



EUTELSAT TO ENTER LEO SPACE WITH ONEWEB INVESTMENT

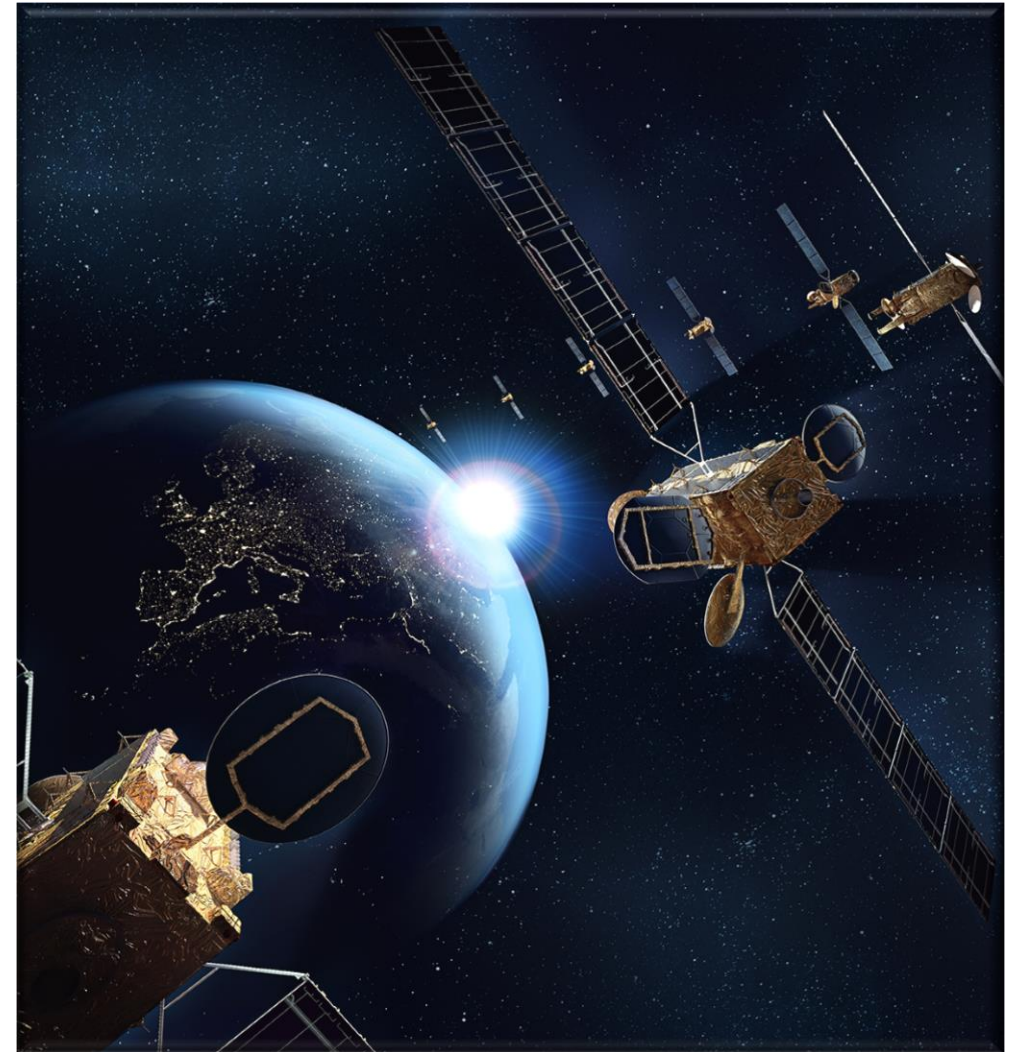
27 April 2021

AGENDA

1. Key transaction terms
2. OneWeb in a snapshot
3. Strategic rationale
4. Financial rationale
5. Conclusion
6. Appendices

KEY TERMS OF THE TRANSACTION

- ▶ **\$550m** investment **100%** cash-funded
- ▶ Investment in ordinary shares via a capital increase (no selling shareholder), resulting in a **24% stake in OneWeb**
- ▶ **Eutelsat will become a main shareholder of OneWeb**, jointly with HM Government and Bharti
- ▶ Eutelsat will be the **only satellite operator among the main shareholders**
- ▶ Similar **governance rights** to HMG and Bharti
- ▶ **Closing** expected in **H2 2021** (calendar year)



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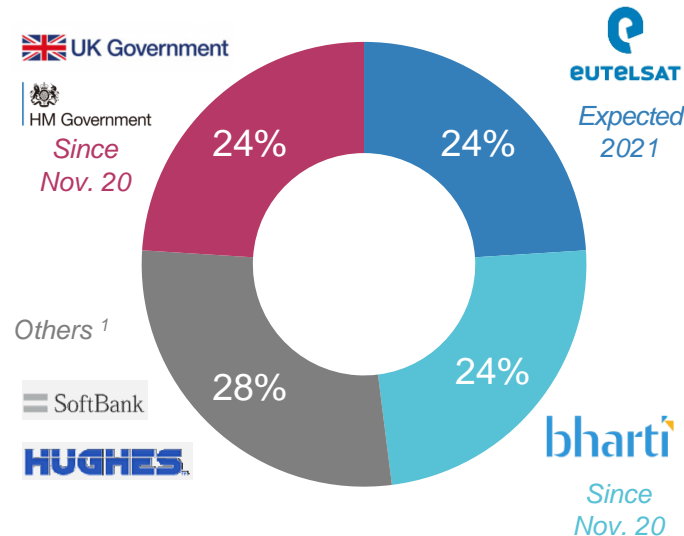
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LEO CONSTELLATION WITH UNIQUE FEATURES

- ▶ **648** sats in Low-orbit
- ▶ **1.1 Tbps** of capacity
- ▶ Fully global coverage
- ▶ Strong spectrum priority rights
- ▶ **Gen 1** fully operational by end-2022
- ▶ **Gen 2** to add capacity in the medium term

SOLID CAPITAL BACKING OPENING OPPORTUNITIES

Capital structure post Eutelsat investment



ALMOST FULLY FUNDED LOW FUNDING TO GO






~\$5bn total funds raised
(Ow \$1.4 bn since Chap. 11)

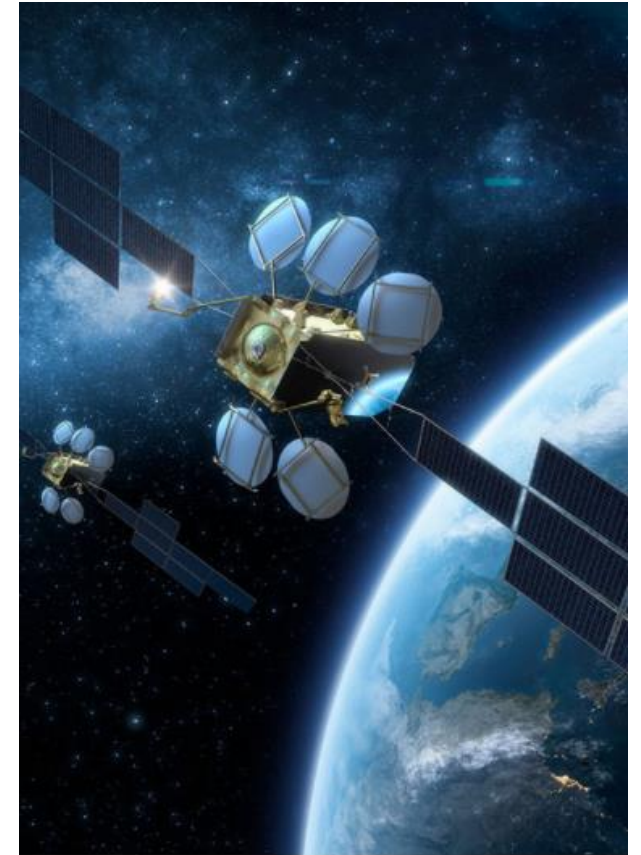


\$0.5bn Eutelsat investment

Well advanced discussions with
potential backers on \$0.5bn
funding to go

CUTTING EDGE TECHNICAL FEATURES

	LOW-LATENCY	▶	Relevant for latency sensitive apps incl. Cloud /5G
	GLOBAL COVERAGE	▶	Uninterrupted service and access to untapped markets
	LOW LOOK ANGLE	▶	Enhanced signal reception in all configurations
	HARDWARE SIMPLICITY	▶	Easy-to-install and low-cost vs. MEO
	COST-EFFECTIVE	▶	Improved competitiveness vs. terrestrial in remote areas



FULLY ON TRACK FOR IMMINENT ENTRY INTO OPERATIONAL SERVICE

System in final phase of development with regional coverage from end-2021, full global coverage from end-2022



High volume serial manufacturing => up to 15 / week

- ▶ 2 Plants in France and Florida
- ▶ JV with Airbus



Monthly launch cadence resumed

- ▶ Agreement with Arianespace



User terminal in development and production

- ▶ designed to support connectivity for multiple applications
- ▶ 195 Mbps / low-latency



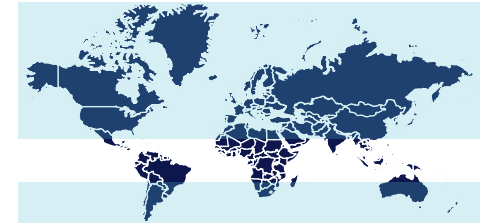
Global ground infrastructure deployment well advanced

- ▶ 7 GW completed
- ▶ 14 under construction

>50°N coverage in Q4 21



>22.5°N-S coverage Mid-22



Global coverage in Q4 22






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A SUBSTANTIAL AND UNIQUE MARKET OPPORTUNITY

Addressing multiple verticals worth almost **\$10bn**

VERTICALS	KEY APPLICATIONS	GROWTH DRIVERS	2029 MARKET ¹	10Y-CAGR ²
 FIXED DATA	<ul style="list-style-type: none">▶ Mobile backhaul▶ Corporate networks▶ Community Broadband	<ul style="list-style-type: none">▶ Network extension▶ Growing Data usages▶ Ubiquitous coverage need▶ USO pressure	\$3.2bn	+7%
 GOVERNMENT	<ul style="list-style-type: none">▶ Military / Security▶ Polar coverage▶ Civil government	<ul style="list-style-type: none">▶ Defense budget increases▶ Bandwidth-hungry usages▶ Connecting remote sites	\$3.0bn	+11%
 MOBILITY	<ul style="list-style-type: none">▶ In-flight Connectivity▶ Maritime Connectivity	<ul style="list-style-type: none">▶ Growing no of aircraft/ ships▶ Improved equipment / take-up rates▶ Enhanced service leading to higher usages	\$3.2bn	+15%

ONEWEB RIGHT TO WIN IN NON-GEOSTATIONARY

PRIORITY SPECTRUM RIGHTS

- ▶ 6 GHz of globally harmonized bandwidth secured from ITU
- ▶ Highest priority in Ku-band
- ▶ Other LEOs have the burden of coordination to not interfere in Ku-band

FIRST ENTRANT WITH GLOBAL COVERAGE

- ▶ Fully global coverage by end-2022, ahead of any other LEO/MEO constellation

SCALABLE TECHNOLOGY

- ▶ Gen 2 optionality to provide more capacity at a significantly reduced cost with enhanced operational flexibility

ALMOST FULLY FUNDED

- ▶ ~\$5n already funded prior to Eutelsat investment;
- ▶ \$0.5bn of funding to go; well advanced discussions with potential backers

DIVERSIFIED GLOBAL SHAREHOLDER BASE

- ▶ Opening market access and commercial opportunities in mature and emerging areas



HIGH COMPLEMENTARITY OF RESOURCES AND ASSETS

Opening multiple commercial opportunities



COVERAGE	▶ Density	+	▶ Ubiquity
APPLICATIONS	▶ High-throughput	+	▶ Low latency
TIMING	▶ Immediate ramp-up capabilities	+	▶ Medium term high potential
COMMERCIAL	▶ Portfolio of blue-chip customers 	+	▶ Active discussions with >100 prospective customers
MARKET ACCESS	▶ Strong institutional relationships 	+	▶ Diversified investor base

EUTELSAT CAPABILITIES TO ACCELERATE DEVELOPMENT

EUTELSAT CAPABILITIES

BENEFITS TO ONEWEB

BEST-IN CLASS TECHNICAL EXPERTISE



500 expert engineers in numerous fields

- ▶ Satellite engineers, service and ground, new applications & systems, regulatory experts, capacity planning

Broad range of technical assets and capabilities

- ▶ 39 GEO satellites and a robust ground network
- ▶ End-to-end program management skills
- ▶ Spectrum and regulatory expertise



UNPARALLELED COMMERCIAL CAPABILITIES



- ▶ Global distribution network
- ▶ Blue-chip customers across all connectivity verticals
- ▶ Strong sales skillset including vertical solutions design, end-to-end delivery, automated platforms...
- ▶ Key player in the European Space ecosystem
- ▶ Strong institutional relationships in all geographies



- ▶ Access to a combined GEO/LEO network
- ▶ Access to back-up sites and operational capabilities to optimize OneWeb ground operations competitiveness
- ▶ Leverage engineering & procurement know-how to design specs
- ▶ Accelerate market access (landing rights) and carry a greater weight vis-à-vis regulatory bodies



- ▶ Accelerate commercial ramp-up
- ▶ Leverage on distribution network and commercial expertise
- ▶ Access to blue-chip customers
- ▶ Facilitate market access in specific regions



POWERFUL AND DIVERSE SHAREHOLDER BASE

Supporting business opportunities on a global scale



- ▶ Leading GEO operator with a **global footprint**
- ▶ Strong positions notably in **EMEA and Russia**
- ▶ Unrivalled **distribution presence** and blue-chip customer base

HUGHES

- ▶ **Leading US geostationary** satellite operator and ground network innovator
- ▶ **Major provider of satellite Broadband** across the Americas
- ▶ Trusted technology and distribution partner of OneWeb

 **UK Government**

 **HM Government**

- ▶ **Accelerates and enhances OneWeb's global access**
- ▶ Ambition to join the first **rank of space nations**
- ▶ £5bn 'Project Gigabit' program to deliver **next-generation gigabit broadband** to homes and businesses in hard-to-reach areas
- ▶ **£6bn Skynet program** to provide strategic and tactical communication services to **Mods**
- ▶ **Commonwealth**

 **SoftBank**

- ▶ Japanese multinational conglomerate
- ▶ **A leading Telecom operator in Japan**
- ▶ **Runs Vision Fund**, the world's largest technology-focused venture capital fund, with over \$100bn in capital
- ▶ Stakes in multiple assets and companies

bharti

- ▶ **Indian multinational with interests in telecoms**, agribusiness, financial services, food, hospitality, manufacturing and property
- ▶ **Third largest mobile operator in the world**, with over 425 million customers across Asia and Africa
- ▶ **Owns extensive mobile broadband networks** and enterprise business which will act as the testing ground for all OW services
- ▶ Presence across South Asia and Sub-Saharan Africa, where the terrain **necessitates the use of satellite-based connectivity**

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AN ATTRACTIVE ENTRY POINT IN LEO FOR EUTELSAT



OPPORTUNITY

- ▶ Number of possible global constellations **is limited to 4-6 by** regulatory, physical and operational constraints
- ▶ The **total cost for a standalone constellation** amounting to **several \$bn**

TIMING

- ▶ OneWeb **now almost fully funded** with ~\$5bn already funded (before our investment) and low funding-to-go
- ▶ Supported by a **diversified shareholder base**
- ▶ **System in final phase of development** with a **partial coverage from end-2021, full global coverage by end-2022**

PRICING

- ▶ \$550m to **become a leading shareholder in a promising growth asset** (almost **equivalent to gross C-Band proceeds**)
- ▶ Opportunity to buy a **high potential asset** with **scalable technology**
- ▶ Investment compatible with our **hurdle rates** even in a stretched scenario

CONSISTENT WITH OUR FINANCIAL FRAMEWORK



100% Cash financed by C-Band proceeds and cash on balance sheet

- ▶ \$507m C-Band proceeds to be fully received ahead of schedule in FY 22
- ▶ €1.9bn liquidity as of end-March 21¹



No change to dividend policy

- ▶ Stable to progressive dividend confirmed



Commitment to Investment Grade credit ratings

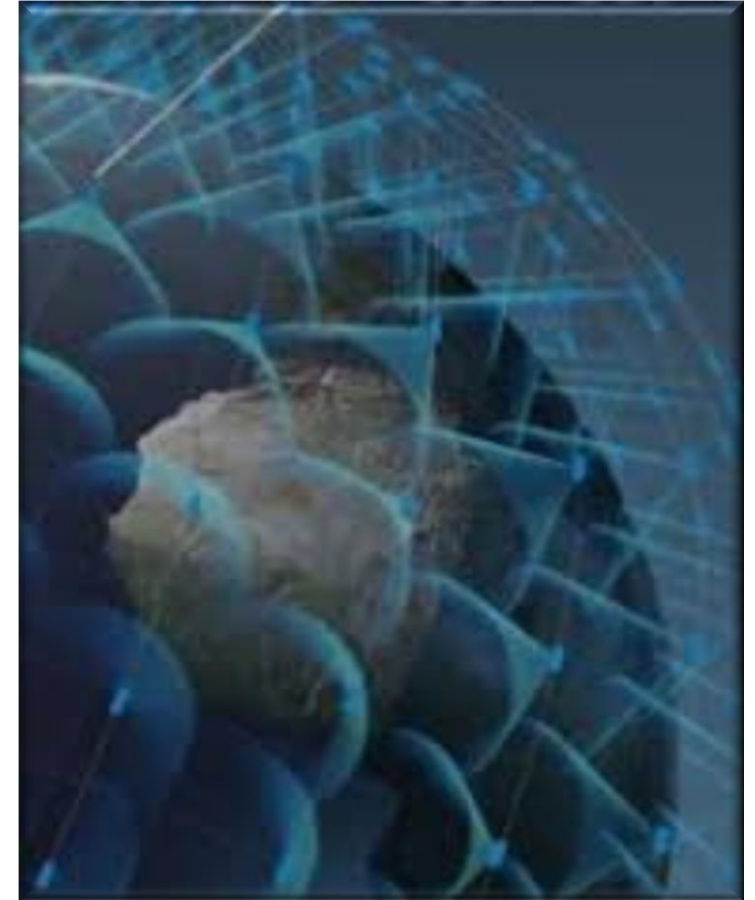
- ▶ Solicited ratings from S&P and Fitch



All financial objectives confirmed

- ▶ FY 21 Operating vertical revenues: €1,190m to 1,220m at 1.14 /\$ rate
- ▶ FY 22 Adjusted Discretionary Free-Cash-Flow: €390m to €420m at 1.14 /\$ rate
- ▶ Medium-term Net Debt to EBITDA ratio of c.3x

- ▶ Potential of at least **10-20% long-term market share** in key verticals
- ▶ **Revenues** expected to reach c.\$1bn per annum in 3 to 5 years following the full deployment of the constellation
- ▶ **Highly profitable** wholesale approach
- ▶ **Largely self-financing** in the medium term
- ▶ Investment compatible with our **hurdle rates**



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A MAJOR STEP IN OUR CONNECTIVITY STRATEGY

Combination of Eutelsat and OnWeb getting the best of GEO and LEO



Eutelsat will continue **maximizing cash-flow** extraction from its high-profitable heritage business...



.....underpinning delivery of **strong returns to shareholders**



... and **grow its Fixed Broadband** vertical leveraging EUTELSAT KONNECT and KONNECT VHTS...



OneWeb will be the **main growth engine** in non-Broadcast and non-Broadband applications...



... combining resources and assets to boost **overall commercial potential**

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