.500% Senior Notes due 2028 (the 2028 Notes and, together with the 2025 Notes and the 2027 Notes, the Notes) and the Ex-Im Credit Facility are recorded as a direct deduction from the carrying amount of the related debt, consistent with debt discounts, in accordance with the authoritative guidance for imputation of interest (ASC 835-30).

Software development

Costs of developing software for sale are charged to independent research and development expense when incurred, until technological feasibility has been established. Software development costs incurred from the time technological feasibility is reached until the product is available for general release to customers are capitalized and reported at the lower of unamortized cost or net realizable value. Once the product is available for general release, the software development costs are amortized based on the ratio of current to future revenue for each product with an annual minimum equal to straight-line amortization over the remaining estimated economic life of the product, generally within five years. Capitalized costs, net, of \$222.2 million and \$217.2 million related to software developed for resale were included in other assets as of March 31, 2023 and 2022, respectively. The Company capitalized \$59.4 million and \$42.7 million of costs related to software developed for resale for the fiscal years ended March 31, 2023 and 2022, respectively. Amortization expense for capitalized software development costs was \$54.4 million, \$56.5 million and \$56.2 million during fiscal years 2023, 2022 and 2021, respectively.

Impairment of long-lived and other long-term assets (property, equipment and satellites, and other assets, including goodwill)

In accordance with the authoritative guidance for impairment or disposal of long-lived assets (ASC 360), the Company assesses potential impairments to long-lived assets, including property, equipment and satellites, and other assets, when there is evidence that events or changes in circumstances indicate that the carrying value may not be recoverable. An impairment loss is recognized when the undiscounted cash flows expected to be generated by an asset (or group of assets) are less than the asset's carrying value. Any required impairment loss would be measured as the amount by which the asset's carrying value exceeds its fair value, and would be recorded as a reduction in the carrying value of the related asset and charged to results of operations. No material impairments were recorded by the Company for fiscal years 2023, 2022 and 2021 other than the impairment of certain right-of-use assets in the fourth quarter of fiscal year 2023. See Note 7 — Leases for additional information.

The Company accounts for its goodwill under the authoritative guidance for goodwill and other intangible assets (ASC 350) and the provisions of ASU 2017-04, Simplifying the Test for Goodwill Impairment. In accordance with the current authoritative guidance, the Company first assesses qualitative factors to determine whether it is necessary to perform the quantitative goodwill impairment test. If, after completing the qualitative assessment, the Company determines that it is more likely than not that the estimated fair value is greater than the carrying value, the Company concludes that no impairment exists. Alternatively, if the Company determines in the qualitative assessment that it is more likely than not that the fair value is less than its carrying value, then the Company performs a quantitative goodwill impairment test to identify both the existence of an impairment and the amount of impairment loss, by comparing the fair value of the reporting unit with its carrying amount, including goodwill. If the estimated fair value of the reporting unit is less than the carrying value, then a goodwill impairment charge will be recognized in the amount by which the carrying amount exceeds the fair value, limited to the total amount of goodwill allocated to that reporting unit. The Company tests goodwill for impairment during the fourth quarter every fiscal year and when an event occurs or circumstances change such that it is reasonably possible that an impairment may exist.

In accordance with ASC 350, the Company assesses qualitative factors to determine whether goodwill is impaired. The qualitative analysis includes assessing the impact of changes in certain factors including: (1) changes in forecasted operating results and comparing actual results to projections, (2) changes in the industry or its competitive environment since the acquisition date, (3) changes in the overall economy, its market share and market interest rates since the acquisition date, (4) trends in the stock price and related market capitalization and enterprise values, (5) trends in peer companies' total enterprise value metrics, and (6) additional factors such as management turnover, changes in regulation and changes in litigation matters.

Furthermore, in addition to qualitative analysis, the Company believes it is appropriate to conduct a quantitative analysis periodically as a prudent review of its reporting unit goodwill fair values. The Company's quantitative analysis estimates the fair values of the reporting units using discounted cash flows and other indicators of fair value. The forecast of future cash flow is based on the Company's best estimate of each reporting unit's future revenue and operating costs, based primarily on existing firm orders, expected future orders, contracts with suppliers, labor resources, general market conditions, and other relevant factors. Based on a quantitative analysis for fiscal year 2023, the Company concluded that estimated fair values of its reporting units significantly exceed their respective carrying values.

Based on the Company's qualitative and quantitative assessment performed during the fourth quarter of fiscal year 2023, the Company concluded that it was more likely than not that the estimated fair value of the Company's reporting units exceeded their carrying values as of March 31, 2023. No impairments were recorded by the Company related to goodwill and other intangible assets for fiscal years 2023, 2022 and 2021.

Warranty reserves

The Company provides limited warranties on its products for periods of up to five years. The Company records a liability for its warranty obligations when the Company ships the products or they are included in long-term construction contracts based upon an estimate of expected warranty costs. Amounts expected to be incurred within 12 months are classified as accrued liabilities and amounts expected to be incurred beyond 12 months are classified as other liabilities in the consolidated financial statements. For mature products, the Company estimates the warranty costs based on historical experience with the particular product. For newer products that do not have a history of warranty costs, the Company bases its estimates on its experience with the technology involved and the types of failures that may occur. It is possible that the Company's underlying assumptions will not reflect the actual experience, and in that case, the Company will make future adjustments to the recorded warranty obligation (see Note 15 — Product Warranty).

Fair value of financial instruments

The carrying amounts of the Company's financial instruments, including cash equivalents, receivables, accounts payable and accrued liabilities, approximate their fair values due to their short-term maturities. The estimated fair value of the Company's long-term borrowings and other long-term interest bearing liabilities is determined by using available market information for those securities or similar financial instruments (see Note 3 – Fair Value Measurements).

Self-insurance liabilities

The Company has self-insurance plans to retain a portion of the exposure for losses related to employee medical benefits and workers' compensation. The self-insurance plans include policies which provide for both specific and aggregate stop-loss limits. The Company utilizes actuarial methods as well as other historical information for the purpose of estimating ultimate costs for a particular plan year. Based on these actuarial methods, along with currently available information and insurance industry statistics, the Company has recorded self-insurance liability for its plans of \$7.9 million and \$5.8 million as of March 31, 2023 and 2022, respectively. The Company's estimate, which is subject to inherent variability, is based on average claims experience in the Company's industry and its own experience in terms of frequency and severity of claims, including asserted and unasserted claims incurred but not reported, with no explicit provision for adverse fluctuation from year to year. This variability may lead to ultimate payments being either greater or less than the amounts presented above. Self-insurance liabilities have been classified as a current liability in accrued and other liabilities in accordance with the estimated timing of the projected payments.

Indemnification provisions

In the ordinary course of business, the Company includes indemnification provisions in certain of its contracts, generally relating to parties with which the Company has commercial relations. Pursuant to these agreements, the Company will indemnify, hold harmless and agree to reimburse the indemnified party for losses suffered or incurred by the indemnified party, including but not limited to losses relating to third-party intellectual property claims. To date, there have not been any material costs incurred in connection with such indemnification clauses. The Company's insurance policies do not necessarily cover the cost of defending indemnification claims or providing indemnification, so if a claim was filed against the Company by any party that the Company has agreed to indemnify, the Company could incur substantial legal costs and damages. A claim would be accrued when a loss is considered probable and the amount can be reasonably estimated. At March 31, 2023 and 2022, no such amounts were accrued related to the aforementioned provisions.

Noncontrolling interests

A noncontrolling interest represents the equity interest in a subsidiary that is not attributable, either directly or indirectly, to the Company and is reported as equity of the Company, separate from the Company's controlling interest. Revenues, expenses, gains, losses, net income (loss) and other comprehensive income (loss) are reported in the consolidated financial statements at the consolidated amounts, which include the amounts attributable to both the controlling and noncontrolling interest.

On August 15, 2022, TrellisWare, a majority-owned subsidiary of the Company, completed the repurchase of its common stock from participating stockholders for a total purchase price of approximately \$30.0 million. The Company did not elect to participate in the share repurchase, and accordingly, the Company's ownership percentage of TrellisWare increased to slightly over 60% as a result of the share repurchase.

The following table summarizes the effect of the change in the Company's percentage ownership interest in TrellisWare on the Company's equity for the fiscal years ended March 31, 2023, 2022 and 2021:

	Fiscal Years Ended		
	March 31, 2023	March 31, 2022	March 31, 2021
	(In thousands)		
Net income (loss) attributable to Viasat, Inc.	\$ 1,084,806	\$ (15,534)	\$ 3,691
Transfers to noncontrolling interest	(11,783)	—	—
Change from net income (loss) attributable to Viasat, Inc. and transfers from (to) noncontrolling interest	<u>\$ 1,073,023</u>	<u>\$ (15,534)</u>	<u>\$ 3,691</u>

Investments in unconsolidated affiliate — equity method

Investments in entities in which the Company can exercise significant influence, but does not own a majority equity interest or otherwise control, are accounted for using the equity method and are included as investment in unconsolidated affiliate in other assets (long-term) on the consolidated balance sheets. The Company records its share of the results of such entities within equity in income (loss) of unconsolidated affiliate, net on the consolidated statements of operations and comprehensive income (loss). The Company monitors such investments for other-than-temporary impairment by considering factors including the current economic and market conditions and the operating performance of the entities and records reductions in carrying values when necessary. The fair value of privately held investments is estimated using the best available information as of the valuation date, including current earnings trends, undiscounted cash flows, quoted stock prices of comparable public companies, and other company specific information, including recent financing rounds.

Common stock held in treasury

As of March 31, 2023 and 2022, the Company had no shares of common stock held in treasury.

During fiscal years 2023, 2022 and 2021, the Company issued 1,376,583, 1,274,311 and 1,064,680 shares of common stock, respectively, based on the vesting terms of certain restricted stock unit agreements. In order for employees to satisfy minimum statutory employee tax withholding requirements related to the issuance of common stock underlying these restricted stock unit agreements, the Company repurchased 487,111, 445,257 and 376,884 shares of common stock at cost and with a total value of \$16.5 million, \$23.0 million and \$13.7 million during fiscal years 2023, 2022 and 2021, respectively. Although shares withheld for employee withholding taxes are technically not issued, they are treated as common stock repurchases for accounting purposes (with such shares deemed to be repurchased and then immediately retired), as they reduce the number of shares that otherwise would have been issued upon vesting of the restricted stock units. These retired shares remain as authorized stock and are considered to be unissued. The retirement of treasury stock had no impact on the Company's total consolidated stockholders' equity.

Foreign currency

In general, the functional currency of a foreign operation is deemed to be the local country's currency. Consequently, assets and liabilities of operations outside the United States are generally translated into U.S. dollars, and the effects of foreign currency translation adjustments are included as a component of accumulated other comprehensive income (loss) within Viasat, Inc. stockholders' equity.

Other comprehensive loss related to the effects of foreign currency translation adjustments attributable to Viasat, Inc. during fiscal year 2023 was \$13.1 million, net of an insignificant amount of tax. Other comprehensive loss related to the effects of foreign currency translation adjustments attributable to Viasat, Inc. during fiscal year 2022 was \$37.3 million, or \$31.4 million net of tax. Other comprehensive income related to the effects of foreign currency translation adjustments attributed to Viasat, Inc. during fiscal year 2021 was \$20.4 million, or \$15.9 million net of tax.

Revenue recognition

In accordance with the authoritative guidance for revenue from contracts with customers (ASC 606), the Company applies the five-step model to its contracts with its customers. Under this model the Company (1) identifies the contract with the customer, (2) identifies its performance obligations in the contract, (3) determines the transaction price for the contract, (4) allocates the transaction price to its performance obligations and (5) recognizes revenue when or as it satisfies its performance obligations. These performance obligations generally include the purchase of services (including broadband capacity and the leasing of broadband equipment), the purchase of products, and the development and delivery of complex equipment built to customer specifications under long-term contracts.

Furthermore, from time to time, the Company participates in U.S. federal and state programs under which the government funds part of the costs of providing services in targeted locations such as unserved or under-served high cost or rural areas, or for certain types of customers. The Company accounts for funds received from the government by analogy to International Accounting Standards (IAS) 20, Accounting for Government Grants and Disclosure of Government Assistance, and recognizes funds received in the consolidated statement of operations and comprehensive income (loss) when there is reasonable assurance that it will comply with the conditions associated with the grant and the grant will be received. Recognition occurs on a systematic basis over the periods in which the entity recognizes as expenses the related costs for which the grant is intended to compensate. During the year ended March 31, 2023, the amounts recorded in the Company's consolidated financial statements related to these types of arrangements were not material.

Performance obligations

The timing of satisfaction of performance obligations may require judgment. The Company derives a substantial portion of its revenues from contracts with customers for services, primarily consisting of connectivity services. These contracts typically require advance or recurring monthly payments by the customer. The Company's obligation to provide connectivity services is satisfied over time as the customer simultaneously receives and consumes the benefits provided. The measure of progress over time is based upon either a period of time (e.g., over the estimated contractual term) or usage (e.g., bandwidth used/bytes of data processed). The Company evaluates whether broadband equipment provided to its customers as part of the delivery of connectivity services represents a lease in accordance with ASC 842. As discussed further above under "Leases - Lessor accounting", for broadband equipment leased to consumer broadband customers in conjunction with the delivery of connectivity services, the Company accounts for the lease and non-lease components of connectivity service arrangements as a single performance obligation as the connectivity services represent the predominant component.

The Company also derives a portion of its revenues from contracts with customers to provide products. Performance obligations to provide products are satisfied at the point in time when control is transferred to the customer. These contracts typically require payment by the customer upon passage of control and determining the point at which control is transferred may require judgment. To identify the point at which control is transferred to the customer, the Company considers indicators that include, but are not limited to, whether (1) the Company has the present right to payment for the asset, (2) the customer has legal title to the asset, (3) physical possession of the asset has been transferred to the customer, (4) the customer has the significant risks and rewards of ownership of the asset, and (5) the customer has accepted the asset. For product revenues, control generally passes to the customer upon delivery of goods to the customer.

The vast majority of the Company's revenues from long-term contracts to develop and deliver complex equipment built to customer specifications are derived from contracts with the U.S. Government (including foreign military sales contracted through the U.S. Government). The Company's contracts with the U.S. Government typically are subject to the Federal Acquisition Regulation (FAR) and are priced based on estimated or actual costs of producing goods or providing services. The FAR provides guidance on the types of costs that are allowable in establishing prices for goods and services provided under U.S. Government contracts. The pricing for non-U.S. Government contracts is based on the specific negotiations with each customer. Under the typical payment terms of the Company's U.S. Government fixed-price contracts, the customer pays the Company either performance-based payments (PBPs) or progress payments. PBPs are interim payments based on quantifiable measures of performance or on the achievement of specified events or milestones. Progress payments are interim payments based on a percentage of the costs incurred as the work progresses. Because the customer can often retain a portion of the contract price until completion of the contract, the Company's U.S. Government fixed-price contracts generally result in revenue recognized in excess of billings which the Company presents as unbilled accounts receivable on the balance sheet. Amounts billed and due from the Company's customers are classified as receivables on the balance sheet. The portion of the payments retained by the customer until final contract settlement is not considered a significant financing component because the intent is to protect the customer. For the Company's U.S. Government cost-type contracts, the customer generally pays the Company for its actual costs incurred within a short period of time. For non-U.S. Government contracts, the Company typically receives interim payments as work progresses, although for some contracts, the Company may be entitled to receive an advance payment. The Company recognizes a liability for these advance payments in excess of revenue recognized and presents it as collections in excess of revenues and deferred revenues on the balance sheet. An advance payment is not typically considered a significant financing component because it is used to meet working capital demands that can be higher in the early stages of a contract and to protect the Company from the other party failing to adequately complete some or all of its obligations under the contract.

Performance obligations related to developing and delivering complex equipment built to customer specifications under long-term contracts are recognized over time as these performance obligations do not create assets with an alternative use to the Company and the Company has an enforceable right to payment for performance to date. To measure the transfer of control, revenue is recognized based on the extent of progress towards completion of the performance obligation. The selection of the method to measure progress towards completion requires judgment and is based on the nature of the products or services to be provided. The Company generally uses the cost-to-cost measure of progress for its contracts because that best depicts the transfer of control to the customer which occurs as the Company incurs costs on its contracts. Under the cost-to-cost measure of progress, the extent of progress towards completion is measured based on the ratio of costs incurred to date to the total estimated costs at completion of the performance obligation. Estimating the total costs at completion of a performance obligation requires management to make estimates related to items such as subcontractor performance, material costs and availability, labor costs and productivity and the costs of overhead. When estimates of total costs to be incurred on a contract exceed total estimates of revenue to be earned, a provision for the entire loss on the contract is recognized in the period the loss is determined.

Contract costs on U.S. Government contracts are subject to audit and review by the Defense Contracting Management Agency (DCMA), the Defense Contract Audit Agency (DCAA), and other U.S. Government agencies, as well as negotiations with U.S. Government representatives. As of March 31, 2023, the DCAA had completed its incurred cost audit for fiscal years 2004, 2016, 2019, 2020 and 2021. The DCMA approved the Company's incurred costs for those fiscal years, with the exception of 2021, which is pending. The DCMA also approved the Company's incurred costs for fiscal years 2005 through 2015, 2017, 2018 and 2022 without further audit based on the determination of low risk. Although the Company has recorded contract revenues subsequent to fiscal year 2020 based upon an estimate of costs that the Company believes will be approved upon final audit or review, the Company does not know the outcome of any ongoing or future audits or reviews and adjustments, and if future adjustments exceed the Company's estimates, its profitability would be adversely affected. The Company had \$12.9 million and \$12.1 million as of March 31, 2023 and March 31, 2022, respectively, in contract-related reserves for its estimate of potential refunds to customers for potential cost adjustments on several multi-year U.S. Government cost reimbursable contracts (see Note 14 — Contingencies for more information).

Evaluation of transaction price

The evaluation of transaction price, including the amounts allocated to performance obligations, may require significant judgments. Due to the nature of the work required to be performed on many of the Company's performance obligations, the estimation of total revenue, and, where applicable, the cost at completion, is complex, subject to many variables and requires significant judgment. The Company's contracts may contain award fees, incentive fees, or other provisions, including the potential for significant financing components, that can either increase or decrease the transaction price. These amounts, which are sometimes variable, can be dictated by performance metrics, program milestones or cost targets, the timing of payments, and customer discretion. The Company estimates variable consideration at the amount to which it expects to be entitled. The Company includes estimated amounts in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved. The Company's estimates of variable consideration and determination of whether to include estimated amounts in the transaction price are based largely on an assessment of the Company's anticipated performance and all information (historical, current and forecasted) that is reasonably available to the Company. In the event an agreement includes embedded financing components, the Company recognizes interest expense or interest income on the embedded financing components using the effective interest method. This methodology uses an implied interest rate which reflects the incremental borrowing rate which would be expected to be obtained in a separate financing transaction. The Company has elected the practical expedient not to adjust the promised amount of consideration for the effects of a significant financing component if the Company expects, at contract inception, that the period between when the Company transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less.

If a contract is separated into more than one performance obligation, the total transaction price is allocated to each performance obligation in an amount based on the estimated relative standalone selling prices of the promised goods or services underlying each performance obligation. Estimating standalone selling prices may require judgment. When available, the Company utilizes the observable price of a good or service when the Company sells that good or service separately in similar circumstances and to similar customers. If a standalone selling price is not directly observable, the Company estimates the standalone selling price by considering all information (including market conditions, specific factors, and information about the customer or class of customer) that is reasonably available.

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Transaction price allocated to remaining performance obligations

The Company's remaining performance obligations represent the transaction price of firm contracts and orders for which work has not been performed. The Company includes in its remaining performance obligations only those contracts and orders for which it has accepted purchase orders. Remaining performance obligations associated with the Company's subscribers for fixed consumer and business broadband services in its satellite services segment exclude month-to-month service contracts in accordance with a practical expedient and are estimated using a portfolio approach in which the Company reviews all relevant promotional activities and calculates the remaining performance obligation using the average service component for the portfolio and the average time remaining under the contract. The Company's future recurring in-flight connectivity service contracts in its satellite services segment do not have minimum service purchase requirements and therefore are not included in the Company's remaining performance obligations. As of March 31, 2023, the aggregate amount of the transaction price allocated to remaining performance obligations was \$1.7 billion, of which the Company expects to recognize a little over half over the next 12 months, with the balance recognized thereafter.

Disaggregation of revenue

The Company operates and manages its business in three reportable segments: satellite services, commercial networks and government systems. Revenue is disaggregated by products and services, customer type, contract type, and geographic area, respectively, as the Company believes this approach best depicts how the nature, amount, timing and uncertainty of its revenue and cash flows are affected by economic factors.

The following sets forth disaggregated reported revenue by segment and product and services for the fiscal years ended March 31, 2023, 2022 and 2021 (as noted above, revenue information excludes revenues from the Link-16 TDL Business, which have been classified as discontinued operations):

	Fiscal Year Ended March 31, 2023			
	Satellite Services	Commercial Networks	Government Systems	Total Revenues
	(In thousands)			
Product revenues	\$ —	\$ 530,374	\$ 423,752	\$ 954,126
Service revenues	1,210,733	82,273	309,026	1,602,032
Total revenues	\$ 1,210,733	\$ 612,647	\$ 732,778	\$ 2,556,158
	Fiscal Year Ended March 31, 2022			
	Satellite Services	Commercial Networks	Government Systems	Total Revenues
	(In thousands)			
Product revenues	\$ —	\$ 443,435	\$ 417,291	\$ 860,726
Service revenues	1,188,816	68,664	298,973	1,556,453
Total revenues	\$ 1,188,816	\$ 512,099	\$ 716,264	\$ 2,417,179
	Fiscal Year Ended March 31, 2021			
	Satellite Services	Commercial Networks	Government Systems	Total Revenues
	(In thousands)			
Product revenues	\$ —	\$ 268,830	\$ 470,543	\$ 739,373
Service revenues	868,943	52,026	260,536	1,181,505
Total revenues	\$ 868,943	\$ 320,856	\$ 731,079	\$ 1,920,878

VIASAT, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

Revenues from the U.S. Government as an individual customer comprised approximately 17%, 18% and 21% of total revenues for the fiscal years ended March 31, 2023, 2022 and 2021, respectively, mainly reported within the government systems segment. Revenues from the Company's other customers, mainly reported within the commercial networks and satellite services segments, comprised approximately 83%, 82% and 79% of total revenues for the fiscal years ended March 31, 2023, 2022 and 2021, respectively.

The Company's satellite services segment revenues are primarily derived from the Company's fixed broadband services, in-flight services and energy services (acquired through the RigNet acquisition).

Revenues in the Company's commercial networks and government systems segments are primarily derived from three types of contracts: fixed-price, cost-reimbursement and time-and-materials contracts. Fixed-price contracts (which require the Company to provide products and services under a contract at a specified price) comprised approximately 88%, 91% and 88% of the Company's total revenues for these segments for the fiscal years ended March 31, 2023, 2022 and 2021, respectively. The remainder of the Company's revenues in these segments for such periods was derived primarily from cost-reimbursement contracts (under which the Company is reimbursed for all actual costs incurred in performing the contract to the extent such costs are within the contract ceiling and allowable under the terms of the contract, plus a fee or profit) and from time-and-materials contracts (under which the Company is reimbursed for the number of labor hours expended at an established hourly rate negotiated in the contract, plus the cost of materials utilized in providing such products or services).

Historically, a significant portion of the Company's revenues in its commercial networks and government systems segments has been derived from customer contracts that include the development of products. The development efforts are conducted in direct response to the customer's specific requirements and, accordingly, expenditures related to such efforts are included in cost of sales when incurred and the related funding (which includes a profit component) is included in revenues. Revenues for the Company's funded development from its customer contracts were approximately 16%, 18% and 18% of its total revenues for the fiscal years ended March 31, 2023, 2022 and 2021, respectively.

Contract balances

Contract balances consist of contract assets and contract liabilities. A contract asset, or with respect to the Company, an unbilled accounts receivable, is recorded when revenue is recognized in advance of the Company's right to bill and receive consideration, typically resulting from sales under long-term contracts. Unbilled accounts receivable are generally expected to be billed and collected within one year. The unbilled accounts receivable will decrease as provided services or delivered products are billed. The Company receives payments from customers based on a billing schedule established in the Company's contracts.

When consideration is received in advance of the delivery of goods or services, a contract liability, or with respect to the Company, collections in excess of revenues or deferred revenues, is recorded. Reductions in the collections in excess of revenues or deferred revenues will be recorded as the Company satisfies the performance obligations.

The following table presents contract assets and liabilities as of March 31, 2023 and March 31, 2022:

	As of March 31, 2023	As of March 31, 2022
	(In thousands)	
Unbilled accounts receivable	\$ 104,889	\$ 85,383
Collections in excess of revenues and deferred revenues	132,187	131,623
Deferred revenues, long-term portion	84,747	88,983

Unbilled accounts receivable increased \$19.5 million during fiscal year 2023, primarily driven by revenue recognized in the Company's commercial networks segment in excess of billings.

Collections in excess of revenues and deferred revenues increased an insignificant amount during fiscal year 2023, primarily driven by advances on goods or services received in excess of revenue recognized mainly in the Company's government systems segment.

During the fiscal year ended March 31, 2023, the Company recognized revenue of \$115.1 million that was previously included in the Company's collections in excess of revenues and deferred revenues at March 31, 2022. During the fiscal year ended March 31, 2022, the Company recognized revenue of \$171.9 million that was previously included in the Company's collections in excess of revenues and deferred revenues at March 31, 2021.

Other assets and deferred costs – contracts with customers

Per ASC 340-40, Other Assets and Deferred Costs – Contracts with Customers, the Company recognizes an asset from the incremental costs of obtaining a contract with a customer if the Company expects to recover those costs. The incremental costs of obtaining a contract are those costs that the Company incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained. ASC 340-40 also requires the recognition of an asset from the costs incurred to fulfill a contract when (1) the costs relate directly to a contract or to an anticipated contract that the Company can specifically identify, (2) the costs generate or enhance resources of the Company that will be used in satisfying (or in continuing to satisfy) performance obligations in the future, and (3) the costs are expected to be recovered. Adoption of the standard has resulted in the recognition of an asset related to commission costs incurred primarily in the Company's satellite services segment, and recognition of an asset related to costs incurred to fulfill contracts. Costs to acquire customer contracts are amortized over the estimated customer contract life. Costs to fulfill customer contracts are amortized in proportion to the revenue to which the costs relate. For contracts with an estimated amortization period of less than one year, the Company elected the practical expedient and expenses incremental costs immediately. The Company's deferred customer contract acquisition costs and costs to fulfill contract balances were \$31.5 million and \$50.0 million, respectively as of March 31, 2023. Of the Company's total deferred customer contract acquisition costs and costs to fulfill contracts, \$19.8 million was included in other current assets within the prepaid expenses and other current assets caption on the Company's consolidated balance sheet and \$61.7 million was included in other assets on the Company's consolidated balance sheet as of March 31, 2023. The Company's deferred customer contract acquisition costs and costs to fulfill contract balances were \$49.1 million and \$35.0 million, respectively, as of March 31, 2022. Of the Company's total deferred customer contract acquisition costs and costs to fulfill contracts, \$24.0 million was included in other current assets within the prepaid expenses and other current assets caption on the Company's consolidated balance sheet and \$60.1 million was included in other assets on the Company's consolidated balance sheet as of March 31, 2022. For total deferred customer contract acquisition costs and contract fulfillment costs, the Company's amortization and reduction of carrying value associated with contract termination was \$48.2 million, \$56.5 million and \$50.1 million for the fiscal years ended March 31, 2023, 2022 and 2021, respectively.

Advertising costs

In accordance with the authoritative guidance for advertising costs (ASC 720-35), advertising costs are expensed as incurred and included in selling, general and administrative expenses. Advertising expenses for fiscal years 2023, 2022 and 2021 were \$22.8 million, \$23.1 million and \$12.0 million, respectively.

Stock-based compensation

In accordance with the authoritative guidance for share-based payments (ASC 718), the Company measures stock-based compensation cost at the grant date, based on the estimated fair value of the award. Expense for restricted stock units and stock options is recognized on a straight-line basis over the employee's requisite service period. Expense for total shareholder return (TSR) performance stock options that vest is recognized regardless of the actual TSR outcome achieved and is recognized on a graded-vesting basis. The Company accounts for forfeitures as they occur. The Company recognizes excess tax benefits or deficiencies on vesting or settlement of awards as discrete items within income tax benefit or provision within net income (loss) and the related cash flows are classified within operating activities.

Independent research and development

Independent research and development (IR&D), which is not directly funded by a third party, is expensed as incurred. IR&D expenses consist primarily of salaries and other personnel-related expenses, supplies, prototype materials and other expenses related to research and development programs.

Income taxes

Accruals for uncertain tax positions are provided for in accordance with the authoritative guidance for accounting for uncertainty in income taxes (ASC 740). The Company may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position should be measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. The authoritative guidance for accounting for uncertainty in income taxes also provides guidance on derecognition of income tax assets and liabilities, classification of deferred income tax assets and liabilities, accounting for interest and penalties associated with tax positions, and income tax disclosures. The Company's policy is to recognize interest expense and penalties related to income tax matters as a component of income tax expense.

A deferred income tax asset or liability is established for the expected future tax consequences resulting from differences in the financial reporting and tax bases of assets and liabilities and for the expected future tax benefit to be derived from tax credit and loss carryforwards. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized.

The Company's analysis of the need for a valuation allowance on deferred tax assets considered historical as well as forecasted future operating results. In addition, the Company's evaluation considered other factors, including the Company's contractual backlog, history of positive earnings, current earnings trends assuming the Company's satellite services segment continues to grow, taxable income adjusted for certain items, and forecasted income by jurisdiction. The Company also considered the period over which these net deferred tax assets can be realized and the Company's history of not having federal tax loss carryforwards expire unused.

Earnings per share

Basic earnings per share is computed based upon the weighted average number of common shares outstanding during the period. Diluted earnings per share is based upon the weighted average number of common shares outstanding and potential common stock, if dilutive during the period. Potential common stock includes options granted (including TSR performance stock options) and restricted stock units awarded under the Company's equity compensation plan which are included in the earnings per share calculations using the treasury stock method, common shares expected to be issued under the Company's employee stock purchase plan, and shares potentially issuable under the Viasat 401(k) Profit Sharing Plan in connection with the Company's decision to pay a discretionary match in common stock or cash.

Segment reporting

The Company's reporting segments (satellite services, commercial networks and government systems) are primarily distinguished by the type of customer and the related contractual requirements. The Company's satellite services segment provides satellite-based broadband and related services to residential customers, Prepaid Internet users, enterprises, commercial airlines and other mobile broadband customers. The Company's commercial networks segment develops and offers advanced satellite and wireless broadband platforms, ground networking equipment, radio frequency and advanced microwave solutions, Application-Specific Integrated Circuit (ASIC) chip design, satellite payload development and space-to-earth connectivity systems, some of which are ultimately used by the Company's satellite services segment. The Company's government systems segment provides global mobile broadband services to military and government users and develops and offers network-centric, internet protocol (IP)-based fixed and mobile secure communications products and solutions. The more regulated government environment is subject to unique contractual requirements and possesses economic characteristics which differ from the satellite services and commercial networks segments. The Company's segments are determined consistent with the way management currently organizes and evaluates financial information internally for making operating decisions and assessing performance.

Recent authoritative guidance

In August 2020, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2020-06, Debt – Debt with Conversion and Other Options (ASC 470-20) and Derivatives and Hedging – Contracts in Entity's Own Equity (Subtopic 815-40). ASU 2020-06 simplifies the accounting for convertible instruments by removing the beneficial conversion and cash conversion accounting models for convertible instruments and removes certain settlement conditions that are required for contracts to qualify for equity classification. This new standard also simplifies the diluted earnings per share calculations by requiring that an entity use the if-converted method for convertible instruments and requires that the effect of potential share settlement be included in diluted earnings per share calculations when an instrument may be settled in cash or shares. The new standard requires entities to provide expanded disclosures about the terms and features of convertible instruments, how the instruments have been reported in the entity's financial statements, and information about events, conditions, and circumstances that can affect how to assess the amount or timing of an entity's future cash flows related to those instruments. The Company adopted the new guidance in the first quarter of fiscal year 2023 and the guidance did not have a material impact on the Company's consolidated financial statements and disclosures.

In October 2021, the FASB issued ASU 2021-08, Business Combinations (ASC 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers. ASU 2021-08 requires contract assets and contract liabilities acquired in a business combination to be recognized in accordance with ASC 606 as if the acquirer had originated the contracts. The new standard will become effective for the Company beginning in fiscal year 2024, with early adoption permitted. The impact of the new standard on the Company's consolidated financial statements and related disclosures will depend on the magnitude of future business combinations.

In November 2021, the FASB issued ASU 2021-10, Government Assistance (ASC 832): Disclosures by Business Entities about Government Assistance. ASU 2021-10 requires annual disclosures when an entity accounts for a transaction with a government by applying a grant or contribution accounting model by analogy to other accounting guidance. The Company adopted the new standard prospectively in fiscal year 2023. See Note 1 — The Company and a Summary of Its Significant Accounting Policies — Revenue recognition for disclosures related to these types of arrangements.

In March 2022, the FASB issued ASU 2022-01, Derivatives and Hedging (ASC 815): Targeted Improvements to Accounting for Hedging Activities. ASU 2022-01 made targeted improvements to the optional hedge accounting model with the objective of improving hedge accounting to better portray the economic results of an entity's risk management activities in its financial statements. The new standard will become effective for the Company beginning in fiscal year 2024. The adoption of ASU 2022-01 is not expected to have a material impact on the Company's consolidated financial statements.

In March 2022, the FASB issued ASU 2022-02, Financial Instruments – Credit Losses (ASC 326): Troubled Debt Restructurings and Vintage Disclosures. ASU 2022-02 eliminates the accounting guidance for troubled debt restructurings by creditors in Subtopic 310-40, Receivables – Troubled Debt Restructurings by Creditors, while enhancing certain disclosure requirements for loan refinancings and restructurings by creditors when a borrower is experiencing financial difficulty. Furthermore, it requires that an entity disclose current-period gross write-offs by year of origination for financing receivables and net investments in leases within the scope of Subtopic 326-20, Financial Instruments – Credit Losses – Measured at Amortized Cost. The new standard will become effective for the Company beginning in fiscal year 2024. The adoption of ASU 2022-02 is not expected to have a material impact on the Company's consolidated financial statements and disclosures.

In June 2022, the FASB issued ASU 2022-03, Fair Value Measurement (ASC 820): Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions. ASU 2022-03 clarifies that a contractual restriction on the sale of an equity security is not considered in measuring the security's fair value. The standard also requires certain disclosures for equity securities that are subject to contractual restrictions. The new standard will become effective for the Company beginning in fiscal year 2025. The Company is currently evaluating the impact of this standard on its consolidated financial statements and disclosures.

In September 2022, the FASB issued ASU 2022-04, Liabilities – Supplier Finance Programs (Subtopic 405-50): Disclosure of Supplier Finance Program Obligations. ASU 2022-04 enhances the transparency of supplier finance programs. In each annual reporting period, the buyer in a supplier finance program is required to disclose information about the key terms of the program, the outstanding confirmed amounts, a rollforward of such amounts, and a description of where those obligations are presented in the balance sheet. In each interim reporting period, the buyer should disclose the outstanding confirmed amounts as of the end of the interim period. The new standard will become effective for the Company beginning in fiscal year 2024, except for the amendment on rollforward information, which will become effective in fiscal year 2025. The adoption of ASU 2022-04 is not expected to have a material impact on the Company's disclosures.

In December 2022, the FASB issued ASU 2022-06, Reference Rate Reform (ASC 848): Deferral of the Sunset Date of Topic 848. ASU 2022-06 extends the period of time entities can utilize the reference rate reform relief guidance under ASU 2020-04 from December 31, 2022 to December 31, 2024. ASU 2020-04, Reference Rate Reform (ASC 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting provided temporary optional guidance to ease the potential accounting burden associated with the transition away from reference rates (such as the London Interbank Offered Rate). ASU 2022-06 was effective upon issuance. The Company adopted this guidance upon issuance with no impact to the Company's consolidated financial statements and disclosures.

In March 2023, the FASB issued ASU 2023-01, Leases (Topic 842) - Common Control Agreements. The amendments in this update that apply to public business entities clarify the accounting for leasehold improvements associated with common control leases. The new standard will become effective for the Company beginning in fiscal year 2025. The Company is currently evaluating the impact of this standard on its consolidated financial statements and disclosures.

VIASAT, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

Note 2 — Composition of Certain Balance Sheet Captions

	As of March 31, 2023	As of March 31, 2022
(In thousands)		
Accounts receivable, net:		
Billed	\$ 327,148	\$ 233,948
Unbilled	104,889	85,383
Allowance for doubtful accounts	(12,103)	(7,159)
	<u>\$ 419,934</u>	<u>\$ 312,172</u>
Inventories:		
Raw materials	\$ 68,655	\$ 62,520
Work in process	25,347	21,702
Finished goods	174,561	113,642
	<u>\$ 268,563</u>	<u>\$ 197,864</u>
Prepaid expenses and other current assets:		
Prepaid expenses	\$ 115,701	\$ 102,433
Other	60,928	38,953
	<u>\$ 176,629</u>	<u>\$ 141,386</u>
Property, equipment and satellites, net:		
Equipment and software (estimated useful life of 3-7 years)	\$ 1,917,243	\$ 1,676,736
CPE leased equipment (estimated useful life of 4-5 years)	395,427	395,539
Furniture and fixtures (estimated useful life of 7 years)	58,807	57,847
Leasehold improvements (estimated useful life of 2-17 years)	151,827	149,982
Buildings (estimated useful life of 12-38 years)	12,487	12,440
Land	3,873	3,944
Construction in progress	685,646	381,679
Satellites (estimated useful life of 7-17 years)	1,056,313	1,059,182
Satellite Ka-band capacity obtained under finance leases (estimated useful life of 7-11 years)	175,712	173,480
Satellites under construction	2,252,908	1,808,474
	<u>6,710,243</u>	<u>5,719,303</u>
Less: accumulated depreciation and amortization	(2,331,960)	(2,014,312)
	<u>\$ 4,378,283</u>	<u>\$ 3,704,991</u>
Other assets:		
Deferred income taxes	\$ 23,724	\$ 304,642
Capitalized software costs, net	222,155	217,159
Patents, orbital slots and other licenses, net	73,932	62,200
Other	146,227	115,279
	<u>\$ 466,038</u>	<u>\$ 699,280</u>
Accrued and other liabilities:		
Collections in excess of revenues and deferred revenues	\$ 132,187	\$ 131,623
Accrued employee compensation	125,349	108,456
Accrued vacation	45,177	48,097
Warranty reserve, current portion	2,806	2,804
Operating lease liabilities	50,639	49,988
Income taxes payable	113,905	7,872
Other	177,169	133,724
	<u>\$ 647,232</u>	<u>\$ 482,564</u>
Other liabilities:		
Deferred revenues, long-term portion	\$ 84,747	\$ 88,983
Warranty reserve, long-term portion	2,544	2,548
Satellite performance incentive obligations, long-term portion	14,654	18,651
Deferred income taxes	85,989	16,869
Other	30,608	26,105
	<u>\$ 218,542</u>	<u>\$ 153,156</u>

Note 3 — Fair Value Measurements

In accordance with the authoritative guidance for financial assets and liabilities measured at fair value on a recurring basis (ASC 820), the Company determines fair value based on the exchange price that would be received for an asset or paid to transfer a liability in an orderly transaction between market participants, and prioritizes the inputs used to measure fair value from market-based assumptions to entity specific assumptions:

- Level 1 — Inputs based on quoted market prices for identical assets or liabilities in active markets at the measurement date.
- Level 2 — Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
- Level 3 — Inputs which reflect management's best estimate of what market participants would use in pricing the asset or liability at the measurement date. The inputs are unobservable in the market and significant to the instrument's valuation.

The Company had \$757.6 million and \$5.0 million in cash equivalents (Level 1) as of March 31, 2023 and March 31, 2022, respectively, and no liabilities as of both March 31, 2023 and March 31, 2022, measured at fair value on a recurring basis.

The following section describes the valuation methodologies the Company uses to measure financial instruments at fair value:

Cash equivalents — The Company's cash equivalents consist of money market funds, with a significant portion held in U.S. government-backed qualified money-market securities. Money market funds are valued using quoted prices for identical assets in an active market with sufficient volume and frequency of transactions (Level 1).

Contingencies — In connection with the acquisition of the remaining 51% interest in EBI on April 30, 2021 (see Note 5 — Acquisitions for more information), part of the purchase price consideration will not be determined until two years after the closing date, when the Company may pay or receive up to €20.0 million, or approximately \$21.6 million, in cash. The consideration to be paid in the future is contingent based on certain outcomes as defined in the acquisition agreement. Each reporting period, the Company estimates the fair value of the contingent consideration based on unobservable inputs and probability weightings using standard valuation techniques (Level 3). The fair value amount is currently recorded in other current assets within the prepaid expenses and other current assets caption on the Company's consolidated balance sheets and any change to fair value is recorded in the Company's consolidated statements of operations each reporting period. As of and for the fiscal years ended March 31, 2023 and 2022, the Company's fair value estimate, and change in fair value of the contingent consideration were immaterial.

Long-term debt — The Company's long-term debt consists of borrowings under its Term Loan Facility, Revolving Credit Facility and Ex-Im Credit Facility (collectively, the Credit Facilities), \$700.0 million in aggregate principal amount of 2025 Notes, \$600.0 million in aggregate principal amount of 2027 Notes, \$400.0 million in aggregate principal amount of 2028 Notes and finance lease obligations reported at the present value of future minimum lease payments with current accrued interest. Long-term debt related to the Revolving Credit Facility is reported at the outstanding principal amount of borrowings, while long-term debt related to the Term Loan Facility, the Ex-Im Credit Facility, the 2025 Notes, the 2027 Notes and the 2028 Notes is reported at amortized cost. However, for disclosure purposes, the Company is required to measure the fair value of outstanding debt on a recurring basis. The fair value of the Company's long-term debt related to the Term Loan Facility and the Revolving Credit Facility approximates its carrying amount due to its variable interest rate, which approximates a market interest rate. As of March 31, 2023 and 2022, the fair value of the Company's long-term debt related to the Ex-Im Credit Facility was determined based on a discounted cash flow analysis using observable market interest rates for instruments with similar terms (Level 2) and was approximately \$57.1 million and \$78.0 million, respectively. As of March 31, 2023 and 2022, the estimated fair value of the Company's outstanding long-term debt related to each series of Notes was determined based on actual or estimated bids and offers for such series of Notes in an over-the-counter market (Level 2) and was \$661.5 million and \$682.5 million, respectively, for the 2025 Notes, \$561.7 million and \$588.8 million, respectively, for the 2027 Notes, and \$292.0 million and \$382.7 million, respectively, for the 2028 Notes.

Satellite performance incentive obligations — The Company's contracts with satellite manufacturers require the Company to make monthly in-orbit satellite performance incentive payments with respect to certain satellites in commercial service, including interest, through fiscal year 2028, subject to the continued satisfactory performance of the applicable satellites. The Company records the net present value of these expected future payments as a liability and as a component of the cost of the satellites. However, for disclosure purposes, the Company is required to measure the fair value of outstanding satellite performance incentive obligations on a recurring basis. The fair value of the Company's outstanding satellite performance incentive obligations is estimated to approximate their carrying value based on current rates (Level 2). As of March 31, 2023 and 2022, the Company's estimated satellite performance incentive obligations relating to certain satellites in commercial service, including accrued interest, were \$20.0 million and \$23.7 million, respectively.

Note 4 — Discontinued Operations

On October 1, 2022, the Company entered into an Asset Purchase Agreement to sell the Link-16 TDL Business in its government systems segment to L3Harris in exchange for approximately \$1.96 billion in cash, subject to adjustments. In accordance with ASC 205-20, the Company determined that the Link-16 TDL Business met held-for sale and discontinued operations accounting criteria at the end of the second quarter of fiscal year 2023. Accordingly, the Company classified the results of the Link-16 TDL Business as discontinued operations in its consolidated statements of operations for all periods presented. Additionally, the related assets and liabilities associated with the Link-16 TDL Business were classified as held for sale and discontinued operations in the consolidated balance sheet as of March 31, 2022.

On January 3, 2023, the Company completed the Link-16 TDL Sale, and as a result the fourth quarter of fiscal year 2023 included the impact of the gain of approximately \$1.66 billion (net of costs to sell of \$40.8 million) within net income (loss) from discontinued operations, net of tax on the consolidated statements of operations and comprehensive income (loss) for fiscal year 2023. The Link-16 TDL Sale substantially reduced both debt and net leverage, and allows closer alignment in investment synergies between the Company's government systems segment and its other business segments.

In connection with the closing of the Link-16 TDL Sale on January 3, 2023, the Company and L3Harris entered into certain ancillary commercial agreements, including certain license agreements for the cross-licensing by each party of certain intellectual property rights relating to the Link-16 TDL Business and the Company's retained businesses, a supply agreement with respect to the supply of certain Link-16 and related products following the closing, and certain services agreements for the provision of engineering and support services for the transition of the Link-16 TDL Business following the closing, in each case subject to the terms and conditions set forth therein. The impact of these agreements on the Company's consolidated financial statements was not significant.

The following table presents key components of assets and liabilities that were classified as discontinued operations on the consolidated balance sheet as of March 31, 2022:

		As of March 31, 2022
Accounts receivable, net	\$	47,097
Inventories		144,026
Prepaid expenses and other current assets		6,468
Property, equipment, and satellites, net		36,921
Operating lease right-of-use assets		12,837
Goodwill		21,403
Other assets		6,350
Total assets of discontinued operations	\$	275,102
Accounts payable	\$	18,415
Accrued and other liabilities		33,858
Non-current operating lease liabilities		11,486
Other liabilities		4,295
Total liabilities of discontinued operations	\$	68,054

VIASAT, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

The operating results of the discontinued operations only reflect revenues and expenses that are directly attributable to the Link-16 TDL Business that will be eliminated from continuing operations. The following table presents key components of “Net income (loss) from discontinued operations, net of tax” for the fiscal years ended March 31, 2023, 2022 and 2021:

	<u>March 31, 2023</u>	<u>Fiscal Years Ended March 31, 2022</u>	<u>March 31, 2021</u>
		(In thousands)	
Revenues	\$ 247,069	\$ 370,456	\$ 335,229
Operating expenses:			
Cost of revenues	157,355	228,847	208,595
Other operating expenses	24,062	20,138	22,448
Net income (loss) from discontinued operations before income taxes	\$ 65,652	\$ 121,471	\$ 104,186
Gain on disposal of discontinued operations before income taxes, net of costs to sell	1,661,891	—	—
(Provision for) benefit from income taxes	(425,156)	(22,280)	(20,635)
Net income (loss) from discontinued operations, net of tax	<u>\$ 1,302,387</u>	<u>\$ 99,191</u>	<u>\$ 83,551</u>

The cash flows related to discontinued operations have not been segregated and are included in the consolidated statements of cash flows. The following table presents key cash flow and non-cash information related to discontinued operations for the fiscal years ended March 31, 2023, 2022 and 2021:

	<u>March 31, 2023</u>	<u>Fiscal Years Ended March 31, 2022</u>	<u>March 31, 2021</u>
		(In thousands)	
Depreciation	\$ 5,909	\$ 10,400	\$ 6,824
Amortization of intangible assets	897	1,706	3,152
Capital expenditures	10,950	10,086	15,403

Note 5 — Acquisitions

Inmarsat Transaction

On November 8, 2021, the Company entered into a Share Purchase Agreement to combine with Connect Topco Limited, a private company limited by shares and incorporated in Guernsey (Inmarsat), with the shareholders of Inmarsat and certain management and employees who hold options and shares of a subsidiary of Inmarsat whose options and shares will be exchanged for shares of Inmarsat prior to closing (collectively, the Sellers). Pursuant to the Share Purchase Agreement, the Company will purchase all of the issued and outstanding shares of Inmarsat from the Sellers upon the terms and subject to the conditions set forth therein (the Inmarsat Transaction). The total consideration payable by the Company under the Share Purchase Agreement consists of \$850.0 million in cash, subject to adjustments (including a reduction of \$299.3 million as a result of the dividend paid by Inmarsat in April 2022), and approximately 46.36 million unregistered shares of the Company’s common stock.

The Company’s stockholders approved the issuance of shares in the transaction and an amendment to the Company’s certificate of incorporation to increase the number of shares of common stock authorized for issuance at a special meeting held on June 21, 2022.

The closing of the Inmarsat Transaction is subject to customary closing conditions, including receipt of regulatory approvals and clearances. The Share Purchase Agreement contains certain termination rights for both the Company and certain of the Sellers and further provides that, upon termination of the Share Purchase Agreement under certain circumstances, the Company may be obligated to pay a termination fee of up to \$200.0 million or to reimburse certain out-of-pocket expenses of certain Sellers up to \$40.0 million.

The Company has obtained financing commitments for an additional \$1.6 billion of new debt facilities in connection with the Inmarsat Transaction (which may be secured and/or unsecured). The Company also plans to assume \$2.1 billion in principal amount of Inmarsat senior secured bonds and the outstanding indebtedness under Inmarsat’s \$2.4 billion senior secured credit facilities.

Euro Broadband Infrastructure Sàrl

On April 30, 2021, the Company acquired the remaining 51% interest in EBI, a broadband services provider, from Eutelsat. By completing the acquisition, the Company gained 100% ownership and control of EBI and the KA-SAT satellite over EMEA and related ground infrastructure. Goodwill recognized in the transaction was recorded within the Company's satellite services segment. The goodwill recognized was not deductible for U.S. and foreign income tax purposes.

Prior to the acquisition date, the Company owned a 49% interest in EBI and accounted for the investment using the equity method of accounting. The acquisition of the remaining equity interest in EBI was accounted for as a step acquisition in accordance with ASC 805. Accordingly, the Company allocated the purchase price of the acquired company to the net tangible assets and intangible assets acquired based upon their estimated fair values. The Company remeasured the previously held equity method investment to its fair value based upon a valuation of the acquired business, as of the date of acquisition. The Company considered multiple factors in determining the fair value of the previously held equity method investment, including, (i) the price negotiated with the selling shareholder for the remaining 51% interest in EBI and (ii) an income valuation model (discounted cash flow). As a result of the equity method investment remeasurement, recognition of previously unrecognized foreign currency gain and settlement of insignificant preexisting relationships, the Company recognized an insignificant total net gain included in other income, net, in the consolidated statements of operations and comprehensive income (loss) in the first quarter of fiscal year 2022.

The purchase price of \$327.4 million was primarily comprised of \$167.0 million of cash, net of what is currently estimated to be an immaterial amount of estimated purchase price consideration to be settled among the parties over the 24 months (up to plus or minus €20.0 million, or approximately \$21.6 million, see Note 3 — Fair Value Measurements for more information) from the closing date (which after consideration of approximately \$121.7 million of EBI's cash on hand, resulted in a net cash outlay of approximately \$51.0 million) and the fair value of previously held equity method investment of approximately \$160.4 million.

The purchase price allocation of the acquired assets and assumed liabilities based on the estimated fair values as of April 30, 2021, slightly adjusted since the close of the acquisition, primarily between goodwill, identifiable intangible assets and property, equipment and satellites, is as follows:

	(In thousands)	
Current assets	\$	154,207
Property, equipment and satellites		109,028
Identifiable intangible assets		26,574
Other assets		795
Total assets acquired	\$	290,604
Total liabilities assumed	\$	(5,914)
Goodwill		42,662
Total consideration transferred	\$	327,352

Amounts assigned to identifiable intangible assets are being amortized on a straight-line basis over their determined useful lives (which approximates the economic pattern of benefit) and are as follows as of April 30, 2021:

	Fair Value (In thousands)	Weighted Average Useful Life (In years)
Customer relationships	\$ 17,877	8
Other	7,851	7
Trade name	846	2
Total identifiable intangible assets	\$ 26,574	8

At the closing of the acquisition, EBI became a wholly owned subsidiary of the Company and EBI's operations have been included in the Company's consolidated financial statements in the Company's satellite services segment (with an insignificant amount included in the Company's commercial networks segment) commencing on the acquisition date.

As EBI's results of operations are not material to the Company's consolidated results of operations, pro forma results of operations for this acquisition have not been presented.

RigNet, Inc.

On April 30, 2021, the Company completed the acquisition of all outstanding shares of RigNet, a publicly held leading provider of ultra-secure, intelligent networking solutions and specialized applications. Goodwill recognized in the transaction was recorded within the Company's satellite services segment. The goodwill recognized was not deductible for U.S. and foreign income tax purposes.

The consideration transferred of approximately \$317.9 million was primarily comprised of \$207.2 million of the fair value of approximately 4.0 million shares of the Company's common stock issued at the closing date, \$107.3 million related to the pay down of outstanding borrowings of RigNet's revolving credit facility, a de minimis amount in cash consideration in respect of fractional shares to the former shareholders of RigNet and an insignificant amount of other consideration. In connection with the RigNet acquisition, the Company recorded zero and approximately \$7.2 million of merger-related transaction costs for the fiscal years ended March 31, 2023 and March 31, 2022, respectively, included in selling, general and administrative expenses.

The purchase price allocation of the acquired assets and assumed liabilities based on the estimated fair values as of April 30, 2021 is as follows:

	(In thousands)	
Current assets	\$	88,166
Property, equipment and satellites		63,191
Identifiable intangible assets		221,540
Other assets		13,350
Total assets acquired	\$	386,247
Current liabilities		(66,006)
Other long-term liabilities		(31,433)
Total liabilities assumed	\$	(97,439)
Goodwill		29,132
Total consideration transferred	\$	317,940

Amounts assigned to identifiable intangible assets are being amortized on a straight-line basis over their determined useful lives (which approximates the economic pattern of benefit) and are as follows as of April 30, 2021:

	Fair Value (In thousands)	Weighted Average Useful Life (In years)
Technology	\$ 85,440	8
Customer relationships	101,920	12
Trade name	25,540	8
Other	8,640	12
Total identifiable intangible assets	\$ 221,540	10

Management determined the fair value of acquired customer relationships intangible asset by applying the multi-period excess earnings method, which involved the use of significant estimates and assumptions related to forecasted revenue growth rate, gross margin, contributory asset charges, customer attrition rate and discount rate. In connection with the acquisition, the Company assumed a contingent liability associated with a RigNet predecessor subsidiary of approximately \$13.8 million, which represented the maximum amount payable under the terms of the agreement. As of March 31, 2023, no amount remains payable as the maximum amount payable was paid during the first and second quarters of fiscal year 2022.

The consolidated financial statements include the operating results of RigNet from the date of acquisition. Since the acquisition date on April 30, 2021, the Company recorded approximately \$180.2 million in revenue for the fiscal year ended March 31, 2022, and \$31.2 million of net losses for the fiscal year ended March 31, 2022, with respect to the RigNet business primarily in the Company's satellite services segment (with a portion included in its commercial networks segment) in the consolidated statements of operations.

Unaudited Pro Forma Financial Information

The unaudited financial information in the table below summarizes the combined results of operations for the Company and RigNet on a pro forma basis, as though the companies had been combined as of the beginning of fiscal year 2021, April 1, 2020. The pro forma information is presented for informational purposes only and may not be indicative of the results of operations that would have been achieved if the acquisition had taken place at the beginning of the related fiscal periods. The pro forma financial information for the fiscal years ended March 31, 2022 and 2021 includes the business combination accounting effects primarily related to the amortization and depreciation changes from acquired intangible and tangible assets, acquisition-related transaction costs and related tax effects.

	Fiscal Years Ended			
	March 31, 2022		March 31, 2021	
	(In thousands)			
Total revenues	\$	2,799,252	\$	2,449,881
Net income (loss) attributable to Viasat, Inc.	\$	(19,957)	\$	(43,866)

Note 6 — Goodwill and Acquired Intangible Assets

During fiscal year 2023, the decrease in the Company's goodwill relating to its continuing operations primarily related to the derecognition of an insignificant amount (approximately \$8.5 million) of goodwill during the fourth quarter of fiscal year 2023 in our government systems segment that was previously not classified as held for sale. See Note 4 — Discontinued Operations — for more information on discontinued operations. Additionally, the Company recorded an insignificant decrease of goodwill related to foreign currency translation effects across all three segments. During fiscal year 2022, the increase in the Company's goodwill primarily related to the acquisitions of the remaining 51% interest in EBI and of RigNet on April 30, 2021 (see Note 5 — Acquisitions for more information), partially offset by foreign currency translation effects recorded within all three of the Company's segments.

Other acquired intangible assets are amortized using the straight-line method over their estimated useful lives of two to 20 years (which approximates the economic pattern of benefit). Amortization expense related to other acquired intangible assets was \$29.8 million, \$28.7 million and \$5.5 million for the fiscal years ended March 31, 2023, 2022 and 2021, respectively.

The expected amortization expense of amortizable acquired intangible assets may change due to the effects of foreign currency fluctuations as a result of international businesses acquired. Expected amortization expense for acquired intangible assets for each of the following periods is as follows:

	Amortization (In thousands)
Expected for fiscal year 2024	\$ 28,635
Expected for fiscal year 2025	26,560
Expected for fiscal year 2026	26,408
Expected for fiscal year 2027	26,408
Expected for fiscal year 2028	26,331
Thereafter	66,863
	<u>\$ 201,205</u>

Other acquired intangible assets and the related accumulated amortization as of March 31, 2023 and 2022 is as follows:

	Weighted Average Useful Life (In years)	As of March 31, 2023			As of March 31, 2022		
		Total	Accumulated Amortization	Net Book Value	Total	Accumulated Amortization	Net Book Value
		(In thousands)					
Technology	7	\$ 151,327	\$ (83,949)	\$ 67,378	\$ 154,624	\$ (71,582)	\$ 83,042
Contracts and customer relationships	11	132,563	(34,202)	98,361	164,635	(53,250)	111,385
Satellite co-location rights	9	8,600	(8,600)	—	8,600	(8,600)	—
Trade name	7	32,253	(12,657)	19,596	32,463	(9,097)	23,366
Other	11	21,782	(5,912)	15,870	22,263	(4,013)	18,250
Total other acquired intangible assets	9	<u>\$ 346,525</u>	<u>\$ (145,320)</u>	<u>\$ 201,205</u>	<u>\$ 382,585</u>	<u>\$ (146,542)</u>	<u>\$ 236,043</u>

VIASAT, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

In fiscal years 2023 and 2022, the gross amount and accumulated amortization for acquired identifiable intangible assets were reduced by the retirement of fully amortized assets that were no longer in use.

Note 7 — Leases

The Company's operating leases consist primarily of leases for office space, data centers and satellite ground facilities and have remaining terms from less than one year to 10 years, some of which include renewal options, and some of which include options to terminate the leases within one year. Certain earth station leases have renewal terms that have been deemed to be reasonably certain to be exercised and as such have been recognized as part of the Company's right-of-use assets and lease liabilities. The Company's lease agreements do not contain any material residual value guarantees or material restrictive covenants. In accordance with ASC 842, the Company reports operating lease right-of-use assets in operating lease right-of-use assets and the current and non-current portions of its operating lease liabilities in accrued and other liabilities and non-current operating lease liabilities, respectively.

The Company's finance leases consist primarily of satellite lifetime Ka-band capacity leases and have remaining terms from less than one year to three years. The Company reports assets obtained under finance leases in property, equipment and satellites, net and the current and non-current portions of its finance lease liabilities in current portion of long-term debt and other long-term debt, respectively.

During the fourth quarter of fiscal year 2023, after the completion of the Link-16 TDL Sale, the Company reduced its real estate footprint as part of cost-reduction measures taken in order to right-size the Company's remaining businesses. As a result, the Company recorded an impairment of right-of-use assets of \$19.1 million and an impairment of leasehold improvements and furniture and fixtures of an insignificant amount, taking into consideration the current and anticipated future market conditions for sublease income in the markets the leases are located, recorded in the consolidated statements of operations in selling, general and administrative expenses spread across each of the Company's segments.

The components of the Company's lease costs, weighted average lease terms and discount rates are presented in the tables below:

	Fiscal Years Ended		
	March 31, 2023	March 31, 2022	March 31, 2021
(In thousands)			
Lease cost:			
Operating lease cost	\$ 87,627	\$ 68,822	\$ 63,576
Finance lease cost:			
Depreciation of assets obtained under finance leases	11,947	11,961	13,656
Interest on lease liabilities	2,441	2,749	3,314
Short-term lease cost	14,410	10,514	5,618
Variable lease cost	15,261	8,752	7,176
Net lease cost	<u>\$ 131,686</u>	<u>\$ 102,798</u>	<u>\$ 93,340</u>
	As of March 31, 2023	As of March 31, 2022	As of March 31, 2021
Lease term and discount rate:			
Weighted average remaining lease term (in years):			
Operating leases	6.3	7.0	7.4
Finance leases	3.4	4.4	5.3
Weighted average discount rate:			
Operating leases	5.7%	5.4%	5.4%
Finance leases	6.3%	5.4%	5.4%

VIASAT, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

The following table details components of the consolidated statements of cash flows for operating and finance leases:

	Fiscal Years Ended		
	<u>March 31, 2023</u>	<u>March 31, 2022</u>	<u>March 31, 2021</u>
(In thousands)			
Cash paid for amounts included in the measurement of lease liabilities:			
Operating cash flows from operating leases	\$ 69,595	\$ 68,763	\$ 63,167
Operating cash flows from finance leases	2,449	3,024	3,108
Financing cash flows from finance leases	11,572	10,749	10,900
Right-of-use assets obtained in exchange for lease liabilities:			
Operating leases	\$ 9,817	\$ 61,599	\$ 66,162
Finance leases	2,232	—	2,076

The following table presents maturities of the Company's lease liabilities as of March 31, 2023:

	<u>Operating Leases</u>	<u>Finance Leases</u>
	(In thousands)	
Expected for fiscal year 2024	\$ 67,803	\$ 13,230
Expected for fiscal year 2025	64,508	12,000
Expected for fiscal year 2026	61,466	12,000
Expected for fiscal year 2027	58,239	3,000
Expected for fiscal year 2028	50,820	—
Thereafter	83,618	—
Total future lease payments required	386,454	40,230
Less: interest	62,809	3,825
Total	<u>\$ 323,645</u>	<u>\$ 36,405</u>

As of March 31, 2023, the Company had \$56.1 million of additional lease commitments with lease terms of three to sixteen years.

Note 8 — Senior Notes and Other Long-Term Debt

Total long-term debt consisted of the following as of March 31, 2023 and 2022:

	As of March 31, 2023	As of March 31, 2022
	(In thousands)	
2028 Notes	\$ 400,000	\$ 400,000
2027 Notes	600,000	600,000
2025 Notes	700,000	700,000
Term Loan Facility	694,750	700,000
Revolving Credit Facility	—	—
Ex-Im Credit Facility	58,957	78,609
Finance lease obligations (see Note 7)	36,405	45,752
Total debt	2,490,112	2,524,361
Unamortized discount and debt issuance costs	(30,672)	(38,234)
Less: current portion of long-term debt	37,939	34,911
Total long-term debt	<u>\$ 2,421,501</u>	<u>\$ 2,451,216</u>

The estimated aggregate amounts and timing of payments on the Company's long-term debt obligations as of March 31, 2023 for the next five fiscal years and thereafter were as follows (excluding the effects of discount accretion under the 2025 Notes, the 2027 Notes, the 2028 Notes, the Term Loan Facility and the Ex-Im Credit Facility):

For the Fiscal Years Ending	(In thousands)
2024	\$ 37,939
2025	37,381
2026	738,073
2027	9,969
2028	607,000
Thereafter	1,059,750
	<u>2,490,112</u>
Plus: unamortized discount and debt issuance costs	(30,672)
Total	<u>\$ 2,459,440</u>

Term Loan Facility

In March 2022, the Company entered into a \$700.0 million Term Loan Facility, which was fully drawn at closing and matures on March 4, 2029. At March 31, 2023, the Company had \$694.8 million in principal amount of outstanding borrowings under the Term Loan Facility.

Borrowings under the Term Loan Facility are required to be repaid in quarterly installments of \$1.75 million each, which commenced on September 30, 2022, followed by a final installment of \$654.5 million at maturity. Borrowings under the Term Loan Facility bear interest, at the Company's option, at either (1) a base rate equal to the greater of the administrative agent's prime rate as announced from time to time, the federal funds effective rate plus 0.50%, and the forward-looking SOFR term rate administered by CME for a one-month interest period plus 1.00%, subject to a floor of 1.50% for the initial term loans, plus an applicable margin of 3.50%, or (2) the forward-looking SOFR term rate administered by CME for the applicable interest period, subject to a floor of 0.50% for the initial term loans, plus an applicable margin of 4.50%. As of March 31, 2023, the effective interest rate on the Company's outstanding borrowings under the Term Loan Facility was 9.95%. The Term Loan Facility is required to be guaranteed by certain significant domestic subsidiaries of the Company (as defined in the Term Loan Facility) and secured by substantially all of the Company's and any such subsidiaries' assets. As of March 31, 2023, none of the Company's subsidiaries guaranteed the Term Loan Facility.

The Term Loan Facility contains covenants that restrict, among other things, the ability of Company and its restricted subsidiaries to incur additional debt, grant liens, sell assets, make investments, pay dividends and make certain other restricted payments. The Company was in compliance with its financial covenants under the Term Loan Facility as of March 31, 2023.

Borrowings under the Term Loan Facility are recorded as current portion of long-term debt and as other long-term debt, net of unamortized discount and debt issuance costs, in the Company's consolidated financial statements. The Term Loan Facility was issued with an original issue discount of 2.00%, or \$14.0 million. The original issue discount and deferred financing cost associated with the issuance of the borrowings under the Term Loan Facility are amortized to interest expense on a straight-line basis over the term of the Term Loan Facility, the results of which are not materially different from the effective interest rate basis.

Revolving Credit Facility

As of March 31, 2023, the Revolving Credit Facility provided a \$700.0 million revolving line of credit (including up to \$150.0 million of letters of credit), with a maturity date of January 18, 2024. At March 31, 2023, the Company had no outstanding borrowings under the Revolving Credit Facility and \$42.6 million outstanding under standby letters of credit under the Revolving Credit Facility, leaving borrowing availability under the Revolving Credit Facility as of March 31, 2023 of \$657.4 million.

Borrowings under the Revolving Credit Facility bear interest, at the Company's option, at either (1) the highest of the Federal Funds rate plus 0.50%, the Eurodollar rate plus 1.00%, or the administrative agent's prime rate as announced from time to time, or (2) the Eurodollar rate, plus, in the case of each of (1) and (2), an applicable margin that is based on the Company's total leverage ratio. The Company has capitalized certain amounts of interest expense on the Revolving Credit Facility in connection with the construction of various assets during the construction period. The Revolving Credit Facility is required to be guaranteed by certain significant domestic subsidiaries of the Company (as defined in the Revolving Credit Facility) and secured by substantially all of the Company's and any such subsidiaries' assets. As of March 31, 2023, none of the Company's subsidiaries guaranteed the Revolving Credit Facility.

The Revolving Credit Facility contains financial covenants regarding a maximum total leverage ratio and a minimum interest coverage ratio. In addition, the Revolving Credit Facility contains covenants that restrict, among other things, the Company's ability to sell assets, make investments and acquisitions, make capital expenditures, grant liens, pay dividends and make certain other restricted payments. The Company was in compliance with its financial covenants under the Revolving Credit Facility as of March 31, 2023.

Ex-Im Credit Facility

The Ex-Im Credit Facility originally provided a \$362.4 million senior secured direct loan facility, which was fully drawn. Of the \$362.4 million in principal amount of borrowings made under the Ex-Im Credit Facility, \$321.2 million was used to finance up to 85% of the costs of construction, launch and insurance of the ViaSat-2 satellite and related goods and services (including costs incurred on or after September 18, 2012), with the remaining \$41.2 million used to finance the total exposure fees incurred under the Ex-Im Credit Facility (which included all previously accrued completion exposure fees). As of March 31, 2023, the Company had \$59.0 million in principal amount of outstanding borrowings under the Ex-Im Credit Facility.

Borrowings under the Ex-Im Credit Facility bear interest at a fixed rate of 2.38%, payable semi-annually in arrears. The effective interest rate on the Company's outstanding borrowings under the Ex-Im Credit Facility, which takes into account timing and amount of borrowings and payments, exposure fees, debt issuance costs and other fees, is 4.54%. Borrowings under the Ex-Im Credit Facility are required to be repaid in 16 semi-annual principal installments, which commenced on April 15, 2018, with a maturity date of October 15, 2025. The Ex-Im Credit Facility is guaranteed by Viasat and is secured by first-priority liens on the ViaSat-2 satellite and related assets, as well as a pledge of the capital stock of the borrower under the facility.

The Ex-Im Credit Facility contains financial covenants regarding Viasat's maximum total leverage ratio and minimum interest coverage ratio. In addition, the Ex-Im Credit Facility contains covenants that restrict, among other things, the Company's ability to sell assets, make investments and acquisitions, make capital expenditures, grant liens, pay dividends and make certain other restricted payments. The Company was in compliance with its financial covenants under the Ex-Im Credit Facility as of March 31, 2023.

Borrowings under the Ex-Im Credit Facility are recorded as current portion of long-term debt and as other long-term debt, net of unamortized discount and debt issuance costs, in the Company's consolidated financial statements. The discount of \$42.3 million (consisting of the initial \$6.0 million pre-exposure fee, \$35.3 million of completion exposure fees, and other customary fees) and deferred financing cost associated with the issuance of the borrowings under the Ex-Im Credit Facility are amortized to interest expense on an effective interest rate basis over the weighted average term of the Ex-Im Credit Facility and in accordance with the related payment obligations.

In August 2022, the Company amended the Ex-Im Credit Facility to provide additional covenant flexibility. Certain of the amendments will become effective at and are conditional upon the closing of the Inmarsat Transaction.

Senior Notes

Senior Notes due 2028

In June 2020, the Company issued \$400.0 million in principal amount of 2028 Notes in a private placement to institutional buyers. The 2028 Notes were issued at face value and are recorded as long-term debt, net of debt issuance costs, in the Company's consolidated financial statements. The 2028 Notes bear interest at the rate of 6.500% per year, payable semi-annually in cash in arrears, which interest payments commenced in January 2021. Debt issuance costs associated with the issuance of the 2028 Notes are amortized to interest expense on a straight-line basis over the term of the 2028 Notes, the results of which are not materially different from the effective interest rate basis.

The 2028 Notes are required to be guaranteed on an unsecured senior basis by each of the Company's existing and future subsidiaries that guarantees the Revolving Credit Facility. As of March 31, 2023, none of the Company's subsidiaries guaranteed the 2028 Notes. The 2028 Notes are the Company's general senior unsecured obligations and rank equally in right of payment with all of the Company's existing and future unsecured unsubordinated debt. The 2028 Notes are effectively junior in right of payment to the Company's existing and future secured debt, including under the Credit Facilities and the 2027 Notes (to the extent of the value of the assets securing such debt), are structurally subordinated to all existing and future liabilities (including trade payables) of the Company's subsidiaries that do not guarantee the 2028 Notes, and are senior in right of payment to all of the Company's existing and future subordinated indebtedness.

The indenture governing the 2028 Notes limits, among other things, the Company's and its restricted subsidiaries' ability to: incur, assume or guarantee additional debt; issue redeemable stock and preferred stock; pay dividends, make distributions or redeem or repurchase capital stock; prepay, redeem or repurchase subordinated debt; make loans and investments; grant or incur liens; restrict dividends, loans or asset transfers from restricted subsidiaries; sell or otherwise dispose of assets; enter into transactions with affiliates; reduce the Company's satellite insurance; and consolidate or merge with, or sell substantially all of their assets to, another person.

Prior to July 15, 2023, the Company may redeem up to 40% of the 2028 Notes at a redemption price of 106.500% of the principal amount thereof, plus accrued and unpaid interest, if any, thereon to the redemption date, from the net cash proceeds of specified equity offerings. The Company may also redeem the 2028 Notes prior to July 15, 2023, in whole or in part, at a redemption price equal to 100% of the principal amount thereof plus the applicable premium and any accrued and unpaid interest, if any, thereon to the redemption date. The applicable premium is calculated as the greater of: (i) 1.0% of the principal amount of such 2028 Notes and (ii) the excess, if any, of (a) the present value at such date of redemption of (1) the redemption price of such 2028 Notes on July 15, 2023 plus (2) all required interest payments due on such 2028 Notes through July 15, 2023 (excluding accrued but unpaid interest to the date of redemption), computed using a discount rate equal to the treasury rate (as defined under the indenture governing the 2028 Notes) plus 50 basis points, over (b) the then-outstanding principal amount of such 2028 Notes. The 2028 Notes may be redeemed, in whole or in part, at any time during the 12 months beginning on July 15, 2023 at a redemption price of 103.250%, during the 12 months beginning on July 15, 2024 at a redemption price of 101.625%, and at any time on or after July 15, 2025 at a redemption price of 100%, in each case plus accrued and unpaid interest, if any, thereon to the redemption date.

In the event a change of control triggering event occurs (as defined in the indenture governing the 2028 Notes), each holder will have the right to require the Company to repurchase all or any part of such holder's 2028 Notes at a purchase price in cash equal to 101% of the aggregate principal amount of the 2028 Notes repurchased, plus accrued and unpaid interest, if any, to the date of purchase (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date).

Senior Secured Notes due 2027

In March 2019, the Company issued \$600.0 million in principal amount of 2027 Notes in a private placement to institutional buyers. The 2027 Notes were issued at face value and are recorded as long-term debt, net of debt issuance costs, in the Company's consolidated financial statements. The 2027 Notes bear interest at the rate of 5.625% per year, payable semi-annually in cash in arrears, which interest payments commenced in October 2019. Debt issuance costs associated with the issuance of the 2027 Notes are amortized to interest expense on a straight-line basis over the term of the 2027 Notes, the results of which are not materially different from the effective interest rate basis.

The 2027 Notes are required to be guaranteed on a senior secured basis by each of the Company's existing and future subsidiaries that guarantees the Revolving Credit Facility. As of March 31, 2023, none of the Company's subsidiaries guaranteed the 2027 Notes. The 2027 Notes are secured, equally and ratably with the Revolving Credit Facility and any future parity lien debt, by liens on substantially all of the Company's assets.

The 2027 Notes are the Company's general senior secured obligations and rank equally in right of payment with all of its existing and future unsubordinated debt. The 2027 Notes are effectively senior to all of the Company's existing and future unsecured debt (including the 2025 Notes and the 2028 Notes) as well as to all of any permitted junior lien debt that may be incurred in the future, in each case to the extent of the value of the assets securing the 2027 Notes. The 2027 Notes are effectively subordinated to any obligations that are secured by liens on assets that do not constitute a part of the collateral securing the 2027 Notes, are structurally subordinated to all existing and future liabilities (including trade payables) of the Company's subsidiaries that do not guarantee the 2027 Notes, and are senior in right of payment to all of the Company's existing and future subordinated indebtedness.

The indenture governing the 2027 Notes limits, among other things, the Company's and its restricted subsidiaries' ability to: incur, assume or guarantee additional debt; issue redeemable stock and preferred stock; pay dividends, make distributions or redeem or repurchase capital stock; prepay, redeem or repurchase subordinated debt; make loans and investments; grant or incur liens; restrict dividends, loans or asset transfers from restricted subsidiaries; sell or otherwise dispose of assets; enter into transactions with affiliates; reduce the Company's satellite insurance; and consolidate or merge with, or sell substantially all of their assets to, another person.

The 2027 Notes may be redeemed, in whole or in part, at any time during the 12 months beginning on April 15, 2023 at a redemption price of 101.406% and at any time on or after April 15, 2024 at a redemption price of 100%, in each case plus accrued and unpaid interest, if any, thereon to the redemption date.

In the event a change of control triggering event occurs (as defined in the indenture governing the 2027 Notes), each holder will have the right to require the Company to repurchase all or any part of such holder's 2027 Notes at a purchase price in cash equal to 101% of the aggregate principal amount of the 2027 Notes repurchased, plus accrued and unpaid interest, if any, to the date of purchase (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date).

Senior Notes due 2025

In September 2017, the Company issued \$700.0 million in principal amount of 2025 Notes in a private placement to institutional buyers. The 2025 Notes were issued at face value and are recorded as long-term debt, net of debt issuance costs, in the Company's consolidated financial statements. The 2025 Notes bear interest at the rate of 5.625% per year, payable semi-annually in cash in arrears, which interest payments commenced in March 2018. Debt issuance costs associated with the issuance of the 2025 Notes are amortized to interest expense on a straight-line basis over the term of the 2025 Notes, the results of which are not materially different from the effective interest rate basis.

The 2025 Notes are required to be guaranteed on an unsecured senior basis by each of the Company's existing and future subsidiaries that guarantees the Revolving Credit Facility. As of March 31, 2023, none of the Company's subsidiaries guaranteed the 2025 Notes. The 2025 Notes are the Company's general senior unsecured obligations and rank equally in right of payment with all of the Company's existing and future unsecured unsubordinated debt. The 2025 Notes are effectively junior in right of payment to the Company's existing and future secured debt, including under the Credit Facilities and the 2027 Notes (to the extent of the value of the assets securing such debt), are structurally subordinated to all existing and future liabilities (including trade payables) of the Company's subsidiaries that do not guarantee the 2025 Notes, and are senior in right of payment to all of the Company's existing and future subordinated indebtedness.

The indenture governing the 2025 Notes limits, among other things, the Company's and its restricted subsidiaries' ability to: incur, assume or guarantee additional debt; issue redeemable stock and preferred stock; pay dividends, make distributions or redeem or repurchase capital stock; prepay, redeem or repurchase subordinated debt; make loans and investments; grant or incur liens; restrict dividends, loans or asset transfers from restricted subsidiaries; sell or otherwise dispose of assets; enter into transactions with affiliates; reduce the Company's satellite insurance; and consolidate or merge with, or sell substantially all of their assets to, another person.

The 2025 Notes may be redeemed, in whole or in part, at any time at a redemption price of 100%, plus accrued and unpaid interest, if any, thereon to the redemption date.

In the event a change of control triggering event occurs (as defined in the indenture governing the 2025 Notes), each holder will have the right to require the Company to repurchase all or any part of such holder's 2025 Notes at a purchase price in cash equal to 101% of the aggregate principal amount of the 2025 Notes repurchased, plus accrued and unpaid interest, if any, to the date of purchase (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date).

Note 9 — Common Stock and Stock Plans

From time to time, the Company files universal shelf registration statements with the SEC for the future sale of an unlimited amount of common stock, preferred stock, debt securities, depository shares, warrants and rights, which securities may be offered from time to time, separately or together, directly by the Company, by selling security holders, or through underwriters, dealers or agents at amounts, prices, interest rates and other terms to be determined at the time of the offering.

In November 1996, the Company adopted the 1996 Equity Participation Plan (the Equity Participation Plan). The Equity Participation Plan provides for the grant to executive officers, other key employees, consultants and non-employee directors of the Company a broad variety of stock-based compensation alternatives such as nonqualified stock options, incentive stock options, restricted stock units and performance awards. From November 1996 to September 2022 through various amendments of the Equity Participation Plan, the Company increased the maximum number of shares reserved for issuance under this plan to 44,471,000 shares. The Company believes that such awards align the interests of its executive officers, employees, consultants and non-employee directors with those of its stockholders. Shares of the Company's common stock granted under the Equity Participation Plan in the form of stock options or stock appreciation right are counted against the Equity Participation Plan share reserve on a one for one basis and performance-based stock options are calculated assuming "maximum" performance. Shares of the Company's common stock granted under the Equity Participation Plan as an award other than as an option or as a stock appreciation right with a per share purchase price lower than 100% of fair market value on the date of grant are counted against the Equity Participation Plan share reserve as two shares for each share of common stock subject to such awards. Restricted stock units are granted to eligible employees and directors and represent rights to receive shares of common stock at a future date.

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In November 1996, the Company adopted the Viasat, Inc. Employee Stock Purchase Plan (the Employee Stock Purchase Plan) to assist employees in acquiring a stock ownership interest in the Company and to encourage them to remain in the employment of the Company. The Employee Stock Purchase Plan is intended to qualify under Section 423 of the Internal Revenue Code. From November 1996 to September 2021 through various amendments of the Employee Stock Purchase Plan, the Company increased the maximum number of shares reserved for issuance under the Employee Stock Purchase Plan to 6,950,000 shares. To facilitate participation for employees located outside of the United States in light of non-U.S. law and other considerations, the amended Employee Stock Purchase Plan also provides for the grant of purchase rights that are not intended to be tax-qualified. The Employee Stock Purchase Plan permits eligible employees to purchase common stock at a discount through payroll deductions during specified six-month offering periods. No employee may purchase more than \$25,000 worth of stock in any calendar year. The price of shares purchased under the Employee Stock Purchase Plan is equal to 85% of the fair market value of the common stock on the first or last day of the offering period, whichever is lower.

Total stock-based compensation expense recognized in accordance with the authoritative guidance for share-based payments was as follows:

	Fiscal Years Ended		
	March 31, 2023	March 31, 2022	March 31, 2021
	(In thousands)		
Stock-based compensation expense before taxes	\$ 82,112	\$ 84,981	\$ 82,128
Related income tax benefits	(17,238)	(19,809)	(18,869)
Stock-based compensation expense, net of taxes	<u>\$ 64,874</u>	<u>\$ 65,172</u>	<u>\$ 63,259</u>

In accordance with the authoritative guidance for share-based payments (ASC 718), the Company recognizes excess tax benefits or deficiencies on vesting or settlement of awards as discrete items within income tax benefit or provision within net income (loss) and the related cash flows classified within operating activities.

The compensation cost that has been charged against income for the Equity Participation Plan under the authoritative guidance for share-based payments was \$75.0 million, \$79.4 million and \$75.5 million, and for the Employee Stock Purchase Plan was \$7.1 million, \$5.6 million and \$6.7 million, for the fiscal years ended March 31, 2023, 2022 and 2021, respectively. The Company capitalized \$12.9 million, \$10.6 million and \$13.2 million of stock-based compensation expense as a part of the cost for software development for resale included in other assets and as a part of the equipment and software for internal use and satellites included in property, equipment and satellites, net for fiscal years 2023, 2022 and 2021, respectively.

As of March 31, 2023, total unrecognized compensation cost related to unvested stock-based compensation arrangements granted under the Equity Participation Plan (including stock options, TSR performance stock options and restricted stock units) and the Employee Stock Purchase Plan was \$174.4 million and \$2.8 million, respectively. These costs are expected to be recognized over a weighted average period of 0.5 years, 1.6 years and 2.8 years, for stock options, TSR performance stock options and restricted stock units, respectively, under the Equity Participation Plan and less than six months under the Employee Stock Purchase Plan.

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Stock options, TSR performance stock options and employee stock purchase plan. The Company's stock options typically have a simple four-year vesting schedule (except for one- and three-year vesting schedules for options granted to the members of the Company's Board of Directors) and a six-year contractual term. The Company grants TSR performance stock options to executive officers under the Equity Participation Plan. The number of shares of TSR performance stock options that will become eligible to vest based on the time-based vesting schedule described below is based on a comparison over a four-year performance period of the Company's TSR to the TSR of the companies included in the S&P Mid Cap 400 Index. The number of options that may become vested and exercisable will range from 0% to 175% of the target number of options based on the Company's relative TSR ranking for the performance period. The Company's TSR performance stock options have a four-year time-based vesting schedule and a six-year contractual term. The TSR performance stock options must be vested under both the time-based vesting schedule and the performance-based vesting conditions in order to become exercisable. Expense for TSR performance stock options that time-vest is recognized regardless of the actual TSR outcome achieved and is recognized on a graded-vesting basis. The weighted average estimated fair value of TSR performance stock options granted during fiscal years 2023, 2022 and 2021 was \$25.06, \$31.11 and \$19.25 per share, respectively, using the Monte Carlo simulation. The weighted average estimated fair value of stock options granted and employee stock purchase plan shares issued during fiscal year 2023 was \$16.49 and \$10.30 per share, respectively, during fiscal year 2022 was \$13.50 and \$12.37 per share, respectively, and during fiscal year 2021 was \$12.81 and \$11.60 per share, respectively, using the Black-Scholes model. The weighted average assumptions (annualized percentages) used in the Black-Scholes model and Monte Carlo simulation were as follows:

	Stock Options			TSR Performance Stock Options			Employee Stock Purchase Plan		
	Fiscal Year 2023	Fiscal Year 2022	Fiscal Year 2021	Fiscal Year 2023	Fiscal Year 2022	Fiscal Year 2021	Fiscal Year 2023	Fiscal Year 2022	Fiscal Year 2021
Volatility	46.4 %	49.5 %	39.1 %	49.9 %	42.5 %	39.8 %	60.5 %	42.1 %	64.8 %
Risk-free interest rate	3.4 %	0.4 %	0.2 %	3.8 %	1.2 %	0.4 %	3.4 %	0.1 %	0.1 %
Dividend yield	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Expected life	5.0 years	3.2 years	5.0 years	5.0 years	5.0 years	5.0 years	0.5 years	0.5 years	0.5 years

The Company's expected volatility is a measure of the amount by which its stock price is expected to fluctuate over the expected term of the stock-based award. The estimated volatilities for stock options and TSR performance options are based on the historical volatility calculated using the daily stock price of the Company's stock over a recent historical period equal to the expected term. The risk-free interest rate that the Company uses in determining the fair value of its stock-based awards is based on the implied yield on U.S. Treasury zero-coupon issues with remaining terms equivalent to the expected term of its stock-based awards. The expected terms or lives of stock options and TSR performance stock options represent the expected period of time from the date of grant to the estimated date that the stock options under the Company's Equity Participation Plan would be fully exercised. The expected term assumption is estimated based primarily on the options' vesting terms and remaining contractual life and employees' expected exercise and post-vesting employment termination behavior.

A summary of stock option activity for fiscal year 2023 is presented below:

	Number of Shares	Weighted Average Exercise Price per Share	Weighted Average Remaining Contractual Term in Years	Aggregate Intrinsic Value (In thousands)
Outstanding at March 31, 2022	640,729	\$ 69.32		
Options granted	30,000	36.93		
Options expired	(434,233)	70.78		
Options exercised	—	—		
Outstanding at March 31, 2023	236,496	\$ 62.53	2.9	\$ 28
Vested and exercisable at March 31, 2023	203,496	\$ 66.51	2.5	\$ 28

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The total intrinsic value of stock options exercised during fiscal years 2023, 2022 and 2021 was zero, an insignificant amount and zero, respectively. All options issued under the Company's Equity Participation Plan have an exercise price equal to the fair market value of the Company's stock on the date of the grant. The Company recorded no excess tax benefits during fiscal years 2023, 2022 and 2021.

A summary of TSR performance stock option activity for fiscal year 2023 is presented below:

	Number of Shares (1)	Weighted Average Exercise Price per Share	Weighted Average Remaining Contractual Term in Years	Aggregate Intrinsic Value (In thousands)
Outstanding at March 31, 2022	2,435,987	\$ 55.76		
TSR performance options granted	557,687	34.00		
TSR performance options canceled	(586,362)	66.66		
TSR performance options exercised	—	—		
Outstanding at March 31, 2023	<u>2,407,312</u>	\$ 48.06	4.1	\$ —
Vested and exercisable at March 31, 2023	—	\$ —	—	\$ —

(1) Number of shares is based on the target number of options under each TSR performance stock option.

Restricted stock units. Restricted stock units represent a right to receive shares of common stock at a future date determined in accordance with the participant's award agreement. There is no exercise price and no monetary payment required for receipt of restricted stock units or the shares issued in settlement of the award. Instead, consideration is furnished in the form of the participant's services to the Company. Restricted stock units generally vest over four years (except for one- and three-year vesting schedules for restricted stock units granted to the members of the Company's Board of Directors). Compensation cost for these awards is based on the fair value on the date of grant and recognized as compensation expense on a straight-line basis over the requisite service period. For fiscal years 2023, 2022 and 2021, the Company recognized \$59.1 million, \$63.1 million and \$56.9 million, respectively, in stock-based compensation expense related to these restricted stock unit awards.

The per unit weighted average grant date fair value of restricted stock units granted during fiscal years 2023, 2022 and 2021 was \$35.04, \$52.85 and \$36.57, respectively. A summary of restricted stock unit activity for fiscal year 2023 is presented below:

	Number of Restricted Stock Units	Weighted Average Grant Date Fair Value per Share
Outstanding at March 31, 2022	4,020,926	\$ 51.51
Awarded	2,199,042	35.04
Forfeited	(378,238)	46.59
Vested	(1,376,583)	54.15
Outstanding at March 31, 2023	<u>4,465,147</u>	\$ 43.00
Vested and deferred at March 31, 2023	202,109	\$ 50.69

The total fair value of shares vested related to restricted stock units during the fiscal years 2023, 2022 and 2021 was \$46.9 million, \$66.0 million and \$38.8 million, respectively.

Note 10 — Shares Used In Computing Diluted Net Income (Loss) Per Share

The weighted average number of shares used to calculate basic and diluted net loss per share attributable to Viasat, Inc. common stockholders is the same for the fiscal years ended March 31, 2023, 2022 and 2021, as the Company incurred a net loss from continuing operations (excluding income (loss) from continuing operations attributable to the noncontrolling interest) for such periods and inclusion of potentially dilutive weighted average shares of common stock would be antidilutive.

Potentially dilutive weighted average shares excluded from the calculation for fiscal years 2023, 2022 and 2021, respectively, consisted of 483,499, 848,791 and 1,119,819 shares related to stock options (other than TSR performance stock options), 480,325, 264,645 and 475,371 shares related to TSR performance stock options, 2,477,067, 2,150,449 and 2,375,072 shares related to restricted stock units, and 699,680, 417,308 and 405,632 shares related to certain terms of the Viasat 401(k) Profit Sharing Plan and Employee Stock Purchase Plan.

Note 11 — Income Taxes

The components of income (loss) before income taxes by jurisdiction are as follows:

	Fiscal Years Ended		
	March 31, 2023	March 31, 2022	March 31, 2021
	(In thousands)		
United States	\$ (94,019)	\$ (119,249)	\$ (55,743)
Foreign	(68,136)	(18,661)	(22,457)
	<u>\$ (162,155)</u>	<u>\$ (137,910)</u>	<u>\$ (78,200)</u>

The benefit from (provision for) income taxes includes the following:

	Fiscal Years Ended		
	March 31, 2023	March 31, 2022	March 31, 2021
	(In thousands)		
Current tax provision			
Federal	\$ (11,494)	\$ (7,097)	\$ (8,573)
State	(5,231)	(2,041)	(3,386)
Foreign	(5,965)	(4,042)	449
	<u>(22,690)</u>	<u>(13,180)</u>	<u>(11,510)</u>
Deferred tax benefit			
Federal	40,889	39,049	22,837
State	(80,715)	8,057	(704)
Foreign	13,098	2,591	571
	<u>(26,728)</u>	<u>49,697</u>	<u>22,704</u>
Total benefit from (provision for) income taxes	<u>\$ (49,418)</u>	<u>\$ 36,517</u>	<u>\$ 11,194</u>

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Significant components of the Company's net deferred tax assets are as follows:

	As of	
	March 31, 2023	March 31, 2022
	(In thousands)	
Deferred tax assets:		
Net operating loss carryforwards	\$ 71,838	\$ 251,276
Tax credit carryforwards	115,418	299,165
Capitalized research and development costs	75,152	—
Operating lease liabilities	78,562	93,580
Deferred revenue	24,123	21,546
Other	107,368	99,074
Valuation allowance	(150,047)	(78,071)
Total deferred tax assets	322,414	686,570
Deferred tax liabilities:		
Intangible assets	(99,629)	(119,299)
Property, equipment and satellites	(187,896)	(163,560)
Operating lease assets	(68,150)	(87,677)
Other	(29,004)	(28,261)
Total deferred tax liabilities	(384,679)	(398,797)
Net deferred tax assets (liabilities)	\$ (62,265)	\$ 287,773

A reconciliation of the benefit from (provision for) income taxes to the amount computed by applying the statutory federal income tax rate to income (loss) before income taxes is as follows:

	Fiscal Years Ended		
	March 31, 2023	March 31, 2022	March 31, 2021
	(In thousands)		
Tax benefit (provision) at federal statutory rate	\$ 34,047	\$ 28,964	\$ 16,422
State tax provision, net of federal benefit	202	1,330	(424)
Tax credits, net of valuation allowance	22,763	21,647	17,885
Valuation allowance on California R&D tax credits	(72,438)	—	—
Non-deductible compensation	(3,096)	(5,771)	(5,728)
Non-deductible transaction costs	(167)	(1,361)	—
Non-deductible meals and entertainment	(693)	(311)	(354)
Stock-based compensation	(12,032)	(7,402)	(9,466)
Change in state effective tax rate	458	539	(2,360)
Base Erosion and Anti-Abuse Tax (BEAT)	(8,610)	—	—
Foreign effective tax rate differential, net of valuation allowance	(5,769)	(6,201)	(3,046)
Unremitted subsidiary gains	(887)	(1,565)	(1,682)
Change to indefinite reinvestment assertion (EBI)	—	8,071	—
Other	(3,196)	(1,423)	(53)
Total benefit from (provision for) income taxes	\$ (49,418)	\$ 36,517	\$ 11,194

As of March 31, 2023, the Company had federal and state research & development (R&D) tax credit carryforwards of \$79.9 million and \$185.1 million, respectively, which begin to expire in fiscal year 2040 and fiscal year 2025, respectively. As of March 31, 2023, the Company had federal and state net operating loss carryforwards of \$118.1 million and \$188.2 million, respectively, which begin to expire in fiscal year 2029 and fiscal year 2024, respectively.

Beginning in fiscal year 2023, for federal income tax purposes, the Company is required to capitalize and amortize domestic research and development expenditures over five years and foreign research and development expenditures over 15 years under the Tax Cuts and Jobs Act of 2017, which delays the deductibility of these expenditures. Although Congress may consider legislation that would defer capitalization and amortization requirements to later years, the Company has no assurance that the requirement will be repealed or otherwise modified.

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In accordance with the authoritative guidance for income taxes (ASC 740), net deferred tax assets are reduced by a valuation allowance if, based on all the available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized. Future realization of existing deferred tax assets ultimately depends on future profitability and the existence of sufficient taxable income of appropriate character (for example, ordinary income versus capital gains) within the carryforward period available under tax law. In the event that the Company's estimate of taxable income is less than that required to utilize the full amount of any deferred tax asset, a valuation allowance is established, which would cause a decrease to income in the period such determination is made. A valuation allowance of \$150.0 million at March 31, 2023 and \$78.1 million at March 31, 2022 has been established relating to state and foreign net operating loss carryforwards, state R&D tax credit carryforwards, and foreign tax credit carryforwards that, based on management's estimate of future taxable income attributable to such jurisdictions and generation of additional research credits, are considered more likely than not to expire unused.

In evaluating the Company's ability to realize the deferred tax asset for California R&D tax credits, the Company considered all available positive and negative evidence, including operating results and forecasted ranges of future taxable income, and determined it is more likely than not that a majority of its California R&D tax credits will not be realized due to reduced taxable income apportioned to California in connection with the Link-16 TDL Sale. As a result, during the second quarter of fiscal year 2023, the Company recorded a valuation allowance of \$69.0 million. The Company will continue to monitor its business strategies, weighing positive and negative evidence in assessing its realization of this asset in the future. In the event there is a need to release the valuation allowance, a tax benefit will be recorded.

The following table summarizes the activity related to the Company's unrecognized tax benefits:

	As of		
	March 31, 2023	March 31, 2022	March 31, 2021
	(In thousands)		
Balance, beginning of fiscal year	\$ 112,806	\$ 92,962	\$ 80,591
Increase (decrease) related to prior year tax positions	809	7,486	(828)
Increases related to current year tax positions	16,123	12,358	13,199
Balance, end of fiscal year	<u>\$ 129,738</u>	<u>\$ 112,806</u>	<u>\$ 92,962</u>

Of the total unrecognized tax benefits at March 31, 2023, \$105.2 million would reduce the Company's annual effective tax rate if recognized, subject to valuation allowance consideration. The Company's policy is to recognize interest expense and penalties related to income tax matters as a component of income tax expense. As of March 31, 2023 and 2022, the Company has accrued interest and penalties of an insignificant amount and approximately \$2.0 million, respectively. The Company recognized a tax benefit of \$1.1 million and \$1.2 million for reductions of interest and penalties in income tax expense for the fiscal years ended March 31, 2023 and 2022, respectively.

In the next 12 months it is reasonably possible that the amount of unrecognized tax benefits will not change significantly.

The Company is subject to periodic audits by domestic and foreign tax authorities. By statute, the Company's U.S. federal and state income tax returns are subject to examination by the tax authorities for fiscal years 2020 and thereafter. Additionally, net operating loss and R&D tax credit carryovers that were generated in prior years may also be subject to examination. With few exceptions, fiscal years 2019 and thereafter remain open to examination by foreign tax authorities. The Company believes that it has appropriate support for the income tax positions taken on its tax returns and its accruals for tax liabilities are adequate for all open years based on an assessment of many factors, including past experience and interpretations.

Note 12 — Employee Benefits

The Company is a sponsor of a voluntary deferred compensation plan under Section 401(k) of the Internal Revenue Code. Under the plan, the Company may make discretionary contributions to the plan which vest over three years. The Company's discretionary matching contributions to the plan are based on the amount of employee contributions and can be made in cash or the Company's common stock at the Company's election. Subsequent to the 2023 fiscal year end, the Company elected to settle the discretionary contributions liability in shares of the Company's common stock, consistent with fiscal year 2022. Based on the closing price of the Company's common stock at the 2023 fiscal year end, the Company would issue approximately 960,402 shares of common stock at this time. Discretionary contributions accrued by the Company as of March 31, 2023 and 2022 amounted to \$32.5 million and \$27.9 million, respectively.

Note 13 — Commitments

From time to time, the Company enters into satellite construction agreements as well as various other satellite-related purchase commitments, including with respect to the provision of launch services, operation of its satellites and satellite insurance. As of March 31, 2023, future minimum payments under the Company's satellite construction contracts and other satellite-related purchase commitments for the next five fiscal years and thereafter were as follows:

<u>Fiscal Years Ending</u>	<u>(In thousands)</u>
2024	\$ 306,677
2025	209,777
2026	32,973
2027	1,714
2028	1,735
Thereafter	5,665
	<u>\$ 558,541</u>

The Company's contracts with satellite manufacturers require the Company to make monthly in-orbit satellite performance incentive payments with respect to certain satellites in commercial service, including interest, through fiscal year 2028, subject to the continued satisfactory performance of the applicable satellites. The Company records the net present value of these expected future payments as a liability and as a component of the cost of the satellites. As of March 31, 2023, the Company's estimated satellite performance incentive obligations and accrued interest for the applicable satellites were approximately \$20.0 million, of which \$5.3 million and \$14.7 million have been classified as current in accrued liabilities and non-current in other liabilities, respectively. Under these satellite construction contracts, the Company may incur up to \$22.6 million in total costs for satellite performance incentive obligations and related interest earned with potential future minimum payments of \$5.7 million, \$5.5 million, \$5.8 million, \$4.7 million and an insignificant amount in fiscal years 2024, 2025, 2026, 2027 and 2028, respectively, with no commitments thereafter.

The Company has various other purchase commitments under satellite capacity agreements which are used to provide satellite networking services to its customers for future minimum payments of approximately \$41.2 million, \$5.8 million, \$9.5 million, \$14.3 million and \$18.1 million in fiscal years 2024, 2025, 2026, 2027 and 2028, respectively, and \$32.9 million of further minimum payments thereafter.

Note 14 — Contingencies

Periodically, the Company is involved in a variety of claims, suits, investigations and proceedings arising in the ordinary course of business, including government investigations and claims, and other claims and proceedings with respect to intellectual property, breach of contract, labor and employment, tax and other matters. Such matters could result in fines; penalties, compensatory, treble or other damages; or non-monetary relief. A violation of government contract laws and regulations could also result in the termination of its government contracts or debarment from bidding on future government contracts. Although claims, suits, investigations and proceedings are inherently uncertain and their results cannot be predicted with certainty, the Company believes that the resolution of its current pending matters will not have a material adverse effect on its business, financial condition, results of operations or liquidity.

The Company has contracts with various U.S. Government agencies. Accordingly, the Company is routinely subject to audit and review by the DCMA, the DCAA and other U.S. Government agencies of its performance on government contracts, indirect rates and pricing practices, accounting and management internal control business systems, and compliance with applicable contracting and procurement laws, regulations and standards. An adverse outcome to a review or audit or other failure to comply with applicable contracting and procurement laws, regulations and standards could result in material civil and criminal penalties and administrative sanctions being imposed on the Company, which may include termination of contracts, forfeiture of profits, triggering of price reduction clauses, suspension of payments, significant customer refunds, fines and suspension, or a prohibition on doing business with U.S. Government agencies. In addition, if the Company fails to obtain an "adequate" determination of its various accounting and management internal control business systems from applicable U.S. Government agencies or if allegations of impropriety are made against it, the Company could suffer serious harm to its business or its reputation, including its ability to bid on new contracts or receive contract renewals and its competitive position in the bidding process. As of March 31, 2023, the DCAA had completed its incurred cost audit for fiscal years 2004, 2016, 2019, 2020 and 2021. The DCMA approved the Company's incurred costs for those fiscal years with the exception of 2021, which is pending. The DCMA also approved the Company's incurred costs for fiscal years 2005 through 2015, 2017, 2018 and 2022 without further audit based on the determination of low risk. Although the Company has recorded contract revenues subsequent to fiscal year 2020 based upon an estimate of costs that the Company believes will be approved upon final audit or review, the Company does not know the outcome of any ongoing or future audits or reviews and adjustments, and if future adjustments exceed the Company's estimates, its profitability would be adversely affected. As of March 31, 2023 and 2022, the Company had \$12.9 million and \$12.1 million, respectively, in contract-related reserves for its estimate of potential refunds to customers for potential cost adjustments on several multi-year U.S. Government cost reimbursable contracts. This reserve is classified as either an element of accrued liabilities or as a reduction of unbilled accounts receivable based on the status of the related contracts.

Certain matters resolved during fiscal year 2023

On July 8, 2022, Cisco Systems, Inc. (Cisco), which previously acquired Acacia Communications, Inc. (Acacia), paid the Company approximately \$62.2 million. The payment fully satisfied the July 2019 judgment previously entered against Acacia related to Acacia's breach of contract and misuse of the Company's soft decision forward error correction technology. During the second quarter of fiscal year 2023, the Company recorded \$55.8 million as product revenues in the Company's commercial networks segment and \$6.4 million as interest income with respect to such payment.

On May 8, 2023, subsequent to the fiscal year end, Cisco paid the Company an additional approximately \$97.5 million pursuant to a judgment entered against Acacia on May 4, 2023. The 2023 judgment obligates Acacia to make contractual royalty payments to the Company based on the quarterly sales of certain of its products. Like the prior July 2019 judgment, the May 2023 judgment was entered against Acacia due to its breach of contract and continued use of the Company's soft decision forward error correction technology. The ultimate resolution of the matter is currently unknown; Acacia has until July 10, 2023 to appeal the May 2023 judgment.

Note 15 — Product Warranty

The Company provides limited warranties on its products for periods of up to five years. The Company records a liability for its warranty obligations when products are shipped or they are included in long-term construction contracts based upon an estimate of expected warranty costs. Amounts expected to be incurred within 12 months are classified as accrued liabilities and amounts expected to be incurred beyond 12 months are classified as other liabilities in the consolidated financial statements. For mature products, the warranty cost estimates are based on historical experience with the particular product. For newer products that do not have a history of warranty costs, the Company bases its estimates on its experience with the technology involved and the types of failures that may occur. It is possible that the Company's underlying assumptions will not reflect the actual experience and, in that case, future adjustments will be made to the recorded warranty obligation. The following table reflects the change in the Company's warranty accrual in fiscal years 2023, 2022 and 2021.

	Fiscal Years Ended		
	March 31, 2023	March 31, 2022	March 31, 2021
	(In thousands)		
Balance, beginning of period	\$ 5,352	\$ 6,122	\$ 5,109
Change in liability for warranties issued in period	2,826	3,887	4,935
Settlements made (in cash or in kind) during the period	(2,828)	(4,657)	(3,922)
Balance, end of period	<u>\$ 5,350</u>	<u>\$ 5,352</u>	<u>\$ 6,122</u>

Note 16 — Segment Information

The Company's reporting segments (satellite services, commercial networks and government systems) are primarily distinguished by the type of customer and the related contractual requirements. The Company's satellite services segment provides satellite-based broadband and related services to residential customers, Prepaid Internet users, enterprises, commercial airlines and other mobile broadband customers. The Company's commercial networks segment develops and offers advanced satellite and wireless broadband platforms, ground networking equipment, radio frequency and advanced microwave solutions, ASIC chip design, satellite payload development and space-to-earth connectivity systems, some of which are ultimately used by the Company's satellite services segment. The Company's government systems segment provides global mobile broadband services to military and government users and develops and offers network-centric, IP-based fixed and mobile secure communications products and solutions. The more regulated government environment is subject to unique contractual requirements and possesses economic characteristics which differ from the satellite services and commercial networks segments. The Company's segments are determined consistent with the way management currently organizes and evaluates financial information internally for making operating decisions and assessing performance.

As described in Note 1 — The Company and a Summary of Its Significant Accounting Policies and Note 4 — Discontinued Operations, on October 1, 2022, the Company entered into an Asset Purchase Agreement to sell certain assets and assign certain liabilities comprising the Link-16 TDL Business to L3Harris. In accordance with ASC 205-20, the Company determined that the Link-16 TDL Business met held-for-sale and discontinued operations accounting criteria at the end of the second quarter of fiscal year 2023. Accordingly, the segment information for the periods prior to the measurement date of a discontinued operation that is part of a reportable segment is required to be restated to reflect the discontinued operation classification. Therefore, the discontinued operations have been excluded from segment results for all periods presented. Further, as the discontinued operation is part of a reportable segment but not the entire reportable segment, the costs previously allocated to a discontinued operation have been reasonably allocated to the remaining operating segments. Therefore, certain corporate and other indirect costs previously allocated to the Link-16 TDL Business have been allocated across all three segments for the periods presented. On January 3, 2023, the Company completed the Link-16 TDL Sale. See Note 4 — Discontinued Operations for additional information.

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Segment revenues and operating profits (losses) for the fiscal years ended March 31, 2023, 2022 and 2021 were as follows:

	Fiscal Years Ended		
	March 31, 2023	March 31, 2022	March 31, 2021
	(In thousands)		
Revenues:			
Satellite services			
Product	\$ —	\$ —	\$ —
Service	1,210,733	1,188,816	868,943
Total	1,210,733	1,188,816	868,943
Commercial networks			
Product	530,374	443,435	268,830
Service	82,273	68,664	52,026
Total	612,647	512,099	320,856
Government systems			
Product	423,752	417,291	470,543
Service	309,026	298,973	260,536
Total	732,778	716,264	731,079
Elimination of intersegment revenues	—	—	—
Total revenues	\$ 2,556,158	\$ 2,417,179	\$ 1,920,878
Operating profits (losses):			
Satellite services	\$ (41,045)	\$ 31,559	\$ 26,263
Commercial networks	(145,319)	(209,093)	(206,437)
Government systems	60,219	93,122	139,703
Elimination of intersegment operating profits (losses)	—	—	—
Segment operating profit (loss) before corporate and amortization of acquired intangible assets	(126,145)	(84,412)	(40,471)
Corporate	—	—	—
Amortization of acquired intangible assets	(29,811)	(28,729)	(5,482)
Income (loss) from operations	\$ (155,956)	\$ (113,141)	\$ (45,953)

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Assets identifiable to segments include: accounts receivable, unbilled accounts receivable, inventory, acquired intangible assets and goodwill. The Company's property and equipment, including its satellites, earth stations and other networking equipment, are assigned to corporate assets as they are available for use by the various segments throughout their estimated useful lives. Segment assets as of March 31, 2023 and 2022 were as follows:

	As of March 31, 2023	As of March 31, 2022
	(In thousands)	
Segment assets:		
Satellite services	\$ 424,881	\$ 444,976
Commercial networks	328,828	202,941
Government systems	293,780	266,641
Total segment assets	1,047,489	914,558
Corporate assets	6,682,848	5,199,686
Assets of discontinued operations	—	275,102
Total assets	\$ 7,730,337	\$ 6,389,346

Other acquired intangible assets, net and goodwill included in segment assets as of March 31, 2023 and 2022 were as follows:

	Other Acquired Intangible Assets, Net		Goodwill	
	As of March 31, 2023	As of March 31, 2022	As of March 31, 2023	As of March 31, 2022
	(In thousands)			
Satellite services	\$ 200,097	\$ 233,740	\$ 80,589	\$ 81,972
Commercial networks	—	—	41,014	44,050
Government systems	1,108	2,303	36,939	42,688
Total	\$ 201,205	\$ 236,043	\$ 158,542	\$ 168,710

Amortization of acquired intangible assets by segment for the fiscal years ended March 31, 2023, 2022 and 2021 was as follows:

	Fiscal Years Ended		
	March 31, 2023	March 31, 2022	March 31, 2021
	(In thousands)		
Satellite services	\$ 28,641	\$ 27,220	\$ 2,164
Commercial networks	—	—	257
Government systems	1,170	1,509	3,061
Total amortization of acquired intangible assets	\$ 29,811	\$ 28,729	\$ 5,482

Revenues by geographic area for the fiscal years ended March 31, 2023, 2022 and 2021 were as follows:

	Fiscal Years Ended		
	March 31, 2023	March 31, 2022	March 31, 2021
	(In thousands)		
U.S. customers	\$ 2,147,651	\$ 2,036,019	\$ 1,736,136
Non U.S. customers (each country individually insignificant)	408,507	381,160	184,742
Total revenues	\$ 2,556,158	\$ 2,417,179	\$ 1,920,878

The Company distinguishes revenues from external customers by geographic area based on customer location.

The net book value of long-lived assets located outside the United States was \$262.4 million at March 31, 2023 and \$145.2 million at March 31, 2022.

SCHEDULE II
VALUATION AND QUALIFYING ACCOUNTS
For the Three Fiscal Years Ended March 31, 2023

	Deferred Tax Asset Valuation Allowance
	(In thousands)
Balance, March 31, 2020	\$ 42,621
Charged to costs and expenses	4,455
Deductions	—
Balance, March 31, 2021	\$ 47,076
Charged to costs and expenses	5,119
Charged to goodwill*	25,876
Deductions	—
Balance, March 31, 2022	\$ 78,071
Charged to costs and expenses	71,976
Deductions	—
Balance, March 31, 2023	<u>\$ 150,047</u>

* Related to the acquisitions of RigNet and EBI

11 April 2023

BY EMAIL

For the attention of: the Investor Sellers, as listed in the Schedule to this letter agreement

Dear Sirs / Madams

Re: Share Purchase Agreement dated 8 November 2021 relating to the sale of Connect Topco Limited between the Investor Sellers, the Management Sellers, the Option Sellers and Viasat, Inc. (the "Agreement")

1. BACKGROUND

1.1 Further to our recent discussions, we write in connection with the sale and purchase of Connect Topco Limited as contemplated by the Agreement.

1.2 Unless otherwise indicated, capitalised terms used but not defined in this letter agreement shall have the meanings given to them in the Agreement.

1.3 We refer to clauses 5.8 and 8.2 of the Agreement. As the Investor Sellers are aware, the following Regulatory Conditions set forth in clause 5.1 and Schedule 6 of the Agreement remain unfulfilled as at the date of this letter agreement:

- (a) the approval of the United Kingdom's Competition and Markets Authority or the United Kingdom's Secretary of State pursuant to the Enterprise Act 2002 for the purposes of paragraph 4 of Part A of Schedule 6 (the "**CMA Condition**");
- (b) the issuance of a decision by the European Commission declaring the Transaction compatible with the internal market, for the purposes of paragraph 6 of Part A of Schedule 6 (the "**EC Condition**");
- (c) the approval of the Department of Defence of the Commonwealth of Australia for the purposes of paragraph 5 of Part B of Schedule 6 (the "**Australian Defence Condition**");
- (d) the approval of the FCC for the purposes of paragraph 1a of Part C of Schedule 6 (the "**FCC Condition**"); and
- (e) the waiting period applicable to the Transaction under the HSR Act having expired or been terminated for the purposes of paragraph 1 of Part A of Schedule 6 (the "**HSR Condition**").

1.4 The Purchaser anticipates the HSR Condition and the Australian Defence Condition will be satisfied imminently, and in any event prior to 8 May 2023, and understands that the Investor Sellers share this view.

1.5 The Purchaser and the Investor Sellers agree that all other Regulatory Conditions have been or are deemed to be satisfied for the purposes of Clause 5.1.1 of the Agreement.

1.6 However:

- (a) for the purposes of clause 5.8 of the Agreement, the Purchaser considers that each of the FCC Condition, the EC Condition and the CMA Condition is unlikely to be satisfied prior to the current Long Stop Date of 8 May 2023, and understands that the Investor Sellers share that view; but
 - (b) for the purposes of clause 8.2 of the Agreement, each of the Purchaser and the Investor Sellers has concluded, acting reasonably and in good faith and in their respective reasonable opinions, that there is a reasonable prospect that the FCC Condition, the EC Condition and the CMA Condition will each be satisfied prior to 8 November 2023, being the date falling 24 months after the date of the Agreement.
-

1.7 It is therefore agreed that (a) the Long Stop Date be extended to 30 May 2023; and (b) the Agreement be amended in certain respects to accommodate such extension, in each case on the terms set forth in this letter agreement.

2. AMENDMENTS

2.1 The Parties hereby agree to the following amendments to the Agreement:

(a) The definition of "Long Stop Date" shall be replaced with the following:

"Long Stop Date" means the later of (i) 30 May 2023; and (ii) such later date as the Purchaser and the Investor Sellers may agree in writing;

(b) The definition of "Scheduled Completion Date" shall be replaced with the following:

"Scheduled Completion Date" means the earlier of (i) 30 May 2023; and (ii) the date on which Completion is to take place, determined in accordance with Clause 8.1;

(c) Clause 8.1 shall be replaced with the following:

8.1 *Provided that notice of satisfaction or waiver of the final Condition, excluding the Management Roll-Up Condition and the conditions set forth in paragraph 1 of Schedule 9, has been served in accordance with Clause 5.8.2, Completion shall take place, in person or virtually via agreed video platform, at the offices of the Company Counsel:*

8.1.1 *at 10 a.m. on the earlier of:*

(A) *the tenth Business Day after such notice; and*

(B) *30 May 2023; or*

8.1.2 *at such other date and time as the Investor Sellers and the Purchaser may agree in writing.*

(d) Clause 8.2 shall be replaced with the following:

Subject to Clause 8.3, if, prior to the Long Stop Date, the Purchaser provides the Investor Sellers with copies of all relevant documentation evidencing, on terms reasonably satisfactory to the Investor Sellers, a binding extension, variation, amendment of, or replacement of the commitments under (on materially the same terms), as the case may be, the Purchaser Financing Documents such that the Purchaser remains able to satisfy its obligation to pay the Cash Consideration and meet its other obligations under this Agreement (including those set out in Schedule 3) at Completion (such financing commitment as so extended, varied, amended or replaced, as the case may be, shall constitute the "Purchaser Financing Documents"), then the Long Stop Date shall be automatically deemed to be extended to the earlier of (i) the Business Day prior to the date of expiry of the relevant commitments pursuant to the Purchaser Financing Documents (as so extended, varied, amended or replaced, as the case may be, pursuant to this Clause 8.2); and (ii) 7 November 2023. The parties shall agree in good faith and acting reasonably such other amendments to this Agreement as may be required to give effect to any extension to the Long Stop Date which is effected pursuant to this Clause.

(e) Clause 9.3.15 shall be replaced with the following:

the Purchaser has received one or more commitment letters duly executed by each of the parties thereto, attaching an agreed form interim facilities agreement, for debt facilities which have been disclosed and made available to the Investor Sellers on or prior to the date of this Agreement (such documentation as amended, supplemented or replaced from time to time, the "Purchaser Financing Documents"); provided, that the term Purchaser Financing Documents shall be deemed to exclude any and all commitments therein with respect to Permitted Interim Financings, and which involve no pre-conditions other than such conditions precedent as set out therein and in respect of which the Purchaser has delivered a duly executed conditions precedent status letter on or prior to the date of this Agreement confirming status and satisfaction of all such conditions precedent other than Completion occurring and the Purchaser Financing Documents will at Completion provide, in immediately available funds, (the "Funds") the necessary cash resources (after deducting any fees and/or other costs, including VAT and any other Tax, payable at Completion from such resources) to pay the Cash Consideration and to meet

its other obligations at Completion under this Agreement (including those set out in Schedule 3) and to pay all related costs. The Purchaser Financing Documents do not terminate before, and the funding under the Purchaser Financing Documents will remain available until and including 30 May 2023.

3. GENERAL

- 3.1 The terms of this letter agreement are without prejudice to the accrued rights and obligations of the Parties as at the date hereof. Save as amended pursuant to this letter agreement the SPA shall remain in full force and effect.
- 3.2 Nothing in this letter agreement shall be deemed to be a waiver of any rights or claims under the SPA.
- 3.3 Clause 17 of the Agreement shall apply to this letter agreement as if set out herein *mutatis mutandis*.
- 3.4 We should be grateful if you could please confirm your agreement to the terms set forth herein by signing and returning a copy of this letter agreement at your earliest convenience.

[Separate Signature Pages Follow]

IN WITNESS WHEREOF this Agreement has been duly executed by the Parties as a deed and is intended to be and is hereby delivered on the date first above written.

EXECUTED and **DELIVERED** as a **DEED** by
VIASAT, INC.

/s/ KEVEN LIPPERT

Name: Keven Lippert

Title: Chief Commercial Officer EVP

in the presence of

Witness Signature:

/s/ ROBERT BLAIR

Witness Name:

Robert Blair

Witness Address

6155 El Camino Real, Carlsbad, California

92009

Witness Occupation:

General Counsel

[Signature page to LSD Extension Letter]

**EXECUTED and DELIVERED as a DEED by
TRITON LUXTOPHOLDING SARL**

/s/ GONZAGUE DE LHONEUX

Name: Gonzague de Lhoneux

Title: Authorised Signatory

in the presence of

Witness Signature:

/s/ CORALIE DE LHONEUX

Witness Name:

Coralie de Lhoneux

Witness Address

CdL

Witness Occupation:

Employed

[Signature page to LSD Extension Letter]

**EXECUTED and DELIVERED as a DEED by
CPP INVESTMENT BOARD PRIVATE
HOLDINGS (4) INC.**

/s/ RICARDO CAUPERS

Name: Ricardo Caupers

Title: Authorised signatory

/s/ PASCAL KEUTGENS

Name: Pascal Keutgens

Title: Authorised signatory

[Signature page to LSD Extension Letter]

**EXECUTED and DELIVERED as a DEED by
WP TRITON CO-INVEST, L.P.**

By: **Warburg Pincus (Callisto-A) Global
Growth (Cayman), L.P.**, its general partner

By: **Warburg Pincus (Cayman) Global
Growth GP, L.P.**, its general partner

By: **Warburg Pincus (Cayman) Global
Growth GP LLC**, its general partner

By: **Warburg Pincus Partners II (Cayman),
L.P.**, its managing member

By: **Warburg Pincus (Bermuda) Private
Equity GP Ltd.**, its general partner

in the presence of

Witness Signature:

Witness Name:

Witness Address

Witness Occupation:

/s/ DAVID SRETER

Name: David Sreter

Title: Authorised signatory

/s/ LISA SRETER

Lisa Sreter

Mrs

[Signature page to LSD Extension Letter]

**EXECUTED and DELIVERED as a DEED by
2684343 ONTARIO LIMITED**

/s/ ERIC HARGRAVE

Name: Eric Hargrave

Title: Authorised signatory

in the presence of

Witness Signature:

/s/ DAVID JOHNSTON

Witness Name:

David Johnston

Witness Address

Bank Officer

Witness Occupation:

[Signature page to LSD Extension Letter]

**EXECUTED and DELIVERED as a DEED by
PRETZEL LOGIC BV**

/s/ MARK NIEUWENDIJK

Name: Mark Nieuwendijk

Title: Managing Director

[Signature page to LSD Extension Letter]

SCHEDULE – ADDRESSEES

INVESTOR SELLERS

Triton LuxTopHolding SARL

For the attention of: Gonzague de Lhoneux

Address: -3 boulevard de la Foire, L-1528 Luxembourg, Grand Duchy of Luxembourg

Email address:

WP Triton Co-Invest, L.P.

For the attention of: Max Fowinkel and Jan-Ole Gerschefski

Address: c/o Walkers Corporate Limited, Cayman Corporate Centre, 27 Hospital Road, George Town, Grand Cayman KY1-9008, Cayman Islands

Email address: Notices@warburgpincus.com

2684343 Ontario Limited

For the attention of: Eric Hargrave

Address: 5650 Yonge Street, Suite 1200 Toronto, Ontario M2M 4H5, Canada

Email address:

CPP Investment Board Private Holdings (4) Inc.

For the attention of: Hafiz Lalani and Pascal Keutgens

Address: 1 Queen Street East, Suite, 2500 Toronto, Ontario M5C 2W5, Canada

Email address:

Pretzel Logic BV

For the attention of: Mark Nieuwendijk

Address: Wilhelminalaan 30, 3701BL Zeist, The Netherlands

Email address:

COPY TO:

OTPP legal department (law_emea@otpp.com)

CPPIB legal notices (legalnotices@cppib.com)

Sellers' Solicitors

For the attention of: Stuart Boyd and Jacob Traff

Address: Kirkland & Ellis International LLP, 30 St Mary Axe, London, EC3A 8AF

Email address:

SEVERANCE AGREEMENT

This Severance Agreement ("**Agreement**") is made effective as of April 13, 2023 ("**Effective Date**"), by and between Viasat, Inc., a Delaware corporation (the "**Company**"), and Kumara Guru Gowrappan ("**Executive**"). For purposes of this Agreement, the "**Company**" shall mean the Company and its subsidiaries.

The parties agree as follows:

1. **Definitions.** For purposes of this Agreement, the following terms shall have the following meanings:

(a) "**Board**" shall mean the Board of Directors of the Company.

(b) "**Cause**" shall mean any of the following: (i) Executive's gross negligence or willful misconduct in the performance of his duties to the Company where such gross negligence or willful misconduct has resulted or is likely to result in material damage to the Company or its subsidiaries; (ii) Executive's willful and habitual neglect of or failure to perform Executive's duties of consulting or employment, which neglect or failure is not cured within thirty (30) days after written notice thereof is received by Executive; (iii) Executive's commission of any act of fraud or dishonesty with respect to the Company that causes material harm to the Company or is intended to result in substantial personal enrichment; (iv) Executive's conviction of or plea of guilty or *nolo contendere* to felony criminal conduct; or (v) Executive's material violation of the Company's Confidentiality and Proprietary Rights Agreement (as defined below) or similar agreement that Executive has entered into with the Company.

(c) "**Good Reason**" shall mean the occurrence of any of the following events or conditions without Executive's written consent:

(i) a material diminution in Executive's title, authority, duties or responsibilities with the Company, including, without limitation, the continuous assignment to Executive of any duties materially inconsistent with Executive's position with the Company, any requirement that Executive report to any person(s) other than the Board or the Chief Executive Officer of the Company or a material negative change in the nature or status of Executive's responsibilities or the conditions of Executive's employment with the Company;

(ii) a material diminution in Executive's annualized cash and benefits compensation opportunity, which shall include Executive's base compensation, Executive's annual target bonus opportunity and Executive's aggregate employee benefits (including equity compensation), as in effect on the Effective Date as the same may be increased from time to time thereafter;

(iii) a material change in the geographic location at which Executive must perform his or her duties (and the Company and Executive agree that any involuntary relocation of the Company's offices at which Executive is principally employed to a location more than fifty (50) miles from such location would constitute a material change); or

(iv) any other action or inaction that constitutes a material breach by the Company or any successor or affiliate of its obligations to Executive under this Agreement or that certain Offer Letter between the Executive and the Company dated April 10, 2023.

Executive's right to terminate employment with the Company pursuant to this section shall not be affected by Executive's incapacity due to physical or mental illness. Executive's continued employment with the Company shall not constitute consent to, or a waiver of rights with respect to, any circumstance constituting Good Reason hereunder.

Executive must provide written notice to the Company of the occurrence of any of the foregoing events or conditions without Executive's written consent within ninety (90) days of the occurrence of such event. The Company or any successor or affiliate shall have a period of thirty (30) days to cure such event or condition after receipt of written notice of such event from Executive. Any voluntary Separation from Service for "Good Reason" following such thirty (30) day cure period must occur no later than the date that is six (6) months following the initial occurrence of one of the foregoing events or conditions without Executive's written consent. Executive's voluntary Separation from Service by reason of resignation from employment with the Company for Good Reason shall be treated as involuntary.

(d) “**Code**” means the Internal Revenue Code of 1986, as amended, and the Treasury Regulations and other interpretive guidance thereunder.

(e) “**Permanent Disability**” means Executive’s inability to perform the essential functions of his or her position, with or without reasonable accommodation, for a period of at least 120 consecutive days because of a physical or mental impairment.

(f) “**Separation from Service**” means an involuntary “separation from service” within the meaning of Section 409A of the Code.

(g) “**Stock Awards**” means all stock options, restricted stock and such other awards granted pursuant to the Company’s stock option and equity incentive award plans or agreements and any shares of stock issued upon exercise thereof.

2. Term.

(a) The initial term of this Agreement (the “**Initial Term**”) shall continue until the earlier of the one (1) year anniversary of the Effective Date or the date on which all payments or benefits required to be made or provided hereunder have been made or provided in their entirety, except as otherwise provided in this Section 2.

(b) At the expiration of any term of this Agreement, the term of this Agreement shall be automatically extended for an additional one year term unless the Company or the Executive shall have previously provided notice to the other party that the term of this Agreement shall not be further extended.

(c) Notwithstanding the provisions of Section 2(a) and 2(b), the obligation of the Company to make payments or provide benefits pursuant to this Agreement to which Executive has acquired a right in accordance with the applicable provisions of this Agreement prior to the expiration of the then-effective Initial Term or Renewal Term shall survive the termination of this Agreement until such payments and benefits have been provided in full.

3. Severance.

(a) If Executive has a Separation from Service as a result of Executive’s discharge by the Company without Cause or by reason of Executive’s resignation for Good Reason, Executive shall be entitled to receive the benefits provided below, which, with respect to clause (ii) and the last sentence of clause (iii) below, will be payable in a lump sum within ten (10) days following the effective date of Executive’s Release, but in no event later than two and one-half (2 1/2) months following the last day of the calendar year in which the date of Executive’s Separation from Service occurs:

(i) The Company shall pay to Executive his or her fully earned but unpaid base salary, when due, through the date of Executive’s Separation from Service at the rate then in effect, plus all other the benefits, if any, under any Company group retirement plan, nonqualified deferred compensation plan, equity award plan or agreement (other than any such plan or agreement pertaining to Stock Awards whose treatment is prescribed by Section 3(a)(iii) below), health benefits plan or other Company group benefit plan to which Executive may be entitled pursuant to the terms of such plans or agreements at the time of Executive’s Separation from Service;

(ii) Subject to Section 3(c) and Executive’s continued compliance with Section 4, Executive shall be entitled to receive severance pay in an amount equal to one hundred percent (100%) of Executive’s aggregate annual base salary and target annual cash bonus as in effect immediately prior to the date of Executive’s Separation from Service;

(iii) Subject to Section 3(c) and Executive’s continued compliance with Section 4, for the period beginning on the date of Executive’s Separation from Service and ending on the date which is eighteen (18) full months following the date of Executive’s Separation from Service (or, if earlier, the date on which the applicable continuation period under COBRA expires), the Company shall arrange to provide Executive and his or her eligible dependents who were covered under the Company’s health insurance plans as of the date of Executive’s Separation from Service with health (including medical and dental) insurance and other benefits substantially similar to those provided to Executive and his dependents immediately prior to the date of such Separation from Service. If the Company is not reasonably able to continue health insurance benefits coverage under the Company’s insurance plans, the Company shall provide substantially equivalent coverage under other third-party insurance sources reasonably acceptable to Executive. If any of the Company’s health benefits are self-funded as of the date of Executive’s Separation from Service, instead of providing continued health

insurance benefits as set forth above, the Company shall instead pay to Executive an amount equal to eighteen (18) multiplied by the monthly premium Executive would be required to pay for continuation coverage pursuant to the COBRA for Executive and his or her eligible dependents who were covered under the Company's health plans as of the date of Executive's Separation from Service (calculated by reference to the premium as of the date of Separation from Service);

(iv) Subject to Section 3(c) and Executive's continued compliance with Section 4, the vesting and exercisability of such portion of Executive's outstanding Stock Awards as would have vested in accordance with the terms of the applicable award agreement during the twelve (12) months following the date of Executive's Separation from Service shall be accelerated effective as of the date of Executive's Separation from Service. Nothing in this Section 3(a)(iv) shall be construed to limit any more favorable vesting applicable to Executive's Stock Awards in the Company's equity plan(s) and/or the stock award agreements under which the Stock Awards were granted. The foregoing provisions are hereby deemed to be a part of each Stock Award and to supersede any less favorable provision in any agreement or plan regarding such Stock Award; and

(v) Notwithstanding any other provision of this Agreement to the contrary, any severance benefits payable to Executive under this Agreement shall reduce any severance benefits payable by the Company or an affiliate of the Company to Executive under the Change in Control Severance Agreement (as defined below) between Executive and the Company.

(b) Other Terminations. If Executive's employment is terminated by the Company for Cause, by Executive without Good Reason, or as a result of Executive's death or Permanent Disability, the Company shall not have any other or further obligations to Executive under this Agreement (including any financial obligations).

(c) Release. As a condition to Executive's receipt of any post-termination benefits pursuant to Section 3(a) above, Executive shall execute and not revoke a general release of all claims in favor of the Company (the "**Release**") in the form to that attached hereto as Exhibit A (and any applicable revocation period applicable to such Release shall have expired) within the sixty (60) day period following the date of Executive's Separation from Service.

(d) Exclusive Remedy. In the event of a termination of Executive's employment, Executive's sole remedy shall be to receive the payments and benefits described in this Section 3 and except as otherwise expressly required by law (e.g., COBRA) or as specifically provided herein, all of Executive's rights to salary, severance, benefits, bonuses and other amounts hereunder (if any) accruing after the termination of Executive's employment shall cease upon such termination.

(e) No Mitigation. Except as otherwise provided in Section 3(a)(iii) above, Executive shall not be required to mitigate the amount of any payment provided for in this Section 3 by seeking other employment or otherwise, nor shall the amount of any payment or benefit provided for in this Section 3 be reduced by any compensation earned by Executive as the result of employment by another employer or self-employment or by retirement benefits; *provided, however*, that loans, advances or other amounts owed by Executive to the Company may be offset by the Company against amounts payable to Executive under this Section 3.

(f) Return of the Company's Property. If Executive's employment is terminated for any reason, the Company shall have the right, at its option, to require Executive to vacate his or her offices on the effective date of termination and to cease all activities on the Company's behalf. Upon the termination of his or her employment in any manner, as a condition to Executive's receipt of any post-termination benefits described in this Agreement, Executive shall as soon as practicable surrender to the Company all lists, books and records of, or in connection with, the Company's business, and all other property belonging to the Company, it being distinctly understood that all such lists, books and records, and other documents, are the property of the Company. Executive shall deliver to the Company a signed statement certifying compliance with this Section 3(g) prior to the receipt of any post-termination benefits described in this Agreement.

(g) Best Pay Provision.

(i) If any payment or benefit Executive would receive under this Agreement, when combined with any other payment or benefit Executive receives pursuant to the termination of Executive's employment with the Company ("**Payment**"), would (A) constitute a "parachute payment" within the meaning of Section 280G of the Code, and (B) but for this sentence, be subject to the excise tax imposed by Section 4999 of the Code (the "**Excise Tax**"), then such Payment shall be either (1) the full amount of such Payment or (2) such lesser amount (with cash payments being reduced before stock option compensation) as would result in no portion of the Payment being subject to the Excise Tax, whichever of the

foregoing amounts, taking into account the applicable federal, state and local employment taxes, income taxes, and the Excise Tax, results in Executive's receipt, on an after-tax basis, of the greater amount of the Payment notwithstanding that all or some portion of the Payment may be subject to the Excise Tax. If a reduction of any Payment(s) is required, the Company shall reduce or eliminate the Payments by first reducing or eliminating any cash payments under this Agreement, then by reducing or eliminating any accelerated vesting of stock options, then by reducing or eliminating any accelerated vesting of other equity awards, then by reducing or eliminating any other remaining Payments, in each case in reverse order beginning with the payments which are to be paid the farthest in time from the date of the transaction triggering the Excise Tax.

(ii) All determinations required to be made under this Section 3(g), including whether and to what extent the Payments shall be reduced and the assumptions to be utilized in arriving at such determination, shall be made by the nationally recognized certified public accounting firm used by the Company immediately prior to the effective date of the Change in Control or, if such firm declines to serve, such other nationally recognized certified public accounting firm as may be designated by the Company (the "**Accounting Firm**"). The Accounting Firm shall provide detailed supporting calculations both to Executive and the Company at such time as is requested by the Company. All fees and expenses of the Accounting Firm shall be borne solely by the Company. Any determination by the Accounting Firm shall be binding upon Executive and the Company. For purposes of making the calculations required by this Section 3(g), the Accounting Firm may make reasonable assumptions and approximations concerning applicable taxes and may rely on reasonable, good-faith interpretations concerning the application of Sections 280G and 4999 of the Code

4. Confidentiality and Proprietary Rights. Executive and the Company have executed the Company's Employee Proprietary Information and Inventions Agreement. The Company shall be entitled to cease all severance payments and benefits to Executive in the event of his or her material breach of this Section 4.

5. Agreement to Arbitrate. Any dispute, claim or controversy based on, arising out of or relating to Executive's employment or this Agreement shall be settled by final and binding arbitration in San Diego, California, before a single neutral arbitrator in accordance with the National Rules for the Resolution of Employment Disputes (the "**Rules**") of the American Arbitration Association ("**AAA**"), and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction. Arbitration may be compelled pursuant to the California Arbitration Act (Code of Civil Procedure §§ 1280 *et seq.*). If the parties are unable to agree upon an arbitrator, one shall be appointed by the AAA in accordance with its Rules. At the election of Executive, expedited arbitration procedures under AAA may be employed for such dispute. Each party shall pay the fees of its own attorneys, the expenses of its witnesses and all other expenses connected with presenting its case; *provided, however*, the Company acknowledges and agrees that Executive shall be entitled to indemnification for such fees and expenses under applicable indemnification agreements or the Company's charter and bylaws, as applicable; *provided, further* that the parties' obligations pursuant to this sentence shall terminate on the tenth (10th) anniversary of the date of Executive's termination of employment. Other costs of the arbitration, including the cost of any record or transcripts of the arbitration, AAA's administrative fees, the fee of the arbitrator, and all other fees and costs, shall be borne by the Company. This Section 5 is intended to be the exclusive method for resolving any and all claims by the parties against each other for payment of damages under this Agreement or relating to Executive's employment; *provided, however*, that neither this Agreement nor the submission to arbitration shall limit the parties' right to seek provisional relief, including without limitation injunctive relief, in any court of competent jurisdiction pursuant to California Code of Civil Procedure § 1281.8 or any similar statute of an applicable jurisdiction. Seeking any such relief shall not be deemed to be a waiver of such party's right to compel arbitration. Both Executive and the Company expressly waive their right to a jury trial.

6. At-Will Employment Relationship. Executive's employment with the Company is at-will and not for any specified period and may be terminated at any time, with or without Cause or advance notice, by either Executive or the Company. Any change to the at-will employment relationship must be by specific, written agreement signed by Executive and an authorized representative of the Company. Nothing in this Agreement is intended to or should be construed to contradict, modify or alter this at-will relationship.

7. General Provisions.

(a) Successors and Assigns. The rights of the Company under this Agreement may, without the consent of Executive, be assigned by the Company, in its sole and unfettered discretion, to any person, firm, corporation or other business entity which at any time, whether by purchase, merger or otherwise, directly or indirectly, acquires all or substantially all of the assets or business of the Company. The Company will require any successor (whether direct or indirect, by purchase, merger or otherwise) to all or substantially all of the business or assets of the Company expressly to

assume and to agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place; *provided, however*, that no such assumption shall relieve the Company of its obligations hereunder; *provided, further*, that the failure of any such successor to so assume this Agreement shall constitute a material breach of this Agreement. As used in this Agreement, the “**Company**” shall mean the Company as hereinbefore defined and any successor to its business and/or assets as aforesaid which assumes and agrees to perform this Agreement by operation of law or otherwise. Executive shall not be entitled to assign any of Executive’s rights or obligations under this Agreement. This Agreement shall inure to the benefit of and be enforceable by Executive’s personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees.

(b) Severability. In the event any provision of this Agreement is found to be unenforceable by an arbitrator or court of competent jurisdiction, such provision shall be deemed modified to the extent necessary to allow enforceability of the provision as so limited, it being intended that the parties shall receive the benefit contemplated herein to the fullest extent permitted by law. If a deemed modification is not satisfactory in the judgment of such arbitrator or court, the unenforceable provision shall be deemed deleted, and the validity and enforceability of the remaining provisions shall not be affected thereby.

(c) Interpretation; Construction. The headings set forth in this Agreement are for convenience only and shall not be used in interpreting this Agreement. This Agreement has been drafted by legal counsel representing the Company, but Executive has participated in the negotiation of its terms. Furthermore, Executive acknowledges that Executive has had an opportunity to review and revise the Agreement and have it reviewed by legal counsel, if desired, and, therefore, the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement. Either party’s failure to enforce any provision of this Agreement shall not in any way be construed as a waiver of any such provision, or prevent that party thereafter from enforcing each and every other provision of this Agreement.

(d) Governing Law and Venue. This Agreement will be governed by and construed in accordance with the laws of the United States and the State of California applicable to contracts made and to be performed wholly within such State, and without regard to the conflicts of laws principles thereof.

(e) Notices. Any notice required or permitted by this Agreement shall be in writing and shall be delivered as follows with notice deemed given as indicated: (a) by personal delivery when delivered personally; (b) by overnight courier upon written verification of receipt; (c) by telecopy or facsimile transmission upon acknowledgment of receipt of electronic transmission; or (d) by certified or registered mail, return receipt requested, upon verification of receipt. Notice shall be sent to Executive at the address set forth below and to the Company at its principal place of business, or such other address as either party may specify in writing.

(f) Survival. Sections 1 (“Definitions”), 3 (“Severance”), 4 (“Confidentiality and Proprietary Rights”), 5 (“Agreement to Arbitrate”) and 7 (“General Provisions”) of this Agreement shall survive termination of Executive’s employment by the Company.

(g) Entire Agreement. This Agreement and the Company Confidentiality and Proprietary Rights Agreement incorporated herein by reference together constitute the entire agreement between the parties in respect of the subject matter contained herein and therein and supersede all prior or simultaneous representations, discussions, negotiations, and agreements, whether written or oral. This Agreement may be amended or modified only with the written consent of Executive and an authorized representative of the Company. No oral waiver, amendment or modification will be effective under any circumstances whatsoever. Notwithstanding the foregoing or anything herein to the contrary, although severance provided under this Agreement may reduce severance payable under the Change in Control Severance Agreement between Executive and the Company dated as of the Effective Date (the “**Change in Control Severance Agreement**”) (as specified in Section 3(a)(v) hereof), the Change in Control Severance Agreement is outside the scope of the foregoing integration provision and shall continue in full force and effect.

(h) Code Section 409A Exempt.

(i) This Agreement is not intended to provide for any deferral of compensation subject to Section 409A of the Code, and, accordingly, the severance payments payable under Section 3 shall be paid no later than the later of: (A) the fifteenth (15th) day of the third month following Executive’s first taxable year in which such severance benefit is no longer subject to a substantial risk of forfeiture, and (B) the fifteenth (15th) day of the third month following first taxable year of the Company in which such severance benefit is no longer subject to substantial risk of forfeiture, as determined in

accordance with Code Section 409A and any Treasury Regulations and other guidance issued thereunder. To the extent applicable, this Agreement shall be interpreted in accordance with Code Section 409A and Department of Treasury regulations and other interpretive guidance issued thereunder. A

(ii) If the Executive is a "specified employee" (as defined in Section 409A of the Code), as determined by the Company in accordance with Section 409A of the Code, on the date of the Executive's Separation from Service, to the extent that the payments or benefits under this Agreement are subject to Section 409A of the Code and the delayed payment or distribution of all or any portion of such amounts to which Executive is entitled under this Agreement is required in order to avoid a prohibited distribution under Section 409A(a)(2) (B)(i) of the Code, then such portion deferred pursuant to this Section 76(h)(ii) shall be paid or distributed to Executive in a lump sum on the earlier of (A) the date that is six (6)-months following Executive's Separation from Service, (B) the date of Executive's death or (C) the earliest date as is permitted under Section 409A of the Code. Any remaining payments due under the Agreement shall be paid as otherwise provided herein.

(i) Consultation with Legal and Financial Advisors. By executing this Agreement, Executive acknowledges that this Agreement confers significant legal rights, and may also involve the waiver of rights under other agreements; that the Company has encouraged Executive to consult with Executive's personal legal and financial advisors; and that Executive has had adequate time to consult with Executive's advisors before executing this Agreement.

(j) Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

(Signature Page Follows)

THE PARTIES TO THIS AGREEMENT HAVE READ THE FOREGOING AGREEMENT AND FULLY UNDERSTAND EACH AND EVERY PROVISION CONTAINED HEREIN. WHEREFORE, THE PARTIES HAVE EXECUTED THIS AGREEMENT ON THE DATES SHOWN BELOW.

VIASAT, INC.

Dated: April 14, 2023

By: /s/ ROBERT BLAIR
Name: Robert Blair
Title: Senior Vice President

EXECUTIVE

Dated: April 17, 2023

By: /s/ K. GURU GOWRAPPAN
Name: Kumara Guru Gowrappan
Address:

EXHIBIT A

GENERAL RELEASE OF CLAIMS

[The language in this Release may change based on legal developments and evolving best practices; this form is provided as an example of what will be included in the final Release document.]

This General Release of Claims ("**Release**") is entered into as of this _____ day of _____, _____, between Kumara Guru Gowrappan ("**Executive**"), and Viasat, Inc., a Delaware corporation (the "**Company**") (collectively referred to herein as the "**Parties**").

WHEREAS, Executive and the Company are parties to that certain Severance Agreement dated as of April _____, 2023 (the "**Agreement**");

WHEREAS, the Parties agree that Executive is entitled to certain severance benefits under the Agreement, subject to Executive's execution of this Release; and

WHEREAS, the Company and Executive now wish to fully and finally to resolve all matters between them.

NOW, THEREFORE, in consideration of, and subject to, the severance benefits payable to Executive pursuant to the Agreement, the adequacy of which is hereby acknowledged by Executive, and which Executive acknowledges that he or she would not otherwise be entitled to receive, Executive and the Company hereby agree as follows:

1. General Release of Claims by Executive.

(a) Executive, on behalf of himself or herself and his or her executors, heirs, administrators, representatives and assigns, hereby agrees to release and forever discharge the Company and all predecessors, successors and their respective parent corporations, affiliates, related, and/or subsidiary entities, and all of their past and present investors, directors, shareholders, officers, general or limited partners, employees, attorneys, agents and representatives, and the employee benefit plans in which Executive is or has been a participant by virtue of his or her employment with or service to the Company (collectively, the "**Company Releasees**"), from any and all claims, debts, demands, accounts, judgments, rights, causes of action, equitable relief, damages, costs, charges, complaints, obligations, promises, agreements, controversies, suits, expenses, compensation, responsibility and liability of every kind and character whatsoever (including attorneys' fees and costs), whether in law or equity, known or unknown, asserted or unasserted, suspected or unsuspected (collectively, "**Claims**"), which Executive has or may have had against such entities based on any events or circumstances arising or occurring on or prior to the date hereof or on or prior to the date hereof, arising directly or indirectly out of, relating to, or in any other way involving in any manner whatsoever Executive's employment by or service to the Company or the termination thereof, including any and all claims arising under federal, state, or local laws relating to employment, including without limitation claims of wrongful discharge, breach of express or implied contract, fraud, misrepresentation, defamation, or liability in tort, and claims of any kind that may be brought in any court or administrative agency including, without limitation, claims under Title VII of the Civil Rights Act of 1964, as amended, 42 U.S.C. Section 2000, et seq.; the Americans with Disabilities Act, as amended, 42 U.S.C. § 12101 et seq.; the Rehabilitation Act of 1973, as amended, 29 U.S.C. § 701 et seq.; the Civil Rights Act of 1866, and the Civil Rights Act of 1991; 42 U.S.C. Section 1981, et seq.; the Age Discrimination in Employment Act, as amended, 29 U.S.C. Section 621, et seq. (the "**ADEA**"); the Equal Pay Act, as amended, 29 U.S.C. Section 206(d); regulations of the Office of Federal Contract Compliance, 41 C.F.R. Section 60, et seq.; the Family and Medical Leave Act, as amended, 29 U.S.C. § 2601 et seq.; the Fair Labor Standards Act of 1938, as amended, 29 U.S.C. § 201 et seq.; the Employee Retirement Income Security Act, as amended, 29 U.S.C. § 1001 et seq.; and the California Fair Employment and Housing Act, California Government Code Section 12940, et seq.

Notwithstanding the generality of the foregoing, Executive does not release the following claims:

(i) Claims for unemployment compensation or any state disability insurance benefits pursuant to the terms of applicable state law;

(ii) Claims for workers' compensation insurance benefits under the terms of any worker's compensation insurance policy or fund of the Company;

(iii) Claims pursuant to the terms and conditions of the federal law known as COBRA;

(iv) Claims for indemnity under the bylaws of the Company, as provided for by California law, under any indemnification agreement between Executive and the Company or under any applicable insurance policy with respect to Executive's liability as an employee, director or officer of the Company;

(v) Claims based on any right Executive may have to enforce the Company's executory obligations under the Agreement; and

(vi) Claims Executive may have to vested or earned compensation and benefits.

(b) EXECUTIVE ACKNOWLEDGES THAT HE OR SHE HAS BEEN ADVISED OF AND IS FAMILIAR WITH THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542, WHICH PROVIDES AS FOLLOWS:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."

BEING AWARE OF SAID CODE SECTION, EXECUTIVE HEREBY EXPRESSLY WAIVES ANY RIGHTS HE OR SHE MAY HAVE THEREUNDER, AS WELL AS UNDER ANY OTHER STATUTES OR COMMON LAW PRINCIPLES OF SIMILAR EFFECT.

(c) Executive acknowledges that this Release was presented to him or her on the date indicated above and that Executive is entitled to have twenty-one (21) days' time in which to consider it. Executive further acknowledges that the Company has advised him or her that he or she is waiving his or her rights under the ADEA, and that Executive should consult with an attorney of his or her choice before signing this Release, and Executive has had sufficient time to consider the terms of this Release. Executive represents and acknowledges that if Executive executes this Release before twenty-one (21) days have elapsed, Executive does so knowingly, voluntarily, and upon the advice and with the approval of Executive's legal counsel (if any), and that Executive voluntarily waives any remaining consideration period.

(d) Executive understands that after executing this Release, Executive has the right to revoke it within seven (7) days after his or her execution of it. Executive understands that this Release will not become effective and enforceable unless the seven (7) day revocation period passes and Executive does not revoke the Release in writing. Executive understands that this Release may not be revoked after the seven (7) day revocation period has passed. Executive also understands that any revocation of this Release must be made in writing and delivered to the Company at its principal place of business within the seven (7) day period.

(e) Executive understands that this Release shall become effective, irrevocable, and binding upon Executive on the eighth (8th) day after his or her execution of it, so long as Executive has not revoked it within the time period and in the manner specified in clause (d) above. Executive further understands that Executive will not be given any severance benefits under the Agreement unless this Release is effective on or before the date that is sixty (60) days following the date of Executive's termination of employment.

2. No Assignment. Executive represents and warrants to the Company Releasees that there has been no assignment or other transfer of any interest in any Claim that Executive may have against the Company Releasees. Executive agrees to indemnify and hold harmless the Company Releasees from any liability, claims, demands, damages, costs, expenses and attorneys' fees incurred as a result of any such assignment or transfer from Executive.

3. Severability. In the event any provision of this Release is found to be unenforceable by an arbitrator or court of competent jurisdiction, such provision shall be deemed modified to the extent necessary to allow enforceability of the provision as so limited, it being intended that the parties shall receive the benefit contemplated herein to the fullest extent permitted by law. If a deemed modification is not satisfactory in the judgment of such arbitrator or court, the unenforceable provision shall be deemed deleted, and the validity and enforceability of the remaining provisions shall not be affected thereby.

4. Interpretation; Construction. The headings set forth in this Release are for convenience only and shall not be used in interpreting this Agreement. This Release has been drafted by legal counsel representing the Company, but

Executive has participated in the negotiation of its terms. Furthermore, Executive acknowledges that Executive has had an opportunity to review and revise the Release and have it reviewed by legal counsel, if desired, and, therefore, the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Release. Either party's failure to enforce any provision of this Release shall not in any way be construed as a waiver of any such provision, or prevent that party thereafter from enforcing each and every other provision of this Release.

5. Governing Law and Venue. This Release will be governed by and construed in accordance with the laws of the United States of America and the State of California applicable to contracts made and to be performed wholly within such State, and without regard to the conflicts of laws principles thereof.

6. Entire Agreement. This Release and the Agreement constitute the entire agreement of the Parties in respect of the subject matter contained herein and therein and supersede all prior or simultaneous representations, discussions, negotiations and agreements, whether written or oral. This Release may be amended or modified only with the written consent of Executive and an authorized representative of the Company. No oral waiver, amendment or modification will be effective under any circumstances whatsoever.

7. Counterparts. This Release may be executed in multiple counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument.

(Signature Page Follows)

IN WITNESS WHEREOF, and intending to be legally bound, the Parties have executed the foregoing Release as of the date first written above.

VIASAT, INC.

Dated: _____

By: _____
Name: _____
Title: _____

EXECUTIVE

Dated: _____

Name: Kumara Guru Gowrappan

Subsidiaries	State or Other Jurisdiction of Incorporation or Organization
Automation Communications Engineering Corporation	United States (LA)
Beijing Viasat Science and Technology Co., Ltd.	China
C.S.G. Cyprus Space Gateways Ltd	Cyprus
Carmel Comunicaciones, S.A. de C.V.	Mexico
ComPetro Communications Holdings, LLC	United States (DE)
ComPetro Communications, LLC	United States (DE)
ComPetro Comunicações Holdings do Brasil, Ltda.	Brazil
Congo Broadband Network Sarl	Democratic Republic of the Congo
Engreen India Private Limited	India
Engreen, Inc.	United States (CA)
Euro Broadband Infrastructure Sàrl	Switzerland
Euro Broadband Services S.r.l.	Italy
Intelie Solucoes em Informatica S.A.	Brazil
Intelie, Inc.	United States (DE)
IOM Licensing Holding Company Limited	Isle of Man
Irish Space Gateways Ltd	Ireland
Karama Technologies Ltd	British Virgin Islands
LandTel Communications, LLC	United States (LA)
LandTel, Inc.	United States (DE)
mmWaveBroadband Co.	United States (DE)
Munaicom LLP	Kazakhstan
Nesscoinvsat Limited	United Kingdom
Orgtec, S. de R.L.de C.V.	Mexico
PT Viasat Communications Indonesia	Indonesia
Rig Net Middle East LLC	Oman
Rig Net Qatar W.L.L	Qatar
RigNet (CA), Inc.	Canada
RigNet Angola, Limitada	Angola
RigNet AP Facilities & Services Limited	Nigeria
RigNet AS	Norway
RigNet Australia Pty Limited	Australia
RigNet BRN Sdn Bhd.	Brunei
RigNet de México, S de R.L. de C.V.	Mexico
RigNet EIS, Inc.	United States (DE)
RigNet Ghana Limited	Ghana
RigNet Global Holdings S.a.r.l.	Luxembourg
RigNet Holdings, LLC	United States (DE)
RigNet Luxembourg Holdings S.a.r.l.	Luxembourg
RigNet Middle East - FZE	United Arab Emirates
RigNet Mobile Solutions Limited	Scotland
RigNet Mozambique, Limitada	Mozambique
RigNet Newco, Inc.	United States (DE)
RigNet Pte Ltd	Singapore
RigNet Sdn. Bhd.	Malaysia
RigNet Serviços de Telecomunicações Brasil, Ltda.	Brazil
RigNet UK Holdings Limited	Scotland
RigNet UK Limited	Scotland
RigNet, Inc.	United States (DE)
RigNet, Inc. (Limited Liability One Person Company)	Saudi Arabia
RNSAT Servicios de México, S. de R.L. de C.V.	Mexico
Safety Controls, Inc.	United States (LA)
Shabakat Rafedain Al Iraq Al Jadeed for Trade in Communication Equipment and Devices LLC	Iraq
Skylogic d.o.o.	Croatia
Skylogic Espana S.L.U.	Spain
Skylogic Eurasia İletişim Sanayi ve Ticaret Ltd. Şti	Turkey
Skylogic Finland OY	Finland

Skylogic France SAS	France
Skylogic Germany GmbH	Germany
Skylogic Hellas E.Π.E.	Greece
Tailored Investments Ltd	British Virgin Islands
TrellisWare Technologies, Inc.	United States (DE)
V3 Tanzania Limited	Tanzania
Viasat (Cambodia) Co., Ltd.	Cambodia
Viasat (IOM) Limited	Isle of Man
Viasat Antenna Systems S.A.	Switzerland
Viasat APAC Holdings Limited	United Kingdom
Viasat Australia Pty Limited	Australia
Viasat Brasil Participações Ltda.	Brazil
Viasat Brasil Serviços de Comunicações Ltda.	Brazil
Viasat Broadband Holdings B.V.	Netherlands
Viasat Cambodia Holdings Pte. Ltd.	Singapore
Viasat Canada Corp.	Canada
Viasat Carrier Services, Inc.	United States (DE)
Viasat China Services, Inc.	United States (DE)
Viasat Colombia S.A.S	Colombia
Viasat Communications Germany GmbH	Germany
Viasat Communications Italy S.r.l.	Italy
Viasat Communications Ltd.	Ghana
Viasat Communications Middle East L.L.C.	United Arab Emirates
Viasat Communications Panama, S.A	Republic of Panama
Viasat Communications Uganda Limited	Uganda
Viasat Communications UK Limited	United Kingdom
Viasat Europe Limited	Ireland
Viasat Europe Sàrl	Switzerland
Viasat Germany GmbH	Germany
Viasat Global Holdings, LLC	United States (DE)
Viasat Guatemala SA	Guatemala
Viasat Honduras, S. de R.L.	Honduras
Viasat Ibérica, S.L..	Spain
Viasat India Private Limited.	India
Viasat Israel Ltd.	Israel
Viasat Italy S.r.l.	Italy
Viasat Japan 株式会社 (Viasat Japan G.K.).	Japan
Viasat Kenya Holdings Limited.	United Kingdom
Viasat Kenya Limited.	Kenya
Viasat Kenya Operations Limited	Kenya
Viasat Malaysia Sdn. Bhd.	Malaysia
Viasat Mali-Sarl	Mali
Viasat Mozambique, LDA	Mozambique
Viasat Netherlands B.V.	Netherlands
Viasat Nigeria Limited	Nigeria
Viasat Peru S.R.L.	Peru
Viasat Polska LLC sp. z o.o..	Poland
Viasat RDC Sarl	Democratic Republic of the Congo
Viasat Rwanda Limited	Rwanda
Viasat Satellite Holdings Limited	United Kingdom
Viasat Satellite Ventures Holdings Luxembourg S.à.r.l.	Luxembourg
Viasat Senegal SUARL	Senegal
Viasat Services Holding Co.	United States (DE)
Viasat Singapore Holdings Pte. Ltd	Singapore
Viasat South Africa (Pty) Ltd	South Africa
Viasat South Africa Holdings Limited	United Kingdom
Viasat Tchad Sarl	Chad
Viasat Technologies Limited	United Kingdom
Viasat Tecnologia, S.A. de C.V	Mexico

Viasat UK Limited
Viasat VS3 Holdings Limited
Viasat West Africa Holdings Limited
Viasat Worldwide Limited
Viasat Zambia Limited
VParent, Inc.
VS3 MOROCCO (SARL)
VService, Inc.

United Kingdom
United Kingdom
United Kingdom
United States (DE)
Zambia
United States (DE)
Morocco
United States (DE)

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (File Nos. 333-74276, 333-85522, 333-135652, 333-141238, 333-143425 and 333-242477) and Form S-8 (File Nos. 333-21113, 333-40396, 333-67010, 333-68757, 333-109959, 333-131382, 333-153828, 333-159708, 333-160361, 333-167379, 333-169593, 333-182015, 333-184029, 333-191326, 333-204440, 333-207064, 333-220556, 333-228221, 333-231791, 333-234634, 333-249941, 333-255690, 333-256652, 333-260249, and 333-268281) of Viasat, Inc. of our report dated May 22, 2023 relating to the financial statements, financial statement schedule and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP
San Diego, California
May 22, 2023

CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT
TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Mark Dankberg, Chief Executive Officer of Viasat, Inc., certify that:

1. I have reviewed this annual report on Form 10-K of Viasat, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 22, 2023

/s/ MARK DANKBERG

Mark Dankberg
Chief Executive Officer

CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT
TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Shawn Duffy, Chief Financial Officer of Viasat, Inc., certify that:

1. I have reviewed this annual report on Form 10-K of Viasat, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 22, 2023

/s/ SHAWN DUFFY

Shawn Duffy
Chief Financial Officer

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Viasat, Inc. (the "Company") hereby certifies, to such officer's knowledge, that:

(a) the accompanying annual report on Form 10-K of the Company for the fiscal year ended March 31, 2023 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(b) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: May 22, 2023

/s/ MARK DANKBERG

Mark Dankberg

Chief Executive Officer

CERTIFICATION OF CHIEF FINANCIAL OFFICER

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Viasat, Inc. (the "Company") hereby certifies, to such officer's knowledge, that:

(a) the accompanying annual report on Form 10-K of the Company for the fiscal year ended March 31, 2023 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(b) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: May 22, 2023

/s/ SHAWN DUFFY

Shawn Duffy

Chief Financial Officer
