

2022-23

UNIVERSAL REGISTRATION DOCUMENT



eutelsat

Everyday, Eutelsat demonstrates its expertise as a satellite company which contributes essential resources supporting the growth of digital communications. As a player at the heart of the video and broadband markets, the greatest advances are yet to come. Ongoing progress brings with it the prospect of an increased role for satellites in order to optimise the use of spectrum, a valuable and finite resource and to transform the digital society into an environment of economic and social benefit for all. With these goals in mind, our Group is pursuing a development strategy based on investment and innovation, operational excellence and the creation of lasting value.

>30 years
of Eutelsat
Communications

€1,131 M
revenues
for 2022-23

~1,100
employees

36⁽¹⁾
satellites operated

(1) At 30 June 2023.

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A SOLID PERFORMANCE IN FY 2022-23, PAVING THE WAY FOR RETURN TO GROWTH ON A STANDALONE BASIS FROM 2024 ONWARDS



Eva BERNEKE

Chief Executive Officer

We, at Eutelsat, are delighted to report that Fiscal Year 2022-23 was a very solid year. Reported Operating Vertical revenues of 1,136 euros were at the upper end of our expected range with, in particular, sustained momentum in Mobile Connectivity generating double-digit growth over the Full Year. We also delivered a robust financial performance with an industry-leading adjusted EBITDA margin of 73% while adjusted discretionary free cash-flow of 518 million euros, comfortably within our expected range. Proceeds of 382 million dollars related to Phase II of the C-band transition were recognised in June, with cash to be received in Q1 FY 2023-24.

From a commercial point of view, we experienced strong momentum in our Connectivity verticals throughout the year, in line with our strategy of shifting our business model to address these new applications. Demand for capacity on EUTELSAT QUANTUM was strong, leading to a faster than anticipated ramp-up particularly for Mobile Connectivity, while Fixed Connectivity revenues were underpinned by our agreements with major operators such as Orange, TIM, Hispasat and Swisscom, illustrating the appetite for our soon-to-be operational KONNECT VHTS satellite. For our legacy Video business, the decline in revenues was in line with broader market trends, though also impacted by sanctions against Russian and Iranian channels in the Second Half.

“
*A strong foundation for
our proposed combination
with One-Web.*”

On the operational front, Eutelsat has once again proven its technological credentials with a record level of satellite launches and service entries, notably HOTBIRD 13F and HOTBIRD 13G assuring service continuity at our flagship 13° East video hotspot, with HOTBIRD 13G hosting an incremental EGNOS GEO-4 payload and EUTELSAT E10B, with incremental 35 Gbps of HTS Ku-band capacity addressing demand in Mobile Connectivity with firm pre-commitments from Intelsat and Panasonic; also ensuring service continuity for customers of EUTELSAT 10A.

Thanks to the success of our Connectivity strategy and the upcoming availability of incremental in-orbit resources, I am confident that FY 2023-24 will be the year that marks Eutelsat's return to topline growth on a standalone basis. The Group will continue to leverage all measures to maximise cash generation and we confirm our objective of Adjusted Discretionary Free Cash Flow of an average of 420 million euros per year for FY 2022-23 and FY 2023-24⁽¹⁾, equivalent to a cumulative Adjusted DFCF generation of c.1.4 billion euros over three years.

Our industry-leading profitability and confirmed ability to generate a high level of Free Cash Flow represent strong foundations for ensuring the success of our proposed combination with OneWeb. OneWeb itself has seen a strong commercial dynamic, reaching the 50 million dollars revenue objective by end June 2023 accompanied by a growing order backlog which stood at 900 million dollars⁽²⁾ at the end of June 2023.

By coming together, Eutelsat and OneWeb will be the only GEO/LEO business in satellite communications that can offer a ubiquitous connectivity service, enabling us to address a wider range of customer requirements, provide tailored, hybrid connectivity services worldwide, while unlocking significant value as we develop future generations of satellite technology. The OneWeb-Eutelsat combination will have the requisite scale, financial strength, and business proposition to capitalise on the significant opportunity of the Connectivity markets of tomorrow.

(1) At a €/€ rate of 1.00 for FY 2022-23 and FY 2023-24; excludes future payments related to the exclusive commercial partnership with OneWeb.

(2) Of which 275 million euros is with Eutelsat.

Dominique D'HINNIN

Chairman of the Board of Directors



REINFORCING OUR DEDICATION TO BRIDGING THE DIGITAL DIVIDE AND EXPANDING DIGITAL INCLUSIVENESS

“
*Looking ahead
to a historic moment
for the satellite industry.*”

During the past year, your Group has initiated the strategic, operational, and financial foundations on which to build a solid and dynamic future, and to ensure it plays a central role in the evolving global Space industry. Four satellites have been launched, paving the way to our back to growth strategy, centered around fixed and mobile connectivity. Our proposed combination with OneWeb represents a ground-breaking initiative for the satellite industry, bringing together two businesses that are at the forefront of delivering integrated, seamless connectivity multi-orbit solutions to customers worldwide. And we are proud to be one of the core members of the European Space consortium bidding on the IRIS² constellation, the flagship EU satellite project to provide sovereign, secure satellite connectivity to government users for security and defence and economic purposes, and to bridge the digital divide in Europe.

In parallel, Eutelsat has redefined its Corporate Social Responsibility initiatives commensurate with these ambitions, adopting new missions and specific key commitments. Our dedication to bridging the digital divide and expanding digital inclusiveness is a crucial component of our Corporate Social Responsibility strategy. By joining the Partner2Connect digital coalition set up by the International Telecommunication Union in 2022, the Group committed to bringing Internet access to a million people living in the most underserved regions of Sub-Saharan Africa by 2027.

The sustainable use of space is the second of the core tenets of Eutelsat's CSR strategy. One of the founding members of the "Net Zero Space" initiative, Eutelsat reaffirmed its commitment to reduce the amount of debris in the Earth's orbit, adding its name to the ESA's "Joint Statement for a responsible space sector" in November 2022.

Eutelsat is also committed to reducing its carbon footprint. In line with the Paris Agreement objective of limiting the global temperature rise to 1.5°C, we have accelerated our environmental initiatives and objectives with the aim to achieve a substantial reduction in our carbon footprint, covering scopes 1, 2 and 3 by 2030. Our targets will be submitted to the SBTi in the coming year.

I take this opportunity to pay tribute to the colleagues who have worked on all aspects of Eutelsat's trajectory to enable us reach this exciting stage: we are ready to deliver connectivity and services that will support economic and social development globally and, together with OneWeb, become a trusted partner for multi-orbit connectivity.

A photograph of two men in a control room. The man on the left is leaning over a desk, looking at a computer screen. The man on the right is sitting at the desk, also looking at the screen. In the background, there are several large monitors displaying various data and charts. The overall scene suggests a professional, technical environment.

1

Presentation of Eutelsat Communications



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1.1 Introduction

Highlights

► Financial Year 2022-23

The main highlights of the fiscal year are the following:

- **FY 2022-23 Operating Vertical revenues of 1,136 euros and 1,157 million euros at the guidance rate⁽¹⁾**, at the upper end of expected range.
- **Sustained momentum in Mobile Connectivity** with a double-digit growth over the Full Year.
- **Robust financial performance with industry-leading Adjusted EBITDA margin** of 73%.
- **Adjusted Discretionary Free Cash-Flow of 518 million euros**, comfortably within our expected range.
- **382 million dollars proceeds related to Phase II of the C-band transition** recognised in late June 2023. Cash is expected to be received in Q1 FY 2023-24.
- **Successful entry into service of three satellites:**
 - **HOTBIRD 13F and HOTBIRD 13G** assuring service continuity at our flagship 13° East video hotspot, with HOTBIRD 13G hosting an incremental EGNOS GEO-4 payload.
 - **EUTELSAT E10B**, with incremental 35 Gbps of HTS Ku-band capacity addressing demand in Mobile Connectivity, with firm pre-commitments from Intelsat and Panasonic; also ensuring service continuity for customers of EUTELSAT 10A.
- **All standalone objectives confirmed:**
 - Operating Vertical revenues expected to grow from FY 2023-24 onwards (like-for-like), on the back of the entry into service of new in-orbit assets with firm precommitments.
 - Adjusted Discretionary Free Cash Flow expected at an average of 420 million euros per year over FY 2022-23 and FY 2023-24, equating to cumulative Adjusted DFCF generation of c.1.4 billion euros over three fiscal years at a 1.00 €/€ rate.
- **Strong foundations to ensure the success of the proposed Eutelsat-OneWeb combination:**
 - Strong commercial ramp-up of OneWeb with secured backlog of 900 million dollars by end June 2023, a 300 million dollars increase since October 2022.
 - Revenue objective of 50 million dollars by end June 2023 attained.
 - Short-term adjustment of objectives for FY 2023-24.
 - EGM to approve the transaction expected to take place on 28 September 2023.

► Since 30 June 2023

Fitch downgraded Eutelsat to BBB- and maintained Rating Watch Negative

On 27 July 2023, Fitch Ratings downgraded Eutelsat Communications S.A.'s Long-Term Issuer Default Rating to "BBB-" from "BBB" and its senior unsecured rating to "BB+" from "BBB-". Eutelsat S.A.'s senior unsecured debt has also been downgraded to "BBB-" from "BBB". All ratings remained on Rating Watch Negative.

Eutelsat and Thaicom to Partner for New Software-Defined satellite over Asia

On 7 August, Eutelsat announced that its subsidiary Eutelsat Asia PTE. LTD. has signed a partnership agreement with Space Tech Innovation Limited (STI), a subsidiary of Thaicom, a leading Asian satellite operator, related to a new software-defined (SDS) satellite to be positioned at the 119.5° East orbital slot over Asia. Eutelsat is committed to lease and operate the service for half of the capacity on the new satellite during its lifetime.

The state-of-the art geostationary SDS will be procured by STI and will be one of a new generation of satellites offering instant in-orbit adjustment and seamless reconfiguration, optimising the use of the in-orbit resources to the benefit of both the operator and the customer. It is due to be delivered in calendar 2027.

Through this satellite, Eutelsat will expand its in-orbit assets by some 50 Gbps of incremental capacity over Asia to address surging demand for connectivity in the region. The SDS's performance, combined with the high level of flexibility in terms of coverage, bandwidth allocation, and power levels, will assure an unparalleled quality of service to Eutelsat's customers in the Asian region. It will be fully compatible with Eutelsat and OneWeb's GEO/LEO multi-orbit approach.

(1) Based on a €/€ rate assumption of 1.00.

Financial outlook

On a standalone basis, FY 2023-24 is expected to be the year that marks the return to revenue growth, driven by the entry into service of new in-orbit resources.

- ▶ Video revenues are expected to be broadly in line with market trends of a mid-single digit decline, excluding the effect of the sanctions which will be embarked for a full 12 months versus six months in FY 2022-23.
- ▶ Government Services will continue to reflect the outcome of past and upcoming US DoD renewals and a tougher comparison basis with FY 2022-23 due to the above-mentioned one-off DLR contract. Revenues will however benefit from the EGNOS GEO-4 contract on HOTBIRD 13G, set to generate 100 million euros in revenues over 15 years.
- ▶ Both the Mobile Connectivity and Fixed Connectivity verticals are expected to experience double-digit growth in FY 2023-24 on the back of the entry into service of EUTELSAT 10B and KONNECT VHVS, both with firm pre-commitments, and positive commercial traction.

Cash Capex⁽¹⁾ will not exceed 400 million euros per annum for FY 2022-23 and FY 2023-24.

The Group will continue to leverage all measures to maximise cash generation and confirms an objective of Adjusted Discretionary Free Cash Flow expected at an average of 420 million euros per year at a €/€ rate of 1.00 for FY 2022-23 and FY 2023-24. This is equivalent to a cumulative Adjusted DFCF generation of c.1.4 billion euros over three fiscal years at a 1.00 €/€ rate. It excludes future payments related to the exclusive commercial partnership with OneWeb.

On a standalone basis, the group continues to target a medium-term net debt/Adjusted EBITDA ratio of c.3x.

With its industry-leading profitability and confirmed ability to generate a high level of Free Cash Flow, Eutelsat is in a strong position to make the combination with OneWeb a true success.

This outlook is based on the revised nominal deployment plan outlined in the 2022-23 results presentation. It assumes no further material deterioration of revenues generated from Russian customers. It excludes the impact of the contemplated combination with OneWeb.

These objectives are based inter alia on the following assumptions: (i) launch and successful entry into operation of the satellites in course of construction in accordance with the timetable envisaged by the Group, (ii) maintaining of the existing operating capacity of the Group's fleet, (iii) no incidents to affect any of the satellites in orbit, (iv) continuation of a policy of controlling operating costs and their evolution, (v) maintaining of the general conditions of the space insurance and space industry market.

The forward-looking objectives, statements and information summarised above are based inter alia on the data, assumptions and estimates mentioned earlier and are considered by Eutelsat Communications to be reasonable as of the date of this document.

The reader is cautioned that these forward-looking statements are dependent on circumstances or facts that are to occur in the future. These statements are not historical data and must not be interpreted as guarantees that the facts and data cited will occur or that the objectives will be attained. By their nature, these data, assumptions and estimates, as well as all elements taken into consideration to determine these forward-looking objectives, statements and information, could prove to be wrong or may not materialise and may change or be modified due to uncertainties related to the economic, financial, competitive and regulatory environment in particular.

Additionally, some of these data, assumptions and estimates come from or are based in full or in part on assessments or decisions of the corporate bodies of Eutelsat Communications, which could change or be modified in the future. Furthermore, the materialisation of certain risks described in the chapter "Group risk factors, internal control procedures and risk management" below could have a negative impact on the Group's business and on the achievement of the forward-looking objectives, statements and information mentioned above.

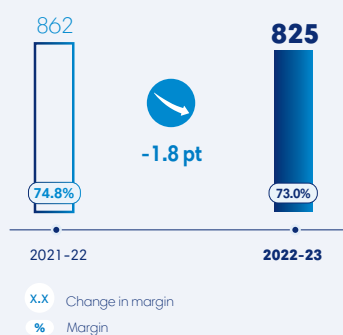
(1) Including capital expenditure and payments under existing export credit facilities and other bank facilities financing investments as well as payments related to lease liabilities.

Key figures

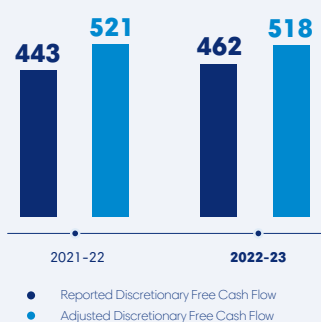
PRELIMINARY COMMENTS

Adjusted EBITDA and Discretionary Free Cash Flow are alternative performance indicators which are defined in Chapter 6 of this document.

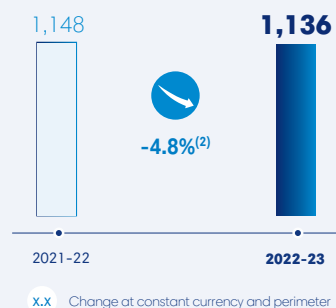
ADJUSTED EBITDA (€M)



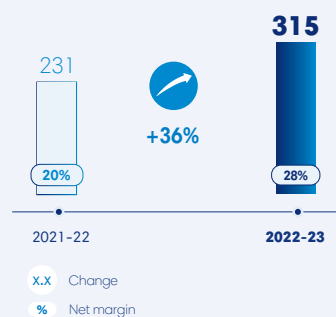
DISCRETIONARY FREE CASH FLOW (€M)



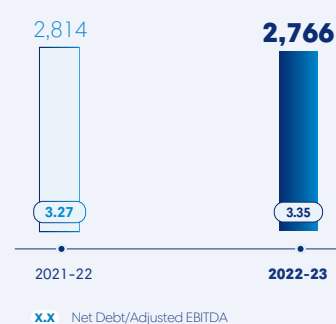
REVENUE FOR THE OPERATING VERTICALS⁽¹⁾ (€M)⁽²⁾



GROUP SHARE OF NET INCOME (€M)

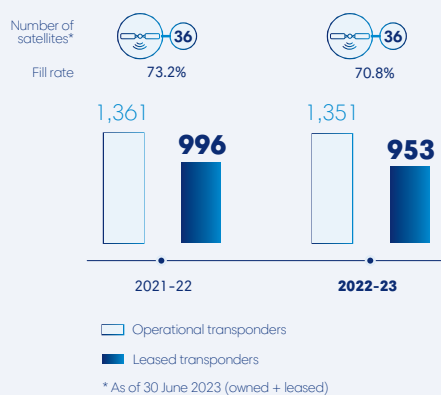


NET DEBT (€M) AND LEVERAGE

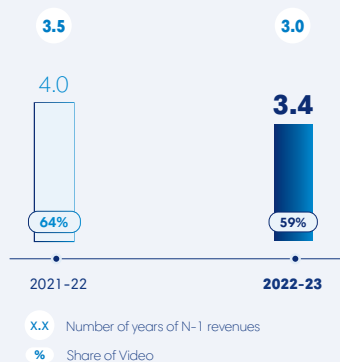


(1) Excluding "Other Revenues".

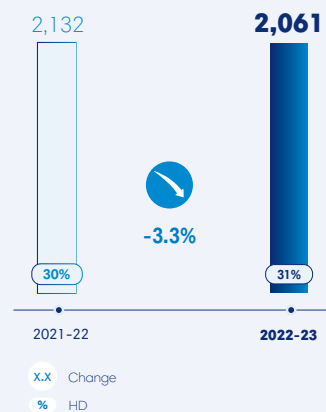
(2) On a reported basis, Operating Vertical Revenues were down -1.1%.

FILL RATE⁽¹⁾

BACKLOG (€BN)



HD CHANNELS BROADCAST AND HD PENETRATION

2022-23 REVENUES BY APPLICATION⁽²⁾ (%)

(1) On the basis of 36 MHz-equivalent transponders, excluding HTS capacity.

(2) Excluding "Other Revenues".

A sustainable business model

With a fleet of 36 geostationary satellites⁽¹⁾, Eutelsat is one of the world's leading operators of telecommunications satellites. The Group operates satellites located in geostationary orbit from 139° West to 174° East, with a footprint covering Europe, Africa, the Middle-East, Asia-Pacific and the Americas. On the strength of these premium orbital positions and extensive ground infrastructure, Eutelsat has built a solid client base of broadcasters, telecommunications operators and government agencies, served either directly or through distributors. The main suppliers are satellite manufacturers and launch service providers.

With their ubiquitous coverage and high bandwidth availability, the satellites are well positioned to offer high-performance solutions for delivering content directly to end-users, including populations located in the most isolated regions.

Eutelsat's mission consists of anticipating the development of communications thanks to a cutting-edge satellite technology to open the way to new forms of communication, enabling everyone to be connected around the globe.

Eutelsat is deploying a major investment strategy to contribute to bridging the digital divide. The entry into service of the EUTELSAT KONNECT satellite has given the Group a next-generation satellite enabling it to offer high-speed broadband access across Europe and Africa. With the forthcoming entry into service of the KONNECT VHTS satellite, the Group's broadband capacity will be reinforced.

Within Eutelsat, personal engagement and team spirit are key to the achievement of shared and ambitious goals. Every day, the Group's 1,067 employees work on unleashing the potential of innovative technologies so that users around the world can benefit from the most up-to-date video and connectivity services.

Its expertise, innovative ability and the establishment of constructive, long-term stakeholder dialogue enable Eutelsat – the world leader in video, its core business being around 7,000 television channels of which around 2,500 free-to-air – to rank alongside the major connectivity players.

► Major trends



(1) As at 30 June 2023.

Resources	Shared value creation	Impacts for stakeholders
HUMAN CAPITAL <ul style="list-style-type: none"> ▶ 1,067 employees ▶ Close to 50 nationalities ▶ Global network with over 50 subsidiaries and sales offices ▶ More than 90% full-time contracts 	OUR MISSION <ul style="list-style-type: none"> ▶ Enable everyone to be connected, around the world 	ACT FOR THE WELL-BEING OF EMPLOYEES <ul style="list-style-type: none"> ▶ Gender equality index 88/100 ▶ Job booster recruitment programme ▶ Absenteeism rate: 3.89% ▶ Number of accidents at work: 6 ▶ Great Place to Work and Denison Surveys
INDUSTRIAL CAPITAL <ul style="list-style-type: none"> ▶ 36 geostationary satellites ▶ Infrastructure including teleports in France, Italy, Madeira and Mexico ▶ Nearly 7,000 channels broadcast via our satellites globally 	OUR STRATEGIC AMBITION <ul style="list-style-type: none"> ▶ Adapt the Group's strategy to the change in its markets ▶ Maximise value creation in the historic activities ▶ Accelerate the Group's development in connectivity 	ENABLE ACCESS TO INFORMATION <ul style="list-style-type: none"> ▶ Coverage of rural areas ▶ Bridge the digital divide: development and marketing of high-speed broadband offers via satellites ▶ Access to education and connectivity: Italy, Africa, Mexico
FINANCIAL CAPITAL <ul style="list-style-type: none"> ▶ Backlog representing 3 years of revenues ▶ Shareholders' equity (3,072 million euros) and strong support from key strategic shareholders such as Bpifrance, FSP, CMA CGM 	DIVERSITY OF EUTELSAT'S BUSINESS <ul style="list-style-type: none"> ▶ Broadcasting (of TV channels) ▶ Fixed connectivity ▶ Fixed high-speed broadband services for governments ▶ Mobile high-speed broadband connectivity 	OPTIMISE THE COMPANY'S FINANCIAL PERFORMANCE <ul style="list-style-type: none"> ▶ Strong cash generation: 462 million euros in 2022-23, thanks to best-in-class Adjusted EBITDA margin of 73.0% ▶ Market capitalisation of 1.5 billion euros at 30 June 2023 ▶ Solid financial structure and liquidity
INTELLECTUAL CAPITAL <ul style="list-style-type: none"> ▶ More than 40 patents in the Eutelsat portfolio ▶ Continuous innovation 	CLIENTS (DIRECT AND INDIRECT) <ul style="list-style-type: none"> ▶ Broadcasters ▶ Telecom operators ▶ Companies ▶ Government agencies ▶ Individuals 	INNOVATING IN THE SPACE WORLD <ul style="list-style-type: none"> ▶ EUTELSAT QUANTUM ▶ FLEXSAT AMERICAS ▶ Amongst the first users of 100% electric satellites
ENVIRONMENTAL CAPITAL <ul style="list-style-type: none"> ▶ Implementation of a Clean Space policy ▶ 6 proprietary teleports and more than 70 partner teleports ▶ A new head office in Issy-les-Moulineaux ▶ "Space Debris Mitigation Plan" programme 	SUPPLIERS AND BUSINESS PARTNERS <ul style="list-style-type: none"> ▶ Satellite manufacturers ▶ Satellite launch operators ▶ Partner satellite operators ▶ Partner teleport operators 	REDUCE OUR ENVIRONMENTAL IMPACT <ul style="list-style-type: none"> ▶ Over 20 satellites passivated and re-orbited and over 110 placed in geostationary orbit ▶ Installation of photovoltaic panels at Caniçal (Madeira) and Cagliari (Italy) ▶ Iso14001 certification at Caniçal (Madeira), Cagliari (Italy) and, since July 2022, Turin (Italy) ▶ 5% reduction in our total scope 1,2,3 CO₂ emissions over a year
SOCIETAL CAPITAL <ul style="list-style-type: none"> ▶ A robust ethical and anti-corruption policy ▶ Broadcasting of more than 2,480 free-to-air channels ▶ Inclusion of CRS clauses in our contracts with suppliers ▶ In-field engagement in humanitarian relief in partnership with NGOs 		BUILDING LONG-TERM RELATIONSHIPS WITH OUR STAKEHOLDERS <ul style="list-style-type: none"> ▶ 100% of employees trained in anti-corruption ▶ Internal "Arrondi Solidaire" initiative ▶ Implementation of programmes enabling the digital inclusion of the most far-flung regions ▶ Member of the Space Data Association

1.2 Group activities, main markets and competition Group's activities

1.2.1 Group activities

Operating capacity on 36⁽¹⁾ satellites in orbit between 139° West and 174° East providing coverage of EMEA⁽²⁾, the Americas and a large part of the Asian continent, the Group delivers services to broadcasters and network operators directly or via distributors.

As of 30 June 2023, Eutelsat's revenues amounted to 1.131 billion euros, of which 62% from Video Applications. The backlog stood at 3.4 billion euros, of which 59% for Video.

1.2.1.1 Video

Video revenues stood at 705 million euros for the Financial Year 2022-23, accounting for 62% of Eutelsat's revenues.

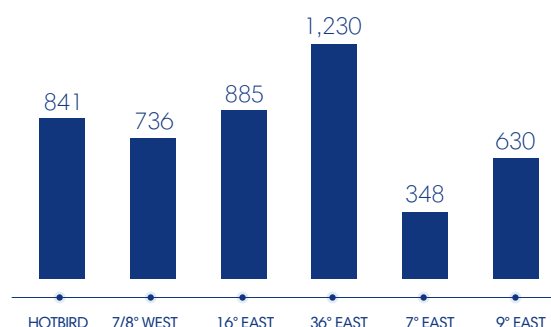
Eutelsat provides customers with broadcasting capacity and associated services to enable them to transmit TV programmes mainly to households that are either equipped to receive them directly via satellite, or – to a much lesser extent – connected to cable or IP networks. The Group therefore occupies a key position in the audiovisual chain which spans from the reporting site to the TV viewer's screen.

With 6,583 TV channels (including 2,061 in High Definition) broadcast via the Group's in-orbit resources, Eutelsat is a market leader in Europe, as well as in emerging broadcast markets including Russia, the Middle-East, North Africa, and Sub-Saharan Africa. Thanks to its premium broadcasting orbital positions, it benefits from the launch of new television channels and the growing popularity of new broadcasting formats (High Definition, Ultra High Definition).

Eutelsat is a pioneer in the development of Ultra High Definition broadcasting: for example, it launched the HOTBIRD 4K1 demo channel, encoded in HEVC and broadcast at 50 frames per second with 10-bit color depth, Europe's first Ultra-HD channel in this new standard. On 30 June 2023, Eutelsat carried 25 unique UHD channels on its fleet, mainly in Europe and Russia.

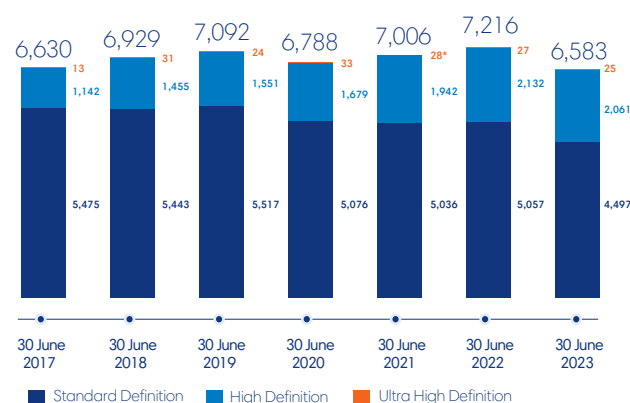
Eutelsat's business model is based on long-term relationships with its broadcasting customers, with large parks (sometimes several millions) of antennas pointed at the Group's satellites. The Group's customers include leading broadcasters such as Sky Italia and Rai in Italy, nc+ and Cyfrowy Polsat in Poland, Nova and OTE in Greece, United Group (Total TV) in the Balkans, DigiTurk in Turkey, Al Jazeera Sport and BeinMedia in the Middle-East, TricolorTV and NTV+ in Russia, Multichoice, Canal+ Overseas and ZAP in Africa, or Milicom in Latin America. They also include distributors like Telespazio or Arqiva.

► Channels broadcast on Eutelsat satellites at its main Video neighborhoods



Source: Eutelsat Communications.

► Number of channels on Eutelsat's fleet



Source: Eutelsat Communications.

* Of which 22 unique UHD channels.

Video revenues also include Professional Video services, where the Group provides:

- television channels or broadcasting platforms with point-to-point links, enabling them to route their programmes to dedicated teleports so they can be picked up on satellites offering broadcasting services for television channels. These professional video links also enable the establishment meshed networks which are used for the exchange of TV station programmes;
- and links for the transmission by broadcasters of current affairs programmes ("Satellite News Gathering" or SNG) in standard digital or in High Definition. The Group's customers for this type of service include the European Broadcasting Union (EBU), Sky, Globecast, Arqiva, as well as video reporting professionals and sports federations.

In these applications, capacity can be allocated on a permanent basis or for occasional use, the latter being sensitive to the holding of specific events, for example sports.

(1) As of 30 June 2022.

(2) Extended Europe consists of Western Europe, Central Europe, Russia & Central Asia, North Africa, the Middle-East and Sub-Saharan Africa.

1.2.1.2 Connectivity

Fixed Connectivity

Fixed connectivity revenues stood at 178 million euros for Financial Year 2022-23 and represented 16% of Eutelsat's revenues.

The Fixed Connectivity business includes Corporate Networks, Mobile Backhauling and Trunking services, essentially in Latin America, Africa and the Middle-East:

- ▶ Satellite corporate networks enable corporates to connect their network via satellite in remote areas thanks to VSATs (Very Small Aperture Terminals) on the ground. These verticals are served mostly indirectly via service providers, but the main users include, for example, the oil and gas industry, mining, banking or distribution. Corporate networks represent more than half of Eutelsat's Fixed Data Services revenues.
- ▶ Within the mobile network (backhaul) and Internet backbone connection (trunking) verticals, customers are predominantly telecom operators and Internet Service Providers (ISPs) seeking to connect their local platforms via satellites to international networks (Internet, voice) or extend their mobile networks in areas, which are difficult to reach.

Additionally, it includes Internet access solutions, notably IP Connectivity services.

Operating in the Ka-band, EUTELSAT KONNECT, which entered service in Financial Year 2020-21, provides 75 Gbps of capacity across a 65-beam network and marks a turning point in the evolution of multibeam satellites with unprecedented levels of flexibility. With a cost per marketable Gbps that is significantly lower than that of previously operated assets, it provides a competitively priced broadband Internet access solution for households in areas not covered by terrestrial broadband networks.

Initially, the satellite's coverage was split between Europe, with around 55% of capacity focused on high-demand regions – namely France, Italy, Germany, Spain, the UK – and Africa, where satellite significantly strengthened and replaced the capacity provided by a third-party operator.

In France and Italy, satellite capacity is marketed by Orange and Telecom Italia respectively. In Spain and Portugal, it is distributed by Hispasat. In the other covered countries (notably the United Kingdom, Ireland, Germany, Austria), Eutelsat marketed its own retail offerings for people who live outside the areas covered by fibre, until the disposal of the affiliate BigBlu Broadband (BBO Ltd) and the other European retail activities in June 2023.

In Africa, the Group addresses the connectivity needs of individuals, businesses and governments with services in 15 countries at this stage, in particular in the Democratic Republic of the Congo, Nigeria, South Africa, Cameroon, Senegal, Côte d'Ivoire and in Tanzania, with the prospect of serving a growing number of national markets in the future. In some countries (e.g. the Democratic Republic of the Congo or Côte d'Ivoire), Eutelsat markets its own services directly, tailored to the African market, while it relies on partners, in others (e.g. Coolink in Nigeria or Paratus and Vox in South Africa, Intersat in Senegal). The services that started with the lease of HTS capacity on the fleet of the operator Yahsat were migrated to the EUTELSAT KONNECT satellite.

In addition, Eutelsat provides Ka-band capacity for satellite Internet access in Latin America on the EUTELSAT 65 WEST A satellite, most of which is sold to EchoStar. Since autumn 2016, Eutelsat has also been providing satellite Internet access services in Russia on the EUTELSAT 36C satellite, notably through a partnership with Tricolor.

Government Services

Government Services revenues amounted to 143 million euros in Financial Year 2022-23 and represented 12% of Group revenues.

Government missions require reliable global communications that can be rapidly deployed throughout the world. The Group's satellites enable a wide coverage with a strong quality of service and provide direct links between Europe, the Middle-East, Africa, Asia, and the Americas. Whether operations are land-based, maritime, field or air, demand for satellite services is generally driven by three key needs: interconnection of sites that are dispersed or located at some distance from high-speed terrestrial routes, guaranteed immediate availability of capacity as well as security and reliability.

The Group notably addresses the needs in terms of satellite capacity required by the military and by intelligence, surveillance, safety, security and reconnaissance systems for the U.S. government that indirectly represents the majority of revenues in this application. In addition, the Group also operates the GEO-3 payload of the European Geostationary Navigation Overlay System (EGNOS), on board the EUTELSAT 5 WEST B satellite under a 15-year contract signed in 2017 with the European Global Navigation Satellite Systems Agency (GSA). Furthermore, the Group was awarded a contract by the GSA for the development, integration, and operation of its next-generation EGNOS GEO-4 service on the EUTELSAT HOTBIRD 13G satellite, which entered into service in May 2023, a 15-year contract with a total value of 100 million euros.

Besides the GSA, the main customers for this business unit are specialist distributors who cater for the needs of the U.S. government through contracts whose main terms are fixed on a multi-year basis, but which include annual exit options.

Mobile Connectivity

Mobile Connectivity revenues amounted to 110 million euros in Financial Year 2022-23 and represented 10% of Group revenues. The capacity is used to provide Connectivity services on planes or ships.

The Group has a portfolio of assets with capacity dedicated to Mobile Connectivity (in-flight or maritime) at 3° East, 10° East, 172° East, 33° East, 70° East, 115° West and 117° West orbital positions. With its portfolio of orbital resources and satellites, it is also able to provide services on satellites in inclined orbit, which can be relocated according to the market opportunities in that application. In the value chain, the Group is a raw capacity provider, and its main customers are distributors/integrators such as Panasonic, Anuvu, Marlink, GoGo, ViaSat or Speedcast, or telecom operators such as China Unicom or Telenor, which resell turnkey services to airlines or shipping companies.

In recent years, the Group has also developed its maritime business with agreements with Speedcast, Marlink and Telenor for capacity at multiple orbital positions. While the Group does not have a strong presence in the cruise ship connectivity segment, it is more active in the merchant marine and luxury ship segments.

The EUTELSAT 10B satellite, which is expected to enter service in 2023, will be a major growth driver for this application. It will provide significant incremental capacity with particularly well suited coverage for maritime and aero activities.

Contracts in this area are usually long-term, multi-year contracts.

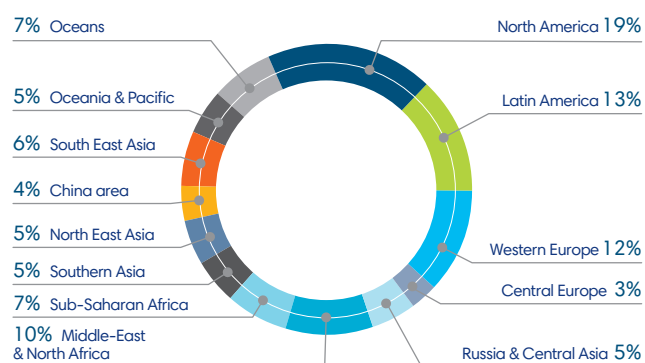
1.2.2 Main markets and competition

Fixed Satellite Services (FSS) operators operate geostationary satellites (GEO) that are positioned in an orbit approximately 36,000 kilometres from the earth in the equatorial plane. These satellites are particularly well-suited to transmitting signals to an unlimited number of fixed terrestrial antennas, which are permanently directed towards the satellite. They are therefore one of the most efficient and cost-effective means of communication for transmitting from one fixed point to an unlimited number of fixed points, as in the case of television broadcasting, for example. GEO satellites are also suitable for linking together a group of sites spread out over vast geographical areas (e.g. private business networks or retail outlets), as well as extending mobile telephone networks and Internet access to areas where terrestrial networks provide little or no coverage and establishing or restoring communications networks in emergency situations.

The growth of television in emerging markets, growing needs in terms of Internet access, whether fixed or on the move, and the role of satellites in complementing terrestrial networks to enable access to digital services in all regions are three key growth drivers in the FSS industry.

According to Euroconsult, the FSS sector generated global revenues of 10.1 billion U.S. dollars in 2021.

► Breakdown by region of revenue for FSS sector



Source: Euroconsult, 2021 edition, based on total FSS operators wholesale revenues.

1.2.2.1 The Fixed Satellite Services industry

A market with visibility

Eutelsat: a core player in the most resilient segments

Visibility on the FSS market is underpinned by several factors:

- satellites represent the most efficient and cost-effective technology for broadcasting content over large geographical areas;
- barriers to entry remain significant due to a complex international regulatory framework and the high level of investment and technical expertise required;
- customers, especially those in the Video broadcasting business, prefer to secure satellite capacity on a long-term basis;

- long-term partnerships are encouraged due to the high costs involved in transferring services in the event of a change of satellite operator, particularly in Video broadcasting.

The market for Video broadcasting, Eutelsat's historical business, has high visibility and is reflected by a backlog that represents close to three years of Group revenues.

Furthermore, as an infrastructure used to distribute content, satellite benefits from the trend of secular growth in usages and global data traffic.

An increase in usages driven by the digital revolution

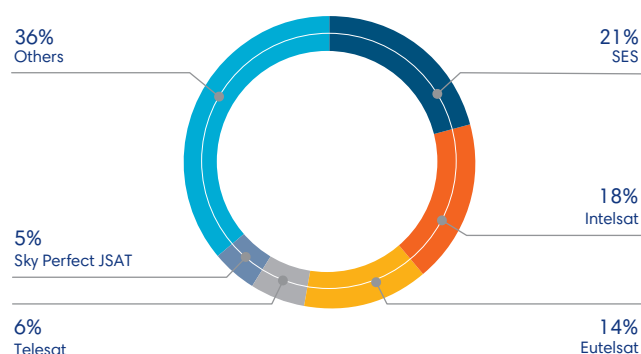
Eutelsat: a key player in the distribution of Video content

The television market is evolving. Larger television screens call for improvements in image quality, notably the development of High Definition and Ultra High Definition (UHD), which require additional bandwidth. Moreover, despite a growing trend towards the combined consumption of linear and Internet content, reflected by the ramp-up of connected television and multi-screen services, linear television remains the primary means to view video content.

Satellite remains the distribution infrastructure enabling Free-to-Air or Pay-TV platforms to reach the largest audience at a competitive cost with best-in-class image quality.

A fast-changing and competitive environment

► Operators' global market share (based on revenues)



Source: Euroconsult, 2021 edition.

The three largest operators – Intelsat, SES and Eutelsat – hold more than a 50% market share in the FSS sector. At the regional level, some operators have also implemented for a few years investment programmes with a view to expanding their markets and competing with global operators. These programmes may encounter obstacles such as the high level of investment, expertise and commercial effort required, as well as the complexity of the international regulatory environment. In addition, for certain non-video applications, the arrival of HTS and subsequently VHTS satellites driven by technical innovation provides increased throughput at competitive costs.

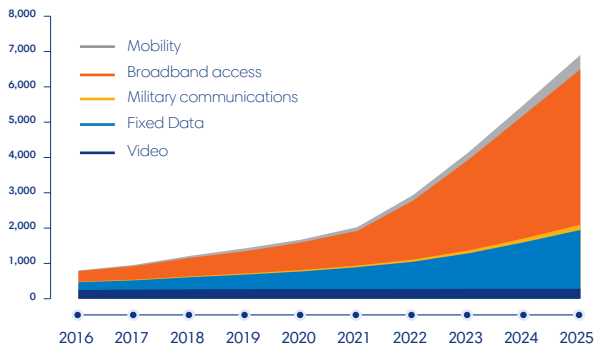
Finally, several Low Earth Orbit constellation projects are emerging, although they are at different stages of development. These Low Earth Orbit constellations are based on different principles than those of geostationary satellites. Lower orbits (ranging from a few hundred km to a few thousand km) give lower latencies than those of geostationary satellites; low-orbit satellites are standardised and smaller, with less mass, but there are more of them (from a few dozen to several thousands) and eventually offering global coverage. Although they aim to ultimately address a wide range of uses (Fixed Connectivity, Mobility, Government), they will not be serving the Broadcast markets. In addition to OneWeb in which the Group has invested (see below), these projects include Starlink (SpaceX), which is already in service, and several constellations that are not yet operational such as Kuiper (Amazon) and Lightspeed (Telesat).

These investments, together with the growth of established operators and technical innovation, are reflected by an increase in the amount of geostationary satellite capacity on the market, which differs depending on the applications. Whereas regular capacity global supply should, according to Euroconsult, decline by 19% between 2020 and 2025, HTS capacity supply dedicated mostly to Connectivity is expected to be multiplied by three over the same timeframe.

A dual market dynamic

In the satellite capacity market, Broadcast is the main historical activity. Although it is a resilient business, it is expected to continue declining in the coming years despite pockets of opportunity in emerging markets, given a contraction in demand in mature markets (Europe). At the same time, new high-growth markets are emerging in so-called "Connectivity" activities. These include Fixed Connectivity, Government Services and Mobile Connectivity, some of which are heritage activities to be reinvigorated by technological evolution and innovation in the satellite industry. These activities offer a significant growth potential for satellite operators in the medium and long-term.

► Breakdown by application of global demand in Gbps (regular and HTS capacity used)



Source: Euroconsult, 2021 edition.

1.2.2.2 Broadcast businesses – market prospects

Broadcast is the largest segment of the FSS market, accounting for circa 3,200 transponders worldwide, equivalent to 50% of the volume of regular capacity available on the market (source: Euroconsult, 2021 edition). In North America, the decline in the channel line-up is more pronounced.

Overall, the Broadcast market benefits from two structural trends:

- the number of homes equipped with a satellite terminal should continue to increase. Between 2021 and 2026, it is expected to increase by more than 9 million units on Eutelsat's main broadcast markets (EMEA and Russia), representing a slight progression in satellite market share in terms of TV reception that is expected to stand at around 36%, stable over the same period (source: Digital TV Research);
- the number of channels broadcast by satellite worldwide stood close to 42,000 in 2022 (source: Eutelsat).

Market dynamics differ between developed and emerging countries.

In developed countries:

- The market is mature. In Europe in particular, trends should be slightly down, with HD and UHD ramp-up partially offsetting improvement of compression and encoding format as well as end of certain simulcast channels. In North America, the decline in channels is more pronounced.
- Requiring more satellite capacity than Standard Definition (a 36 MHz transponder can broadcast more than 20 Standard Definition channels or around 9 HD channels in MPEG-4 format), the HD penetration rate on Eutelsat satellites has risen from 30% to 31% in the past year. According to Euroconsult, the number of HD channels should increase at a weighted average annual rate of 7% in EMEA and Latin America over the 2020-2030 period to more than 13,000 channels by 2030.

PRESENTATION OF EUTELSAT COMMUNICATIONS

Group activities, main markets and competition Group's activities

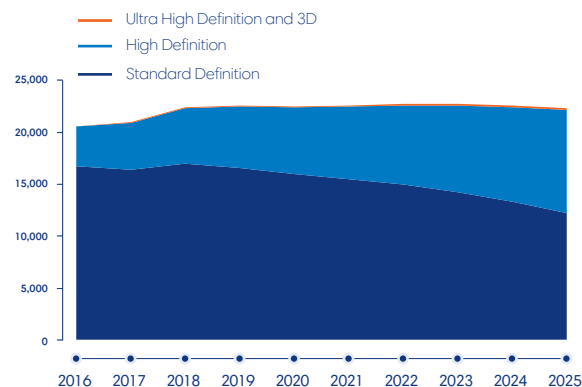
- Conversely, technological advances in the compression of television signals together with the discontinuation of simulcast channels have a negative impact on capacity requirements. The implementation of the DVB-S2 standard and the adoption of the MPEG-4 compression format will make it possible to broadcast up to twice as many channels per transponder, thereby optimising the use of bandwidth between television channels, which in turn reduces the cost of accessing satellite capacity for new entrants on the market. However, Eutelsat is more advanced on compression (76% of channels are already in MPEG-4) than on HD penetration (penetration rate of 30%). Future HD ramp-up should therefore be more significant than the growth in the number of MPEG-4 channels. In addition, it should be noted that the generalisation of a new compression format is a very long-term phenomenon insofar as it requires compatible equipment (television or box) at the end user's premises.
- Ultra High Definition technology is developing, and suitable equipment is beginning to emerge. It is currently almost three times as bandwidth-hungry as HD, even factoring in the efficiency gains brought by the new HEVC compression format, which creates opportunities for growth demand.
- The development of interactive platforms as a result of the emergence of new non-linear ways of watching television is prompting operators to design new services that combine access to both linear television and a catalogue of on-demand services. Eutelsat's teams are involved in this process and are continuously working to enhance television services and supply of connected television services.

In emerging countries, demand is still well oriented in terms of volume. According to Euroconsult, between 2020 and 2025, demand for capacity (Gbps) for Broadcast will grow by 2% per year in Latin America, Sub-Saharan Africa, the Middle-East and North Africa, as well as in Russia and Central Asia. The key factor driving this growth is the increase in the number of channels broadcast by 10% over the past five years. The potential for further growth is noticeable since, for example, there are currently only two channels per million inhabitants in Sub-Saharan Africa, compared with more than 30 per million inhabitants in North America.

Moreover, HD penetration is weaker than in mature countries. For example, in Sub-Saharan Africa, HD penetration stands at 11% compared with 40% in Western Europe (source: Euroconsult, 2021 edition). HD penetration is forecast to grow in these regions, which will have an additional positive effect on demand.

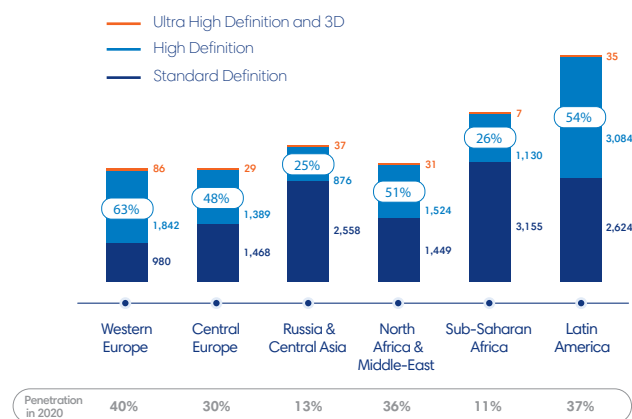
Overall, in the Group's main markets, Broadcast is expected to experience an average annual value contraction in the low-to-mid single digits in the coming years.

- Evolution of the number of SD, HD and UHD channels in Extended Europe and Latin America



Source: Euroconsult, 2021 edition.

- HD penetration by subregion in 2025



Source: Euroconsult, 2021 edition.

1.2.2.3 Connectivity Applications – market prospects

The market for Connectivity Applications represents one of the greatest potential medium and long-term growth opportunities in the satellite segment.

Fixed Connectivity

Broadband

The number of homes equipped with a satellite terminal connected to the Internet has risen by 27% in five years to reach 3 million worldwide (source: Euroconsult, 2021 edition). Mainly confined to the European and American markets at this stage, Satellite Broadband is expected to grow in the years ahead, especially in Europe, and expanding to new regions, notably Africa.

The development of the market for Broadband is driven by the following factors:

- ▶ In all geographical areas, millions of homes will long remain out of reach of terrestrial infrastructures. Therefore, the satellite is the only way for them to have access to Internet, representing a highly significant addressable market for the FSS industry. In Europe, for instance, at least four million homes will still be deprived of fixed terrestrial Internet connection exceeding 10 Mbps and 4G or 5G indoor Connectivity in 2030 in spite of the investment programmes announced by governments and telecom operators. In most emerging countries, the deployment of terrestrial networks is lagging behind mature countries, which means the addressable market in those countries is even more significant, representing for example also several million units in Africa.
- ▶ The emergence of HTS satellites ("High Throughput Satellites") in the Ka frequency band has significantly reduced the cost of access to satellite resources for connectivity services when compared to traditional satellites. The deployment of second generation HTS satellites such as EUTELSAT KONNECT and of VHTS satellites ("Very High Throughput Satellites") such as EUTELSAT KONNECT VHTS with dramatically increased capacity compared to HTS satellites, provide a far larger number of users with offers comparable in terms of price and quality to very-high-speed terrestrial networks, leading to a change in scale in these markets, without saturating the strong demand described hereabove.

Including revenues generated by both geostationary and non-geostationary satellites, this market should represent a global opportunity of more than 4 billion U.S. dollars of revenues by the end of the decade (source: Euroconsult 2021) and growing at an average annual rate of around 17%.

Fixed Data

The Data market is composed of several segments: business networks, the interconnection of mobile networks and trunking.

- ▶ VSAT business networks: although optic fibre is currently penetrating urban areas, many rural and suburban areas are

being left behind as they do not offer a sufficient return on investment for terrestrial operators. In many areas, in particular in emerging countries, satellite technology is therefore the optimal solution. Three sectors account for the majority of demand for this segment: the oil and gas industry, for connecting onshore and offshore drilling platforms; and the banking and retail sectors, for securely circulating financial and logistical data between different outlets. More than two million VSAT terminals for business networks are in operation, globally, and this is expected to continue to grow as illustrated by the chart in Section 1.2.2.1.

- ▶ Interconnecting mobile networks: The market for interconnecting mobile networks is defined as the transmission of information (primarily voice at present and data in the future) between base stations (that connect directly to mobile terminals, such as mobile telephones) and their various network aggregation points. Satellite is one technology amongst others (such as optic fibre and microwave) for transmitting information between these points. It is concentrated in emerging countries, in particular Latin America, Africa and Southern Asia. For satellite operators, this segment should benefit from the development and the extension of data-greedy 3G/4G/5G mobile networks, therefore generating additional demand for satellite capacity that will make it possible to complement the coverage of terrestrial networks. In particular, low earth orbit satellites are well positioned to capture this opportunity due to their low latency.
- ▶ The "trunking" market is defined as the transmission of information (voice or data, also known as "IP trunking") between one national backbone network and another. This market is in decline in large part due to competition from terrestrial infrastructures, fibre or submarine cables. Nevertheless, satellite technology still plays an important role in areas that are not connected to the terrestrial network or that have a poor connection to the network. There is also a specific market segment that helps to secure the network in countries where optic fibre is unreliable.
- ▶ Finally, the development of the Internet of Things (IoT) in various applications (transport, logistics, agriculture, intelligent environments, etc.) represents a new market for satellite operators as a complement to other infrastructures, whether to connect objects directly or because the networks of IoT actors themselves need to be interconnected. It represents a significant long-term growth opportunity.

Overall demand is expected to grow in volume notably thanks to increased Data traffic and network extension but is accompanied by a significant and sustained decline in prices, reflecting an increase in available satellite capacity, particularly HTS and VHTS, and a decrease of its production cost. While Fixed Data from geostationary assets has declined in recent years, with a trend that is however tending to improve significantly, non-geostationary satellites will capture most of the future growth in this application in the long-term.

Including revenues generated by both geostationary and non-geostationary satellites, this market should represent a global opportunity of more than 3 billion U.S. dollars of revenues by the end of the decade (source: Euroconsult 2021) and growing at an average annual rate of around 10%.

Other Connectivity applications

Other connectivity applications include Government Services and Mobile Connectivity. The market addressed by these verticals is evaluated at around 11 billion U.S. dollars (source: Euroconsult 2021) by the end of the decade and growing at a double-digit rate, including revenues from both geostationary and non-geostationary satellites. Whilst most of the growth in this market will be captured by low or medium earth orbit satellites, geostationary satellites will continue to play a major role in these segments given their characteristics, particularly in terms of coverage and throughput, as well as the installed base of terminals and antennas.

Government Services

In the medium and long-term, demand in the Government Services market will benefit from developments in security, surveillance, safety and IT Systems in a context of increasing volumes of data exchanged, miniaturisation of equipment and deployment of remote-controlled systems, and from the increasing use of commercial capacities by governments, seeking to rationalise spending on the long-term. Increasing space defence budgets is also a positive factor. Finally, the geopolitical context remains an element that can impact demand in the short-term.

Non-geostationary satellite constellations are expected to further broaden the market given their ubiquitous coverage characteristics. While geostationary satellites will continue to play a major role in this segment as they benefit from a large base of terminals installed and the launch of innovative services (e.g. EUTELSAT QUANTUM), non-geostationary satellite constellations will progressively capture most of the growth in this segment.

Including revenues generated by both geostationary and non-geostationary satellites, this market should represent a global opportunity of more than 4 billion U.S. dollars of revenues by the end of the decade (source: Euroconsult 2021) and growing at an average annual rate of around 13%.

Mobile Connectivity

Broadband mobile communications is a market with strong growth potential both in maritime and in-flight Connectivity.

Although it was strongly affected by the Covid-19 health crisis, demand for in-flight Connectivity – in terms of volume – is expected to increase in the middle and long-term thanks to the following factors:

- ▶ the resumption of air traffic;
- ▶ passengers' growing demand for Connectivity, with an increase in the number of smart devices and the rise of more bandwidth-hungry usages, both of which are reflected in the exponential growth in data consumption per user;
- ▶ the desire of airlines to offer this new service as a way of differentiating themselves from competitors leading to an increased penetration of aircraft equipped for in-flight Connectivity services;
- ▶ the arrival of HTS satellite capacity (and subsequently VHTS capacity), giving access to larger capacities at a lower cost and offering a very-high speed experience to passengers should result in increased use of the service by users;
- ▶ the proliferation of rotating flat dishes, reducing indirect costs (weight and maintenance).

The market for maritime satellite Connectivity is made up of different sub-segments, each with its own dynamics: merchant ships, cruise ships, yachts. It is expected to grow, particularly in light of more bandwidth-hungry usages and due to factors which are common to Aero Mobility.

In the long-term, including revenues generated by both geostationary and non-geostationary satellites, this market should represent a global opportunity of more than 3 billion U.S. dollars of revenues by the end of the decade (source: Euroconsult 2021) and growing at an average annual rate of around 17%.

1.2.3 Group Strategy

In the face of the market environment, Eutelsat has implemented a two-step strategy in response to the secular slowdown in growth of its historical video businesses since 2017. The aim of the first step is to maximise the revenue generation of its businesses by adapting its operational and financial objectives. The second step consists of returning to growth by optimising value creation and capturing the longer-term potential in Connectivity, through the implementation of a "Telecom pivot".

The strategic roadmap of the Group is based on two pillars:

- ▶ Maximise cash generation of our heritage businesses in order to fund our transition toward high growth verticals whilst keeping a sound financial situation;

- ▶ Return to growth in the Connectivity verticals: through the implementation of a "Telecom pivot", aimed at serving the long-term needs of telecom operators and growing data needs. To this end, the Group will rely on:
 - geostationary-enabled: in Fixed Broadband with EUTELSAT KONNECT and KONNECT VHTS satellites as well as in other applications via selected investments such as EUTELSAT 10B,
 - low-orbit-enabled: via the stake in OneWeb and the proposed combination (see below)

The Group will work to generate synergies between its GEO and LEO assets.

1.2.3.1 Maximising Free Cash Flow generation

The maximisation of Discretionary Free Cash Flow generation is achieved through a set of financial and operational measures in the Group's heritage businesses, in particular Video, which is the main driver of the Group's cash flow generation.

Financial Measures

Financial measures are structured around four areas:

- ▶ Optimising capex: capex savings were achieved without impacting the current deployment plan and associated future revenues. Savings will notably be driven by the implementation of a "design-to-cost" approach. The replacement of the HOTBIRD constellation is an illustration of this approach, where three HOTBIRD satellites (HOTBIRD 13B, HOTBIRD 13C, HOTBIRD 13E) are being replaced by two, following the successful launch and entry into service of HOTBIRD 13F, HOTBIRD 13G. Several other elements will also contribute to capex reduction, in particular the capitalisation on industry-wide efficiency improvements and the strict monitoring of Ground capex. The average annual investment budget has been reduced to a maximum of 400 million euros per year.
- ▶ Reducing the cost of debt: the refinancing of bond issues maturing in March 2017, January 2019 and January 2020 generated savings at run rate of respectively circa 30 million euros, circa 24 million euros and circa 10 million euros per year before tax. This lever remains dependent on the macroeconomic situation, namely the level of interest rates.
- ▶ Controlling operating costs with the implementation of the "LEAP 1" cost-savings plan generated 32 million euros in annualised savings in 2018-19, and then a "LEAP 2" cost-savings plan made it possible to secure a further 24 million euros in savings in 2021-22.
- ▶ A reduction of the order of 70 million euros in the annual tax burden, following the change in French tax territoriality treatment.

Furthermore, in order to maximise cash and accelerate deleveraging, Eutelsat streamlined its portfolio of assets with the disposal since 2016 of several assets (Hispasat, Wlms/DHL, EUTELSAT 25B, EBI) for a consideration of more than 750 million euros at an average Adjusted EBITDA multiple around 8x.

Adaptation of strategy in core Video business

The Group's strategy for mature countries aims to optimise the value of its assets by:

- ▶ increasing direct access to its customers when and where appropriate; reorganisation of indirect distribution in specific cases; Therefore, following the partial renewal of its contract with the distributor Nilesat in the Middle-East in October 2021, the Group directly markets most of its capacity at the 7/8° West position, relying in particular on Noorsat, a distributor acquired in 2018;
- ▶ stimulating HD and Ultra HD take-up by implementing more segmented pricing strategies aiming at capturing part of the efficiency gains enabled by improved modulation formats;
- ▶ attracting premium channels in different language pools;
- ▶ implementing more segmented pricing policies with the objective of capturing part of the efficiency gains resulting from the new modulation formats;
- ▶ developing a new set of services to strengthen relationships with customers while generating additional revenue opportunities. During the fiscal year, Eutelsat launched Sat.tv, its enhanced electronic programme guide (EPG) for free-to-air television channels. This service is currently available on the 7/8° West position for more than 56 million Arabic-speaking households in the Middle-East and North Africa and will be progressively deployed at other Eutelsat video neighbourhoods. It offers a comprehensive and automatically updated programme schedule with a consistent presentation of channels and numbering by region.

At the same time, Eutelsat will continue to pursue growth opportunities in emerging countries by:

- ▶ leveraging its existing in-orbit resources: for example in Financial Year 2022-23, certain Latin American customers such as PCTV and Star TV committed to additional transponders for broadcast services in Mexico and Brazil, leveraging the unparalleled coverage of the EUTELSAT 65A, 117WA and 117WB satellites over the region;
- ▶ continuing to invest selectively in the most promising markets. The entry into service of EUTELSAT 7C in January 2020 has significantly improved coverage in Sub-Saharan Africa where the Video market is expanding rapidly. A contract has been signed with Canal+ shortly after the entry into service of the satellite for the launch of a new DTH platform in Ethiopia.

All these measures helped the Group ensure a high level of free cash flow despite the erosion of revenues experienced by the Group in recent years. As a result, since 2018-19, the Group has generated a cumulative Discretionary Free Cash Flow of 2.3 billion euros over the last five fiscal years.

1.2.3.2 Returning to growth by seizing long-term opportunities in Connectivity

Eutelsat's return to growth is based on long-term opportunities in Connectivity, be it in Fixed Connectivity or other applications (Government Services, Mobile Connectivity or Internet of Things). This "Telecom pivot" aims to serve the long-term needs of telecom operators and growing data needs.

GEO enabled

In Broadband via EUTELSAT KONNECT and KONNECT VHTS, in particular

Eutelsat aims to serve households that will remain permanently out of the reach of terrestrial networks (Fibre, 4G, 5G) by enabling users located in areas of the digital divide to access very high-speed solutions at prices, comparable to those of terrestrial services. It does not aim – in any way – to compete with telecom operators but rather to act as a complement to their networks.

Financial Year 2020-21 was marked by the entry into service of the EUTELSAT KONNECT satellite from November 2020, providing significant resources to serve the Broadband markets in Europe and Africa. It marks a turning point in the evolution of multibeam satellites thanks to unprecedented levels of flexibility that optimises fill rates to favourable economic conditions, with a significantly lower cost per marketable Gbps than that of existing in-orbit assets. The ramp-up of the EUTELSAT KONNECT satellite continued in fiscal year 2021-22 with four of the main European markets (France, Italy, Switzerland, Spain) covered by wholesale or distribution agreements with major operators (Orange, TIM, Swisscom and Hispasat, respectively).

The Group has made major progress in implementing its European Fixed Broadband strategy with the reorganisation of its European business:

- ▶ the disposal of the stake in Eurobroadband Infrastructure, which carries the KA-SAT satellite, in service since 2011;
- ▶ the disposal of BigBlu Broadband Europe, a retail distributor of Fixed Satellite Broadband in Europe, as well as all the other retail activities.

Distribution in Europe is made through wholesale agreements with telecom operators, like those signed with Orange, Hispasat and Telecom Italia mentioned in the previous paragraph. Potential agreements with other operators are still under discussion. This "wholesale" axis is the Group's preferred approach because of its better profitability and the visibility it provides.

A second satellite, KONNECT VHTS, whose main application will also be Broadband, will mark a major milestone and a real change of scale for Connectivity. This VHTS satellite, with a total capacity of approximately 500 Gbps covering Europe and scheduled for entry into service in the second half of calendar year 2023, will carry the most powerful digital processor ever put into orbit, capable of combining flexibility in capacity allocation, optimal use of spectrum and gradual deployment of the network on the ground.

In addition to Europe, the Group is also present in other areas:

- ▶ in Africa, using the KONNECT satellite, which will eventually (after the entry into service of KONNECT VHTS) be fully redeployed in Africa, and where capacity marketing efforts are focused in the following directions:
 - distribution agreements with service providers (e.g. Coolink in Nigeria or Paratus and Vox in South Africa) or telecom operators (Telone in Zimbabwe),
 - digital inclusion programmes supported by governments, such as the agreement with Schoolap in the DRC (connection of several thousands schools) or the Post Office in Côte d'Ivoire,
 - direct distribution, which reinforces the knowledge of the end user's needs with a few directly operated shops in the DRC and Côte d'Ivoire,
 - Wi-Fi hotspots to provide high-speed Internet access at public places such as hospitals, schools and universities, shops, etc.;
- ▶ in Russia with a Ka-band HTS payload on the EUTELSAT 36C satellite: the service was launched in autumn 2016 and is based on a partnership agreement with the Russian pay-TV operator Tricolor TV particularly;
- ▶ in Latin America, where the Ka-band payload on the EUTELSAT 65 WEST A satellite is largely leased to the Echostar group.

In other Connectivity applications via selected investments

Given the strong demand in other Connectivity activities (Fixed Data, Government Services, Mobile Connectivity and Internet of Things), the Group will pursue growth opportunities with multiple initiatives including selected investments, as long as they are consistent with its financial framework, provide a differentiating factor and/or are associated with significant customer commitments. The Group will also pursue the optimisation of its existing assets in these applications.

In particular:

- ▶ Eutelsat has ordered the EUTELSAT 10B satellite, during the fiscal year 2019-20, which entered into service in late July 2023 and includes two incremental HTS Ku-band payloads dedicated to mobility offering exceptional coverage from the Americas to Asia. Firm multi-year capacity commitments have already been made, from Intelsat and Panasonic, reflecting the strong demand for Ku-band mobility services in this geographical area.
- ▶ EUTELSAT QUANTUM, entered into service in November 2021, is a new software-based reconfigurable satellite, bringing a differentiated value proposition with an on-going ramp-up. Customers benefit from the flexibility to configure coverage, bandwidth, power and frequencies. The applications enabled by this new concept in satellite technology are particularly suited to customers in the Government Services and Mobility sectors who are seeking operational flexibility.
- ▶ The KONNECT VHTS satellite, although mainly dedicated to broadband (see above), will also provide Ka-band capacity over Europe, starting during 2023 calendar year, adequate to deliver a very high-speed broadband experience and notably meet the needs of the Mobile Connectivity and Government Services markets.
- ▶ In Government Services, opportunities for hosted payloads will be pursued, such as the EGNOS payloads on EUTELSAT 5 WEST B and on EUTELSAT HOTBIRD 13G (both in service), as well as the UHF payload on EUTELSAT 36D.

- ▶ Moreover, Eutelsat is exploring the possibility of a further development in the Internet of Things (IoT) market, in particular with the ELO constellation project. This constellation relies on nano-satellites at reduced costs (around 1 million euros per satellite) complementing terrestrial IoT networks and enabling global coverage, so that objects are able to transmit data, irrespective of their location and without increasing their cost or energy. The first phase is devoted to in-depth tests, with five satellites, of which 4 have already been launched. Other satellites could gradually be added to the constellation if this new initiative proves successful, with a global commercial service being possible with a few tens of satellites.
- ▶ The Group will keep optimising the resources of its geostationary fleet, developing notably managed services to deliver a service in Mbps to the client. The Group notably launched Eutelsat ADVANCE, an innovative portfolio of managed connectivity services combining Ka and Ku-band for a truly end-to-end global service. It addresses demand for connectivity services with extended reach, as business processes increasingly migrate to the cloud. The Group will also keep looking for commercial opportunities coming from the relocation of satellites operating in inclined orbit as illustrated by the agreement signed with Global Eagle for mobility services at 139° West.
- ▶ Finally, the Group has selected Thales Alenia Space to build FLEXSAT AMERICAS, a new next-generation of highly flexible, software-defined satellite. The new satellite will expand Eutelsat's in-orbit assets providing more than 100 Gbps of incremental capacity over the Americas to support the surging demand for the Connectivity market. It will also be able to accommodate joint GEO-LEO services, specifically in zones where demand is highly concentrated. The FLEXSAT is expected to be delivered in 2026.

LEO-enabled via OneWeb in order to address Telecom needs in the longer-term

Through its investment in OneWeb, the Group benefits from a compelling entry point to the considerable LEO constellation opportunity in the Connectivity applications (excluding Broadband), especially in Fixed Data, Government Services and Mobility, with, in addition, a strong commercial potential for "win-win" co-operation thanks to complementarity of resources and assets.

With all of its satellites now launched, on the network on track to reach global coverage by the end of 2023 (calendar), the OneWeb

constellation enjoys valuable ITU-backed priority spectrum rights and will operate 634 satellites in low orbit (LEO) offering low latency. This first generation of satellites will offer global coverage and deliver 1.3 Tbps of capacity addressing the Government, Fixed Connectivity and Mobility markets. A second-generation constellation will be launched and would provide significant enhancements in terms of capacity, flexibility and economics.

A Global Distribution Partnership to Address Key Connectivity Verticals has been signed between Eutelsat and OneWeb: it reflects the deepening cooperation between the two companies and showcases the synergies between them, delivering Eutelsat's extensive commercial reach to OneWeb while complementing Eutelsat's fleet of geostationary satellites with Low Earth Orbit assets. It paves the way for the companies to work together on developing combined GEO/LEO connectivity solutions. This agreement was strengthened by an exclusive commercial partnership agreement with Eutelsat, taking a firm commitment for some OneWeb's capacity and benefitting from exclusive use over certain pre-determined sales regions and verticals, in particular continental Europe and Global cruise.

In a context where LEO features will enable the extension of the addressable market for satellite operators well beyond their current reach, the complementarity of Eutelsat's and OneWeb's resources and assets is expected to optimise both companies' commercial potential thanks to Eutelsat's strong commercial and institutional relationships, recognised technical expertise and global geostationary fleet, and OneWeb's ability to address the multiple applications requiring low latency and ubiquity.

The planned merger between Eutelsat and OneWeb announced in July 2022 marks a massive acceleration and change in dimension of this strategic axis.

Eutelsat and the main shareholders of OneWeb (Bharti, the UK Government, Softbank and Hanwha) signed on November 14, 2023 the final combination agreement.

Completion of the transaction remains subject to the customary conditions precedent the approval by the relevant regulatory authorities, in particular. Given the currently expected timetable for review by these authorities and for receiving the necessary authorisations, the Extraordinary General Meeting of Eutelsat shareholders, called to approve the transaction, is expected to be held on 28 September 2023.

1.2.4 Extra-Financial Group Strategy

The Group's strategy, with respect to CSR, seeks to focus on those areas where it can maximise its influence, in particular, protecting the environment and keeping the space around Earth, uncongested and clean and reducing the digital divide. For several years, it has been working on the reduction of its carbon footprint even if, given the nature of its activities, the Group has a limited impact on the production of greenhouse gases.

In this context, the Group's CSR policy identifies four major areas of focus:

- engaging in efforts to bridge the "digital divide";

- protecting the environment and maintaining the space around the Earth uncongested and clean;
- ensuring equal opportunities for all;
- strengthening our relationships with other stakeholders by promoting our corporate values as well as ethics and loyalty principles.

KPIs specific to each of these four areas have been defined and action plans have been put in place. These elements are described in more detail in Chapter 3 of this document. In addition, the compensation of Corporate Officers includes objectives linked to the Company's non-financial performance (see Chapter 2 of this document).

1.3 In-orbit operations

Operational review for Financial Year 2022-23

▸ Main changes since 30 June 2022

- On 7 September 2022, the satellite EUTELSAT KONNECT VHVS was successfully launched by an Ariane V rocket. It is expected to enter into service in the second half of 2023 (calendar).
- On 15 October 2022, the satellite EUTELSAT HOTBIRD 13F was successfully launched by a Falcon-9 rocket. The satellite integrated the EUTELSAT Fleet on 4 April 2023 providing a 3-month service at 0.5° East, prior to its commissioning at 13° East expected in Q3-2023 (calendar).
- In October 2022, all services stopped on EUTELSAT 133 WEST A (WE1) and the satellite was switched off and re-orbited.
- On 3 November 2022, the satellite EUTELSAT HOTBIRD 13G was successfully launched by a Falcon-9 rocket. The satellite entered into service at 13° East on 30 May 2023.
- Following the commissioning of EUTELSAT HOTBIRD 13G and the successful transfer of services, the satellite EUTELSAT HOTBIRD 13C (HB9) was relocated to 12.5° West under the name EUTELSAT 12 WEST G and commissioned at this position on 19 June 2023.
- On 23 November 2022, the satellite EUTELSAT 10B was successfully launched by a Falcon-9 rocket. The satellite entered into service at 10° East on 24 July 2023.
- In late December 2022, all services stopped on EUTELSAT 5 WEST A (WA3) and the satellite was switched Off and re-orbited.
- On 15 April 2023, the satellite EUTELSAT ELO-3 was successfully launched by a Falcon-9 rocket in Low Earth Orbit (LEO).
- On 13 June 2023, the satellite EUTELSAT ELO-4 was successfully launched by a Falcon-9 rocket in Low Earth Orbit (LEO).

▸ Main investments

During the financial year, the Group has continued its investment programme. Cash Capital expenditure amounted to 271 million euros⁽¹⁾.

Procurement of satellites during Financial Year 2022-23

Eutelsat selected Thales Alenia Space to build FLEXSAT AMERICAS, a new generation of highly flexible, software-defined satellite. The new satellite will expand Eutelsat's in-orbit assets providing more than 100 Gbps of incremental capacity over the Americas to support the surging demand for Connectivity. It will also accommodate joint GEO-LEO services, specifically in zones where demand is highly concentrated.

The FLEXSAT is expected to be delivered in 2026.

Procurement of satellites during Financial Year 2021-22

None.

(1) This includes capital expenditures and payments under existing export credit facilities and under long-term lease agreements on third party capacity.

► Satellites under procurement

► Nominal deployment programme

Satellite	Orbital position	Estimated entry into service (calendar year)	Main applications	Main geographic coverage	Physical Transponders/ Spot beams	Of which expansion
EUTELSAT 36D	36° East	H2 2024	Broadcast Government	Africa, Russia, Europe	70 Ku UHF payload	UHF payload
FLEXSAT AMERICAS	-	2026 (delivery)	Connectivity	Americas	Over 100 Gbps	Over 100 Gbps

KONNECT VHTS, which was successfully launched in FY2022-23, should enter into service in the second half of 2023 (calendar).

► Launch services associated with satellites under procurement

Generally speaking, under its security policy and resource deployment plan, the Group aims to diversify its launch service providers, as much as possible, to ensure a degree of operational flexibility in the event of a failed launch. For example, its satellites are technically adaptable to a launch using several different types of launch vehicles. Similarly, the Company may choose to re-allocate satellite launches to another of its launch service providers under its firm or optional launch services contract.

► Anticipated sources of funds needed to fulfill commitments involving future investments

As of 30 June 2023, the liquidity position including cash and undrawn credit lines was around 1.5 billion euros.

The main committed investments relate to future satellites including ground network necessary for their operation. The satellites under procurement at the date of this document are described in Section 1.3 of the document ("Satellite under procurement") and the attendant payments in Section 6.1.3.5.

The Group expects that its financing requirements for committed investments will be met by its available liquidity, the discretionary free cash flow generated and possible recourse to Bank or Bond markets if needed.

Satellite fleet

As of 30 June 2023, the Group operated capacity on 36 satellites of which 4 in inclined orbit.



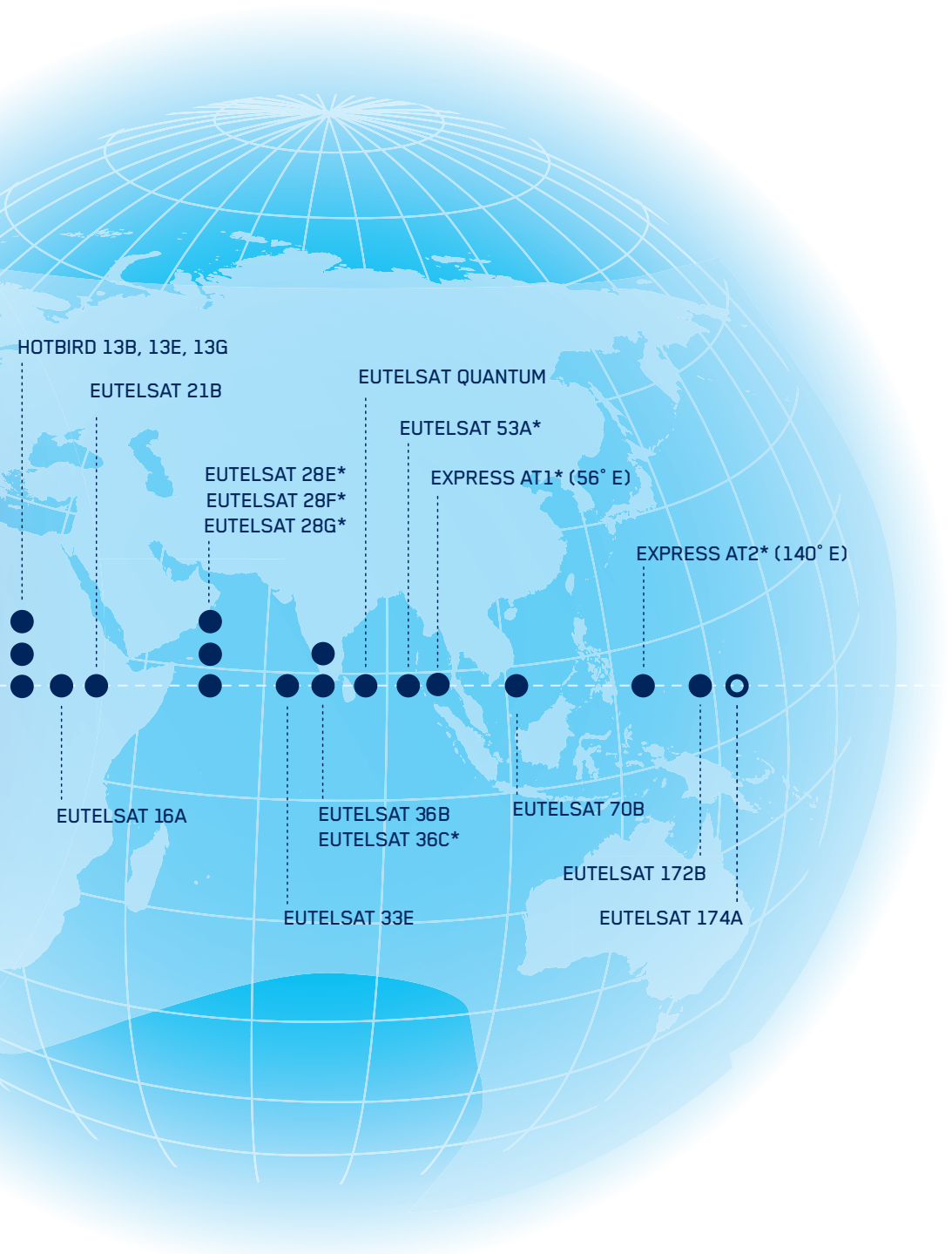
THE EUTELSAT FLEET

JUNE 2023

- stable orbit
- inclined orbit
- * capacity on third-party satellites

IN ORBIT RAISING:
EUTELSAT KONNECT VHTS
EUTELSAT HOTBIRD 13F
EUTELSAT 10B

FUTURE SATELLITES:
EUTELSAT 36D
FLEXSAT



► Fully owned capacity as of 30 June 2023

Name of satellite	Orbital position	Geographic coverage	Nominal capacity ⁽¹⁾ (in number of physical transponders)	Launch date	Estimated Orbital Manoeuvre Lifetime as of 30 June 2023 ⁽²⁾ (calendar year)
EUTELSAT 117 WEST A	116.8° West	Americas	40 Ku/24 C	March 2013	2035
EUTELSAT 117 WEST B	116.8° West	Americas	40 Ku	June 2016	2044
EUTELSAT 115 WEST B	114.9° West	Americas	32 Ku/12 C	March 2015	2042
EUTELSAT 113 WEST A	113° West	Americas	24 Ku/36 C	May 2006	> 2024
EUTELSAT 65 WEST A	65° West	Latin America	24 Ku/10 C/24 Ka	March 2016	2036
EUTELSAT 8 WEST B	8° West	Middle-East, Africa, Latin America	40 Ku/10 C	August 2015	2033
EUTELSAT 7 WEST A	7° West	Middle-East, North Africa	50 Ku	September 2011	2033
EUTELSAT 5 WEST B ⁽³⁾	5° West	Europe, Americas, Africa	35 Ku	October 2019	2035
EUTELSAT 3B	3° East	Europe, Middle-East, Africa	30 Ku/12 C/5 Ka	May 2014	2032
EUTELSAT 7B	7° East	Europe, Middle-East, Africa	53 Ku/3 Ka	May 2013	2039
EUTELSAT 7C	7° East	Europe, Middle-East, Africa	44 Ku	June 2019	2057
EUTELSAT KONNECT	7° East	Europe, Africa	65 Ka spotbeams	January 2020	2037
EUTELSAT 9B	9° East	Europe	50 Ku	January 2016	2038
EUTELSAT 10A	10° East	Europe, Middle-East, Africa	42 Ku/10 C	April 2009	2023
EUTELSAT HOTBIRD 13B	13° East	Europe, North Africa, Middle-East	64 Ku	August 2006	2025
EUTELSAT HOTBIRD 13E	13° East	Europe, North Africa, Middle-East	38 Ku	March 2006	2024
EUTELSAT 13F	0.5° East	Europe	72 Ku, 2 Ka	October 2022	> 2038
EUTELSAT HOTBIRD 13G	13° East	Europe, North Africa, Middle-East	72 Ku	November 2022	> 2038
EUTELSAT 16A	16° East	Europe, Middle-East, Africa, Indian Ocean	53 Ku/3 Ka	October 2011	2027
EUTELSAT 21B	21.5° East	Europe, Middle-East, Africa	40 Ku	November 2012	2033
EUTELSAT 28E ⁽⁴⁾	28.2/28.5° East	Europe	4 Ku	September 2013	2029
EUTELSAT 28F ⁽⁴⁾	28.2/28.5° East	Europe	4 Ku	September 2012	2029
EUTELSAT 28G ⁽⁴⁾	28.2/28.5° East	Europe	4 Ku	December 2014	2030
EUTELSAT 33E	33° East	Europe, North Africa, Middle-East, Central Asia	64 Ku	February 2009	2024
EUTELSAT 36B	36° East	Europe, Middle-East, Africa	70 Ku	November 2009	2026
EUTELSAT QUANTUM	48° East	Flexible	8 "QUANTUM" beams	July 2021	2038
EUTELSAT 70B	172° East	Europe, Middle-East, Asia	48 Ku	December 2012	2032

Name of satellite	Orbital position	Geographic coverage	Nominal capacity ⁽¹⁾ (in number of physical transponders)	Launch date	Estimated Orbital Manoeuvre Lifetime as of 30 June 2023 ⁽²⁾ (calendar year)
EUTELSAT 172B	172° East	Asia-Pacific, Australia, New Zealand	40 Ku/14 C/11 spotbeams	June 2017	2036
EUTELSAT 174A	174° East	Asia-Pacific, Australia, New Zealand	-	December 2005	Inclined orbit
EUTELSAT 12 WEST E	12.5° West	Europe, Atlantic	-	December 2008	Inclined orbit
EUTELSAT 139 WEST A	139° West	Americas	-	March 2004	Inclined orbit
EUTELSAT 12 WEST G	12.5° West	Europe	-	December 2008	Inclined orbit

(1) The number of transponders can vary from one year to the next as a result of relocations or reconfigurations. The figures are rounded up to the nearest whole number.

(2) Every year, the Group reviews the estimated operational life of the satellites in orbit (for further information, see Notes 7.1.2 to the consolidated financial statements for the Financial Year ended 30 June 2023).

(3) During the 2019-20 fiscal year, the EUTELSAT 5 WEST B satellite experienced the loss of its southern solar panel, resulting in a loss of power and 55% of the satellite's nominal capacity.

(4) In January 2014, in the framework of the settlement of a dispute with SES concerning the 28.5° East orbital position, the Group contracted long-term satellite capacity on the SES satellite fleet at this orbital position. The number of transponders indicated is the number of transponders fully owned by Eutelsat on SES fleet.

► Capacity leased From Third Parties as of 30 June 2023

Name of satellite	Orbital position	Geographic coverage	Nominal capacity (in number of physical transponders)	Launch date	Estimated Orbital Manoeuvre Lifetime as of 30 June 2023 (calendar year)
EUTELSAT 53A ⁽¹⁾	53° East	Europe, North Africa, Middle-East, Asia	4 Ku	October 2014	2029
EXPRESS AT1 ⁽¹⁾	56° East	Siberia	19 Ku	March 2014	2029
EXPRESS AT2 ⁽¹⁾	140° East	Far East Russia	7 Ku	March 2014	2029
EUTELSAT 36C ⁽¹⁾	36° East	Africa, Russia	53 Ku/18 Ka	December 2015	2033
EUTELSAT 28G ⁽²⁾	28.2/28.5° East	Europe	8 Ku	December 2014	2030

(1) Owned by Russian Satellite Communications Company (RSCC). This capacity corresponds to that operated by Eutelsat.

(2) In January 2014, in the framework of a settlement of the dispute with SES concerning the 28.5° East orbital position, the Group contracted long-term satellite capacity on the SES satellite fleet at this orbital position. The number of transponders indicated is the number of transponders leased by Eutelsat on SES fleet.

► Main change since 30 June 2023

Eutelsat and Thaicom to Partner for New Software-Defined satellite over Asia

On 7 August, Eutelsat announced that its subsidiary Eutelsat Asia PTE. LTD. has signed a partnership agreement with Space Tech Innovation Limited (STI), a subsidiary of Thaicom, a leading Asian

satellite operator, related to a new software-defined (SDS) satellite to be positioned at the 119.5° East orbital slot over Asia. Eutelsat is committed to lease and operate the service for half of the capacity on the new satellite during its lifetime.

It is due to be delivered in calendar 2027.

1.4 Social and societal responsibility

Chapter 3 of this Universal Registration Document describes the Group's environmental, social and societal policy.

2

Corporate governance





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Preliminary comments

The corporate governance report, prepared by the Board of Directors, is presented in a specific section of the management report. This section presents all of the information required in the corporate governance report.

2.1 Composition of the Board of Directors

The Company was incorporated on 15 February 2005, as a *société par actions simplifiée* (joint-stock company) and was transformed into a *société anonyme* (limited company) with a Board of Directors on 31 August 2005.

On 30 June 2023, the Board of Directors was composed of nine members. Dominique D'Hinnin has been Chairman of the Board since 8 November 2017. As from July 27, 2023, the Board of Directors is composed of ten members.

2.1.1 Gender and diversity policy

The Board of Directors believes that diversity contributes to the Group's innovation and growth. It seeks within its ranks a diversity of gender, nationality, age, qualifications and professional experience. Its composition reflects this commitment with its membership, which is 70% independent, 60% women and, made up of three different nationalities and with a broad range of experience and expertise (see the member bios in Section 2.1.2 and the experience matrix in Section 2.3.3 for more details). The average Board Member age is 56.7.

This engagement extends beyond the Board of the Directors. The Company seeks a balanced representation of men and women throughout the Group, including its leadership. The Board of Directors regularly reviews the Group's non-discrimination and diversity policy applicable to all employees and its governing bodies and discusses the diversity action plan and results annually (see

Section 3.5.6.1 for more details). Pursuant to the recruitment policy, all recruitments for Executive Committee member roles must have at least 30% female candidates, which goes beyond the requirements of the French Commercial Code. Eutelsat is a leader in the SBF120 in terms of diversity with an Executive Committee composed of 30% women and is among only a handful of companies led by a female CEO (see Section 2.2.2 for details on the current composition of the Executive Committee). Additionally, the diversity objectives, which have long been included in the CEO's compensation objectives as well as the Group's long-term incentive objectives are fully quantifiable (see Section 2.4.4 for more details). The Board continues to introduce progressively more challenging objectives each year, for instance, moving from feminisation objectives at the Group level to feminisation objectives within the Executive Committee and Group leadership (the level below the Executive Committee).

2.1.2 Changes in the composition of the Board of Directors

► Changes following the Annual General Meeting

The Annual General Meeting ("AGM") of 10 November 2022 renewed the mandate of Bpifrance Participations (represented by Samuel Dalens) and appointed CMA CGM (represented by Michel

Sirat) and Fleur Pellerin, each for a 4-year term, expiring at the end of the AGM called to approve the financial statements for the Financial Year ending 30 June 2026.

The composition of the Board of Directors as at 30 June 2023 is detailed below:

Directors	Age ⁽¹⁾	Gender	Nationality	Independent	Board attendance rate	First appointment /co-optation	Term expires ⁽²⁾
Dominique D'HINNIN (Chairman)	63	M	French	Yes	100%	AGM 2016	2025
Eva BERNEKE (CEO)	54	F	Danish	No	100%	Co-opted 1 Jan 2022	2024
Bpifrance Investissement, represented by Paul François FOURNIER	55	M	French	No	92.3%	AGM 2017	2025
Bpifrance Participations, represented by Samuel DALENS	40	M	French	No	100%	AGM 2011 ⁽³⁾	2026
CMA CGM (represented by Michel SIRAT)	62	M	French	Yes	100%	AGM 2022	2026
Fonds Stratégique de Participations (FSP) represented by Agnès AUDIER	58	F	French	Yes	100%	AGM 2016	2024
Esther GAIDE	61	F	French	Yes	100%	AGM 2017	2025
Cynthia GORDON	60	F	British	Yes	100%	AGM 2019	2023
Fleur PELLERIN	49	F	French	Yes	100%	AGM 2022	2026
CHANGES TO THE BOARD COMPOSITION							
Didier LEROY ⁽⁴⁾	65	M	French	Yes	100%	AGM 2017	2025
Florence PARLY ⁽⁵⁾	60	F	French	Yes	100%	Co-opted 27 July 2023	2025

(1) Age as at 30 June 2023.

(2) At the close of the AGM called to approve the financial statements for the financial year.

(3) Fonds Stratégique d'Investissement.

(4) Resigned from the Board effective 16 June 2023 due to personal reasons.

(5) Co-opted to the Board effective 27 July 2023 for the remainder of the term of Didier Leroy.

Director information as well as the list of functions and offices held as of 30 June 2023 are shown in the table below:

Dominique D'HINNIN

Board Member, Chairman of the Board of Directors

DoB: 4 August 1959

63 years old

French national

Business address: Eutelsat Communications 32, boulevard Gallieni 92130 Issy-les-Moulineaux

Number of shares held: 3,000 shares

First appointment/Co-opting: 4 November 2016

Expiry date of office: General Meeting to be held to approve the accounts for the Financial Year ending 30 June 2025

Biography

Dominique D'Hinnin was appointed independent Chairman of Eutelsat Communications S.A. on 8 November 2017 and has been a member of the Board since 4 November 2016. He is a graduate of the *École normale supérieure* and a former *Inspecteur des finances*. He spent much of his career at the Lagardère group, which he joined in 1990 as an advisor to Philippe Camus. He was then appointed Director of Internal Audit and CFO of Hachette Livre in 1993, and in 1994, Executive Vice President of Grolier, Inc. (Connecticut, U.S.A.). He was Lagardère CFO from 1998 to 2009, and Lagardère SCA Co-managing Partner from 2009 to 2016. Dominique D'Hinnin is a former Board Member of Airbus, Canal+, Spanish media company PRISA and of U.S. Company, Golden Falcon Acquisition Corp and also former Advisory Board Member of PricewaterhouseCoopers France. He is currently also a Board Member of the French Company Edenred, the French company Vantiva, the private Belgian distribution company Louis Delhaize S.A. and Spanish telecom Company, Cellnex.

Other offices and functions held within the Eutelsat Group over the past 5 years

Current:

In France:

Chairman of the Board of Directors of Eutelsat S.A. (since 4 October 2017)

Outside France:

N/A

Having expired:

In France:

N/A

Outside France:

N/A

Offices and functions held outside the Eutelsat Group over the past 5 years

Current:

In France:

Board Member of Edenred (listed company) (since 2017)

Board Member of Vantiva (listed company) (since 2019)

Outside France:

Board Member of Louis Delhaize S.A. (Belgium) (since 2017)

Board Member of Cellnex (listed company, Spain) (since 2023)

Having expired:

In France:

N/A

Outside France:

Board Member of Golden Falcon Acquisition Corp. (listed company, U.S.A.) (until 2023)

Board Member of Prisa (listed company, Spain) (until 2022)

Eva BERNEKE

Board Member, Chief Executive Officer

DoB: 22 April 1969

54 years old

Danish national

Business address: Eutelsat Communications 32, boulevard Gallieni 92130 Issy-les-Moulineaux

Number of shares held: 48,837 shares

First appointment/Co-opting: 1 January 2022 as CEO and Board Member

Expiry date of office: General Meeting to be held to approve the accounts for the Financial Year ending 30 June 2024

Biography

Eva Berneke joined Eutelsat on 1 January 2022 as Chief Executive Officer and Board Member. Eva brings considerable experience in the Telecoms and Technology industries. She joined Eutelsat from KMD, Denmark's leading IT and software company, specialising in IT solutions and services for the public and private sector, and now part of the NEC Group. During her tenure, she oversaw the transformation of KMD from a mainly government service provider to a modern, digital company competing in both the public and private sectors. Prior to that, Eva held several senior positions at TDC, formerly TeleDenmark, the largest telecommunications company in Denmark, notably as Head of Strategy and Head of the company's Wholesale and Business divisions. Eva began her career at McKinsey, where she developed a specialisation in the TMT sectors and where she was based for ten years at the group's Paris offices. Eva sits on the Boards of international groups Lego and Vestas Wind Systems as well as France's *École polytechnique*. She is a graduate of Denmark's Technical University, where she earned a master's degree in mechanical engineering, and holds an MBA from INSEAD.

Other offices and functions held within the Eutelsat Group over the past 5 years

Current:

In France:

CEO and Board Member of Eutelsat S.A.
(since 1 January 2022)

Outside France:

COO and Chair of the Board of Eutelsat Inc. (U.S.A.)
(since 2022)

Chair of Board of Eutelsat Americas (formerly Satélites Mexicanos S.A. de C.V.) (Mexico) (since 2022)

Having expired:

In France:

N/A

Outside France:

N/A

Offices and functions held outside the Eutelsat Group over the past 5 years

Current:

In France:

Non-executive Director of *École polytechnique* (since 2019)

Outside France:

Non-executive Director of OneWeb Holdings Limited (UK)
(since 1 January 2022)

Non-executive Director of The Lego Group (Denmark)
(since 2011)

Non-executive Director of Vestas Wind Systems (listed company, Denmark) (since 2019)

Having expired:

In France:

N/A

Outside France:

CEO of KMD (Denmark) (until 2021)

Non-executive Director of Danish National Bank (Denmark)
(until 2021)

Non-executive Director of DTU (Denmark Technical University) (Denmark) (until 2020)

Bpifrance Investissement, represented by Paul François Fournier

Board Member

DoB: 15 March 1968

55 years old

French national

Business address: Eutelsat Communications 32, boulevard Gallieni 92130 Issy-les-Moulineaux

Number of shares held: Bpifrance Investissement is a subsidiary of Bpifrance Participations which holds 64,586,426 shares

First appointment/Co-opting: 8 November 2017

Expiry date of office: General Meeting to be held to approve the accounts for the Financial Year ending 30 June 2025

Biography

Bpifrance Investissement is represented by Paul François Fournier, Director of Innovation and Executive Committee Member of the Banque Publique d'Investissement (Bpifrance), since April 2013. Paul François Fournier spent nearly 20 years at Group Orange. A graduate of Telecom ParisTech, he began his career at France Télécom Orange group in 1994 as a business engineer in the France Business sector. After seven years working in the development of corporate services, in 2001 he became Broadband Director of Wanadoo, where he ensured the take-off of ADSL offers in France, which rose from a few thousand customers in 2001 to more than 3 million by the end of 2004, then internationally as a member of the Executive Board of the Wanadoo group. He then oversaw strategic projects like the launch of Livebox and Voice Over IP, in partnership with the French start-ups Inventel and Netcentrex.

In addition to his experience in the field of Internet services and partnerships (he was, for instance, the architect of the acquisition by Orange of Dailymotion and Cityvox, as well as partnership agreements between Orange and Microsoft, Google and Facebook), he has excellent operational knowledge of marketing innovation. He was, from 2011, Executive Director of Orange's Technocentre, in charge of product innovation (Box, Cloud, etc.), where he radically transformed the organisation with a more regional and decentralised approach (creating the Technocentres in Amman and Abidjan).

Other offices and functions held within the Eutelsat Group over the past 5 years

Current:

In France:

Permanent representative of Bpifrance Investissement, Board Member of Eutelsat S.A. (since 7 October 2021)

Outside France:

N/A

Having expired:

In France:

N/A

Outside France:

N/A

Offices and functions held outside the Eutelsat Group over the past 5 years

Current:

In France:

Head of Innovation, Executive Committee Member and Board Member of Bpifrance

Supervisory Board Member of Cornovum

Board Member of Prodways Group (listed company)

Board Member of CNRS

Outside France:

N/A

Having expired:

In France:

Board Member of the Wanadoo Group

Supervisory Board Member of Younited (until 2019)

Board Member of Parrot (until 2022)

Board Member of Sigfox (until 2022)

Outside France:

N/A

Bpifrance Participations, represented by Samuel DALENS

Board Member

DoB: 15 January 1983

40 years old

French national

Business address: Eutelsat Communications 32, boulevard Gallieni 92130 Issy-les-Moulineaux

Number of shares held: by Bpifrance Participations 64,586,426 shares

First appointment/Co-opting: 17 February 2011 (*Fonds Stratégique d'Investissement*)

Expiry date of office: General Meeting to be held to approve the accounts for the Financial Year ending 30 June 2026

Biography

Since 2022, Bpifrance Participations (since 12 July 2013, formerly *Fonds Stratégique d'Investissement* – FSI) is represented by Samuel Dalens, Investment Director at Bpifrance in the Large Cap team, investing in mid-sized and large companies. Samuel has fourteen years of experience in finance and private equity. Prior to joining Bpifrance in 2012, Samuel worked in the French administration, for two years at the Ministry of Foreign Affairs then for four years at the Ministry of Finance (at the Budget Office, then at the Shareholding Agency). Samuel graduated from *École polytechnique* and from Telecom Paris (he is an *Ingénieur des Mines*). Samuel Dalens is currently Director of Soitec and of Group Crouzet Groupe, Financial Controller on the Supervisory Board of STMicroelectronics, member of the Supervisory Board at STMicroelectronics Holding and of Chrome Topco (Cerba Healthcare).

Other offices and functions held within the Eutelsat Group over the past 5 years

Current:

In France:

Permanent representative of Bpifrance Participations, Board Member of Eutelsat S.A. (since 30 May 2022)

Outside France:

N/A

Having expired:

In France:

N/A

Outside France:

N/A

Offices and functions held outside the Eutelsat Group over the past 5 years

Current:

In France:

Permanent representative of Bpifrance Participations, Board Member of Soitec SA (listed company) (since 2023)

Permanent representative of Bpifrance Investissement, Crouzet Groupe (since 2023)

Member of the Supervisory Board of Chrome Topco (Cerba Healthcare) (since 2023)

Outside France:

Financial Controller on the Supervisory Board of STMicroelectronics (listed company, Netherlands)

Supervisory Board Member of STMicroelectronics Holding (Netherlands)

Having expired:

In France:

Permanent representative of Bpifrance Participations, Board Member of:

- FT1CI (a shareholder of STMicroelectronics Holding) (until 2019)
- Antalis International (until 2018)

Permanent representative of Bpifrance Investissement:

- Observer at the Board of Gascogne (until 2023)
- Member of the Supervisory Committee of Attis 2 (until 2023)

Observer at the Board of Idemia (until 2020)

Outside France:

Board Member of Labrador Investment Holdings (UK) (until 2022)

CMA CGM, represented by Michel SIRAT

Board Member

DoB: 13 May 1961

62 years old

French national

Business address: Eutelsat Communications 32, boulevard Gallieni 92130 Issy-les-Moulineaux

Number of shares held: by CMA CGM 25,968,600 shares

First appointment/Co-opting: 10 November 2022

Expiry date of office: General Meeting to be held to approve the accounts for the Financial Year ending 30 June 2026

Biography

CMA CGM Participations is represented by Michel Sirat.

Michel Sirat joined CMA CGM SA in 2011 as Group Executive VP & Chief Financial Officer. Since 2023, he has been holding the position of Group Executive VP Strategy & M&A. Previously, he was General Manager, Trading and Portfolio Management, Europe at GDF SUEZ (now Engie) and CEO of SUEZ Energy Resources North America. He is a former French Treasury official and former Alternate Executive Director for France at the IMF. Michel Sirat is a former independent Director of Futuren SA (a subsidiary of EDF Énergies Nouvelles). He is a graduate of *Institut d'études politiques de Paris*, *École centrale de Paris* and *École nationale d'administration* (ENA).

Other offices and functions held within the Eutelsat Group over the past 5 years

Current:

In France:

N/A

Outside France:

N/A

Having expired:

In France:

N/A

Outside France:

N/A

Offices and functions held outside the Eutelsat Group over the past 5 years

Current:

In France:

Group Executive VP Strategy & M&A of CMA CGM SA (since 2023)

Outside France:

N/A

Having expired:

In France:

Group Executive VP & Chief Financial Officer of CMA CGM SA (from 2011 to 2023)

Director of Terminal Link (until 2023)

Outside France:

Director of CMA CGM Global Business Services Ltd (India) (until 2023)

Director of Fenix Marine Services (US) (until 2023)

Director of Fin Topco (US) Inc (until 2023)

Secretary of APL Investments America LLC (US) (until 2023)

Fonds Stratégique de Participations (FSP), represented by Agnès AUDIER

Board Member

DoB: 3 November 1964

58 years old

French national

Business address: Eutelsat Communications 32, boulevard Gallieni 92130 Issy-les-Moulineaux

Number of shares held: by FSP 19,698,210 shares

First appointment/Co-opting: 4 November 2016

Expiry date of office: General Meeting to be held to approve the accounts for the Financial Year ending 30 June 2024

Biography

The FSP has been a Board Member of Eutelsat Communications since 4 November 2016. Its permanent representative is currently Mrs Agnès Audier.

Agnès Audier is a former student of *École normale supérieure*, an Engineer (*Ingénieure en chef du Corps des Mines*), a scientist by training (with a post-graduate diploma in Material Sciences) and a graduate of Sciences-Po. From 1993 to 1995, she was technical advisor to the Minister of Social Affairs of Health and Urban Policy, Mrs Simone Veil. From 1995 to 1997, she was Head of the Private Office for the Minister of Small Businesses and Retail, Mr Jean-Pierre Raffarin, who was subsequently appointed as Prime Minister. From 1997 to 2001, Agnès Audier was Senior Vice President for Strategy and Business Development and Secretary of the Executive Committee of Vivendi group. She was then appointed CEO of VivendiNet, Vivendi Universal's Digital and Technology Division. From 2003 to 2006, she was Executive Vice President and Chief Performance Officer for Havas group, a leading global advertising and communications group. In 2007, she joined BCG (Boston Consulting Group) where she was elected Partner and Managing Director in 2008 and then became member of the Western Europe and Latin America Management Committee. Agnès Audier is currently, since October 2019, an independent consultant on issues of digital transformation and data and Senior Advisor at BCG. In addition, she is Board Member of Worldline, Board Member of Group Crédit Agricole (CASA), member of the Think Tank CosmiCapital's Strategic Committee, advisor to Ergon Capital Partner, pro bono member of the Conseil de surveillance of Curie Institute (oncology) and pro bono Chairman of the Board of SOS Seniors, a French NGO dedicated to elderly care, and of Impact Tank.

Other offices and functions held within the Eutelsat Group over the past 5 years

Current:

In France:

Board Member of Eutelsat S.A. (since 19 March 2020)

Outside France:

N/A

Having expired:

In France:

N/A

Outside France:

N/A

Offices and functions held outside the Eutelsat Group over the past 5 years

Current:

In France:

Board Member of Worldline (listed company) (since 2020)

Board Member of Groupe Crédit Agricole SA (CASA) (listed company) (since 2021)

Member of the Supervisory Board of Curie Institute (since 2023)

Chair of the Board of "SOS Seniors" and of Impact Tank (pro bono)

Member of the Think Tank CosmiCapital's Strategic Committee (since 2022)

Outside France:

N/A

Having expired:

In France:

Partner and Managing Director of Boston Consulting Group (from 2008 to 2018)

Board Member of Ingenico (until 2020)

Board Member of Hime (holding of SAUR) (until 2022)

Outside France:

N/A

Esther GAIDE

Board Member

DoB: 6 September 1961

61 years old

French national

Business address: Eutelsat Communications 32, boulevard Gallieni 92130 Issy-les-Moulineaux

Number of shares held: 2,000 shares

First appointment/Co-opting: 8 November 2017

Expiry date of office: General Meeting to be held to approve the accounts for the Financial Year ending 30 June 2025

Biography

Esther Gaide is a graduate of ESSEC and a chartered accountant, began her career in 1983 working in the external audit departments of PricewaterhouseCoopers (PwC) in Paris and London and then with Deloitte in Paris and the U.S.A. In 1994, she joined Bolloré group as Group Internal Audit Director where she set up the Internal Audit Department participating in the reorganisation of the maritime department and the takeover of the Rivaud group. Between 1996 and 2006, she successively held the positions of CFO of the Bolloré Logistics Division, CFO of the Bolloré Africa Logistics Division and ultimately Group Director of Controlling, in charge of accounting, consolidation and control. In 2006, she joined Havas to then become Deputy CFO and HR Director. In 2011, she joined Technicolor (formerly Thomson) as Group Director of Controlling supervising accounting, consolidation and control. In 2012, she was appointed Deputy CFO before becoming CFO and member of the Executive Committee in 2015. Esther Gaide was CFO of Elixir Group from 2018 to 2023. She is currently also Board Member of Illiad, a telecommunications provider and Board Member of Forvia.

Other offices and functions held within the Eutelsat Group over the past 5 years

Current:

In France:

Board Member of Eutelsat S.A. (since 19 March 2020)

Outside France:

N/A

Having expired:

In France:

N/A

Outside France:

N/A

Offices and functions held outside the Eutelsat Group over the past 5 years

Current:

In France:

Board Member of Iliad S.A. (since 2021)

Board Member of Forvia (listed company) (since 2023)

Outside France:

N/A

Having expired:

In France:

CFO of Elixir Group (listed company) (until 2023)

CFO of Technicolor (until 2018)

Outside France:

N/A

Cynthia GORDON

Board Member

DoB: 17 November 1962

60 years old

British national

Business address: Eutelsat Communications 32, boulevard Gallieni 92130 Issy-les-Moulineaux

Number of shares held: 5,225 shares

First appointment/Co-opting: 7 November 2019

Expiry date of office: General Meeting to be held to approve the accounts for the Financial Year ending 30 June 2023

Biography

Cynthia Gordon has more than 30 years of experience in the telecom and digital sector across Europe, MENA and Asia.

She is the Chair of Global Fashion Group, a listed pure play digital e-commerce business serving a market of more than one billion customers across Latin America, South East Asia and Australia and Board Member of Bodycote, a thermal processing service provider.

She was Board Member of Kinnevik AB, one of Europe's largest industry-focused investment companies, and previously held senior leadership positions at Orange, Millicom and Ooredoo. She is also Advisor to Tillman Global Holding.

Other offices and functions held within the Eutelsat Group over the past 5 years

Current:

In France:

N/A

Outside France:

N/A

Having expired:

In France:

N/A

Outside France:

N/A

Offices and functions held outside the Eutelsat Group over the past 5 years

Current:

In France:

N/A

Outside France:

Chair of Global Fashion Group (Luxemburg based company listed on the Frankfurt Stock Exchange) (since 2017)

Board Member of Bodycote Plc (listed company, UK) (since 2022)

Advisor to Tillman Global Holding (United-States)

Having expired:

In France:

N/A

Outside France:

Board Member of Kinnevik AB (until 2018)

CEO Africa of Millicom (until 2017)

Board Member of Tele2 (Sweden) (until 2021)

Board Member of BIMA Mobile (Sweden) (until 2021)

Board Member of Bayport (Mauritius) (until 2021)

Didier LEROY*

* Resigned from the Board of Directors with effect from 16 June 2023 for personal reasons.

Board Member

DoB: 26 December 1957

65 years old

French national

Business address: Eutelsat Communications 32, boulevard Gallieni 92130 Issy-les-Moulineaux

Number of shares held: 2,000 shares

First appointment/Co-opting: 8 November 2017

Expiry date of office: General Meeting to be held to approve the accounts for the Financial Year ending 30 June 2025

Biography

Didier Leroy, an engineering graduate from *École supérieure des sciences et technologies de l'ingénieur de Nancy*, began his career at Renault in 1982. In 1992, he was appointed General Manager at the Douai plant and in 1996, Deputy Director of the Renault Le Mans plant before leading a cross-functional business reform project team, reporting directly to Carlos Ghosn. In 1998, he joined Toyota to start up the new French plant, Toyota Motor Manufacturing France in Valenciennes, as Vice President. He was appointed President of the plant in 2005 and started leading initiatives at the European level in 2007. In 2010, he became President and CEO of Toyota Motor Europe, Toyota's European headquarters for Sales, After-Sales, R&D, Engineering and Manufacturing. In 2015, he became the first non-Japanese Executive Vice President and Member of the Board of Directors of Toyota Motor Corp., double-capping as President of one of the two operational units of the company at a global level, covering all the operations in North America and Europe as well as the Japan sales and after-sales operations. In 2016, he also became the company's global Chief Competitive Officer. In 2017, his role expanded to cover the entire overseas operations, including emerging markets. In July 2020, he retired from this position and became Advisor to the CEO of Toyota Motor Corp. He remains Chairman of the Board of Directors of Toyota Motor Europe and Board Member of Toyota Tsusho Corporation. Didier Leroy is also currently Board Member of ELO (formerly Auchan Holding).

Other offices and functions held within the Eutelsat Group over the past 5 years

Current:

In France:

N/A

Outside France:

N/A

Having expired:

In France:

N/A

Outside France:

N/A

Offices and functions held outside the Eutelsat Group over the past 5 years

Current:

In France:

Non-executive Board Member of ELO (formerly Auchan Holding) (France)

Outside France:

Non-executive Chairman of Toyota Motor Europe (Belgium)

Non-executive Board Member of Toyota Tsusho Corporation (listed company, Japan)

Having expired:

In France:

N/A

Outside France:

Executive Vice President, Chief Competitive Officer and Board Member of Toyota Motor Corporation (listed company, Japan) (until July 2020)

Non-executive Board Member of Aliaxis (Belgium) (until May 2022)

Florence PARLY*

* Co-opted to the Board effective 27 July 2023 for the remainder of the term of Didier Leroy

Board Member

DoB: 8 May 1963

60 years old

French national

Business address: Eutelsat Communications 32, boulevard Gallieni 92130 Issy-les-Moulineaux

Number of shares held: 0 shares ⁽¹⁾

First appointment/Co-opting: 27 July 2023

Expiry date of office: General Meeting to be held to approve the accounts for the financial year ending 30 June 2025

Biography

As a former Minister of the Armed Forces (2017-2022), Junior Minister for the Budget (2000-2002), and Vice-President of the Bourgogne Regional Council, Florence has extensive experience in policy and government. Throughout her career, Florence has led essential lines of work in economics, employment, infrastructure, housing, social security and more. She has also served in senior roles in major French industrial and transport corporations, having served as CEO of SNCF Voyageurs, and Deputy CEO of Air France. Further, she has a significant corporate governance experience having been an independent Board member at Altran Technologies, Ingenico and Zodiac Aerospace. She is currently also independent Board member Newcleo (developing innovative nuclear reactors), and of IPSOS, Supervisory Board member of Caisse des Dépôts, senior advisor of Jolt Capital (technology growth investing), Chair of the Board of Directors of the *Conservatoire national des arts et métiers*. Florence is a graduate of the *Institut d'études politiques de Paris* and former student of the *École nationale d'administration*.

Other offices and functions held within the Eutelsat Group over the past 5 years

Current:

In France:

N/A

Outside France:

N/A

Having expired:

In France:

N/A

Outside France:

N/A

Offices and functions held outside the Eutelsat Group over the past 5 years

Current:

In France:

Supervisory Board Member of Caisse des Dépôts (since 2023)

Board member of IPSOS (listed Company) (since 2023)

Senior Advisor of Jolt Capital (since 2023)

Chair of the Board of Directors of the *Conservatoire national des arts et métiers* (since 2023)

Outside France:

Director of Newcleo (UK) (since 2023)

Having expired:

In France:

Minister for the Armed Forces (2017-2022)

Outside France:

N/A

(1) The Board Internal Rules allow Board members to use the proceeds of their Board compensation to acquire shares.

Fleur PELLERIN

Board Member

DoB: 29 August 1973

49 years old

French national

Business address: Eutelsat Communications 32, boulevard Gallieni 92130 Issy-les-Moulineaux

Number of shares held: 2,000 shares⁽¹⁾

First appointment/Co-opting: 10 November 2022

Expiry date of office: General Meeting to be held to approve the accounts for the Financial Year ending 30 June 2026

Biography

Fleur Pellerin joined the Eutelsat Communications S.A. Board on 10 November 2022. She has solid experience and expertise in the fields of media, telecommunications and high technology. In 2012, Fleur Pellerin was appointed to Prime Minister Jean-Marc Ayrault's Government as Minister of SMEs, Innovation and the Digital Economy. During this time, she strove to make digital a key focus launching the "FrenchTech" movement and carried out various tax and regulatory reforms to support entrepreneurship and investment in France. In 2014, she became Secretary of State for Foreign Trade and Tourism and then Minister for Culture and Communication the same year. In 2016, Fleur Pellerin left the government and founded Korelya Capital, a Paris based venture capital fund whose mission is to invest in European fast-growing high-tech startups. Korelya has now +€750M under management in nine European countries. A former independent Director at Schneider Electric and Talan, she is currently independent Director at KLM, Gaumont and Stanhope Capital Partners. She has also been chairing at the mission committee ("Comité de Mission") of Crédit Mutuel Alliance Fédérale since January 2022. She is a former member of the French Court of Auditors and a graduate of ESSEC business school, Sciences Po and the École nationale d'administration (ENA).

Other offices and functions held within the Eutelsat Group over the past 5 years

Current:

In France:

N/A

Outside France:

N/A

Having expired:

In France:

N/A

Outside France:

N/A

Offices and functions held outside the Eutelsat Group over the past 5 years

Current:

In France:

Founder and Managing Partner of Korelya Capital⁽²⁾ (since 2016)

Board Member of Gaumont (listed company) (since 2021)

President of CanneSeries Festival (since 2018)

Board Member of Eurockéennes Festival (since 2018)

Board Member of France Digitale (since 2016)

Chair of the Mission Committee, Credit Mutuel Alliance Fédérale (since 2022)

Outside France:

Board Member of KLM, NV (Holland) (since 2018)

Board Member of Stanhope Capital Group (Switzerland) (since 2021)

Having expired:

In France:

Board Member of Schneider Electric (listed company) (until 2022)

Board Member of Talan (until 2023)

Outside France:

N/A

(1) Acquired in August 2023.

(2) Board member of portfolio companies: Devialet, Ledger, Synapse Medicine and Finn.

► Changes proposed at the upcoming Annual General Meeting

The term of office of Cynthia Gordon will expire at the AGM called to approve the accounts for the Financial Year ending 30 June 2023. The renewal of her mandate will be proposed, at the latest, at the AGM called to approve the financial statements for the same financial year. The composition of the Board is expected to evolve following the contemplated combination with OneWeb. Please refer to the Exemption Document published in connection with the foregoing for details on the impacts on the Board composition.

Further, Didier Leroy resigned from the Board effective 16 June 2023 due to personal reasons. Florence Parly was co-opted to replace Didier Leroy, effective from 27 July 2023. She brings with her a wealth of expertise acquired after years of distinguished service in both the public and private sectors, on topics of Mobility and Government services. As a result, the Board is now composed of 10 members, with 60% female members and 70% independent members. The ratification of Florence Parley as Board member for the remainder of Didier Leroy's term (until the AGM called to approve the accounts for the Financial Year ending 30 June 2025) will be proposed to the AGM called to approve the accounts for the Financial Year ending 30 June 2023.

2.2 Top Management

2.2.1 Top management personnel

The top management personnel is made up of Eva Berneke, Chief Executive Officer.⁽¹⁾











Her information as well as the list of functions and offices held as of 30 June 2023 are shown in the table below:

Full name, business address	Office	Date of first appointment/co-opting and expiry date of office	Other offices and functions held within the Eutelsat Group over the past 5 years	Offices and functions held outside the Eutelsat Group over the past 5 years
EVA BERNEKE Eutelsat Communications 32, boulevard Gallieni 92130 Issy-les-Moulineaux	CHIEF EXECUTIVE OFFICER, BOARD MEMBER	FIRST APPOINTMENT/CO-OPTING: 1 January 2022 as CEO and Board Member EXPIRY DATE OF OFFICE: As Board Member: AGM to be held to approve the accounts for the Financial Year ending 30 June 2024	CURRENT OFFICES AND FUNCTIONS: In France: <ul style="list-style-type: none"> CEO and Board Member of Eutelsat S.A. (since 1 January 2022) Outside France: <ul style="list-style-type: none"> COO and Chair of the Board of Eutelsat Inc. (U.S.A.) (since 2022) Chair of the Board of Eutelsat Americas (formerly Satélites Mexicanos S.A. de C.V.) (Mexico) (since 2022) OFFICES AND FUNCTIONS HAVING EXPIRED: In France: N/A Outside France: N/A	CURRENT OFFICES AND FUNCTIONS: In France: <ul style="list-style-type: none"> Non-executive Director of <i>École polytechnique</i> (since 2019) Outside France: <ul style="list-style-type: none"> Non-executive Director of OneWeb Holdings Limited (UK) (since 1 January 2022) Non-executive Director of The Lego Group (Denmark) (since 2011) Non-executive Director of Vestas Wind Systems (Denmark) (since 2019) OFFICES AND FUNCTIONS HAVING EXPIRED: In France: N/A Outside France: <ul style="list-style-type: none"> CEO of KMD (Denmark) (until 2021) Non-executive Director of Danish National Bank (Denmark) (until 2021) Non-executive Director of DTU (Denmark Technical University) (Denmark) (until 2020)

(1) The mandate of Michel Azibert as Deputy Chief Executive Officer came to an end at the close of the November 10, 2022 AGM.

2.2.2 Executive Committee

At Eutelsat S.A., the Group's principal operating company, top management is assisted by an Executive Committee composed of 10 members who implement the Group's strategy, whose major directions are established by the Board of Directors.

			
<p>Eva BERNEKE Chief Executive Officer, Executive Committee Chair</p>	<p>David BERTOLOTTI Company Secretary</p>	<p>Anne CARRON Chief Human Resources Officer</p>	<p>Christophe CAUDRELIER Chief Financial Officer</p>
			
	<p>Florence DELPY General Manager of the Video Business Unit</p>	<p>Cyril DUJARDIN General Manager of the Connectivity Business Unit</p>	<p>Pascal HOMSY Chief IT and Operations Officer</p>
			
	<p>Arlen KASSIGHIAN Chief Engineering Officer</p>	<p>Jean-Hubert LENOTTE Director of Strategy and Resources Officer</p>	<p>Natale LETTIERI Chief Transformation Officer</p>

10
MEMBERS



The Executive Committee is composed of 30% women and reflects the Group's strong commitment to diversity in its governing bodies (see Section 3.5.7 for more details on the Gender and Diversity Policy).

Note: as of 1 July 2023, Arlen Kassighian joins the Executive Committee as Chief Engineering Officer

2.3 Corporate Governance

2.3.1 Reference Code used to establish a corporate governance policy

The Company complies with the guidelines of the Afep-Medef Corporate Governance Code of Listed Companies (last updated in December 2022) (the "Reference Code").

Any inconsistencies between the practices of the Company and recommendations of the Reference Code are indicated in the table below:

Article of the Afep-Medef Code	Afep-Medef recommendations	Company practice	Explanations
25.5.1	Departure indemnities should include performance conditions assessed over two years.	In the event of forced departure in the six months following a change of control (including in case of merger with a significant player of the space industry), the CEO will receive a severance payment equivalent to 18 months of the fixed and variable annual compensation.	The Board of Directors, on the recommendation of the Compensation Committee, took the view that, given the very competitive context of the industry, the potential of consolidation of the industry, the uncertainty that was created following the unsolicited expression of interest sent to the Board of Directors by a potential buyer of the Company in late 2021 and in order to attract top talent to lead the Group, it was important for the Company to give visibility and reassurance to the Group's CEO. In any case, the severance payment is limited both in terms of its application and duration (for six months following a change in control) and its amount. In accordance with the Afep-Medef Code recommendation, the total of the departure indemnity and non-compete allowances shall not exceed two years' fixed and variable compensation. Following exchanges with shareholders in autumn 2022, the Board of Directors committed to introduce performance conditions to the severance clause. The Board of Directors confirms this commitment and will come back to shareholders in due time.

2.3.2 Separation of the functions of Chairman and Chief Executive Officer

The roles of Chairman of the Board and Chief Executive Officer (CEO) are separate within the Company. The Board of Directors confirmed this governance structure, in late 2022, when it nominated a new CEO. The separation of the role of CEO and Chairman of the Board, in place since 2016, has proven effective in terms of balanced governance and constructive dialogue between executive management and the Board. Pursuant to the Board's Internal rules, the Chairman represents and leads the Board and supports the CEO. The CEO manages the Company and represents it with respect to third parties. The CEO is vested with the most extensive powers to act on behalf of the Company in all circumstances (subject to the limitations under applicable law and regulations, the Company's Articles of Association, Annex A of the Board's Internal rules and the powers expressly vested in the AGM and the Board of Directors).

► Limitations of the powers of the Chief Executive Officer by the Board of Directors

The Internal rules of the Board of Directors set out the respective powers of the Board of Directors, the Chairman of the Board and the Chief Executive Officer while providing for the limits on the powers of the latter (see Section 2.3.6 below and Annex A of the Board of Directors Internal rules⁽¹⁾ for more detail).

2.3.3 Organisation of the Board

► Internal rules

The Board of Directors Internal rules set out the principles, the composition, the responsibilities and the procedures governing the functioning of the Board and its Committees.

► Directors' term of office

Pursuant to Article 14 of the Company's Articles of Association, the Directors' term of office is four years. Where several Directors are proposed for nomination at the time, a shorter term may be proposed to ensure staggering, as recommended by the Reference Code.

(1) Available on the Company website.

► Rules applicable to the appointment and to the replacement of Board Members

In accordance with Article 14 of the Company's Articles of Association, Board Members are appointed by the ordinary AGM. The duties of a Director cease at the end of the AGM called to approve the financial statements of the previous financial year and held in the year during which that Director's term of office expires.

Directors may be re-elected. They may be removed at any time by decision of the ordinary AGM.

In accordance with Article 14 of the Company's Articles of Association, if a Director's seat becomes vacant between two AGMs, the Board of Directors may make temporary appointments. Such appointments are subject to ratification by the next ordinary AGM.

A Director appointed in replacement of another Director shall remain in office only for his/her predecessor's remaining term of office.

► Board Member share ownership requirement

In accordance with the Reference Code and with Article 10.1 of the Board of Directors Internal rules, in order to promote the alignment of interests between shareholders and Board Members, all Board Members must hold at least 2,000 shares of the Company. Directors may use the proceeds of the Director Compensation to acquire such shares.

► Board Member Experience and Expertise

► Board Member succession planning and candidate selection process

Board Member rotation and succession planning is regularly discussed by the Nomination and Governance Committee and the Board. As the tenure of a Director nears its 12-year term (at which point the member loses his/her independence), discussions on the process to fill the role begins by the Nomination and Governance Committee in consultation with the Board and management. This includes defining a profile for each vacancy considering the needs of the Group in relation to its strategy and the composition of the existing Board in order to ensure diversity in terms of gender, nationality, independence, experience and expertise. With the assistance of an executive search firm, a candidate list is defined. Candidates meet with the Board Chair, the Nomination and Governance Committee Chair, other Board Members, the CEO and potentially other members of the Executive Committee. Selected candidates are then presented to the Board for approval prior to being proposed to the AGM.

	Dominique D'Hinnin (Chairman)	Eva Berneke	Bpifrance Investissement (represented by Paul-François Fournier)	Bpifrance Participations (represented by Samuel Dalens)	CMA CGM (represented by Michel Sirat)	FSP (represented by Agnès Audier)	Esther Gaide	Cynthia Gordon	Florence Parly	Fleur Pellerin	
Executive management/ leadership	•	•	•		•		•	•	•	•	80%
Finance, Risk management, Compliance	•	•		•	•	•	•		•		70%
Corporate governance, Compensation	•	•	•	•		•	•	•	•		80%
CSR, Sustainability	•	•		•		•		•		•	60%
Public affairs, Geopolitics	•		•	•	•	•				•	70%
International experience	•	•	•		•	•	•	•	•	•	90%
Digital transformation, Innovation		•	•	•	•	•	•	•	•	•	80%
Telecom		•	•					•		•	40%
TOTAL	6/8	7/8	6/8	5/8	5/8	6/8	5/8	6/8	5/8	6/8	

See member bios in Section 2.1.2 for more details on the Board members' experiences.

2.3.4 Independence of the Board of Directors

During its 22 June and 27 July 2023 meetings, the Board of Directors assessed the independence of each of its members. As at 27 July 2023, among its ten members, seven Directors (70%) were qualified as independent according to the independence criteria of the Reference Code.

When a business relationship exists, a quantitative and qualitative analysis on a case-by-case basis is conducted to determine the materiality of the business relationship between the Company and the Director, whenever relevant. On the basis of the work of the Nomination and Governance Committee, the Board's assessment pursuant to the criteria outlined in the Reference Code is shown in the table below:

	Dominique D'Hinnin (Chairman)	Eva Berneke	Bpifrance Investissement (represented by Paul-François Fournier)	Bpifrance Participations (represented by Samuel Dalens)	CMA CGM (represented by Michel Sirat)	FSP (represented by Agnès Audier)	Esther Gaide	Cynthia Gordon	Florence Parly	Fleur Pellerin
Criterion 1 Not an employee/ Executive Officer during the past 5 years	●	×	●	●	●	●	●	●	●	●
Criterion 2 No cross-boarding	●	●	●	●	●	●	●	●	●	●
Criterion 3 No significant business relationship	●	●	●	●	●	●	●	●	●	●
Criterion 4 No family ties	●	●	●	●	●	●	●	●	●	●
Criterion 5 Not an auditor of Company during the past 5 years	●	●	●	●	●	●	●	●	●	●
Criterion 6 Term of office less than 12 years	●	●	×	●	●	●	●	●	●	●
Criterion 7 No compensation related to Group performance	●	×	●	●	●	●	●	●	●	●
Criterion 8 Not a major shareholder (>10%)	●	●	×	×	See discussion	●	●	●	●	●
Independent	Yes	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes

The Afep-Medef Code (Article 10.4) provides that the independence criteria enumerated therein are not determinative but that it is incumbent on the Board of Directors to proceed to a case-by-case assessment. A specific analysis was conducted pursuant to Article 10.7 of the Afep-Medef Code for CMA CGM (represented by Michel Sirat) given its shareholding of 10.4%. Notably, CMA CGM's shareholding crossed the 10% threshold as a result of opting to receive payment of the November 2022 dividend in shares and not as a result of active purchase of shares on the market. CMA CGM (represented by Michel Sirat) does not take part in the control of the Company nor has a potential conflict of interest been identified since CMA CGM joined the Board of Directors on November 10, 2022. Accordingly, the Board of Directors, on the recommendation of the

NGC, determined that CMA CGM (represented by Michel Sirat) is independent pursuant to the criteria outlined in the Afep-Medef Code despite its shareholding marginally above 10%.

► Conflicts of interest

Conflicts of interests shall be avoided and, where unavoidable, shall be disclosed to the Company and managed transparently. In accordance with Article 2.4 of the Board of Directors Internal rules, each Director must immediately disclose any potential conflict of interest to the Board. A Director may not participate in discussions or vote on the subject in relation to which the conflict exists.

2.3.5 Representation on the Board

► Employee representation on the Board of Directors

As part of a policy aimed at improving communication between the Group's management and employees, the Company entered into an agreement on 8 November 2007, modified on 9 July 2018, with its operating subsidiary Eutelsat S.A. and the Eutelsat S.A. Social and Economic Committee (*Comité social et économique* – "CSE"). This agreement is designed to give Eutelsat S.A.'s Social and Economic Committee greater visibility regarding the Company's operations and decisions.

Also, in addition to the establishment of a procedure of information of the Eutelsat S.A. Social and Economic Committee in case of transactions conducted by the Company, which may affect the operations or scope of Eutelsat S.A., the two representatives of the Eutelsat S.A. Social and Economic Committee before the Board of Directors of Eutelsat S.A. attend meetings of the Board of Directors of Eutelsat Communications and receive the same information for the preparation of Board meetings as the Directors.

► Censeur

The role of the *censeur* was implemented pursuant an agreement between EUTELSAT IGO (Intergovernmental European Telecommunications Satellite Organization) and the Company when the latter went public. Pursuant to the provisions of (i) the Letter of

Agreement signed on 2 September 2005 between the Company and EUTELSAT IGO and (ii) the Company's Articles of Association, the Executive Secretary of EUTELSAT IGO sits as a *censeur* on the Board of Directors. The Company and its Board of Directors do not in any way intervene in the appointment of the *censeur*, the appointment and the role being imposed and binding on the Company. This role is currently held by Piotr Dmochowski-Lipski (see the Company's website for more details). The role of the *censeur* is to ensure that the Company, largely through its operational subsidiary Eutelsat S.A., respects the Basic Principles of the international treaty establishing EUTELSAT IGO, which was founded by certain Western European countries in order to develop and operate a satellite telecommunications system within a trans-European telecommunications framework, providing pan-European satellite coverage according to the principles of non-discrimination and fair competition as well as the respect of certain financial commitments (e.g. debt and Adjusted EBITDA management). The *censeur* may attend Board meetings and express the IGO's point of view on any issue on the agenda but may not take part in the vote. The *censeur* has the same information for the preparation of Board meetings as the Directors. The conflicts of interest provisions of the Board's Internal rules also apply to the *censeur*. In addition, no person having any direct or indirect relationship in any respect whatsoever with any direct or indirect competitor of any entity within the Eutelsat Group may hold the position of *censeur*.

The *censeur* does not receive any remuneration or indemnities from the Company.

2.3.6 Mission of the Board of Directors

The Board of Directors is responsible, in particular pursuant to the provisions of Article L. 225.35 of the French Commercial Code, for determining the orientations of the Company and ensuring their implementation. Subject to the powers expressly reserved for the AGM, the Board of Directors can address any matter that affects the Company or the functioning of the Eutelsat Group.

Pursuant to the Board's Internal rules, a number decisions taken by the CEO require prior approval from the Board of Directors. These decisions can be broken down as follows:

- Medium-term plan: the medium-term plan aims to establish the Group's objectives and define the resources required to achieve these objectives, together with the Group's financial and business activity forecasts.
The Group's Five-Year Plan, as well as any operation that has a significant impact on the Company's structure or strategy, is subject to prior approval from the Board of Directors;
- Budget: the Group's consolidated Annual Budget, which establishes the financial and budgetary objectives for the coming year and which is included in the medium-term plan, is subject to prior approval from the Board of Directors at the beginning of each financial year;
- Investments: any capital expenditure or transaction involving the purchase of or investment in the share capital of another company for an amount (i) exceeding 50 million euros, if the relevant operation is included in the Group's Annual Budget or in

its Strategic Plan, or (ii) exceeding 25 million euros, if not included in the Group's Annual Budget;

- Financial commitments: (i) any loan, credit facility, financing or refinancing agreement that is not expressly included in the Group's Annual Budget. This authorisation is not required for any transaction or group of transactions for an amount less than 100 million euros in any given financial year and for up to two transactions and/or groups of transactions in any given financial year and (ii) any loan or disposal of company assets, or for any other form of transfer of assets in excess of 50 million euros that is not expressly included in the Group's Annual Budget;
- Interim and annual financial statements: the interim and annual financial statements and the consolidated financial statements are approved by the Board of Directors;
- Group Senior Management: prior approval from the Board of Directors is required before an executive manager who would be among the six highest paid in the Group can be recruited or dismissed;
- Monitoring the Group's activity: Management submits to the Board a monthly report on the Group's operations, which includes its results and financial indicators (turnover by business sector, summary income statement, debt position, cash flow and costs, etc.) to give the Board a clear understanding of how the business has evolved, particularly on a technical, commercial and financial level, the social and environmental aspects of its activities and the monitoring of the budget.

During the financial year, the main subjects discussed, reviewed and/or approved by the Board included:

- ▶ interim and annual financial statements;
- ▶ dividend distribution and policy;
- ▶ Annual Budget and the Five-Year Plan;
- ▶ the Group's financing strategy;
- ▶ tax matters;
- ▶ the Company's activities and strategy (including environmental and social aspects);
- ▶ approval of transactions (e.g. investment in a software defined satellite (Flexsat) and of the exclusive commercial partnership agreement with OneWeb);
- ▶ significant discussions, analyses and approvals related to the OneWeb transaction;
- ▶ significant discussions, analyses and approvals related to the participation in IRIS² (European constellation project);
- ▶ compliance measures including as relates to the Sapin II anti-corruption law (including action plans, updates to policies and procedures) geopolitical tensions and conflicts and associated international sanctions;
- ▶ risk management (including extra-financial and environmental), internal controls and internal audit;
- ▶ dedicated discussion on cyber security;
- ▶ share buyback programme;
- ▶ discussion with Statutory Auditors (including audit fees);
- ▶ related party agreements and internal procedure on ordinary agreements;
- ▶ annual independence analysis of each Director;
- ▶ annual review of the Board's succession planning;
- ▶ annual discussion on Executive Officer succession planning;
- ▶ annual discussion on the Group's non-discrimination and diversity policy;
- ▶ the mandate of Cynthia Gordon and Florence Parly as Director;
- ▶ composition of the Committees (appointment of Dominique D'Hinnin as Chairman of the Nomination and Governance Committee, of CMA CGM (represented by Michel Sirat) as member of the Audit, Risk and Compliance Committee, of Didier Leroy as Chairman of the Compensation Committee, of Fleur Pellerin as member of the Nomination and Governance Committee and of the Corporate Social Responsibility Committee and Florence Parly as member of the Compensation Committee);
- ▶ annual self-assessment of the Board of Directors;
- ▶ compliance with the Afep-Medef Code;
- ▶ revision of the Board of Directors Internal rules;
- ▶ AGM materials (agenda, resolutions, etc.);
- ▶ shareholders' outreach and feedback;
- ▶ Universal Registration Document (management report, governance report, compensation policy/report, etc.);
- ▶ compensation policy for Executive Officers;
- ▶ compensation elements for the departing Deputy CEO;
- ▶ annual evaluation of the performance of the Executive Officers;
- ▶ total Executive Officer compensation payout (including the fixed, annual variable and long-term components);

- ▶ setting the annual performance objectives of the Executive Officers for the following financial year;
- ▶ structure of the annual variable and long-term compensation for Executive Officers.

▶ Executive Management Succession Planning

Executive management succession planning is regularly discussed by the Nomination and Governance Committee and the Board. Ensuring business continuity includes defining the profile of potential replacements aligned with the Group's strategy and the level of expertise and experience necessary for successful succession. As was conducted in 2022, in the event of a succession of an Executive Officer (be it planned or unplanned) the Board is assisted by the Nomination and Governance Committee. This process includes defining a list of candidates with the help of an executive search firm. Candidates meet with the Board Chair, the Nomination and Governance Committee Chair as well as with the remaining members of the Committee. A short list of candidates meet with the remaining Board Members. The selected candidate is then presented to the full Board for final discussion and approval.

▶ Assessment of the Board of Directors

In accordance with the Afep-Medef Code, an assessment of the Board is carried out annually with a more formal and detailed assessment carried out every three years. The last formal assessment was conducted during the 2020-21 financial year). For the 2022-23 financial year, the Board conducted its annual self-assessment in the form of a questionnaire validated by the Chairman of the Board and of the Nomination and Governance Committee followed by a discussion at the Nomination and Governance Committee meeting and then at the Board of Directors Meeting both held on 22 June 2023.

In general, as compared to similar boards, Eutelsat has a mature Board governance structure in terms of independence, transparency and the quality of the documentation and discussions.

The positive points that emerge from the assessment are outlined as follows:

- ▶ a good governance structure;
- ▶ quality and transparency of information from Management;
- ▶ a well-structured and meaningful strategic seminar;
- ▶ effective coordination between the Chairman of the Board, the Chief Executive Officer and Committee Chairs.

The areas for improvement identified include:

- ▶ track and monitor KPIs to ensure successful execution and integration of OneWeb;
- ▶ continue focus on technology and innovation;
- ▶ continue focus on market evolution and risk management.

Based on this assessment, the Nomination and Governance Committee and the Board will work on the recommendations to enhance the Board's effectiveness.

2.3.7 Attendance of the Board Meetings

The Board of Directors met 11 times during the financial year (vs. 13 times in the previous financial year and seven times the year prior). The Board can meet without the Executive Officers when deemed necessary (a "non-executive session"). Six non-executive sessions were held during the financial year. The 2023 financial period was another exceptional year. A total of 36 Board and Committee meetings were held versus 25 total Board and

Committee meetings in a typical year. This compares to a total of 47 Board and Committee meetings held during the 2022 financial period, a similarly exceptional year.

The average annual attendance rate of Directors was 98.2% (vs. 99.2% in the previous financial year). The attendance rate for each Director is shown in the table below:

Directors	Attendance rate
Dominique D'Hinnin (Chairman)	100%
Eva Berneke (CEO)	100%
Bpifrance Investissement (represented by Paul François Fournier)	81.8%
Bpifrance Participations (represented by Samuel Dalens)	100%
CMA CGM (represented by Michel Sirat) ⁽¹⁾	100%
FSP (represented by Agnès Audier)	100%
Esther Gaide	100%
Cynthia Gordon	100%
Didier Leroy ⁽²⁾	100%
Florence Parly ⁽⁴⁾	N/A
Fleur Pellerin ⁽¹⁾	100%
Ross McInnes ⁽³⁾	100%

(1) Member since 10 November 2022.

(2) Member until 16 June 2023.

(3) Member until 10 November 2022.

(4) Member since 27 July 2023.

2.3.8 Committees of the Board of Directors

The Board is assisted in its work by four permanent Committees: the Audit, Risk and Compliance Committee, the Nomination and Governance Committee, the Compensation Committee and the Corporate Social Responsibility Committee, the latter has been part of the Board's governance structure since 2022.

► Audit, Risk and Compliance Committee

The Audit, Risk and Compliance Committee's task is to (i) assist the Board of Directors by reviewing the Company's draft interim and annual financial statements (individual and consolidated financial statements), (ii) make recommendations on the draft consolidated Annual Budget proposed by Management, prior to it being examined by the Board, (iii) make recommendations to the Company's Senior Management and the Board of Directors regarding the principles and methods for ensuring the accounting, financial and extra-financial information produced is reliable and accurate, (iv) ensure that the internal controls applied within the Group are properly implemented (though such internal controls cannot provide an absolute guarantee that the objectives of the Company will be achieved), (v) make recommendations to the Board and Company's Senior Management regarding the appropriate method for handling any risk likely to affect the Group's operations (financial, legal, operational, social and environmental, etc.), (vi) oversee the appointment/reappointment of Statutory Auditors, and (vii) to supervise the implementation of all compliance control and risk prevention procedures.

As of 30 June 2023, the Audit, Risk and Compliance Committee consisted of four independent Directors: Dominique D'Hinnin (Chairman of the Board), FSP (represented by Agnès Audier),

CMA CGM (represented by Michel Sirat) and is chaired by Esther Gaide. All members meet the criteria of financial competence set out in the French Commercial Code.

The Group's CEO, CFO and Company Secretary are generally invited to attend the meetings of the Audit, Risk and Compliance Committee.

The Committee met eight times during the financial year (vs. six times in the previous financial year and four times the year prior). The average annual attendance rate of its members was 96.9%.

The attendance rate for each Committee member is shown in the table below:

Name	Attendance rate
Esther Gaide (Chair)	100%
Dominique D'Hinnin	100%
FSP (represented by Agnès Audier)	100%
CMA CGM (represented by Michel Sirat) ⁽¹⁾	83.3% ⁽²⁾
Ross McInnes ⁽³⁾	100%

(1) Member since 10 November 2022.

(2) Missed 1 unplanned meeting called on short notice.

(3) Member until 10 November 2022.

As part of its mission, the Audit, Risk and Compliance Committee regularly communicates with the Company's Statutory Auditors, and the latter attend Audit, Risk and Compliance Committee meetings when the interim and annual financial statements are being examined before being reviewed by the Board of Directors as well as a separate meeting to present their audit plan for the closing of the accounts.

Exposure to risks and off-balance sheet commitments are presented by the Group's CFO. The identification and control of off-balance sheet commitments result from the implementation of internal procedures at the Group level.

Compliance being an integral part of the Audit, Risk and Compliance Committee's responsibilities and to ensure a strong tone at the top, the topic is regularly discussed at Committee meetings and reported to the Board's following meeting thereafter.

The Audit, Risk and Compliance Committee is part of the process of the internal procedure on ordinary agreements approved by the Board of Directors on 9 April 2020. The purpose of this procedure is to define the criteria used by the Company to classify an agreement as an Ordinary Agreement, as defined by the PACTE Law, and the method for regularly reviewing and assessing said criteria. Accordingly, the Legal Affairs Department (DAJ) and the Financial and Administrative Department (DFA) are informed prior to the conclusion of an agreement which could be qualified as an Ordinary Agreement for prior review. At least once a year, the DAJ and the DFA report to the Audit, Risks and Compliance Committee on the Ordinary Agreements concluded during the past financial year as well as the Ordinary Agreement qualification criteria, which subsequently reports the same to the Board of Directors along with any recommendations. The Board of Directors decides on the relevance of the criteria used to qualify an agreement as an Ordinary Agreement and whether to change these criteria, as needed.

During the financial year, the main subjects discussed, reviewed and/or recommended for Board approval by the Audit, Risk and Compliance Committee included:

- interim and annual financial statements;
- dividend distribution and policy;
- Annual Budget and the Five-Year Plan;
- the Group's financing strategy;
- tax matters;
- significant discussions and analyses related to the OneWeb transaction;
- compliance measures including as relates to the Sapin II anti-corruption law (including action plans, updates to policies and procedures) geopolitical tensions and conflicts and associated international and sanctions;
- risk management (including extra-financial and environmental), internal controls and internal audit plans and the objectives achieved during the financial year;
- dedicated discussion on cyber security;
- share buyback programme;
- discussions with Statutory Auditors (including the audit approach and audit fees);
- internal procedure on ordinary agreements;
- achievement of the financial objectives of the annual variable compensation and long-term incentive plan.

▸ The Nomination and Governance Committee

The work of this Committee is to study and make recommendations to the Board of Directors for all that concerns (i) the selection or, in case of vacancy, the co-optation of new Directors, (ii) the recruitment or dismissal of members of the Executive Committee, (iii) the assessment of the independence of Directors pursuant to the independence criteria of the Reference Code, (iv) the assessment of the gender balance within the Board of Directors and within the Group and (v) the assessment of the functioning of the Board.

As of 30 June 2023, the Committee was composed of a majority of independent members in accordance with the Reference Code as well as the following members: Bpifrance Investissement (represented by Paul François Fournier), Cynthia Gordon, Fleur Pellerin and chaired by Dominique D'Hinnin (Chairman of the Board). Florence Parly joined as member of the committee effective on 27 July 2023

The Committee met five times during the financial year (vs. eight times in the previous financial year and four times the year prior). The average annual attendance rate of its members was 100%.

The attendance rate for each Committee member is shown in the table below:

Name	Attendance rate
Dominique D'Hinnin (Chair)	100%
Bpifrance Investissement (represented by Paul François Fournier)	100%
Cynthia Gordon	100%
Fleur Pellerin ⁽¹⁾	100%
Ross McInnes ⁽²⁾	100%
Florence Parly ⁽³⁾	N/A

(1) Member since 10 November 2022.

(2) Member until 10 November 2022.

(3) Member since 27 July 2023.

During the financial year, the main subjects discussed, reviewed and/or recommended for Board approval by the Nomination and Governance Committee included:

- annual independence analysis of each Director;
- annual review of the Board's succession planning;
- annual discussion on Executive Officer succession planning;
- annual discussion on the Group's non-discrimination and diversity policy;
- the mandate of Cynthia Gordon as Director;
- composition of the Committees (appointment of Dominique D'Hinnin as Chairman of the Nomination and Governance Committee, of CMA CGM (represented by Michel Sirat) as member of the Audit, Risk and Compliance Committee, of Didier Leroy as Chairman of the Compensation Committee and of Fleur Pellerin as member of the Nomination and Governance Committee and of the Corporate Social Responsibility Committee);
- annual self-assessment of the Board of Directors;
- compliance with the AfeP-Medef Code;
- revision of the Board of Directors Internal rules.

▸ Compensation Committee

The Compensation Committee is responsible for matters relating to (i) the long-term remuneration policy, (ii) the remuneration of the CEO and the Deputy CEO(s), (iii) the performance share plans within the Group, and (iv) the allocation of Board attendance fees.

As of 30 June 2023, the Committee was composed of a majority of independent members in accordance with the Reference Code made up of the following members: Bpifrance Participations (represented by Samuel Dalens), FSP (represented by Agnès Audier), Dominique D'Hinnin (Chairman of the Board) and was chaired by Didier Leroy until his resignation on 16 June 2023. The Committee will be chaired by Dominique D'Hinnin thereafter. Florence Parly joined as member of the Committee effective on 27 July 2023.

The Committee met five times during the financial year (vs. eight times in the previous financial year and six times the year prior). The average annual attendance rate was 100%.

The attendance rate for each Committee member is shown in the table below:

Name	Attendance rate
Dominique D'Hinnin (Chair)	100%
Bpifrance Investissement (represented by Samuel Dalens)	100%
FSP (represented by Agnès Audier)	100%
Didier Leroy ⁽¹⁾	100%
Florence Parly ⁽²⁾	N/A

(1) Member and chair until 16 June 2023.

(1) Member since 27 July 2023.

During the financial year, the main subjects discussed, reviewed and/or recommended for Board approval by the Compensation Committee included:

- compensation policy for Executive Officers;
- compensation elements for the departing Deputy CEO;
- annual evaluation of the performance of the Executive Officers;
- total Executive Officer compensation payout (including the fixed, annual variable and long-term components);
- setting the annual performance objectives of the Executive Officers for the following financial year;
- the structure of the annual variable, long-term compensation and severance for Executive Officers.

► Corporate Social Responsibility Committee

The Board has continued to strengthen its focus on environment and social matters. To this end, the Corporate Social Responsibility ("CSR") Committee was created in 2022, to address matters relating to (i) the environment, (ii) the space ecosystem, (iii) social responsibility, (iv) risks and opportunities related to CSR, (v) the Group's CSR initiatives and practices and (vi) provide support, where relevant, to the Compensation Committee in relation to CSR KPIs in the compensation structure of the Executive Officers. Please refer to Chapter 3 for details on the Company's CSR strategy, activities and initiatives

The Committee is composed of a majority of independent members made up of the following members: Dominique D'Hinnin (Chairman of the Board), Bpifrance Participations (represented by Samuel Dalens), Cynthia Gordon, Fleur Pellerin and is chaired by FSP (represented by Agnès Audier). Each Committee of the Board is represented to ensure a cross-functional view within the CSR Committee as well as to ensure the elements discussed are integrated into each of the Board's Committees.

The Committee met two times during the financial year (vs. two times in the previous financial year). The average annual attendance rate was 100%.

The attendance rate for each Committee member is shown in the table below:

Name	Attendance rate
FSP (represented by Agnès Audier) (Chair)	100%
Dominique D'Hinnin	100%
Bpifrance Participations (represented by Samuel Dalens)	100%
Cynthia Gordon	100%
Fleur Pellerin ⁽¹⁾	100%

(1) Member since 10 November 2022.

During the financial year, the main subjects discussed, reviewed and/or recommended for Board approval by the Corporate Social Responsibility Committee included:

- review of the Company's CSR strategy, initiatives and practices;
- review of the Company's CSR KPIs dashboard and CSR ratings;
- review of the Executive Management's CSR Compensation KPIs (see Section 2.4 for more detail);
- review of the satellite industry's CSR practices;
- review of the Company's CSR communication (internal and external);
- setting of priorities for the CSR team for the upcoming financial year;
- preparing a CSR Board training for the next financial year.

► Ad hoc committee

An Ad hoc committee may be constituted, of a majority of independent Directors, when needed for matters relating to acquisition, disposal, long-term investment policy and other strategic matters. During the past financial year, the Ad hoc committee met on numerous occasions to discuss in detail elements related to the OneWeb transaction, the Group's participation in the IRIS² project, among other topics in detail.

The Committee is made up of the following members: Bpifrance Participations (represented by Samuel Dalens), CMA CGM (represented by Michel Sirat), FSP (represented by Agnès Audier), Esther Gaide and chaired by Dominique D'Hinnin (Chairman of the Board). Each Committee of the Board is represented to ensure a cross-functional view within the Ad hoc committee.

The Committee met five times during the financial year (vs. twelve times in the previous financial year and four times the year prior). The average annual attendance rate of its members was 100%.

The attendance rate for each Committee member is shown in the table below:

Name	Attendance rate
Dominique D'Hinnin (Chair)	100%
Bpifrance Participations (represented by Samuel Dalens)	100%
CMA CGM (represented by Michel Sirat) ⁽¹⁾	100%
FSP (represented by Agnès Audier)	100%
Esther Gaide	100%
Ross McInnes ⁽²⁾	100%

(1) Member since 1 June 2023.

(2) Member until 10 November 2022.

2.3.9 Other Legal Information

2.3.9.1 Absence of control of the Company

To the Company's knowledge, as at 30 June 2023, no shareholder of Eutelsat Communications, either directly or indirectly, by themselves or with others, exercises control within the meaning of Articles L. 233-3 et seq. of the French Commercial Code.

2.3.9.2 Factors likely to have an impact in the event of a Public Offer

The Company's Articles of Association impose no restrictions on voting rights and on share transfers. To the best of the Company's knowledge, as at 30 June 2023, there is no agreement between shareholders limiting share transfers and the exercise of voting rights.

At the date of this report, the Company has no knowledge of any agreement between the Company's shareholders or any agreement providing for preferential conditions for the disposal or the acquisition of shares in the Company and involving at least 0.5% of the capital or voting rights in the Company.

Please also see Section 7.1.2.

2.3.9.3 Conditions for admission to and participation in the Annual General Meetings

The conditions for taking part in AGMs are set out in Article 21 of the Company's Articles of Association.

In accordance with the recommendations set forth in the Reference Code, Board Members participate in AGMs.

As at 30 June 2023, there are no preferred shares or shares with double voting rights in the Group; during the 7 November 2014 AGM, the shareholders decided not to amend the Articles of Association to introduce the double voting right provided for in Article L. 225-123 of the French Commercial Code. The AGM resolutions are approved according to the majority and quorum conditions specified in the applicable legislation.

2.3.9.4 Amendment to the Company's Articles of Association

The Shareholders' collective decisions related to the amendment of the Company's Articles of Association are made at AGMs, as provided by law.

2.4 Information on compensation paid to Corporate Officers

2.4.1 Compensation policy (ex-ante vote)

The compensation policy drawn up in accordance with Article L. 2-10-8 of the French Commercial Code and presented in the following section will be submitted for approval to the Annual General Meeting (AGM) called to approve the financial statements for the Financial Year ending 30 June 2023. Please refer to that shareholders' meeting notice for a complete view of the compensation policy.

2.4.1.1 General compensation principles

The Board of Directors ensures that the compensation policy for Corporate Officers proposed by the Compensation Committee is consistent with the Company's interests, in line with its commercial strategy and able to promote its performance and its competitiveness over the medium to long term in order to ensure its continuity.

The general principles behind the compensation policy are to attract, retain and motivate top-ranking executives and to align their interests with value creation for the Group, taking into account the Group's capital intensity, its high-technology environment, its long-term investment horizon and the challenges in terms of growth in a very competitive environment as well as the highly international dimension of the Group and its vision.

The Board of Directors, on recommendation by the Compensation Committee, determines the general principles and characteristics governing the compensation policy for Corporate Officers. It ensures the implementation of this policy by assessing the level at which the

various criteria have been met. Resolutions by the Board of Directors are therefore passed after seeking the opinion and recommendations of the Compensation Committee.

Executive Corporate Officers take no part in the vote on their compensation. See Section 2.3.4 for further information on conflicts of interests.

In exceptional circumstances, the Board of Directors may, in accordance with Article L. 22-10-8-III of the French Commercial Code, deviate from the application of the compensation policy provided this is on a temporary basis, consistent with the Company's interests and necessary to ensure the Company's continuity or viability. In particular, the Board of Directors may, on recommendation of the Compensation Committee, change the performance criteria for annual variable compensation, pluri-annual compensation, where relevant, and/or long-term compensation. For the avoidance of doubt, it is specified that, if applicable, any deviations from the compensation policy be strictly limited to one or more in the above mentioned items. Furthermore, the existing caps on the foregoing elements will remain unchanged.

Any such derogation must be rigorously applied and justified, notably as regards to its alignment with the shareholder interests. In accordance with the provisions of Articles L. 22-10-8-II and L. 22-10-34-II of the French Commercial Code, the annual variable compensation will continue to be subject to approval by the Annual General Meeting and may only be paid if that meeting votes in favour thereof.

2.4.1.2 Chairman of the Board of Directors

The compensation structure for the non-executive Chairman of the Board of Directors is comprised exclusively of Board compensation (previously referred to as attendance fees).

In line with his non-executive role and consistent with market practices in France, the Chairman of the Board of Directors does not receive any annual variable compensation, pluri-annual compensation or short-term cash compensation, nor the benefit of any long-term incentive scheme.

The Board compensation paid to the Chairman of the Board of Directors is allocated in accordance with the rules determined by the Board of Directors and set out herein. These allocation rules, which apply to all the Directors, include a variable portion for each meeting of the Board of Directors, as well as a specific fixed annual portion. These rules are set out below.

If a new Chairman of the Board of Directors is appointed, the principles, criteria and elements of the compensation set out in the policy on compensation for the Chairman of the Board of Directors will apply.

For details on the Chairman of the Board and his/her mandate, see Section 2.1.2.

2.4.1.3 Board Members

The maximum annual sum allocated to Board Members compensation, 985,000 euros, was approved by the Annual General Meeting on 8 November 2017. The criteria for the apportioning of this sum are set out below.

The rules for the award of Board Members' Compensation primarily take into account the actual attendance of the members at meetings of the Board and of its Committees, in accordance with Article 21 of the Afep-Medef Code.

Board of Directors:

- fixed annual part of 15,000 euros per Board Member (increased to 30,000 euros for the Co or Vice Chairman and 175,000 euros for the Chairman);
- an annual supplement of 10,000 euros for each Director residing outside France (pro-rated based on physical attendance);
- variable part of 4,000 euros per Board Member for each Board Meeting attended.

Audit, Risk and Compliance Committee:

- fixed annual part of 4,000 euros per Committee member (increased to 14,000 euros for the Committee Chairman);
- variable part of 3,000 euros per Committee member for each Committee meeting attended.

Governance and Nominations Committee:

- fixed annual part of 3,000 euros per Committee member (increased to 8,000 euros for the Committee Chairman);
- variable part of 2,000 euros per Committee member for each Committee meeting attended.

Compensation Committee:

- fixed annual part of 3,000 euros per Committee member (increased to 8,000 euros for the Committee Chairman);
- variable part of 2,000 euros per Committee member for each Committee meeting attended.

CSR Committee (new committee):

- fixed annual part of 3,000 euros per Committee member (increased to 8,000 euros for the Committee Chairman);
- variable part of 2,000 euros per Committee member for each Committee meeting attended.

Ad hoc Committee:

- only a variable part of 1,000 euros per Committee member for each Committee meeting attended.

Directors may receive reasonable additional Board compensation for taking part in specialised Committees, chairing such Committees or performing special duties, such as acting as Co or Vice Chairman or Lead Director, as decided by the Board and in line with the rules on the award of Board compensation set out above.

The performance of a special duty entrusted to a Director may give rise to reasonable compensation, depending on the decision of the Board and subject to the related party agreements regime, where applicable.

The Board compensation (attendance fees) is paid once a year after the close of the financial year. Pursuant to Article L. 22-10-34-II of the French Commercial Code, the payment of Board compensation for that financial year is subject to approval by the Annual General Meeting of the compensation policy.

The fixed annual part (applicable to Board and Committee members) is prorated based on the duration of the mandate during the financial year considered. In addition, in the event that the number of meetings held mechanically leads to exceeding the 985,000 euros fee envelope decided by the Annual General Meeting, the variable part would proportionally be reduced in order to stay within the ceiling set for this envelope.

If a new Director is appointed or a Director's term of office is renewed, the principles, criteria and elements of the compensation set out in the compensation policy for Directors will apply. For details on the Directors and their mandates, see Section 2.1.2.

2.4.1.4 Executive Corporate Officer(s)

For details on the Executive Corporate Officer(s) (CEO) and their mandates, see Sections 2.1.2 and 2.2.1.

On the basis of the objectives previously mentioned, the Group has implemented a global compensation policy for the Executive Corporate Officers, structured as follows (see also the “Market Positioning Policy” section):

	Objective	Key features
Annual fixed salary	Recognise the level of responsibility in a competitive talent market.	See “Market Positioning Policy” Section.
Annual variable compensation	Ensure financial targets published are met and encourage the exceeding of the internal targets for the financial year.	Three sets of targets: <ul style="list-style-type: none"> Quantitative financial targets: “Operating Verticals” revenue; Adjusted Discretionary Free Cash Flow⁽¹⁾, total operating expenses⁽²⁾, bad debt; Quantitative CSR objectives that are measurable; Qualitative targets: specific objectives related to the strategic roadmap. See “Variable compensation policy” Section.
Pluri-annual variable compensation	N/A	None.
Long-term compensation (Long Term Incentive Plan)	Maximise mid-term value creation; Align the interest of Executive Corporate Officers with shareholders and other stakeholders; Retain key senior executives.	Grant of phantom shares or performance shares linked to 3-year value creation objectives: revenue linked to the new verticals; Adjusted Discretionary Free Cash Flow; relative TSR ⁽³⁾ ; criterion linked to corporate social responsibility. See “Variable compensation policy” Section.
Compensation, indemnities or benefits due or likely to be due on termination or change of office	Severance Allowance	For the Chief Executive Officer, severance pay equivalent to 18 months of the fixed and variable annual compensation in the event of forced departure in the six months following a change of control.
Exceptional compensation	N/A	See “Exceptional compensation” Section.
Benefits in kind	N/A	<ul style="list-style-type: none"> Company car with or without chauffeur for the CEO; Company car for the Deputy CEO.
Board compensation (attendance fees)	Compensation for the Board Members.	Not applicable to Deputy Chief Executive Officer. The rules on the allocation of Board compensation (attendance fees) are set out in Section 2.4.1.3 of this document.
Non-compete undertakings	Take into account the highly competitive environment for satellite operators.	Non-compete clause: an allowance equivalent to 50% of the base salary during the 18-month period following termination of duties in return for an undertaking to refrain from working for any telecommunications satellite operator, directly or indirectly.
Supplementary pension scheme	N/A	None.
Group benefit and supplementary health plan	N/A	Executive Corporate Officers benefit from the supplementary health plans currently in force within the Group, on the same terms as those applying to the employee group to which they are assimilated for the calculation of their employee benefits.

(1) This indicator is described in Section 6.1.1 “Alternative Performance Indicators” of this document.

(2) Excluding bad debt.

(3) TSR is Total Shareholder Return over a given period, including the dividends received and the capital gain earned (i.e. variation in the share price).

Note:

- i) the criteria used to determine the compensation of the Executive Corporate Officers include, *inter alia*: market positioning (see dedicated section), track record, office held and seniority;
- ii) the precise weighting given to the different targets for annual variable compensation is determined by the Board of Directors, on recommendation by the Compensation Committee, on a case-by-case basis depending on the duties performed by each of the Executive Corporate Officers.

Market Positioning Policy

The competitiveness of the compensation policy is measured primarily by reference to French companies of comparable size (in terms of market capitalisation and revenue) and, as well as by reference to comparable French companies of the same industry and comparable global companies of the same industry.

Market Positioning

A set of guidelines have been adopted for assessing the competitiveness of the overall compensation policy for the Executive Corporate Officers as compared with the market, allowance being made for features specific to Eutelsat:

- the scale of the compensation in the long term is aligned with that of comparable businesses to ensure that the emphasis is placed on long-term objectives and to ensure that compensation is more closely aligned to shareholder interests;
- relative positioning for the purposes of the cash compensation target: both base salary and total cash compensation generally around the median.

Annual fixed compensation

The annual fixed compensation of the Executive Corporate Officers is awarded in consideration of their corporate functions, taking account of their individual merits in combination with market benchmarks.

Accordingly, it is determined on the basis of the following:

- the level and complexity of the duties and responsibilities attached to the corporate office held, each Executive Corporate Officer being vested with the broadest powers to act in the name of the Company, in all circumstances, and to represent it in its relationships with third parties;
- the track record, skills, experience, expertise, seniority and past functions of each Executive Corporate Officer;
- analyses and market studies relating to compensation for comparable functions and companies.

In accordance with the Reference Code, the Board of Directors has decided that the annual fixed compensation of the Chief Executive Officer should only be reviewed at relatively long intervals.

A review can, however, be undertaken in the event of a material change to the scope of responsibility of the office concerned, such as that which may arise from changes to the Company itself or from a significant disparity as compared with the market positioning. In these specific circumstances, the adjustment of the fixed remuneration, as well as the reasons for the adjustment, must be made public.

For other Corporate Officers, whether their fixed remuneration should be reviewed, will be considered as deemed relevant by the Board of Directors.

The annual fixed remuneration is used as the basis for the calculation of the maximum percentage of variable annual compensation and valuation of the long-term incentives.

Variable Compensation Policy

Annual variable compensation

Determination method

The potential amount of variable compensation is determined on the basis of, inter alia, observed market practices, and the achievement of performance levels in relation to key parameters and certain economic and personal, quantitative and qualitative performance targets, in line with the implementation of the Company's strategy.

During the first quarter of each financial year, the Board of Directors, on recommendation by the Compensation Committee, confirms or determines these targets, as well as their weighting and the associated performance levels:

- threshold below which no compensation is paid;
- target level when the target is met; and
- maximum level evidencing outperformance of the target level set for the target.

Precise quantitative economic performance targets, based on financial indicators, are set based on the budget or disclosed financial objectives pre-approved by the Board of Directors and are subject to performance thresholds.

The achievement level of the targets is disclosed once the performance has been assessed by the Board of Directors.

Detailed presentation of the characteristics for Executive Corporate Officers

The parameters are determined by the Board of Directors during the first quarter of the relevant year. They are subject to change from one year to the next. The weighting given to each criterion for the Executive Corporate Officers is given in the following summary table.

<i>(as a percentage of the fixed compensation)</i>	Executive Corporate Officer
QUANTITATIVE FINANCIAL OBJECTIVES AT GROUP LEVEL	65%
"Operating Verticals" revenues ⁽¹⁾	26%
Adjusted Discretionary Free Cash Flow	22.75%
Total operating expenses ⁽²⁾	13%
Bad debt	3.25%
QUANTITATIVE CSR OBJECTIVES	15%
QUALITATIVE OBJECTIVES	20%
TOTAL	100%

(1) Operating Verticals revenues is equal to Total Group revenues minus "Other revenues" as disclosed in Chapter 6 of this document. The variation is computed at constant currency and perimeter.

(2) Excluding bad debt.

There is no change compared with the policy approved by the Annual General Meeting on 10 November 2022.

Method for calculating the Group quantitative financial objectives (minimum and maximum levels)

The quantitative financial part is paid up to a ceiling of:

- ▶ 140% if the outperformance level defined in relation to the budget is exceeded;
- ▶ 100% if the budget target level is reached;
- ▶ If the performance is below the target level, a threshold level is defined in relation to the budget for each indicator:
 - for the “Operating Verticals” revenues growth. In this case, the payout for this criterion would be 80%;
 - for the Adjusted Discretionary Free Cash Flow, total operating expenses and bad debt. In this case, the payout for this criterion would be 50%;
- ▶ 0% if the level achieved is lower than this threshold.

The elasticity of each element is determined separately for each objective. The calculation is made at constant exchange rate and perimeter, with a nominal deployment plan and on straight-line basis between each threshold.

There are no changes in terms of method compared to the policy approved by the Annual General Meeting on 10 November 2022.

Quantitative CSR objectives

In order to take into account the growing importance of responsible development for the expectations of all stakeholders and to reinforce this dimension in the remuneration of Executive Corporate Officers, the Group has progressively introduced criteria related to the CSR (Corporate Social Responsibility) of the Company. These objectives represent 15% of the Executive Officer's variable compensation. These CSR objectives are based on quantitative indicators and can relate to the reduction of the digital divide, the environment, employee engagement, the anti-corruption programme among other topics and are subject to change from one year to the next to reflect the strategic, business and managerial ambitions for the upcoming financial year.

The quantitative CSR part is paid up to a ceiling of:

- ▶ 140% if the target level is exceeded, necessarily an improvement compared to the previous year;
- ▶ 100% if the target level is reached, in general, an improvement on the previous year except in cases where maintaining the same level of past performance is in itself challenging;
- ▶ 80% if the threshold level is reached. If the performance is below the target level, a threshold is defined for each indicator;
- ▶ 0% if the level achieved is lower than this threshold.

The elasticity of each element is determined separately for each objective. The calculation is made at constant perimeter, with a nominal deployment plan and on straight-line basis between each threshold.

There are no changes in terms of method compared to the policy approved by the AGM on 10 November 2022.

For fiscal year 2023-24 the quantitative CSR objectives and weightings are as follows:

- ▶ 25% Environmental – related to implementing solar panels electricity generation at Eutelsat teleports measured by the total kWh/year attained over the 2024 financial year requiring Capex investments to reach the objectives;
- ▶ 25% Digital Divide – related to reducing the digital divide in Africa measured by the number of individual new users connected with a target that almost doubles the levels reached to-date;

- ▶ 25% Social – related to Great Place To Work Survey key combined indicators: participation rating & trust index scoring;
- ▶ 25% Compliance – related to reinforcing ongoing client verification procedures throughout the year measured by the percentage of customers covered over the 2024 financial year with a threshold of 50%, a target of 75% and an outperformance at 90%.

Qualitative objectives

These parameters are determined by the Board of Directors during the first quarter of the relevant financial year and are subject to change from one year to the next to reflect the strategic, business and managerial ambitions for the upcoming financial year, for each office concerned. They may relate to, *inter alia*, implementation of the strategic guidelines approved by the Board of Directors, important industrial and commercial developments and programmes, and organisational and management actions. They do not relate to day-to-day tasks, but rather to specific actions in respect of which the Board of Directors expects specific performance further to the determination of targets that are as measurable as possible and assessed globally.

Cap

It is specified that in view of the foregoing, the amount of annual variable compensation may not exceed 132% of the fixed compensation for the Executive Corporate Officers (taking into account the possibility of payment of up to 140% in the event of outperformance on the 65% corresponding to the Group quantitative financial objectives and on the 15% of quantitative objectives related to CSR, the other qualitative objectives being capped at 100%).

Payment conditions

In accordance with Article L. 22-10-34-II of the French Commercial Code, the payment of the annual variable compensation for the Financial Year 2022-23 to be paid in the Financial Year 2023-24 (within one month of its approval) is subject to approval by the AGM called to approve the financial statements for the Financial Year ending 30 June 2023.

Appointment or expiry of a term of office

In the event of an appointment or the expiry of a term of office in the course of the year, the foregoing principles apply for the period of time during which the duties were discharged (*pro rata temporis*). However, with respect of any appointment made during the second half of the relevant financial year, performance is assessed on a discretionary basis by the Board of Directors on proposal by the Compensation Committee.

Long-term incentives

Target set

The Board of Directors considers that this mechanism, which also applies to certain other key offices within the Company, is well-suited to the duties of the Executive Corporate Officers given the expected level of their direct contribution to the long-term performance of the Company. This mechanism, which is based on the achievement of certain performance criteria over several years and on the change in value of the Eutelsat share price, makes it possible to strengthen the motivation and loyalty of these key functions while fostering the alignment of their interests with the interests of the Company and of its shareholders.

Detailed presentation of the characteristics of the long-term incentive plan

Vehicle

The long-term incentive plan is based on the allocation of phantom shares or performance shares of Eutelsat Communications. After a period of at least three years, the degree to which the performance criteria presented below are achieved will determine the number of shares vested. Once the vesting period is over, there are two options: a payment in cash based on the value of a Eutelsat Communications share on that date or the delivery of shares, depending on the elected vehicle.

Obligation to retain shares

In the event of a grant of performance shares, the Executive Corporate Officers must retain, as a personal investment, 20% of the performance shares vested (after expiry of any holding period, where applicable) until the end of their last mandate as an Executive Corporate Officer. This retention obligation applies up to a value equivalent to 200% of their fixed annual remuneration.

Performance criteria

The percentage of shares varies depending on the internal and external criteria performance level, which is measured over three years.

The internal criteria account for 80% and relate to:

- a revenue objective linked to the new verticals for 40%. Revenues linked to the new verticals, notably, include revenues from the Connectivity business, in line with the second axis of the Group's Strategic Plan, whose timeline is drawing closer, and which calls for a return to growth on the back of capturing opportunities, notably, in the Mobility and Data segments;
- Adjusted Discretionary Free Cash Flow (DFCF) for 20%;
- a criterion linked to CSR (Corporate Social Responsibility), based on a quantified target, for 20%.

The revenues and DFCF objectives are confidential and based on the Group's Strategic Plan. For confidentiality reasons, the details of these targets are only made public ex-post and after their review by the Board of Directors.

The external criterion has a weighting of 20% and is based on a relative Total Shareholder Return (TSR)⁽¹⁾ target for the period set (three years from the grant date).

The index used for the relative TSR is calculated on the basis of the median of a panel of comparable companies, composed of key players in the Group's sector of activity.

The panel of comparable companies was selected based on the following rationale:

- satellite operators, which are the closest peers. In view of the limited number of quoted satellite operators, only SES, ViaSat and Telesat have been used;
- pay-TV operators. Note that the Video business in which pay-TV operators are the Group's main customers, represents close to 60% of the Group's sales. To this end, RTL, TF1, Pro Sieben Sat, Mediaset and ITV are used as peers;
- European telecom operators. The Group's non-broadcasting activities consist, notably, of supplying connectivity and Internet

access to individuals, companies and governments. The Telecom operators used are major customers for the Group (either in terms of interconnecting their mobile networks or the distribution of Fixed Broadband, Mobile Connectivity and Fixed Data Services): BT, KPN, United Internet, Proximus and Telecom Italia⁽²⁾;

- Telecom infrastructure companies in view of the nature of the infrastructure of the Group's activity which is notably characterised by a high level of investment, long cycles: Cellnex and Inwitt.

For this criterion, the percentage of effective vesting of shares is as follows:

- 0% if performance is below the benchmark median;
- 100% if performance is equal to the benchmark median;
- 115% if the benchmark median is exceeded by 10 points;
- 130% if the benchmark median is exceeded by 15 points.

There are no changes compared to the policy approved by the Annual General Meeting on 4 November 2021.

Condition of presence

The definitive vesting of shares is also subject to the presence of the beneficiary within the Company at the end of the vesting period. If the beneficiary leaves before the end of the vesting period, the basic principle is the loss of rights to shares. However, the Board of Directors may decide to maintain all or part of the benefit of the shares provided, subject to the justification and the explanation of the specific circumstances underlying its decision. Should this be the case, the Board of Directors must ensure that waiver of the criterion relating to presence is *pro rata temporis* and is dependent on the achievement of performance criteria to ensure that payment can only take place at the end of the period set for the plan.

Grant cap

On the grant date, the value of the shares granted to the Executive Corporate Officers may not exceed a set percentage of their fixed annual remuneration, set at 162.5% (target equal to 125% of the fixed annual salary with a potential vesting percentage of 130% in case of over-performance);

There are no changes compared to the policy approved by the Annual General Meeting on 4 November 2021.

Exceptional compensation

The Board of Directors has adopted the principle whereby the Executive Corporate Officers may receive exceptional compensation in very specific circumstances only, such as for example a significant transaction for the Group. In any event, should any such decision be taken by the Board of Directors:

- the amount of any such exceptional compensation may not exceed 100% of the target annual bonus of the Executive Corporate Officers for the financial year;
- it may not be paid before its approval by an Annual General Meeting;
- any such decision shall be made public immediately after the Board of Directors Meeting during which the decision was taken;
- the decision must be justified and must contain details of the event leading to it.

(1) The panel of comparable companies for the TSR objective is composed as follows: satellite competitors (SES, ViaSat and Telesat), Pay-TV operators (RTL, TF1, ProSieben Sat, Mediaset and ITV), Telecom operators (BT, KPN, United Internet, Proximus and Telecom Italia) and Telecom infrastructure (Cellnex and Inwitt). Note that Iliad, which was included in the comparables selected in previous years, has been removed from the selection of stocks in view of its delisting in October 2021.

(2) Iliad, which was included in the comparables selected in previous years, has been removed from the selection of stocks in view of its delisting in October 2021.

Any such exceptional compensation may also be justified in the event and context of the arrival of a new Executive Corporate Officer, for example, in order to indemnify the new Executive Corporate Officer for the loss of variable compensation as a result of leaving the previous employer.

Non-compete undertaking

Executive Corporate Officers may benefit from an allowance equivalent to 50% of their base salary for 18 months after their term of office ceases in return for an undertaking not to work directly or indirectly for any telecommunications satellite operator.

This allowance will not be paid if the person concerned exercises his/her right to retire. In any event, no allowance may be paid after the age of 65.

It should be noted that the Board has the option to waive this commitment.

Compensation and other benefits payable or likely to be payable as a result of or following the termination of office of the Group's Corporate Officers

Executive Corporate Officers do not receive a supplementary pension from the Company.

In the event of forced departure within six months following a change of control (including in the event of a merger with a significant player in the space industry), the Chief Executive Officer will receive a severance payment equivalent to 18 months of the fixed and variable annual compensation. This severance payment was set up following the departure of the previous CEO and in the search for a new CEO. The Board of Directors, on the recommendation of the Compensation Committee, took the view that, given the very competitive context of the industry, the potential of consolidation of the industry, the uncertainty that was created following the unsolicited expression of interest sent to the Board of Directors by a potential buyer of the Company in late 2021 and in order to attract top talent to lead the Group, it was important for the Company to give visibility and reassurance to the Group's CEO. This clause was approved by the November 10, 2022 AGM.

In any event, in accordance with the Afep-Medef Code, the total of the severance payment and non-compete allowance shall not exceed two years of fixed and variable compensation.

Employment contract and pension scheme (Table 10 – AMF Recommendation)

	Employment contract		Supplementary pension scheme		Payments or other benefits due or likely to be due as a result of termination or change of office		Payments pursuant to a non-compete clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Corporate Officers								
DOMINIQUE D'HINNIN								
Chairman of the Board of Directors								
Appointed on 8 November 2017								
Term of office expiring on: Annual General Meeting called to approve the accounts for the Financial Year ending 30 June 2025		× ⁽¹⁾		×		×		×
EVA BERNEKE								
Chief Executive Officer								
(since 1 January 2022)		×		×	×		×	

(1) Dominique D'Hinnin has no employment contract with any company of Eutelsat Group.

(2) Eva Berneke has no employment contract with any company of Eutelsat Group.

(3) In case of termination of office, a non-compete clause provides for payment of 50% of the fixed compensation over an 18-month period.

2.4.2 Information concerning remuneration in compliance with Article L. 22-10-34-II of the French Commercial Code (ex-post vote)

Pursuant to Article L. 22-10-34-II of the French Commercial Code, the information mentioned in I of Article L. 22-10-8-II of the Commercial Code including the fixed, variable and exceptional elements making up the total compensation and benefits of any kind paid during the past financial year or granted for the same financial year to the Chairman of the Board of Directors, Chief Executive Officer and Deputy Chief Executive Officer will also be submitted to the vote of the same Annual General Meeting.

2.4.2.1 Total compensation of the Corporate Officers

It should be noted that:

- the compensation policy is set out in the previous section.
- the compensation paid or allocated to the Corporate Officers for the past financial year is detailed in Section 2.4.3.

Summary of compensation and benefits paid to the Corporate Officers (Table 1 – AMF recommendation)

The following table summarises the compensation and stock options or performance shares granted to Corporate Officers for the financial years ended on 30 June 2022 and 2023:

(in euros)	Financial Year 2021-22	Financial Year 2022-23
DOMINIQUE D'HINNIN Chairman of the Board of Directors (since 8 November 2017)		
Compensation (see Table 2 for details) including Board compensation (attendance fees)	282,135	286,189
Value of stock options awarded during the financial year	-	-
Value of performance shares awarded during the financial year	-	-
Other long-term benefits	-	-
TOTAL	282,135	286,189
EVA BERNEKE CEO (since 1 January 2022)		
Compensation (see Table 2 for details)	717,718	1,424,428
Value of stock options awarded during the financial year	-	-
Value of performance shares awarded during the financial year	677,100 ⁽¹⁾	812,503
Other long-term benefits	-	-
TOTAL	1,394,818	2,236,931
MICHEL AZIBERT Deputy CEO (5 September 2011 to 10 November 2022)		
Compensation (see Table 2 for details)	811,371	287,084
Value of stock options awarded during the financial year	-	-
Value of performance shares awarded during the financial year	581,414 ⁽¹⁾	274,935
Other long-term benefits	-	-
TOTAL	1,392,785	562,019

(1) Please refer to Section 2.4.4 "Performance share plan of 10 November 2022" for further details. As a reminder, these amounts are in line with the policy approved by the Annual General Meeting of 10 November 2022 and correspond respectively to 125% of the Fixed Compensation for Eva Berneke with a prorata temporis calculation from the date of taking up the post and 160% of the Fixed Compensation for Michel Azibert.

Summary of compensation paid to the Corporate Officers (Table 2 – AMF recommendation)

The following table summarises the compensation paid to the Corporate Officers during the financial years ended on 30 June 2022 and 2023.

(in euros)	Financial Year 2021-22		Financial Year 2022-23	
	Amounts payable	Amounts paid	Amounts payable	Amounts paid
DOMINIQUE D'HINNIN				
Chairman of the Board of Directors (since 8 November 2017)				
Fixed compensation	-	-	-	-
Variable compensation	-	-	-	-
Board compensation (attendance fees)	282,135	240,667	286,189	282,135
Benefits in kind	-	-	-	-
Exceptional compensation	-	-	-	-
TOTAL	282,135	240,667	286,189	282,135
EVA BERNEKE				
CEO (since 1 January 2022)				
Fixed compensation	325,000	325,000	650,000	325,000
Variable compensation ⁽¹⁾	373,109	-	714,712	373,109
Board compensation (attendance fees)	17,547	-	56,818	17,547
Benefits in kind	2,062	2,062	2,898	2,062
TOTAL	717,718	327,062	1,424,428	717,718
MICHEL AZIBERT				
Deputy CEO (from 5 September 2011 to 10 November 2022)				
Fixed compensation	363,384	363,384	133,160	363,384
Variable compensation ⁽¹⁾	444,138	482,792	152,342	444,138
Board compensation (attendance fees)	-	-	-	-
Benefits in kind	3,849	3,849	1,582	3,849
Exceptional compensation	-	-	-	-
TOTAL	811,371	850,025	287,084	811,371

(1) It should be noted that the variable compensation paid to Eva Berneke and Michel Azibert during the Financial Year 2022-23 corresponds to the variable portions allocated for the Financial Year 2021-22 and was approved by the Annual General Meeting of 10 November 2022.

Compensation paid to the Board of Directors (Table 3 – AMF recommendation)

The following table shows the gross amount of Board compensation (attendance fees) and other forms of compensation corresponding to the amounts payable during the financial years ended 30 June 2022 and 30 June 2023. It is specified that the Board compensation (attendance fees) payable for Financial Year N are paid at the beginning of Financial Year N+1.

The 2022-23 financial year was another exceptional year. A total of 36 Board and Committee meetings were held versus 25 total Board

and Committee meetings in a typical year. This compares to a total of 47 Board and Committee meetings held during the 2021-22 financial year, a similarly exceptional year. As a result, the envelope approved by the Annual General Meeting of 985,000 euros would have been exceeded. Consequently, pursuant to the Board compensation policy, the variable part has been proportionally reduced in order to stay within the limit of the envelope resulting in the payment of only ca. 95% of the total variable amount due for each of the meetings.

Chairman of the Board of Directors (in euros)	Financial Year 2021-22	Financial Year 2022-23
DOMINIQUE D'HINNIN		
Chairman of the Board of Directors		
Board compensation	282,135	286,189
Other compensation	0	0
TOTAL COMPENSATION PAID TO THE CHAIRMAN OF THE BOARD OF DIRECTORS	282,135	286,189

Member of the Board of Directors (in euros)	Financial Year 2021-22	Financial Year 2022-23
EVA BERNEKE Director (since 1 January 2022)		
Board compensation	17,547	56,818
Other compensation	See Tables 1 & 2	See Tables 1 & 2
BPIFRANCE PARTICIPATIONS Director, represented by Samuel Dalens (from 30 May 2022)		
Board compensation	74,199	78,374
Other compensation	0	0
BPIFRANCE INVESTISSEMENT Director, represented by Paul-François Fournier (since 4 November 2021)		
Board compensation	39,826	60,418
Other compensation	0	0
FSP Director, represented by Agnès Audier		
Board compensation	99,587	112,685
Other compensation	0	0
ESTHER GAIDE Director		
Board compensation	99,272	98,379
Other compensation	0	0
ANA GARCÍA FAU Director		
Board compensation	77,112	0
Other compensation	0	0
CYNTHIA GORDON Director (since 7 November 2019)		
Board compensation	76,804	79,760
Other compensation	0	0
DIDIER LEROY Director (until 16 June 2023)		
Board compensation	77,573	68,925
Other compensation	0	0
CMA CGM Director, represented by Michel Sirat (since 10 November 2022)		
Board compensation	0	58,578
Other compensation	0	0
ROSS MCINNES Director (until 10 November 2022)		
Board compensation	105,395	29,200
Other compensation	0	0
FLEUR PELLERIN Director (since 10 November 2022)		
Board compensation	0	55,626
Other compensation	0	0
RODOLPHE BELMER Director (until 31 December 2021)		
Board compensation	39,480	0
Other compensation	See Tables 1 & 2	See Tables 1 & 2
TOTAL BOARD COMPENSATION (EXCLUDING THE CHAIRMAN OF THE BOARD OF DIRECTORS)	702,796	698,762

2.4.2.2 Relative proportion of fixed and variable compensation

The breakdown of compensation for the Corporate Officers between fixed remuneration, variable remuneration, long-term remuneration and other compensation (benefits in kind, Board compensation) is as follows.

<i>(as a % of total compensation payable for the Financial Year 2022-23)</i>	Dominique D'Hinnin	Eva Berneke	Michel Azibert
Fixed compensation	-	29.3%	23.7%
Annual variable compensation	-	31.9%	27.1%
Long-term compensation	-	36.3%	48.9%
Non-compete allowance	-	-	-
Other ⁽¹⁾	100%	2.5%	0.3%

(1) Amount including Board compensation and benefits in kind.

2.4.2.3 Use of the possibility of requesting the return of variable compensation

None.

In any event, in accordance with the Afep-Medef Code, the total of the severance payment and non-compete allowance shall not exceed two years of fixed and variable compensation.

See also the paragraph "Exceptional compensation" in Section 2.4.1.4 for more information.

2.4.2.4 Commitments relating to the arrival or departure of Executive Corporate Officers

The only commitments relating to the arrival or departure of Executive Corporate Officers are those that may be linked to the non-compete clauses and the severance allowance.

It should be noted that the Chief Executive Officer can benefit from an allowance equivalent to 50% of the fixed remuneration over an 18-month period following the termination of her office, in return for a commitment not to work directly or indirectly for any telecommunications satellite operator. The Board has the option to waive this commitment.

In the event of forced departure within six months following a change of control (including in the event of a merger with a significant player in the space industry), the Chief Executive Officer will receive a severance payment equivalent to 18 months of the fixed and variable annual compensation (excluding the long-term incentive bonus).

2.4.2.5 Compensation paid or granted by a company included in the scope of consolidation within the meaning of Article L. 233-16

None.

2.4.2.6 Ratios on multiple compensation

The ratios on compensation multiples, calculated on the basis of the compensation paid to the Corporate Officers during the Financial Year 2022-23 in relation to the average and median compensation paid to full-time equivalent employees of Eutelsat S.A. (corresponding to 53.2% of the Group's employees and to all of the Group's employees in France) are shown below. Please note that the holding company Eutelsat Communications has not been retained as a relevant perimeter for this analysis since it has no employees.

More details on the calculation methodology and the amounts used for the compensation of the Corporate Officers are given in the next section.

Pay ratio to average compensation	Chairman of the Board of Directors	2.8
	CEO	7.1
	Deputy CEO	8.0
Pay ratio to median compensation	Chairman of the Board of Directors	3.5
	CEO	8.9
	Deputy CEO	10.0

2.4.2.7 Trends in the compensation, company performance and average compensation over the last five years

Methodological remarks

The compensation of the Corporate Officers shown for a financial year corresponds to the compensation paid during that financial year. To facilitate comparisons, certain data points are annualised or restated as follows:

For the Chairman of the Board of Directors:

- ▶ The compensation shown for the Financial Year 2018-19 corresponds to the compensation paid to Dominique D'Hinnin, whose fixed portion (paid in respect of his duties as Chairman of the Board since 7 November 2017) has been annualised.
- ▶ The compensation shown for the Financial Years 2019-20, 2020-21, 2021-22 and 2022-23 corresponds to the compensation paid to Dominique D'Hinnin in respect to his duties as Chairman of the Board.

For the Chief Executive Officer:

- ▶ The offices of Chairman of the Board of Directors and Chief Executive Officer have been separated since 1 March 2016.
- ▶ The compensation shown for the Financial Years 2017-18, 2018-19, 2019-20 and 2020-21 corresponds to the compensation paid to Rodolphe Belmer as Chief Executive Officer. It should be noted that Financial Year 2019-20 was the first year in which Rodolphe Belmer received a payment related to long-term incentives.
- ▶ The compensation shown for the Financial Year 2021-22 corresponds to the compensation paid to Rodolphe Belmer as Chief Executive Officer for which the fixed annual compensation was annualised. It should be noted that Rodolphe Belmer's duties as Chief Executive Officer ended on 31 December 2021.
- ▶ The compensation shown for the Financial Year 2022-23 corresponds to the compensation paid to Eva Berneke as Chief Executive Officer.

For the Deputy CEO:

- ▶ The compensation shown for the Financial Years 2017-18 to 2022-23 corresponds to the compensation paid to Michel Azibert as Deputy Chief Executive Officer and Chief Commercial Officer and then as Deputy Chief Executive Officer (as of 1 July 2019). It should be noted that Michel Azibert's duties as Deputy Chief Executive Officer ended on 10 November 2022.

Remuneration paid to the Corporate Officers

(in thousands of euros)	Financial year ended 30 June				
	2019	2020	2021	2022	2023
Chairman of the Board of Directors	229	228	225	241	282
Change	(22)%	=	(1)%	7%	17%
CEO	1,312	1,452	1,399	1,598	718
Change	3%	11%	(4)%	14%	(55)%
Deputy CEO	710	818	794	928	811
Change	(9)%	15%	(3)%	17%	(13)%

Average compensation

The scope is that of Eutelsat S.A., which represents 53% of the Group's employees worldwide and all employees in France. Average compensation is calculated on a full-time equivalent basis for employees present throughout the financial year. It takes into account all the gross remuneration elements (base salary, annual bonus, phantom shares and, when applicable, profit-sharing).

	Financial year ended 30 June				
	2019	2020	2021	2022	2023
Average compensation paid (in thousands of euros)	114	122	105	103	101
Change	3%	7%	(15)%	(2)%	(2)%

Company performance

Two indicators are shown in the table below:

- net income, Group share, as published in the consolidated financial statements;

- Discretionary Free Cash Flow in line with the Group's strategy, which notably includes maximising cash generation. It is an alternative performance indicator, the definition and calculation of which is provided in Section 6.1 of this document.

	Financial year ended 30 June					
	2018	2019	2020	2021	2022	2023
Reported Discretionary Free Cash Flow <i>(in millions of euros)</i>	415	408	474	467	443	462
Change as defined by the financial objectives ⁽¹⁾		10%	6%	0%	(2)%	(1)%
Group share of Net Income <i>(in millions of euros)</i>	292	340	298	214	228	315
Change		17%	(13)%	(28)%	6%	36%

(1) Change at constant currency and perimeter.

Pay ratio

On the basis of average compensation:

	Financial year ended 30 June				
	2019	2020	2021	2022	2023
Chairman of the Board of Directors	2.0	1.9	2.2	2.3	2.8
Change	(24)%	(7)%	15%	9%	19%
CEO	11.5	11.9	13.4	15.6	7.1
Change	0%	3%	13%	16%	(54)%
Deputy CEO	6.2	6.7	7.6	9	8.0
Change	(11)%	7%	14%	19%	(11)%

On the basis of median compensation:

	Financial year ended 30 June				
	2019	2020	2021	2022	2023
Chairman of the Board of Directors	2.3	2.3	2.6	2.9	3.5
Change	(24)%	(4)%	15%	11%	21%
CEO	13.4	14.4	16.2	19.2	8.9
Change	(1)%	7%	13%	19%	(54)%
Deputy CEO	7.3	8.1	9.2	11.2	10.0
Change	(12)%	11%	13%	22%	(11)%

2.4.2.8 Compliance with the compensation policy

The total compensation was established in accordance with the compensation policy voted by the Annual General Meeting of 10 November 2022. In particular, on recommendation by the Compensation Committee, the level of achievement of the various performance criteria was assessed and approved by the Board of Directors.

2.4.2.9 Taking into account the vote of the last Annual General Meeting

The last AGM held on 10 November 2022 approved all the resolutions relating to the compensation of the Corporate Officers with percentages above 86% for most resolutions except for two which were at 66% approval and 75% approval.

During autumn 2022, the Chairman of the Board of Directors, the Board Secretary and the Chief Human Resources Officer exchanged extensively with shareholders representing over 50% of the shareholder base. A number of shareholders expressed dissatisfaction with the payout to Rodolphe Belmer pursuant to the non-compete agreement despite him leaving Eutelsat to join Atos. The non-compete clause now allows the Board the option to waive this commitment aligned with the expectations expressed by shareholders.

Resolution No.	Title	Vote in favour
10	Information concerning the remuneration of Corporate Officers for the Financial Year ending 30 June 2022	92.8%
11	Mr D'Hinnin's compensation due for the Financial Year 2021-22	99.6%
12	Mrs Berneke's compensation due for the Financial Year 2021-22	87.4%
13	Mr Belmer's compensation due for the Financial Year 2021-22	66.0%
14	Mr Azibert's compensation due for the Financial Year 2021-22	87.4%
15	Principles and criteria of the Chairman of the Board of Directors' compensation	99.6%
16	Principles and criteria of the CEO's compensation	75.4%
17	Principles and criteria of the Deputy CEO's compensation	86.6%

The principles used to establish the compensations for the Financial Year 2023-24 are consistent with those of previous financial years.

2.4.2.10 Deviation from compensation policy

None.

2.4.2.11 The suspension of Board of Directors' remuneration in the event of non-application of the law on gender balance

None.

2.4.3 Compensation of the Executive Corporate Officers paid during the Financial Year 2022-23 or granted for the same financial year

Section 2.4.3 presents the items submitted for approval to the Annual General Meeting called to approve the financial statements for the Financial Year ending 30 June 2023 pursuant to Article L. 22-10-34-II, namely the fixed, variable and exceptional items making up the total individual compensation and benefits of any kind paid during the Financial Year 2022-23 or granted for the same financial year to the Chairman of the Board of Directors, the Chief Executive Officer and the Deputy CEO.

2.4.3.1 Criteria to define the annual variable portion of compensation

In accordance with the Afep-Medef Code recommendation, the variable part of the Executive Corporate Officers' compensation is based on predetermined qualitative and quantitative targets.

In respect of the Financial Year 2022-23, the annual variable portion of compensation paid to the Executive Corporate Officers ranged from 0 to 100% of the fixed portion for Eva Berneke, and 0 to 105% of the fixed portion for Michel Azibert.

Annual Variable compensation is determined entirely on the basis of performance criteria that include:

For Eva Berneke:

- quantitative financial objectives at Group level (accounting for 65% of fixed salary), linked to revenue (accounting for 26%), Adjusted Discretionary Free Cash Flow (accounting for 22.75%), total operating expenses (accounting for 13%) and bad debt (accounting for 3.25%);
- quantitative CSR objectives (accounting for 15%);
- qualitative objectives (accounting for 20%).

For Michel Azibert:

- quantitative financial objectives at Group level (accounting for 65% of fixed salary), linked to revenue (accounting for 26%), Adjusted Discretionary Free Cash Flow (accounting for 22.75%), total operating expenses (accounting for 13%), and bad debt (accounting for 3.25%);

- quantitative CSR objectives (accounting for 15%).
- qualitative objectives (accounting for 25%).

The weighting given to each criterion is shown in the following summary table.

<i>(as a percentage of the fixed compensation)</i>	Eva Berneke	Michel Azibert
QUANTITATIVE OBJECTIVES AT GROUP LEVEL	65%	65%
Operating verticals revenues growth	26%	26%
Adjusted Discretionary Free Cash Flow	22.75%	22.75%
Total operating expenses ⁽¹⁾	13%	13%
Bad debt	3.25%	3.25%
QUANTITATIVE CSR OBJECTIVES	15%	15%
QUALITATIVE OBJECTIVES	20%	25%
TOTAL	100%	105%

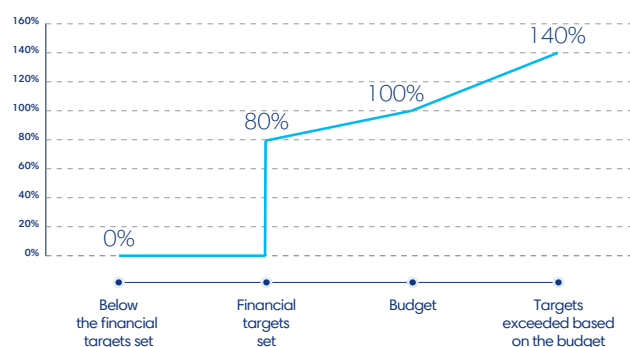
(1) Excluding bad debt.

Quantitative financial objectives at Group level

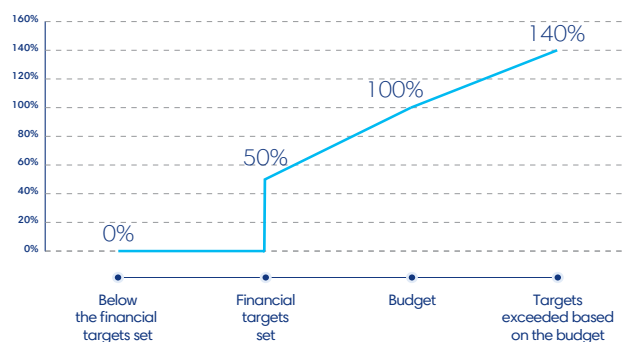
With regard to quantitative financial objectives at Group level, the amount allocated for each criterion stands as follows:

- 140% if the target level compared with the budget is exceeded;
- 100% if the budget is met;
- If the performance is below the target level, a threshold is defined as follows for each indicator:
 - for the "Operating Verticals" revenues growth, the low point of the range of the disclosed financial objectives. In this case, the payout for this criterion would be 80%;
 - for the adjusted Discretionary Free Cash Flow, total operating expenses and bad debt, a level defined in relation to the budget. In this case, the payout for this criterion would be 50%;
- 0% if the level of achievement is lower than this threshold/floor.

The relevant amounts are calculated using constant exchange rates and constant perimeter and on a linear basis from one threshold to the next. The amounts allocated as a function of the level achieved for the "Operational Verticals" objectives can be represented as below:



The amounts allocated as a function of the level achieved for the Adjusted Discretionary Free Cash Flow, total operating expenses and bad debt objectives can be represented as below:



Quantitative CSR objectives

The 2022-23 financial year CSR objectives are structured around three axes that are consistent with the Group's sustainable development strategy and are based on measurable indicators:

- 30%: reducing the digital divide as measured by the number of Wi-Fi hotspots installed in Africa, providing Internet access to rural and remote communities with threshold, target and outperformance indicators doubled compared with the previous year;
- 40%: the Company's scores on the employee satisfaction index Great Place to Work with a target that reflects an improvement in survey results within the average performance of companies actively seeking to improve this indicator, and an outperformance in the case of an "unusual and extremely successful" result according to the label. A minor part of the objective also incorporates the survey participation rate to measure the indicator;
- 30% deployment of the anti-corruption programme within the Group as measured by the participation rate in targeted anti-corruption training sessions for particularly exposed populations with a threshold of 75%, a target of 90% and an outperformance at 100% as well as the reduction in the number of commercial agents.

It is reminded that the amount awarded may reach a maximum of 140% in the event of outperformance in relation to the objective set.

Qualitative targets

Qualitative objectives relate to priority projects at the strategic or operational level for the financial year. The criteria used to determine the compensation for the Financial Year 2023-24 are not made public for confidentiality reasons.

For Eva Berneke

The **qualitative targets** that were set to determine the variable compensation to be paid to Eva Berneke for the Financial Year 2022-23 were as follows:

- ▶ continue to develop the partnership with OneWeb both at the capital level and by strengthening cooperation and synergies including pre-merger integration planning, new business plan (for 50%);
- ▶ encourage innovation and the development of new projects, particularly in the context of the "New Space" ecosystem (for 25%);
- ▶ reorganisation and transformation programme including design and implementation of new business units (Video and Connectivity) (for 25%).

For Michel Azibert

The **qualitative targets** that were set to determine variable compensation to be paid to Michel Azibert for the Financial Year 2022-23 were as follows:

- ▶ support the CEO in the development of the relationship with OneWeb, the commercial and operational synergies and pre-merger integration planning (for 32%);

- ▶ support the CEO in the reorganisation including design and implementation of new business units (Video and Connectivity) (for 36%);
- ▶ support the CEO in the company transformation programme (support function, technical department, strategic CSR...) (for 32%).

2.4.3.2 Mechanisms and criteria for assessing long-term incentives

To facilitate the reading of this document, these mechanisms are described in Section 2.4.4.

2.4.3.3 Details of the compensation paid due or allocated for the Financial Year 2022-23 for each Corporate Officer

Payment of the annual and pluri-annual variable compensations is subject to the vote of the Annual General Meeting called to approve the financial statements for the Financial Year ending 30 June 2023. It is recalled that the compensation policy is set out in Section 2.4.1.

Dominique D'Hinnin's compensation

The remuneration of Dominique D'Hinnin as non-executive Chairman of the Board of Directors of Eutelsat Communications comprises exclusively Board compensation (attendance fees).

Compensation items allocated for the Financial Year 2022-23	Amount or book value (in euros)
Fixed compensation	-
Annual variable compensation	-
Exceptional compensation	-
Stock options	-
Performance shares	-
Pluri-annual variable compensation plan	-
Indemnities linked to the assumption of duties	-
Non-compete indemnity	-
Benefits of any kind	-
Board compensation (attendance fees)	286,189
Supplementary pension scheme	-

Fixed compensation as non-executive Chairman of the Board of Directors of Eutelsat Communications

None.

Board compensation (attendance fees)

The Board compensation (attendance fees) allocated to Dominique D'Hinnin for the Financial Year 2022-23 in his capacity as non-executive Chairman of the Board of Directors of Eutelsat Communications stood at 286,189 euros.

It is noted that the Board compensation (attendance fees) allocated for the Financial Year 2021-22 stood at 282,135 euros and was paid during the Financial Year 2022-23.

Variable compensation

None.

Other

None.

Eva Berneke's compensation

Compensation items allocated for the Financial Year 2022-23	Amount or book value (in euros)	Presentation
Fixed compensation	650,000	See below
Annual variable compensation	714,712	See below
Exceptional compensation		Not applicable No decision to award such compensation
Stock options		Not applicable Not provided for in the compensation policy
Performance shares	812,503	See below
Pluri-annual variable compensation plan		Not applicable Not provided for in the compensation policy
Other long-term benefits		Not applicable Not provided for in the compensation policy
Indemnities linked to the assumption of duties		Not applicable Not provided for in the compensation policy
Non-compete indemnity		Not applicable See below
Benefits of any kind	2,898	See below
Board compensation (attendance fees)	56,818	See below
Supplementary pension scheme		Not applicable Not provided for in the compensation policy

Fixed compensation

The annual fixed compensation of Eva Berneke in her capacity as Chief Executive Officer of Eutelsat Communications for the Financial Year ended on 30 June 2023 stands at 650,000 euros.

Executive Officer for the Financial Year 2022-23 stands at 110.0% of the gross fixed annual compensation. The level of achievement of the quantitative targets stood at 115.3% and that of the qualitative targets at 88.8%. Accordingly, the variable portion due to Eva Berneke for the Financial Year 2022-23 amounts to 714,712 euros.

Annual variable compensation

The criteria for the annual variable portion allocated for the Financial Year 2022-23 are recalled in Section 2.4.3.1 of this document. After examination of the achievement of the objectives, it was found that the variable component of Eva Berneke's compensation as Chief

The calculation details are set out in the table below: payment of the variable portion will be made during the first half of the Financial Year ending on 30 June 2024, subject to the vote of the Annual General Meeting.

(as a percentage of the fixed compensation)	Weighting	% achievement	Weighted % achievement	Achievement (in euros)
QUANTITATIVE TARGETS AT GROUP LEVEL	65%	120.2%	78.1%	507,677
Operating verticals revenues	26%	111%	28.9%	187,590
Adjusted Discretionary Free Cash Flow	22.75%	140%	31.9%	207,025
Total operating expenses	13%	112.7%	14.7%	95,232
Bad debt	3.25%	84.4%	2.7%	17,830
QUALITATIVE TARGETS	20%	88.8%	17.8%	115,375
QUANTITATIVE CSR OBJECTIVES	15%	94%	14.1%	91,660
TOTAL	100%	-	110.0%	714,712

With regard to the qualitative targets, while the level of achievement for each target has been precisely determined, for confidentiality reasons, disclosure is limited to the aggregate achievement level. The main achievements in the past financial year include for example:

- ▶ continue to develop the partnership with OneWeb both at the capital level and by strengthening cooperation and synergies including pre-merger integration planning, new business plan;
 - signing of the final combination agreement between Eutelsat and OneWeb in November 2022;
 - roll-out of a comprehensive pre-merger integration planning as from May 2023.

- reorganisation and transformation programme including design and implementation of new business units (Video and Connectivity);
 - the new organisation along two business units: Video and Connectivity, to enhance customer centricity, gain efficiency and favour return to growth, was successfully implemented as of 30 June 2023;
- encourage innovation and the development of new projects, particularly in the context of the “New Space” ecosystem;
 - strong contribution from Eutelsat to various Internet of Things (IoT) projects, namely the “ELO” project with the launch and progressive roll-out of 2 nano-satellites over FY 2022-23.

Performance shares

For the past financial year and as part of the performance share plan approved by the Board of Directors on 10 November 2022, 98,010 performance shares were granted to Eva Berneke, corresponding to a valuation of 812,503 euros at the date of the plan. In accordance with the compensation policy, the value of this allocation corresponds to 125% of the annual fixed compensation divided by the value of the Eutelsat Communications share established on the basis of the valuation in accordance with IFRS standards on the date of the plan. The performance criteria associated with these plans are described in Section 2.4.4.

Board compensation (attendance fees)

The amount of Board compensation (attendance fees) allocated to Eva Berneke for the Financial Year ended on 30 June 2023, stands at 56,818 euros.

Michel Azibert's compensation

Compensation items allocated for the Financial Year 2022-23	Amount or book value (in euros)	Presentation
Fixed remuneration	133,160	See below
Annual variable compensation	152,342	See below
Exceptional compensation		Not applicable No decision to award such compensation
Stock options		Not applicable Not provided for in the compensation policy
Performance shares	274,935	See below
Pluri-annual variable compensation plan		Not applicable Not provided for in the compensation policy
Other long-term benefits		Not applicable Not provided for in the compensation policy
Indemnities linked to the assumption of duties		Not applicable Not provided for in the compensation policy
Non-compete indemnity		Not applicable
Benefits of any kind	1,582	See below
Board compensation (attendance fees)		Not applicable
Supplementary pension scheme		Not applicable Not provided for in the compensation policy

Benefits in kind

The amount of Eva Berneke's benefits in kind for the Financial Year ended on 30 June 2023 corresponds to the provision of a company car.

Non-compete undertaking

The Chief Executive Officer may receive a non-compete allowance equivalent, where applicable, to 50% of the annual fixed compensation for 18 months following the termination of her duties, in return for an undertaking not to work directly or indirectly for any telecommunications satellite operator. The Board has the option of waiving this commitment.

No amount has been paid or awarded in this regard to Eva Berneke for the fiscal year 2022-23.

Severance allowance

In the event of forced departure in the six months following a change of control (including in case of merger with a significant player of the space industry), Eva Berneke will receive a severance payment equivalent to 18 months of her fixed and variable annual compensation.

In any event, in accordance with the Afep-Medef Code, the total of the severance allowance and non-compete allowance shall not exceed two years' fixed and variable compensation.

No amount has been paid or awarded in this regard to Eva Berneke for the fiscal year 2022-23.

Fixed remuneration

Michel Azibert's fixed compensation for the Financial Year 2022-23 in respect of his office as Deputy Chief Executive Officer of Eutelsat Communications stood at 133,160 euros. The compensation is calculated *pro rata temporis* on the basis of a fixed annual compensation of 363,384 euros, as Michel Azibert's term of office as Deputy Chief Executive Officer ended on 10 November 2022.

Annual variable compensation

Michel Azibert's variable compensation stood at 152,342 euros for the Financial Year ended 30 June 2023.

A review of Michel Azibert's level of achievement of the targets was performed, and it was found that the variable component of Michel Azibert's compensation for the Financial Year 2022-23 stood at 114.4% of his fixed annual compensation (vs. 122.2% for the Financial Year 2021-22), or 152,342 euros. The level of achievement of his quantitative targets at the Group level stood at 115.3% and that of his qualitative targets at 88.8%.

The calculation details are set out in the table below: payment of the variable portion will be made during the first half of the Financial Year ending on 30 June 2024, subject to the vote of the Annual General Meeting.

<i>(as a percentage of the fixed compensation)</i>	Weighting	% achievement	Weighted % achievement	Achievement (in euros)
QUANTITATIVE TARGETS AT GROUP LEVEL	65%	120.2%	78.1%	104,003
Operating verticals revenue growth	26%	111%	28.9%	38,430
Adjusted Discretionary Free Cash Flow	22.75%	140%	31.9%	42,411
Total operating expenses ⁽¹⁾	13%	112.7%	14.7%	19,509
Bad debt	3.25%	84.4%	2.7%	3,653
QUALITATIVE TARGETS	25%	88.8%	22.2%	29,561
QUANTITATIVE CSR TARGETS	15%	94%	14.1%	18,778
TOTAL	105%	-	114.4%	152,342

(1) Excluding bad debt.

With regard to the qualitative targets, while the level of achievement for each target has been precisely determined, for confidentiality reasons, disclosure is limited to the aggregate achievement level. The main achievements in the past financial year essentially include those items already mentioned for Eva Berneke, for which Michel Azibert provided a strong support.

Performance shares

Given the end of his term of office as Deputy Chief Executive Officer on 10 November 2022, no performance shares were granted from the 10 November 2022 performance share plan.

It should also be noted that an amount of 274,935 euros corresponding to 25,085 phantom shares was paid to Michel Azibert during the financial year just ended under the phantom share grant plan of 7 November 2019.

The performance criteria associated with this plan are described in Section 2.4.4.

Benefits in kind

The amount of Michel Azibert's benefits in kind for the Financial Year ended on 30 June 2023 corresponds to the provision of a company car until his end of term (10 November 2022).

2.4.4 Mechanisms and criteria for assessing long-term incentives

► Stock options or stock purchase options

No share subscription or purchase option plan was put in place by the Company in the six last financial years. No performance shares became available for the Executive Corporate Officers during the financial year just ended.

During earlier financial years however, stock options and stock purchase plans were set up by the operating subsidiary Eutelsat S.A. As of the filing date of this Document, none of the Corporate Officers or their related parties held any Eutelsat S.A. stock options or stock purchase plans.

► Phantom share or performance share grant

Phantom share grant – plan of 7 November 2019

Upon the recommendation of the Compensation Committee, the Board of Directors, on 7 November 2019, approved a phantom share programme for the Executive Corporate Officers of the Group.

This programme is in conformity with the Group's remuneration policy and in continuity with the previous programme.

The grant of phantom shares translates, at the end of the programme, into the payment of a cash bonus determined by the number of phantom shares, itself subject to the attainment of performance conditions as well as a presence condition during the three financial years concerned (2019-20, 2020-21 and 2021-22).

The number of phantom shares granted to each Executive Corporate Officer is equal to:

- for Rodolphe Belmer: 125% (unchanged from previous plan) of basic annual salary divided by the average Eutelsat Communications share price during the 20 working days preceding the date of the start of the programme, i.e. 44,468 phantom shares. As the plan is subject to compliance with a presence condition, Rodolphe Belmer has lost all rights relating to this plan;
- for Michel Azibert: 160% (unchanged from the previous plan) of basic annual salary divided by the average Eutelsat Communications share price during the 20 working days preceding the date of the start of the programme, i.e. 33,007 phantom shares;

The performance objectives set by the Board of Directors over the period of the three defined financial years are split as follows:

- ▶ 20% for the relative TSR;
- ▶ 40% for revenues linked to the new verticals, and notably revenues from the Connectivity business, in line with Step Two of the Group's Strategic Plan, whose timeline is drawing closer, and which calls for a return to growth on the back of building out services in Video and capturing opportunities including in the Mobility and Fixed Broadband segments;
- ▶ 20% for Adjusted Discretionary Free Cash Flow (DFCF);
- ▶ 20% for a CSR (Corporate Social Responsibility) criterion based on a quantitative objective. For this plan, the objective is an increase in Group diversity which translates as an increase in the proportion of women within the Group of three points over the period. This objective will be assessed by the Board in order to ensure a balanced progression within different departments.

For each of the two internal measures (revenues linked to new verticals and Adjusted Discretionary Free Cash Flow), the objectives are confidential and are based on the Group's Strategic Plan. For reasons of confidentiality, details of the rate of achievement of these objectives may only be made public ex-post and after having been assessed by the Board of Directors.

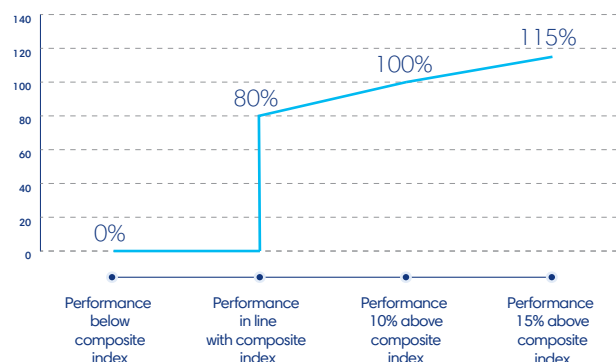
Concerning the objectives other than the TSR, the actual vesting percentage is as follows:

- ▶ 130% in case of over-performance compared to the target;
- ▶ 100% in case the target is met;
- ▶ if the performance is below the target level, a threshold is defined for each indicator. In this case, the payout would be 60%;
- ▶ 0% if the level of achievement is lower than the threshold.

Concerning the relative TSR criterion, the actual vesting percentage varies as follows:

- ▶ 0% in case of performance lower than that of the composite index defined above;
- ▶ 80% in case of performance equal to that of the composite index defined above;
- ▶ 100% in case of over-performance by 10% compared to the composite index defined above;
- ▶ 115% in case of over-performance by 15% compared to the composite index defined above.

For the TSR criteria, the actual vesting as a function of the performance achieved can be represented as below:



The Board of Directors at its meeting of 9 September 2022 decided to deliver 25,085 shares (representing 274,935 euros) to Michel Azibert, representing a vesting rate of 76%. The value in euros of the final grant represents 47% of the initial theoretical grant.

The table below shows the vesting rate in respect of each criterion:

Criteria	Weight	% Achievement	% Weighted achievement
New verticals revenues	40%	81%	32%
Adjusted Discretionary Free Cash Flow	20%	104%	21%
Relative TSR	20%	0%	0%
CSR	20%	116%	23%
TOTAL VESTING RATE			76%

The cash payment of these phantom shares occurred in the second half of 2022, following the approval of General Assembly on 10 November 2022.

Performance share plan of 5 November 2020

Upon the recommendation of the Compensation Committee, the Board of Directors of Eutelsat Communications S.A. approved on 5 November 2020 a performance share grant for the Executive Corporate Officers, consistent with the Group compensation policy approved by the Annual General Meeting of 5 November 2020. It marks a change in the vehicle for long-term incentives, since the previous plans were phantom share plans. It should be noted that for other employees, the long term incentive plan remains under a phantom share structure. Given the difference in instruments used, the Reference Code recommendation with respect to providing for a sub-ceiling for grants to Corporate Officers (Article 25.3.3) is inapplicable.

The number of performance shares granted stood at:

- for Rodolphe Belmer: 125% of the gross annual salary divided by the IFRS value of the Eutelsat Communications share computed on the basis of the average share price for the 20 trading days preceding the opening date of the plan, i.e. a total of 131,129 shares, representing 0.06% of the share capital. As the plan is subject to compliance with a presence condition, Rodolphe Belmer has lost all rights relating to this plan;
- for Michel Azibert: 160% of the gross annual salary divided by the IFRS value of the Eutelsat Communications share computed on the basis of the average share price for the 20 trading days preceding the opening date of the plan, i.e. a total of 93,834 shares, representing 0.04% of the share capital. Michel Azibert's term of office as Deputy Chief Executive Officer ended on 10 November 2022. Pursuant to the compensation policy, in the event of departure before the end of the plan's vesting period, the Board of Directors may waive the presence condition and decide to maintain performance share rights on a *pro rata temporis* basis. In light of Michel Azibert's remarkable commitment to the growth of Eutelsat over his 11 years of service and the impact of the decisions reached under his leadership concerning the remainder of the vesting period of the 2020 plan and taking into account the exacting performance conditions to be met under said plan in the current context, the Board of Directors decided to maintain Michel Azibert's potential entitlement on a *pro rata temporis* until the end of his term. Accordingly, his remaining rights are adjusted to 81,323 shares and remain subject to the performance conditions.

It should be noted that, in accordance with the compensation policy, the final grant percentage could reach a maximum of 130% of the amounts indicated above in the event of outperformance. Further, the performance share plan is accompanied by an obligation to retain 20% of the performance shares vested until the end of the last term of office as a Corporate Officer as well as by a strict prohibition against using hedging instruments to cover the risk on the performance shares.

The performance objectives set by the Board of Directors over the period of the three defined financial years are split as follows:

- 40% for revenues linked to the new verticals, and notably revenues from the Connectivity business, in line with Step Two of the Group's Strategic Plan, whose timeline is drawing closer, and which calls for a return to growth on the back of building out services in Video and capturing opportunities including in the Mobility and Fixed Broadband segments;

- 20% for Adjusted Discretionary Free Cash Flow (DFCF);
- 20% for a CSR (Corporate Social Responsibility) criterion based on a quantitative objective. For this plan, the objective is an increase in Group diversity which translates as an increase in the proportion of women within the Group of 0.5 point over the period. This objective will be assessed by the Board, which will also take into consideration the proportion of women among top managers;
- 20% for the relative TSR.

For each of the two internal measures (revenue linked to new verticals and Adjusted Discretionary Free Cash Flow), the objectives are confidential and are based on the Group's Strategic Plan. For reasons of confidentiality, details of the rate of achievement of these objectives may only be made public *ex-post* and after having been assessed by the Board of Directors.

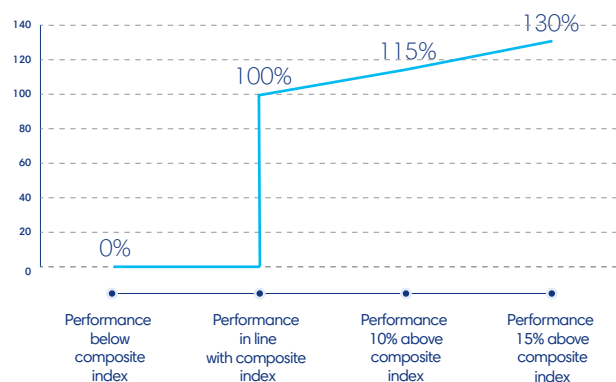
Concerning the objectives other than the TSR, the actual vesting percentage is as follows:

- 130% in case of over-performance compared to the target;
- 100% in case the target is met;
- if the performance is below the target level, a threshold is defined for each indicator. In this case, the payout would be 60%;
- 0% if the level of achievement is lower than the threshold.

Concerning the relative TSR criterion, the actual vesting percentage is as follows:

- 0% in case of performance lower than that of the composite index defined above;
- 100% in case of performance equal to that of the composite index defined above;
- 115% in case of over-performance by 10% compared to the composite index defined above;
- 130% in case of over-performance by 15% compared to the composite index defined above.

For the TSR criteria, the actual vesting as a function of the performance achieved can be represented as below:



The final acquisition of these shares will take place in November 2023 at the latest, subject to the approval of the Annual General Meeting, the respect of the presence condition and the achievement of the performance conditions.

Performance share plan of 4 November 2021

Upon the recommendation of the Compensation Committee, the Board of Directors of Eutelsat Communications S.A. approved on 4 November 2021 a performance share grant for the Executive Corporate Officers, consistent with the Group compensation policy approved by the Annual General Meeting of 4 November 2020 and is a continuation of the previous plan approved in November 2020. As with the 2020 plan, for other employees, the long term incentive plan remains under a phantom share structure. Given the difference in instruments used, the Reference Code recommendation with respect to providing for a sub-ceiling for grants to Corporate Officers (Article 25.3.3) is inapplicable.

The grant of performance shares at the end of the plan is subject to the fulfilment of performance conditions and a presence condition over the three fiscal years concerned (2021-22, 2022-23 and 2023-24).

Given his departure, no performance shares were granted to Mr Belmer.

For Michel Azibert, the number of performance shares granted stood at 160% (unchanged from the previous plan) of the gross annual salary divided by the IFRS value of the Eutelsat Communications share computed on the basis of the average share price for the 20 trading days preceding the opening date of the plan, i.e. a total of 58,581 shares, representing 0.03% of the share capital. Michel Azibert's term of office as Deputy Chief Executive Officer ended on 10 November 2022. Pursuant to the compensation policy, in the event of departure before the end of the plan's vesting period, the Board of Directors may waive the presence condition and decide to maintain performance share rights on a *pro rata temporis* basis. In light of Michel Azibert's remarkable commitment to the growth of Eutelsat over his 11 years of service and the impact of the decisions reached under his leadership concerning the remainder of the vesting period of the 2021 plan and taking into account the exacting performance conditions to be met under said plan in the current context, the Board of Directors decided to maintain Michel Azibert's potential entitlement on a *pro rata temporis* until the end of his term. Accordingly, his remaining rights are adjusted to 25,386 shares and remain subject to the performance conditions.

It should be noted that, in accordance with the compensation policy, the final grant percentage could reach a maximum of 130% of the amounts indicated above in the event of outperformance. Further, the performance share plan is accompanied by an obligation to retain 20% of the performance shares vested until the end of the last term of office as a Corporate Officer as well as by a strict prohibition against using hedging instruments to cover the risk on the performance shares.

The performance objectives set by the Board of Directors over the period of the three defined financial years are split as follows:

- 40% for revenues linked to the new verticals, and notably revenues from new activities include, in particular, revenues from Connectivity activities in line with the second axis of the Group's Strategic Plan, the horizon of which is becoming shorter, and which provides for a return to growth, particularly by seizing long-term opportunities, notably in Fixed-line broadband and Connectivity;
- 20% for Adjusted Discretionary Free Cash Flow (DFCF) as defined by the Group;

- 20% for CSR (Corporate Social Responsibility), including criteria related to the feminisation of the Group and the environment detailed as follows: continued certification of teleports (6.66%), extra-financial rating (6.66%), rate of feminisation of high potentials (6.67%);
- 20% for the relative TSR, calculated on the basis of the median of a panel of comparable companies made up of key players in the Group's sector of activity.

For each of the two internal measures (revenue linked to new verticals and Adjusted Discretionary Free Cash Flow), the objectives are confidential and are based on the Group's Strategic Plan. For reasons of confidentiality, details of the rate of achievement of these objectives may only be made public *ex-post* and after having been assessed by the Board of Directors.

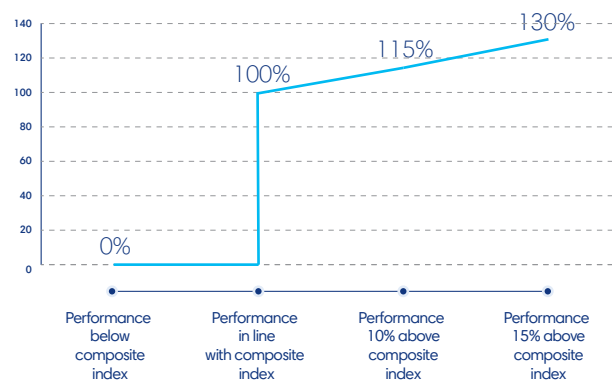
Concerning the objectives other than the TSR, the actual vesting percentage is as follows:

- 130% in case of over-performance compared to the target;
- 100% in case the target is met;
- If the performance is below the target level, a threshold is defined for each indicator. In this case, the payout for the revenues and Adjusted Discretionary Free Cash Flow criteria would be 60% and 80% for CSR criterion;
- 0% if the level of achievement is lower than the threshold.

Concerning the relative TSR criterion, the actual vesting percentage is as follows:

- 0% in case of performance lower than that of the composite index defined above;
- 100% in case of performance equal to that of the composite index defined above;
- 115% in case of over-performance by 10% compared to the composite index defined above;
- 130% in case of over-performance by 15% compared to the composite index defined above.

For the TSR criteria, the actual vesting as a function of the performance achieved can be represented as below:



The final acquisition of these shares will take place in November 2024 at the latest, subject to the approval of the Annual General Meeting, the respect of the presence condition and the achievement of the performance conditions.

Performance share plan of 20 January 2022

In view of the appointment of Eva Berneke as Chief Executive Officer on 1 January 2022, and on the recommendation of the Compensation Committee, the Company's Board of Directors approved on January 20, 2022 a performance share plan for the Chief Executive Officer. This plan is consistent with the Group's compensation policy approved by the Annual General Meeting of 4 November 2021 and has identical characteristics to the 4 November 2021 plan in terms of performance criteria, presence condition and length of the performance period. It also includes the obligation to retain 20% of the performance shares vested until the end of her last term of office as a Corporate Officer as well as a strict prohibition against using hedging instruments to cover the risk on the performance shares. As with the previous performance share plans, for other employees, the long term incentive plan remains under a phantom share structure. Given the difference in instruments used, the Reference Code recommendation with respect to providing for a sub-ceiling for grants to Corporate Officers (Article 25.3.3) is inapplicable.

For Eva Berneke, who is therefore the sole beneficiary of this plan, the target allocation is equal to 125% of the gross annual fixed salary divided by the value of the Eutelsat Communications share established on the basis of the valuation under IFRS calculated on the basis of the average price for the 20 trading days preceding the opening date of the plan, i.e. a total of 75,736 shares after taking into account a *pro rata temporis* adjustment of the number of shares allocated from the date on which Eva Berneke took office (1 January 2022), representing 0.03% of the share capital.

Performance share plan of 10 November 2022

Upon the recommendation of the Compensation Committee, the Board of Directors of Eutelsat Communications S.A. approved on 10 November 2022 a performance share grant for the Executive Corporate Officers, consistent with the Group compensation policy approved by the Annual General Meeting of 4 November 2021 and which is a continuation of the previous plan approved in November 2021. As with the 2021 plan, for other employees, the long term incentive plan remains under a phantom share structure. Given the difference in instruments used, the Reference Code recommendation with respect to providing for a sub-ceiling for grants to Corporate Officers (Article 25.3.3) is inapplicable.

The grant of performance shares at the end of the plan is subject to the fulfilment of performance conditions and a presence condition over the three fiscal years concerned (2022-23, 2023-24 and 2024-25).

The number of performance shares granted stood at:

- for Eva Berneke: 125% of the gross annual salary divided by the IFRS value of the Eutelsat Communications share computed on the basis of the average share price for the 20 trading days preceding the opening date of the plan, i.e. a total of 98,010 shares, representing 0.06% of the share capital;
- for Michel Azibert: his term of office as Deputy Chief Executive Officer ended on 10 November 2022, accordingly, no grant was made under this plan.

It should be noted that, in accordance with the compensation policy, the final grant percentage could reach a maximum of 130% of the amounts indicated above in the event of outperformance. It should also be noted that the performance share plan is accompanied by an obligation to retain 20% of the performance shares vested until the end of the last term of office as a Corporate Officer as well as by a strict prohibition against using hedging instruments to cover the risk on the performance shares.

The performance objectives set by the Board of Directors over the period of the three defined financial years are split as follows:

- 40% for revenues linked to the new verticals, and in particular revenues from Connectivity activities in line with the second axis of the Group's Strategic Plan, the horizon of which is becoming shorter, and which provides for a return to growth, in particular by seizing long-term opportunities;
- 20% for Adjusted Discretionary Free Cash Flow (DFCF) as defined by the Group;
- 20% for CSR (Corporate Social Responsibility), including criteria related to the feminisation and the environment detailed as follows: Group Executive/Top Management feminisation (6.67%), Carbon emission reduction in Italy and Mexico (6.66%), extra-financial rating (Ecovadis) (6.66%);
- 20% for the relative TSR, calculated on the basis of the median of a panel of comparable companies made up of key players in the Group's sector of activity.

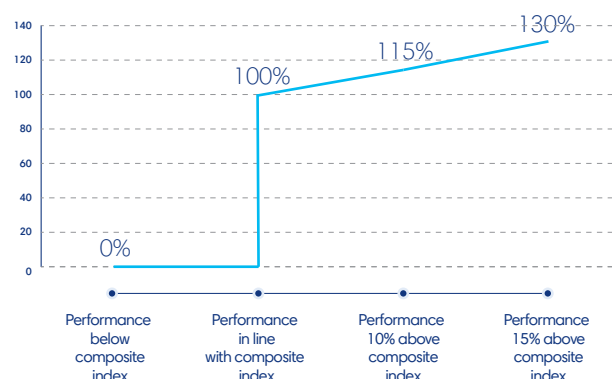
For each of the two internal measures (revenue linked to new verticals and Adjusted Discretionary Free Cash Flow), the objectives are confidential and are based on the Group's Strategic Plan. For reasons of confidentiality, details of the rate of achievement of these objectives may only be made public *ex-post* and after having been assessed by the Board of Directors.

Concerning the objectives other than the TSR, the actual vesting percentage is as follows:

- 130% in case of over-performance compared to the target;
- 100% in case the target is met;
- If the performance is below the target level, a threshold is defined for each indicator. In this case, the payout for the revenues and Adjusted Discretionary Free Cash Flow criteria would be 60% and 80% for CSR criterion;
- 0% if the level of achievement is lower than the threshold.

Concerning the relative TSR criterion, the actual vesting percentage is as follows:

- 0% in case of performance lower than that of the composite index defined above;
- 100% in case of performance equal to that of the composite index defined above;
- 115% in case of over-performance by 10% compared to the composite index defined above;
- 130% in case of over-performance by 15% compared to the composite index defined above. For the TSR criteria, the actual vesting as a function of the performance achieved can be represented as below:



The final acquisition of these shares will take place in November 2025 at the latest, subject to the approval of the Annual General Meeting, the respect of the presence condition and the achievement of the performance conditions.

Performance shares granted to the Executive Corporate Officers during the Financial Year ended on 30 June 2023 and 2022 (Table 6 – AMF Recommendation)

Executive Corporate Officer	Date and duration of plan	Number of performance shares granted in the Financial Year ended 30 June 2023	Valuation (in euros)	Final acquisition date	Performance conditions under the plan
EVA BERNEKE Chief Executive Officer	20 January 2022 for Financial Years 2021-22, 2022-23 and 2023-24	75,736	677,100	at the latest in January 2025	40% of grant based on revenue linked to new verticals
					20% of grant based on adjusted discretionary free cash flow
					20% of grant based on relative TSR
EVA BERNEKE Chief Executive Officer	10 November 2022 for Financial Years 2022-23, 2023-24 and 2024-25	98,010	812,503	at the latest in November 2025	20% of grant based on CSR objectives
TOTAL	-	173,746	1,489,603		

Note: In the table above, the long-term incentive plan is valued at the date of the plan and based on IFRS standards.

Phantom shares or performance shares becoming available to the Executive Corporate Officers during the Financial Year ended on 30 June 2023 (Table 7 – AMF Recommendation)

Executive Corporate Officers	Date of grant of the plan	Number of instruments becoming available during the financial year
EVA BERNEKE Chief Executive Officer (since 1 January 2022)	N/A	N/A
MICHEL AZIBERT Deputy CEO	7 November 2019	25,085

History of phantom shares or performance shares granted to the Executive Corporate Officers
(Table 9 – Afep-Medef Recommendation)

	Plan No. 2 (Phantom shares)	Plan No. 3 (Performance shares)	Plan No. 4 (Performance shares)	Plan No. 5 (Performance shares)	Plan No. 6 (Performance shares)
Date of Board of Directors' Meeting	7 November 2019	5 November 2020	4 November 2021	20 January 2022	10 November 2022
Total number of shares granted to:					
▸ Executive Corporate Officers	77,475	224,963	58,581	75,736	98,010
Rodolphe Belmer	44,468 ⁽¹⁾	131,129 ⁽¹⁾	N/A	N/A	N/A
Eva Berneke	N/A	N/A	N/A	75,736	98,010
Michel Azibert	33,007	93,834	58,581	N/A	N/A
Date of the Board of Directors Meeting delivering the shares subject to the vote of the Annual General Meeting	9 September 2022 ⁽²⁾	July 27, 2023 ⁽³⁾			
End date of the performance period	N/A (phantom shares)	November 2023	November 2024	January 2025	November 2025
Performance conditions (for Executive Corporate Officers)	<ul style="list-style-type: none"> ▸ 40% of grant based on revenue linked to new verticals objective ▸ 20% of grant based on adjusted discretionary free cash flow objective ▸ 20% of grant based on a CSR objective ▸ 20% of grant based on relative TSR objective 	<ul style="list-style-type: none"> ▸ 40% of grant based on revenues linked to new verticals ▸ 20% of grant based on adjusted discretionary free cash flow objective ▸ 20% of grant based on a CSR objective ▸ 20% of grant based on relative TSR objective 	<ul style="list-style-type: none"> ▸ 40% of grant based on revenues linked to new verticals ▸ 20% of grant based on adjusted discretionary free cash flow objective ▸ 20% of grant based on CSR objectives ▸ 20% of grant based on relative TSR objective 	<ul style="list-style-type: none"> ▸ 40% of grant based on revenues linked to new verticals ▸ 20% of grant based on adjusted discretionary free cash flow objective ▸ 20% of grant based on CSR objectives ▸ 20% of grant based on relative TSR objective 	<ul style="list-style-type: none"> ▸ 40% of grant based on revenues linked to new verticals ▸ 20% of grant based on adjusted discretionary free cash flow objective ▸ 20% of grant based on CSR objectives ▸ 20% of grant based on relative TSR objective
Number of instruments acquired as at 30 June 2023 by Executive Corporate Officers	25,085	-	-	-	-
Rodolphe Belmer	-	-	-	-	-
Eva Berneke	-	-	-	-	-
Michel Azibert	25,085	-	-	-	-
Cumulative number of instruments cancelled or lapsed	52,390	143,640	33,195	-	-
Number of instruments remaining at the end of the financial year	0	81,323	25,386	75,736	98,010

(1) The November 2019 phantom share plan and the November 2020 performance share plan were subject to a presence condition. Rodolphe Belmer therefore loses all rights relating to these plans following the end of his term of office.

(2) Approved by the Annual General Meeting on 10 November 2022.

(3) Subject to the approval of the Annual General Meeting called to approve the financial statements for the Financial Year ending 30 June 2023.



3

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Preamble

Connecting sustainably

At Eutelsat, we firmly believe that incorporating social and environmental priorities into our business is essential to the long-term success of our operations and strategy. To this end, we have defined, during the last fiscal year, a new mission and specific key commitments to drive our ambitious programme of Corporate Social Responsibility.

The CSR mission that we have redefined is to bridge the communications divide across the world, whilst also being committed to the responsible use of space. We respect the environment, both on Earth and in space, and its protection is at the forefront of our decision-making. We are also committed to ensuring equal opportunities to all, we value the importance of respecting all our people, customers, and partners, and we embrace diversity and foster inclusion by doing so.

Our dedication to bridging the digital divide and expanding digital inclusiveness is a crucial component of our Corporate Social Responsibility strategy. Given the ever-increasing expansion of connectivity demands and needs, fair access to Internet services must be offered to all individuals, regardless of their geographical location. By joining the Partner2Connect digital coalition set up by the International Telecommunication Union (ITU) in 2022, the Group has committed to bringing Internet access to 1 million people living in the most underserved regions of Sub-Saharan Africa by 2027. In less than six months, we have already reached the 200,000-user mark, a significant milestone in fulfilling this pledge.

In pursuit of this mission, we have reaffirmed our long-standing support for Télécoms Sans Frontières as becoming a sponsor of the NGO, thereby strengthening its ability to respond to communications challenges related to crisis situations.

The sustainable use of space is the second of the core tenets of Eutelsat's CSR strategy. As one of the first actors in the "Net Zero

Space" initiative, Eutelsat reaffirmed its commitment at last year's Paris Peace Forum to call for the sustainable use of space, making concrete commitments to urgently reduce the number of debris in Earth orbit for the benefit of all humanity by 2030. In this spirit of continuity, in November 2022, the Group became a signatory of the ESA's "Joint Statement for a responsible space sector", alongside all European space sector actors.

We understand the urgency of addressing the challenges of climate change and are fully committed to accelerating our environment programme in line with the Paris Agreement's goal of limiting global temperature increase to 1.5°C. We have taken a significant step by submitting our first report to the Carbon Disclosure Project (CDP) and preparing our carbon reduction commitments which shall be submitted to the SBTi during the coming year.

We have also reinforced our commitment to combatting influence peddling and upholding the highest standards of integrity.

Gender equality, diversity, and inclusion are top goals for us because we believe that cultivating inclusivity inside the company is not only important for performance but also accelerates its transformation.

Combined, these efforts establish a culture of continual improvement within Eutelsat, which instills pride among all our employees.

I would like to extend my heartfelt gratitude to our hardworking staff, valued customers and shareholders for their unshakable trust and confidence. We have made great progress in advancing our Corporate Social Responsibility agenda as a group, empowering us to pursue our sustainability goals and make a meaningful change.

Eva Berneke
Chief Executive Officer

3.1 Challenges and CSR policy





In compliance with Article L. 225-102-1 of the French Commercial Code and Decree No. 2017-1265 dated 9 August 2017 enacted for the application of Order No. 2017-1180 dated 19 July 2017 on the disclosure of non-financial information by some major companies and corporate groups, Eutelsat discloses its non-financial performance statement. To this end, it has collated information for

the items pertaining to its business, and in response to the non-financial risks classified under the following fields:

- social;
- environmental;
- societal.

3.1.1 Our core commitments

During the fiscal year, the Group underwent a significant transformation by redefining its approach and core commitments. This involved crafting an ambitious CSR mission statement and a set of key commitments that revolve around four primary pillars, all of which are in perfect alignment with our business model.

	→ MISSION	→ COMMITMENTS
 ENVIRONMENTAL - SPACE TRAFFIC MANAGEMENT	EUTELSAT IS COMMITTED TO THE RESPONSIBLE USE OF SPACE	<p>Ensure the long-term sustainability of space operations by minimising the risk of collisions and ensuring that no space debris is created during nominal operations of the Eutelsat fleet</p> <ol style="list-style-type: none"> 1 Create zero debris in any protected region as a result of Eutelsat Geo activities 2 Become the first satellite operator to obtain the EU Safe Label Certification 3 Play a leading role in the development of higher and harmonised international standards and regulations for space operations which, accommodate sustainability goals
 SOCIETAL	WE BRIDGE THE COMMUNICATIONS DIVIDE ACROSS THE WORLD	<p>Act as a neutral, independent platform to distribute video content and provide connectivity to those in unconnected areas around the world, with minimum carbon impact</p> <ol style="list-style-type: none"> 1 Connect 250,000 unconnected people in Europe by 2026 2 Connect 1 million unconnected people in Africa by 2027 3 Propose direct support and resources to organisations providing satellite communications for humanitarian needs
 SOCIAL/ COMPLIANCE	WE RESPECT ALL OUR PEOPLE, CUSTOMERS AND PARTNERS, EMBRACING DIVERSITY, FOSTERING INCLUSION AND STRIVING TO ENSURE EQUAL OPPORTUNITIES FOR ALL	<p>Exploit the CSR mission and activities to attract, engage and retain the best talent for Eutelsat</p> <ol style="list-style-type: none"> 1 Ensure that 40% of all staff are female by 2027 2 Increase Great Place to Work survey satisfaction Trust Index score by +2 in 2023 3 Provide regular training in Diversity, Inclusion and Anti-corruption to 100% of staff and enhanced Anti-corruption training to all staff identified with an elevated exposure level. Target a minimum participation level of 90% for all trainings
 ENVIRONMENTAL - CARBON FOOTPRINT	WE CARE ABOUT THE ENVIRONMENT, ON EARTH AND IN SPACE, AND PLACE ITS PROTECTION AT THE HEART OF OUR DECISION-MAKING	<p>Reduce the Carbon footprint of Eutelsat (tCO₂e) as far as possible, in accordance with the Paris Agreement for the limitation of global temperature increase of 1.5°C</p> <p>Submission of the carbon reduction targets to the SBTi by 2024.</p>

3.1.2 CSR governance and organisation

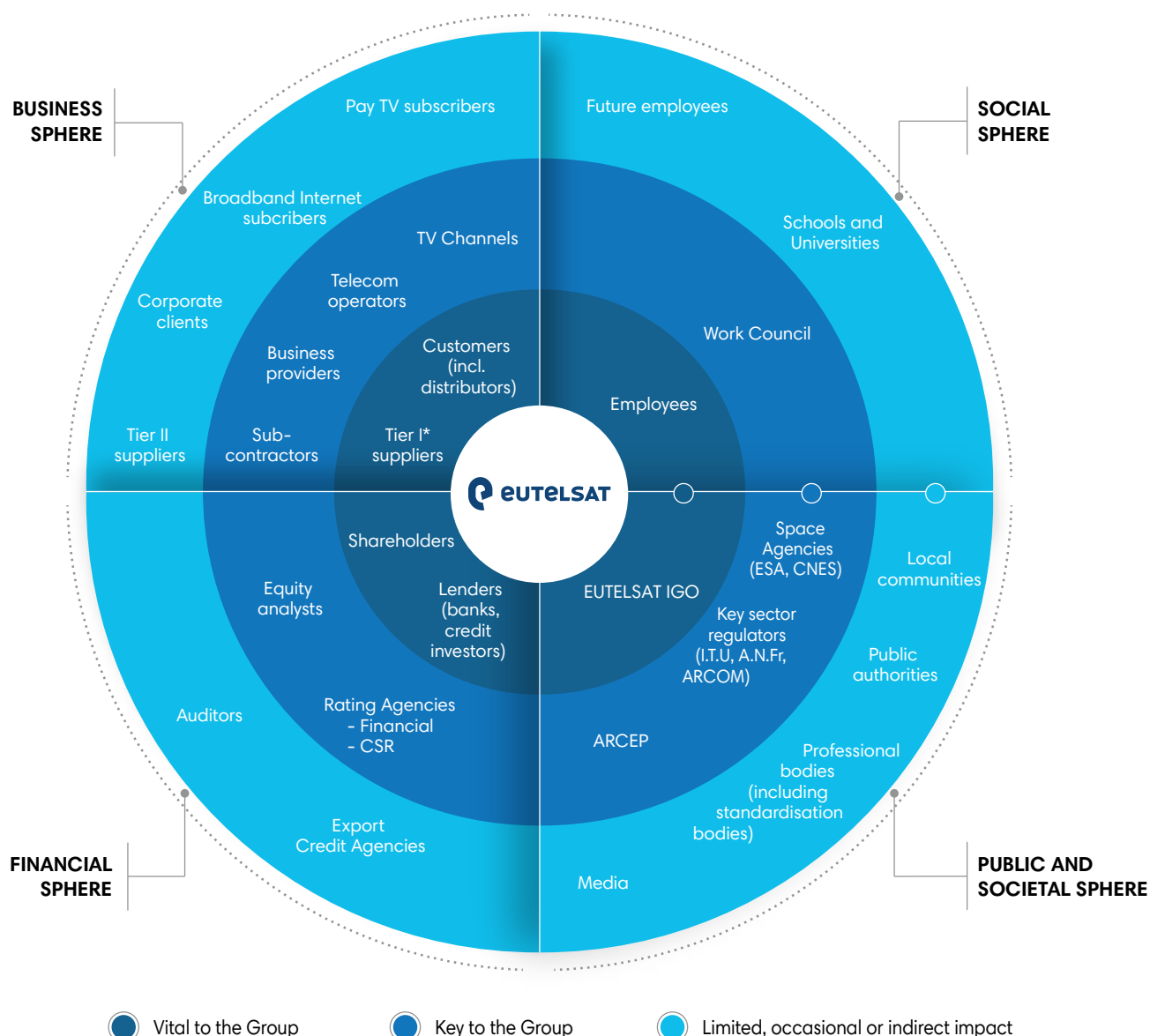
A CSR Committee, operating under the authority of the Board of Directors, is entrusted with the responsibility of monitoring and assessing the group's CSR policy. The Committee consists of five Board Members including Dominique d'Hinnin (Chairman of the Board of Directors), with Agnès Audier serving as the Committee Chair. In addition, Eutelsat's CEO, Eva Berneke, participates as part of the Executive members, along with three additional members from the Executive Committee, and a representative from the employee body. The Committee is overseen by the CSR team and convenes on a quarterly basis (see Section 2.3.8 "Committees of the Board of Directors").

In the second half of 2022, a strategic reorganisation has been carried out to integrate the Group's CSR activities within the department of Strategy. As part of this move, a CSR Director was appointed to oversee the Group's low-carbon and overall CSR strategy. This restructuring aimed to streamline and consolidate the management of CSR initiatives, ensuring better alignment with the company's overall strategic goals and objectives.

3.1.3 Relations with stakeholders

The ongoing development of digital technologies are leading to new challenges for Eutelsat and its stakeholders. The Group thus maintains a regular dialogue with its stakeholders to obtain information and garner various points of view that will help in its decision-making process.

The Group's main stakeholders are identified in the following matrix. The identification and ranking of stakeholders are structured around their degree of impact on the Group, the influence they may have on Eutelsat's decisions and on Eutelsat's participation in the activities of these different groups.



* Tier I suppliers mainly include satellite manufacturers, launchers, insurers, technology providers, suppliers of ground equipment.

► EUTELSAT IGO maintains a constant dialogue with the space community

Eutelsat maintains relations with the European Telecommunications Satellite Organization, EUTELSAT IGO, on environmental and social responsibility issues.

The intergovernmental organisation, EUTELSAT IGO, has permanent observer status with the United Nations Committee on the Peaceful Uses of Outer Space⁽¹⁾ (COPUOS) and as such participates in the meetings of the Committee and its two subcommittees, the Scientific and Technical Subcommittee (STSC) and the Legal Subcommittee. In June 2022, the Executive Secretary, Mr Piotr Dmochowski-Lipski, participated in the 65th session of COPUOS and followed matters of interest to the Organisation regarding inter alia "Ways and means of maintaining outer space for peaceful purposes", "Use of space technology in the UN system" and the development and outcomes of the activities of the working groups on "Long-term sustainability of outer space activities", "Space Resources" and "Space2030" Agenda. During this session the support of EUTELSAT IGO on the role played by COPUOS and its subcommittees in maintaining and enhancing peaceful cooperation in outer space was reaffirmed. EUTELSAT IGO also participated in the 60th session of the STSC in February 2023 in Vienna (Austria). Matters related to the United Nations Programme on Space Applications, Space Technology for sustainable socioeconomic development and remote sensing of the Earth by satellite, including applications for developing countries and monitoring of the Earth's environment were examined. Topics related to space debris, space-system-based disaster management support and recent developments in global navigation satellite systems were also presented. During this session, a new agenda item entitled "General exchange of views on dark and quiet skies for science and society" was examined by the Committee which encompasses the concerns faced by the astronomical community vis-à-vis the increasing number of spacecrafts launched into orbit by multiple stakeholders and private entities. While several delegations considered that dark skies must be preserved as common and cultural heritage of the world, most delegations participating in these discussions considered that trade-offs were needed between the scientific and the satellite communities. Convinced that space is a driver for sustainable development and of critical importance for everyday life on earth, EUTELSAT IGO is committed to raise awareness on these matters to follow these crucial topics within the international satellite and space community. Since its joint establishment in 2010 by two United Nations specialised agencies, the International Telecommunications Union (ITU) and the United Nations Educational, Scientific and Cultural Organization (UNESCO),

the Broadband Commission for Sustainable Development⁽²⁾ has sought to promote the adoption of effective and inclusive broadband policies and practices in countries around the world. As a Commissioner, the Executive Secretary has remained fully involved in the work of the Commission whose main objectives are to promote the importance of broadband on the international policy agenda, to devise practical strategies that advocate for the development of broadband infrastructure and services and to ensure that the benefits of these technologies are made accessible to all people worldwide. At the Annual Fall Meeting of the Broadband Commission in September 2022, the Commission discussed the remaining actions needed to reach the 2025 Commission's Advocacy Targets and means to achieve meaningful connectivity. The Commissioners stressed the need to ensure inclusive and sustainable broadband development and discussed the requirements to have the relevant tools to reach universal connectivity including access to electricity, affordable and rugged devices, open educational resources, digital literacy, cybersecurity, and gender equality. The two working groups (WG), of which the Executive Secretary was a member, presented the results of their activities and launched their reports. The WG on Artificial Intelligence (AI) Capacity Building released its report on "AI and Digital transformation intended for civil servants worldwide"⁽³⁾ and the WG on "Data for learning" presented its preliminary findings and its Interim Report⁽⁴⁾. The 12th edition of the State of Broadband Report entitled "Accelerating broadband for new realities"⁽⁵⁾ was released and featured the trends in broadband deployment in the new post-pandemic environment as well as key takeaways to achieve universal connectivity.

EUTELSAT IGO has the status of International Organization Operating Satellite Systems in all three sectors of ITU, which enables the Executive Secretary and the Secretariat to participate in ITU activities of relevance to the Organisation. As part of its monitoring of frequency management activities for Eutelsat's space segment, the Organisation continues to follow and participate in the preparatory work of the World Radiocommunication Conference (WRC). The next WRC will convene in November and December 2023 (WRC23) in Dubai (United Arab Emirates) and will be the culminating point of a four year-preparatory process comprising a multi-stakeholder approach with governments, regulatory authorities, operators, suppliers and international and regional organisations. The agenda of the WRC-23 will aim at updating the Radio Regulations which is the international treaty governing the use of the radio-frequency spectrum and satellite orbits, while ensuring the rational, equitable, efficient and economical spectrum use by all radiocommunications services, WRC-23 will also lay the basis for technologies that would contribute to major changes in the digital economy in the future.

(1) <https://www.unoosa.org>

(2) <https://www.broadbandcommission.org>

(3) <https://broadbandcommission.org/publication/artificial-intelligence-and-digital-transformation/>

(4) <https://broadbandcommission.org/publication/the-transformative-potential-of-data-for-learning-interim-report/>

(5) <https://broadbandcommission.org/publication/state-of-broadband-2022/>

3.1.4 Materiality review

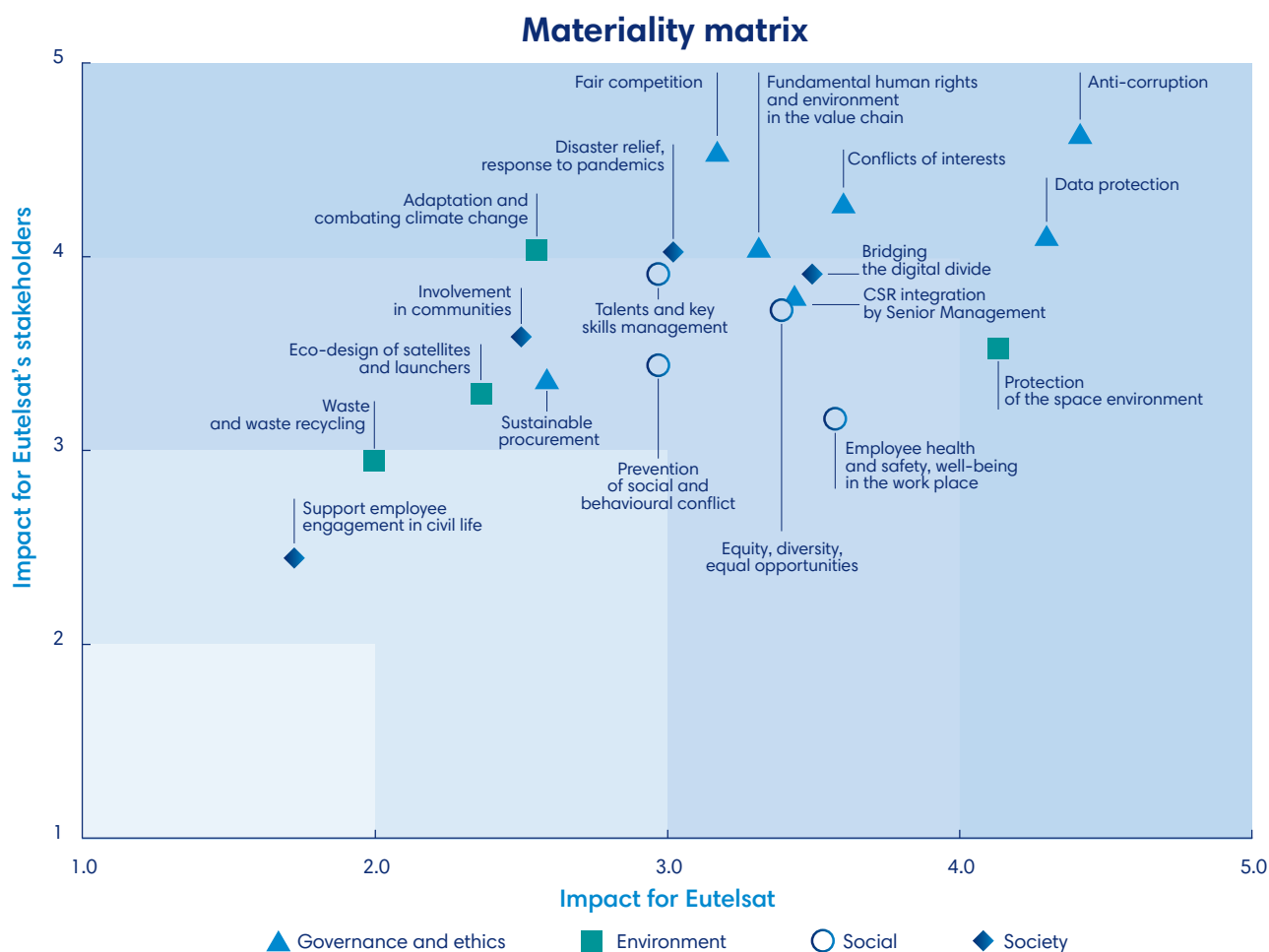
Eutelsat has conducted a materiality review showing the importance of CSR issues for its internal and external stakeholders and resulting in the CSR materiality matrix. We have constructed a three-dimensional matrix that provides us with valuable insights. The issues reviewed were selected and proposed by the CSR team based on an internal analysis of the non-financial risks, a consultation process on the CSR reference frameworks and the issues reported by companies in the same sector: Eutelsat's competitors, customers and suppliers.

This materiality matrix enabled the identification of Eutelsat's priority CSR issues and avenues for work and collaboration to be established

both internally and externally. These different issues were evaluated based on:

- their impact and importance for Eutelsat and its internal stakeholders;
- their impact and importance for Eutelsat's external stakeholders.

For the internal stakeholders, Eutelsat employees representing all the divisions and three members of the Executive Committee were consulted. External stakeholders consulted: customers, suppliers, shareholders and Board Members, NGOs, trade media, international agencies.



For some of them, this exchange opened up prospects for further collaboration on the CSR issues discussed.

The non-financial risks and opportunities outlined in the following chapter are the risks and opportunities which have been deemed to be material for Eutelsat by all of its stakeholders.

3.1.5 Main non-financial risks

Certain non-financial risks, particularly those related to corruption, have a likelihood/occurrence ratio that identifies them as specific risk factors that are likely to have a significant impact on the Group's financial situation. They are therefore described and discussed in detail in Chapter 4.

Other non-financial risks are risks whose occurrence does not have a direct material impact on the Group's financial situation, even if the

efficiency and performance of certain operations could be affected. These risks may affect Eutelsat or its stakeholders.

The organisation put in place and the method used to identify and manage risks can also be found in Chapter 4.

The following non-financial risks have been ranked based on the scale of impact they could have on the Group.

3.1.5.1 Cyber-attacks, security breaches or malfunctions on information systems and/or teleports

The risk could have a material impact on the Group's activities

Identification of the risk

The Group's information systems and/or teleports could be disrupted or fall victim to a cyber-attack, security breach or other malfunction and any interference with satellite signals may impact performance of satellites affecting operations or quality of service.

Risk management and monitoring

In March 2021, the Group hired a Chief Information Security Officer (CISO) to oversee cybersecurity. The CISO reports to the Group Chief Technical Officer and the Chief Security Officer. This role involves leading all aspects of cybersecurity, developing and implementing a comprehensive security programme to protect the company's asset and business processes. The CISO collaborates with the IT and satellite engineering teams to align the programme with business interests and best practices.

In May 2023, Eutelsat hired a dedicated engineer for "IA-Pre program". This programme establishes new cybersecurity requirements for commercial satellite communications providers working with the U.S. military. His role is to develop necessary procedures to ensure compliance with these requirements.

Due to Russia's war in Ukraine, Eutelsat recognises the importance of heighten cybersecurity standards. As a result, the company is committed to two major processes:

- France and Europe: Full compliance with ISO 27001, NIS2 and LPM ("Loi de programmation militaire");
- USA: compliance with NIST 800-53 and IA-Pre Program mentioned earlier.

3.1.5.2 Climate change and its direct and indirect impacts on the Group's operations

The risk could have a material impact on the Group's activities

Identification of the risk

Climate change poses specific risks associated with an increase in temperature in certain geographical areas where the Group operates. These risks include both direct and indirect impacts, which can significantly affect the Group's operations. One direct impact is the increased frequency of natural catastrophes. On the other hand, climate change also has indirect impacts, such as the need to relocate employees for climate reasons.

Risk management and monitoring

Continuous monitoring and assessment of climate related risks is undertaken, particularly in relation to potential risks posed to our physical sites of operation. When necessary mitigation plans are implemented to ensure continuity of essential operations and services. This is often achieved by having a geographically redundant site capable of supporting these operations. One example is that many teleport services can be switched between the Eutelsat teleports in Rambouillet, (France) and Cagliari (Italy) in the event of

an incident at either of the sites. Another example is that 24/7 NOC operations can be switched between France and Mexico.

This enhanced level of redundancy across many aspects of the company's operations provides a strong resilience against the direct and indirect impacts of climate change.

3.1.5.3 Space collisions and debris potentially impacting the Group's satellite operations

This risk could have a material impact on the Group's activities.

Identification of the risk

With the increasing number of communications satellites in space, the issue of end-of-life of satellites and the potential debris generated in the process, is becoming increasingly relevant. A collision between our satellites and certain types of space debris could lead to considerable damage to our satellites, thus affecting the Group's operations and leading to substantial financial losses.

Risk management and monitoring

Positioned in geostationary orbit for an average period of fifteen years, the satellites operated by Eutelsat do not belong to the category that generates the most debris, unlike those in low or medium orbit. Nevertheless, Eutelsat has made a number of commitments and adopted procedures to re-orbit satellites reaching end-of-life and reduce the risk of pollution in space. When they reach end-of-life, we, then, reposition our satellites more than 200 kilometers beyond geostationary orbit, thereby respecting the international guidelines.

3.1.5.4 Eutelsat may face different risk factors linked to the health and safety of individuals

This risk could have a moderate impact on the Group's activities.

Identification of the risk

Some of Eutelsat's activities, mainly at the teleports, may expose its employees or sub-contractors to various risks (installation and maintenance of equipment in teleports, exposure to electromagnetic waves, etc.).

Non-respect of the regulations or lack of measures relating to safety and quality of life in the workplace would cause accidents in the workplace which may have legal, operational and reputational consequences.

Risk management and monitoring

Pursuant to French law, Eutelsat has implemented the Comprehensive Risk Assessment Document (DUERP) to evaluate professional risks, which lists all the risks for the Issy-les-Moulineaux sites and the Paris-Rambouillet teleport. This document has been adapted following the Covid-19 public health crisis. A health and retirement scheme are available to all employees. For employees present at the teleport, training is provided on the risk of exposure to electromagnetic waves and testing is frequently carried out at the level of the installations.

3.1.5.5 Eutelsat incurs a risk linked to talent and key skills management

This risk could have a moderate impact on the Group's activities.

Identification of the risk

Eutelsat operates within a competitive environment, which is constantly changing due to technological developments in the telecommunications sector and the arrival of new market entrants. Eutelsat could have difficulty in recruiting talented people and training employees in new skills enabling the Company to remain competitive and innovative.

Risk management and monitoring

With the One Eutelsat (corporate culture and professionalised management) and the Great Place to Work and Denison culture surveys (360° management and employee engagement) programmes, Eutelsat focuses for several years on the management of key talent and employee engagement. Talent management also draws on the new HR Information System for talent identification and succession planning. Under the guidance of the Human Resources Department, the programme is periodically presented to the Executive Committee.

3.1.5.6 Risks of non-compliance with the applicable laws and regulations

This risk could have a material impact on the Group's activities.

Identification of the risk

The Group operates in a highly regulated industry and could be exposed to the risk of non-compliance with the laws and regulations applicable to it, notably with regard to the fight against corruption and influence peddling, economic sanctions, export laws, listing regulations, tax, the protection of personal data and competition law

Risk management and monitoring

During the fiscal year, the Group has continued to strengthen its anticorruption and influence peddling programme designed to prevent and detect acts of corruption within the Group, notably by:

- ▶ Updating the Whistleblowing policy and the online reporting tool, to ensure its compliance with the Wasserman law, enabling anonymous whistleblowing reports;
- ▶ Strengthening the internal compliance network in charge of developing the compliance culture locally, monitoring the effectiveness of the Group's processes and reporting on any vulnerabilities detected;
- ▶ Continuing the actions undertaken as part of the implementation of the measures prescribed by the Sapin II Act, in accordance with the latest recommendations of the AFA, notably: (i) the intensification of the training programme, conducted with all employees in France and abroad in 2022, (ii) the regular updating of internal policies on ethics and compliance, and (iii) the conduct of a high level compliance review by an external auditor, to assess the implementation and effectiveness of the programme.

3.1.6 Opportunities for the Company

3.1.6.1 Bridging the digital divide

Eutelsat is a key player in the effort to bridge the "digital divide", which refers to discrepancies in access to information and communication technologies (ICTs), specifically to Internet and TV broadcasting. Downgrading of the services offered by Eutelsat, in particular for free-to-air television broadcasting or the provision of bandwidth, could widen these discrepancies.

The Group's policy in this area serves three purposes:

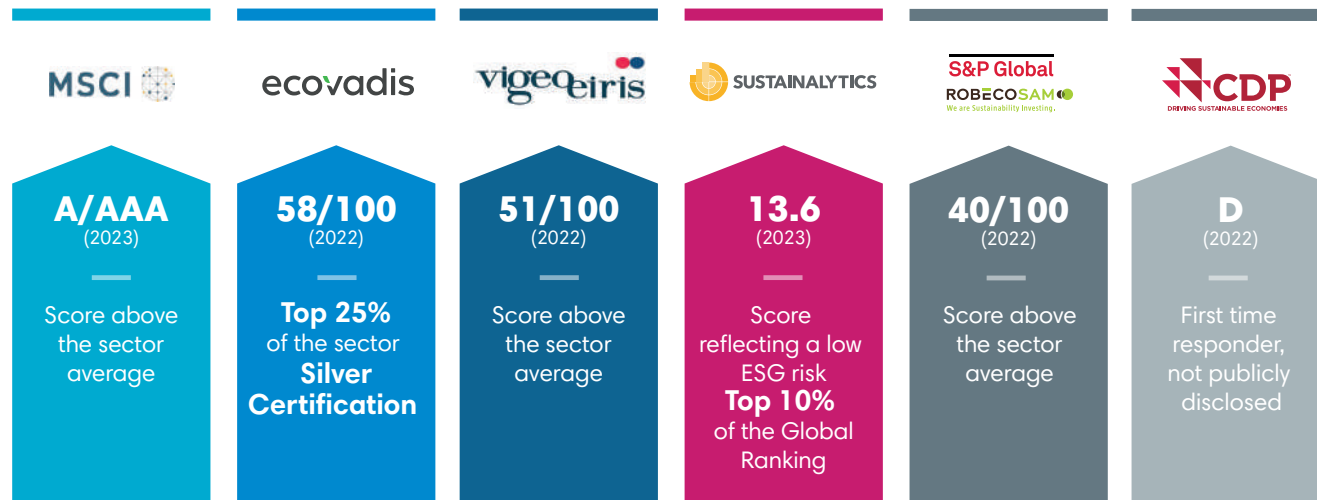
- ▶ provide Internet access to individuals, businesses and government agencies located in areas with little or no coverage by terrestrial networks;
- ▶ meet specific needs by fulfilling the public policy objectives of digital inclusion;
- ▶ promote access to free-to-air television for all homes.

3.1.6.2 Environmental protection

Eutelsat recognises the importance of caring for the environment, both on Earth and in Space. The company can leverage this commitment to environmental protection as an opportunity for differentiation. By placing the protection of the environment at the heart of its decision-making process, Eutelsat can establish itself as a responsible and sustainable player in the industry.

3.1.7 Evaluating impact: Eutelsat ESG ratings

► An overview of Eutelsat's non-financial scores



Eutelsat has also obtained other scores in recognition of its sustainable development efforts. The Company obtained a score of 88/100 in the Gender Equality Index, placing Eutelsat among the leading companies for equality and diversity.

3.1.8 Eutelsat's contribution to the United Nations sustainable development goals

As an active participant in the United Nations Global Compact since 2019, Eutelsat makes significant contributions towards advancing 9 Sustainable Development Goals (SDGs). Through our commitment to sustainable operations, we strive to address the evolving needs of society while actively working towards achieving these important global objectives.



Goals	Achievements
4 QUALITY EDUCATION <ul style="list-style-type: none"> ► 4.3 Vocational training and higher education ► 4.4 Skills and access to employment ► 4.7 Education in sustainable development ► 4.a Accessibility of educational establishments 	<ul style="list-style-type: none"> ► Individual annual training plan proposed for all employees during their year-end assessment ► Support for associations and foundations in promoting the sciences, technology, engineering, and mathematics (STEM) and the related professions ► Promote access to education via governmental cooperation to facilitate access to digital in schools ► Apprenticeship tax collected to schools and institutions that focus on promoting education for learners in need of a second chance
5 GENDER EQUALITY <ul style="list-style-type: none"> ► 5.1 End all forms of discrimination ► 5.5 Ensure full participation in and access to senior executive positions ► 5.b Technology and automation ► 5.c Gender equality policy 	<ul style="list-style-type: none"> ► Gender equality, diversity and inclusion as key priorities for the Group's social policy ► One third of the Executive Committee is composed of women ► Deployment of a plan to promote professional equality and quality of life in the workplace ► Support for the Women in Aerospace association, Signatory of the StopE initiative, combating everyday sexism in the workplace ► Awareness-raising of 100% of the employees in France to stereotyping and discrimination in the workplace
8 DECENT WORK AND ECONOMIC GROWTH <ul style="list-style-type: none"> ► 8.2 Economic productivity ► 8.4 Resource efficiency ► 8.5 Full and productive employment, and decent work ► 8.6 Promote youth employment and training ► 8.8 Labour rights and safe and secure working environments 	<ul style="list-style-type: none"> ► Signature of collective agreements to improve employee well-being at work ► Signature of a charter promoting the employment of young people in the Issy-les-Moulineaux municipality (Group headquarters) ► Internship and work study programmes for young adults in the workforce ► Denison and Great Place To Work engagement surveys

Goals	Achievements
 <ul style="list-style-type: none"> ▶ 9.1 Develop sustainable, resilient and inclusive infrastructures ▶ 9.4 Upgrade infrastructure and sustainable industrialisation ▶ 9.5 Innovation, research and development ▶ 9.c Increase access to information and communications technologies 	<ul style="list-style-type: none"> ▶ Bridging the digital divide by connecting the unconnected ▶ Implementation of the Space Debris Mitigation Plan (to reduce space debris) covering satellite station-keeping operations, satellite repositioning on geostationary orbit, measures in the event of anomalies, inclined orbit operational strategies and end-of-life operations ▶ Founder member of the Net Zero Space initiative for the creation of a sustainable space environment by 2030, signatory of the ESA's Joint Statement for a responsible space sector ▶ Sponsor of the ONG Télécoms Sans Frontières
 <ul style="list-style-type: none"> ▶ 10.2 Empower and promote inclusion ▶ 10.3 Ensure equal opportunity 	<ul style="list-style-type: none"> ▶ Delivering 2,480 free-to-air TV channels ▶ Eutelsat's pledge to the ITU Partner2Connect Digital Coalition ▶ Policy aimed at bridging the digital divide in regions where access to terrestrial networks is limited or does not exist. Collaboration with the different governments to promote Internet access
 <ul style="list-style-type: none"> ▶ 13.2 Climate policy 	<ul style="list-style-type: none"> ▶ Group's overall carbon emissions reduced by 4.7% in 2022 vs. 2021 ▶ Increase in electricity produced from solar panel systems ▶ ISO 14001 certification for the teleports in Caniçal (Portugal), Cagliari and Turin (Italy) ▶ Improvement in building energy efficiency ▶ Energy sobriety plan implemented during winter at headquarters
 <ul style="list-style-type: none"> ▶ 15.1 Conserve and restore terrestrial and freshwater ecosystems 	<ul style="list-style-type: none"> ▶ At the Paris-Rambouillet teleport, 85 hectares of lands are used for organic agriculture purposes ▶ At the Caniçal teleport, wastewater generated from the annual antenna cleaning, necessary for lubrication and salt removal, is carefully contained to prevent soil pollution. Moreover, emphasis is made on natural, green environments in outdoor spaces with abundant bushes and trees
 <ul style="list-style-type: none"> ▶ 16.5 Reduce corruption ▶ 16.6 Strong institutions ▶ 16.7 Inclusive decision-making ▶ 16.10 Ensure access to information and protect fundamental freedoms 	<ul style="list-style-type: none"> ▶ Anti-corruption Training proposed to all employees ▶ Actions in place to combat deliberate jamming ▶ Delivering 2,480 free-to-air TV channels
 <ul style="list-style-type: none"> ▶ 17.8 Scientific and technological capacity-building ▶ 17.10 Equitable multilateral trading system ▶ 17.17 Multi-player partnerships 	<ul style="list-style-type: none"> ▶ Collaboration with private and public players within the framework of our digital inclusion policy ▶ Purchasing policy put in place respecting the international standards on corruption and business ethics ▶ Permanent dialogue with the EUTELSAT IGO international organisation ▶ Member of the Global Satellite Operators Association

3.2 Integrity and ethics

3.2.1 Commitment of the governing body

Integrity and ethics are key priorities for the Group. This is reflected in the governing body's commitment to fighting corruption and all forms of unethical business practices. It is demonstrated by all the actions and measures put in place not only to prevent and detect corruption or influence peddling, but also to ensure compliance with regulations on personal data protection and competition law.

The appointment, in July 2021, of a Chief Compliance Officer, reporting to the Company Secretary and tasked, amongst other things, with the implementation and steering of the anti-corruption policy, illustrates the Group's ongoing commitment to ethical business practices. In 2022, the Compliance governance was improved by expanding the team, confirming the onboarding of an additional full time senior compliance officer in head office, as well as

one in the MENA region, both reporting to the Group Chief Compliance Officer.

Both the Code of Ethics and the Code of Conduct were updated after Eva Berneke joined the Group and signed a new preface, underscoring her personal commitment and that of the Group, to combating corruption.

▶ Key integrity and ethics commitments

During the fiscal year, the Group made key commitments to strengthen relationships with our stakeholders in accordance with our principles of ethics and loyalty for integrity and ethics. They are presented in Section 3.5.1.1

3.2.2 Compliance policy

3.2.2.1 Compliance regarding the fight against corruption and influence peddling

During the financial year and in compliance with the French Sapin II Act, the Group continued to strengthen its compliance policy aimed at preventing and detecting cases of corruption and influence peddling, and to roll out the programme by taking the actions outlined below.

The action plan approved in November 2021 by the Audit, Risks and Compliance Committee was carried out, and regular updates were given to said instance.

Development and regular updating of internal policies regarding ethics and compliance

The Group is committed to upholding the highest ethical standards in all the countries where it operates. In order to formalise this commitment and ensure consistent enforcement across all Group entities, internal ethics and compliance policies have been developed and are regularly updated. This set of anti-corruption guidelines is periodically enhanced to address risks identified through the mapping of corruption and influence peddling risks. In 2022, 10 procedures were created and/or upgraded, including the Due Diligence procedure for suppliers and the Due Diligence procedure for clients.

During the financial year, the Compliance department collaborated with the IT and Communications departments to develop two internal tools. One tool facilitates the reporting of potential or actual conflicts of interest, while the other tool enables the declaration of gifts and invitations given and received, in accordance with the relevant procedures.

The intranet was redesigned to include a dedicated internal page called "Compliance For You", improving employee's access to compliance documents, guidelines and more.

Finally, procedures were translated into Arabic, Spanish and Italian, in a constant effort to make them more accessible to all employees.

Extension and automation of the pre-contractual due diligence on third parties

During the fiscal year, the Group maintained its efforts on pre-contractual due diligence with respect to third parties. In 2022, a total of 744 World-Check verifications⁽¹⁾ were conducted. This number is significantly lower compared to previous years. The decision was made to rationalise the use of the World-Check and align with the recommendations of the French Anticorruption Agency, focusing due diligence checking efforts on high risk third parties. Continuous screening which was the previous applied to the entire scope of third parties at all times, was no longer considered necessary.

Indeed, third parties are classified into different categories based on their level of risk such as geopolitical, corruption, reputational, etc. They are now categorised and analysed according to their risk level. To maintain comprehensive control, annual due diligence processes

are conducted for the top 10 suppliers and top 10 clients, ensuring thorough assessments are performed.

In-depth investigation reports may be requested from consultants such as ADIT, a company specialising in both open and closed investigations. This due diligence process is integrated into the internal operational procedures, in particular those related to procurement and sales.

The indicators of activity and results are presented in paragraph 3.8.3.

Optimisation of the internal whistleblowing mechanism

During the financial year, a new service provider, SpeakUp (by PeopleInTouch) was chosen. The platform incorporates the requirements of Directive (EU) 2019/1937 concerning the protection of whistleblowers and its transposition into French Law (Waserman law). This mechanism promotes the collection of reports and ensures the safeguarding whistleblowers' protection and anonymity. It is available in multiple languages and is supported by whistleblower hotlines in the regions where Eutelsat operates.

The whistleblower hotline, outsourced to an independent specialised service provider, ensures the utmost confidentiality of notifications and is available 24/7 in all countries where the Group operates. Regular testing of the hotline is conducted by the Compliance team.

The Internal Rule has been updated to incorporate all these elements related to whistleblower protection.

An updated dedicated fact sheet has been created to facilitate access to the SpeakUp platform, which includes a QR Code for direct usage when necessary. This QR Code is directly linked to the reporting mechanism. The procedure is reviewed in each meeting of the Audit, Risk and Compliance Committee. Additionally, the Compliance department has developed a whistleblower kit for all managers who may need to handle whistleblower notifications received outside the official platform.

During the previous financial year, a total of 11 whistleblower reports were received, all through the official platform. Among these reports, three were redirected to the Sales Department as they pertained to client-related issues outside the scope of whistleblowing legislation.

The remaining eight cases triggered the establishment of a confidential internal analysis team, led by the Compliance department, to investigate and verify the relevant facts.

Training programme intensification

The training programme for combating corruption and influence peddling, known as the "Compliance Academy" is structured into three levels. The first level is designed for all current employees of the Group. The second level is conducted on an *ad hoc* and targeted basis, focusing on employees who are most exposed to corruption risks, to ensure their continuous knowledge maintenance and updates. The third level is specifically tailored for the Executive Committee. A dedicated training session for the Executive Committee was organised in May 2022. Attendance of all three levels of training are mandatory.

(1) Comparison with the previous year's figures is not meaningful as the methods used to identify the assessed third parties changed during the financial year.

Mandatory online training campaigns are conducted in annual cycles for all employees of the Group to ensure a consistent level of awareness and regular updates. In last phase of the 2021 campaign, conducted in partnership with Wolters Kluwer France, 135 out of the targeted 148 new recruits who joined in November 2021 were trained using an anti-corruption e-learning module, representing a completion rate of 96%. In 2022, the Compliance team developed new e-learning content in collaboration with HR to incorporate the 2023 training into the new Eutelsat in-house e-learning platform. The training was then launched in early 2023.

Special training sessions were conducted for employees who are particularly exposed to the risk of corruption including Area Managers, Regional Vice Presidents, and individuals in corporate roles such as Purchasing, Credit Management, Legal and Finance, totaling approximately 150 individuals. These on-site training sessions covered two main areas: international sanctions and situations involving risks, such as contracts with intermediaries, commercial agents, gifts, invitations and conflicts of interest).

On the occasion of International Anti-Corruption Day on 9 December 2022, the Compliance department organised a special event for the Group's employees called the "Eutelsat Compliance Days". This awareness-raising initiative spanned 3 days and was launched by Eva Berneke herself. As part of the campaign, the Compliance Team designed an online risk-hunting game, offering a special prize to the employees with the highest score (a donation to a charity of their choice). Other activities included podcast broadcasts, a best-practice guide, and various internal publications.

Each subsidiary participated in their own way, actively engaging with the game with the support and involvement of their respective Compliance representatives.

Internal Audit Department's actions

The Internal Audit department conducted several audits throughout the fiscal year to assess the effectiveness of the mechanism implemented to prevent and combat corruption and influence peddling. These reviews were aligned with the pillars of the French Sapin II Act. The evaluations included identifying the most significant intermediaries operating within the Group to evaluate their compliance with company policies, procedures and the Sapin II Act. Additionally, a level 3 was conducted on the control programme rolled out by the Internal Control department.

Responses to the questionnaire published by the French Anti-Corruption Agency (hereinafter "AFA")

To ensure full compliance with the Sapin II Act and the Guidelines, the Group maintains up-to-date responses to the AFA questionnaire. This questionnaire consists of 200 questions that pertain to the Company's anti-corruption mechanism.

3.2.2.2 Compliance regarding personal data protection

Throughout the year, the Group continued to implement its policy to ensure compliance with regulations on personal data protection, in particular Regulation (EU) 2016/679 dated 27 April 2016 ("GDPR") and French Act No. 78-17 dated 6 January 1978 as amended (referred to as the "Loi Informatique et Libertés").

At the organisational level, the function of Personal Data Protection Officer (DPO) coordinates an internal network of correspondents within the subsidiaries and operational divisions. The Chief Compliance Officer is the Group's contact person for Data Privacy matters.

The correspondents within the network have undergone specialised training sessions organised by the DPO. This network ensures that the correspondents are consistently informed about data protection matters, enabling the circulation of information so that personal data protection and cybersecurity issues can be addressed at an early stage of any project.

The Group has selected and is currently deploying a tool that facilitates the maintenance of the data processing register. This tool will enhance the Group's ability to manage and track data processing activities effectively.

Fact sheets, along with standard clauses tailored to the qualification of the parties, have also been developed and distributed to relevant internal stakeholders. These fact sheets provide guidance and instructions on personal data-related contractual matters. The Compliance Department assists the Legal Affairs and the Operational teams in addressing contractual issues related to personal data and provides support in the event of any data breaches.

The DPO has developed an internal policy on the protection of personal data, which has been posted on the Intranet. This policy serves to outline the Group's responsibilities and obligations under data protection regulations, fostering a culture of data protection compliance and governance within the Group. In addition, the Group has implemented cookie policies on its websites to provide transparency and information about the use of cookies to website visitors.

Procedures have been established to address personal data breaches, allowing the DPO and the Compliance department to document such cases and make the required notifications. In cases where necessary, the Chief Compliance Officer collaborates closely with the DPO and the Information Systems Security Officer. The Konnect Teams have undergone specialised training on the GDPR and handling data breaches, ensuring they have the knowledge and skills to appropriately manage and respond to any data breach incidents.

3.2.2.3 Cybersecurity respect and reinforcement

To respond to the ever-growing issues surrounding cybersecurity, the Group applies substantial measures in this area. Since 2019, Eutelsat has thus deployed an Information System Security Policy together with an action plan to maintain an optimal level of cybersecurity.

To this end, the Group has implemented the security measures recommended by the European Network and Information Security Agency (ENISA), which ensure the same high level of security for all the information systems used by operators of essential services. Furthermore, the personal data protection policy is made available to all employees over the intranet portal.

Additionally, to ensure the highest level of security practices and protections, all of the principal operational entities of the group have achieved and continue to successfully maintain ISO 27001 certification. The full list of ISO 27001 certifications is shown below.

Site	Scope	ISO 27001 Status
Iztapalapa & Hermosillo Teleports – Mexico	The information systems that support the processes of satellite and payload operations, communications monitoring, and ground station control systems.	Certified since July 2012
Rambouillet Teleport – France	The information security management system (ISMS) of Eutelsat S.A. applies to the provision of customer support for the use of satellite capacity, Rambouillet Teleport management, implementation and operations of managed services. Security of remote payload monitoring sites, points of presence and Teleports.	Certified since July 2013
Satellite Operations – Company HQ Paris – France	The information security management system (ISMS) of Eutelsat S.A. applies to satellite on-station control and operations (LEOP). Satellite ground control systems: Definition, development, procurement, deployment, operations and maintenance of the associated software, computer systems and networks and human resources. Security of all ground stations for Geostationary satellite operations.	Certified since November 2014
Cagliari Teleport – Italy	Design, implement, delivery and support of video and data connectivity services on behalf of Eutelsat Group. Management of the Cagliari teleport.	Certified since July 2017
Turin Teleport – Italy	Design, implement, delivery and support of video and data connectivity services on behalf of Eutelsat Group. Management of the Turin teleport.	Certified since July 2017
Canical Teleport – Madeira	Design, implementation, operation and maintenance of telecommunication equipment and infrastructure for satellite managed services.	Certified since November 2021

Awareness-raising and training

In 2022, 380 of the Group's employees followed a cybersecurity training programme, within the framework of the ISO 27001, making them aware of the procedures in place and giving them the tools required to protect their data.

3.2.3 Governance

In terms of governance, the Group Compliance Department has established and continues to coordinate an internal network of correspondents to facilitate the implementation of the compliance programme across all entities of the Group. These correspondents, who are primarily the Heads of Legal Affairs in certain entities, play a crucial role in implementing local compliance actions, monitoring their effectiveness, and reporting any identified weaknesses. To ensure effective communication and collaboration, quarterly meetings for the members of this internal network are organised, primarily using the Teams platform, allowing for regular updates, discussions and sharing of best practices.

Additionally, the Group Compliance Committee convenes every two months and is responsible for making decisions and rulings on all matters related to the prevention and detection of corruption and influence peddling within the Group. The Committee also addresses broader issues concerning ethical business practices.

Furthermore, compliance matters are regularly discussed during meetings of the Executive Committee. Additionally, the Executive Committee receives the minutes of all Compliance Committee meetings for informational purposes.

A Compliance update is included on the agenda for every meeting of the Audit, Risks and Compliance Committee, as well as every Board of Directors meeting that follows these Committee meetings.

In parallel, the Compliance Department established "OneTeam Compliance" at the end of 2021, an internal network consisting of operational Ambassadors who are dedicated to addressing compliance-related topics. The objective of this network is to enhance the Group's compliance culture and facilitate the effective dissemination of internal procedures throughout the organisation. These meetings held within this network provide a platform for in-depth discussions and knowledge sharing. As new members join the network, it is continuously reinforced, ensuring a growing and diverse representation of employees engaged in promoting and fostering a strong compliance structure within the Group.

3.2.4 Consumer health and safety measures

Consumers access Eutelsat services through their Internet service providers or content providers. Currently, there are no specific measures in place related to the health or safety of end-users as part of Eutelsat's service provision.

3.2.5 Tax compliance

Pursuant to Articles L. 225-102-1 and L. 22 10 36 of the French Commercial Code, and in accordance with its principles of integrity and ethics, the Eutelsat Group is committed to combating fraud and tax evasion.

In this context, the Eutelsat Group pays taxes in the countries in which it operates in accordance with the laws of each of these countries.

Eutelsat tax strategy is aligned with the Group commercial strategy and operational activity. In this respect, the tax department assists operational teams by providing tax advice and determining the appropriate tax treatment that best meets the business needs.

The Group tax department reports directly to the Chief Financial Officer, who is a member of the Group Executive Committee. This

dedicated tax team is in place for the Group activities and regularly calls upon third parties for specific issues, particularly in relation to specialised areas of tax law or when the Group is undertaking activities in a new jurisdiction.

The Group follows the recommendations issued by the Organisation for Economic Co-operation and Development (OECD) aiming at combating tax base evasion and profit shifting, and in particular its recommendations on transfer pricing.


The Eutelsat Group maintains open and constructive relations with the various administrative authorities, legislative bodies and jurisdictions responsible for conducting tax audits and litigation, and, as the case may be, for legislative developments.

3.3 Societal information

3.3.1 Driving societal impact

Throughout the fiscal year, the Group conducted an extensive evaluation of its societal policy, aiming to establish essential commitments to bridge the communications divide that exists worldwide.

► Key societal commitments

	→ MISSION	→ COMMITMENTS
 <p>SOCIETAL</p>	<p>WE BRIDGE THE COMMUNICATIONS DIVIDE ACROSS THE WORLD</p>	<p>Act as a neutral, independent platform to distribute video content and provide connectivity to those in unconnected areas around the world, with minimum carbon impact</p> <ol style="list-style-type: none"> 1 Connect 250,000 unconnected people in Europe by 2026 2 Connect 1 million unconnected people in Africa by 2027 3 Propose direct support and resources to organisations providing satellite communications for humanitarian needs

3.3.2 Eutelsat's endeavour to bridge the digital divide

In our continuous commitment to Corporate Social Responsibility, we recognise the significance of addressing the disparities in access to Information and Communication Technologies (ICTs) on a global scale. As part of our CSR mission, we are dedicated to pursuing extensive efforts to overcome the "digital divide" that hinders individuals and communities from benefiting from the opportunities presented by broadband access and satellite television broadcasting.

Satellite technology is particularly suited to the expectations and requirements of public authorities as it is capable of delivering high-quality and cost-effective Internet connectivity, with a quicker roll-out than other options, while avoiding the geographical constraints associated with mountainous areas.

This is particularly relevant in rural areas, where broadband coverage remains challenging. According to the European Commission's most recent Digital Economy and Society Index (DESI) Report, a significant percentage of households in Europe still lack access to fixed network infrastructure, especially in rural zones where the figures are even higher.

In Europe, it is estimated that 2% to 3% of homes will remain without high-speed broadband access for an extended period. The digital divide is even more pronounced on the African continent, where the deployment of terrestrial networks lags behind, and the proportion of the rural population is significantly higher.

In recent years, a new generation of high-throughput geostationary satellites has however emerged, with satellites that are more powerful and, above all, much more flexible than the previous generation. Eutelsat is again positioned as a global leader in this segment.

EUTELSAT KONNECT, a next-generation satellite has been operational since mid-November 2020 and provides coverage of Western Europe and a large part of Sub-Saharan Africa. With this latest generation satellite, Eutelsat's capacity has considerably increased, enabling it to offer high speed broadband everywhere, with consumer package at a price close to a terrestrial Internet subscription, starting from 30€/month in European countries or from 1\$/1GB in Sub-Saharan African countries with hotspot Konnect Wi-Fi solutions. These consumer offers are marketed through distributor partners or retailers selling hotspot Konnect Wi-Fi solutions.

3.3.2.1 Connecting the unconnected for African communities

The entry into service of EUTELSAT KONNECT VHTS in 2023 will allow the entirety of the EUTELSAT KONNECT satellite's broadband resources to be allocated to coverage of the African continent, to meet the ever-increasing needs of all users in terms of bitrates and data consumption. The fixed high speed broadband services provided by EUTELSAT KONNECT VHTS will be comparable to fibre-delivered services in Europe, North Africa and the Middle-East region, with speeds reaching up to 200 Mbps.

Currently, the EUTELSAT KONNECT satellite offers broadband coverage to some 40 countries in Sub-Saharan Africa, including those with the largest populations such as the Democratic Republic of the Congo, Nigeria and South Africa. Thus, since the end of 2020, the EUTELSAT KONNECT satellite has made it possible to offer broadband services to several hundred thousand households in almost all the countries covered.

In Africa, public authorities are also beginning the crucial dialogue around digital inclusion and are calling on Eutelsat's connectivity services to ensure service continuity and equality for everyone across this vast continent.

In June 2022, Eutelsat joined the International Telecommunication Union (ITU) Partner2Connect Digital Coalition. The coalition is a multistakeholder platform mobilising resources, partnerships, and commitments to foster meaningful connectivity and digital transformation in the hardest-to-connect communities. Within this framework, Eutelsat pledged to connect 1 million underserved people in Sub-Saharan Africa by 2027. Half a year into the pledge, Eutelsat has reached the 200,000-user mark for its Konnect Wi-Fi hotspots, a significant milestone acknowledged by the 2022 Partner2Connect annual report⁽¹⁾.

Operating in Africa, Konnect is Eutelsat's satellite broadband initiative, powered by the new-generation EUTELSAT KONNECT satellite. Delivering instant broadband Internet access to rural areas beyond reach of terrestrial networks across the continent. With speeds and bandwidths on a par with those of fibre or 4G (from 5 to 100 megabits per second), and at ultra-competitive prices, individuals, businesses, schools, and medical centres can seize the power of innovative satellite technology. Konnect is changing the way people live, learn, work and do business, in the remotest areas, empowering entire communities on the continent.

In the Democratic Republic of the Congo, Konnect Africa has expanded broadband access to over 800 rural communities that were previously devoid of Internet connectivity. Additionally, Konnect Africa has extended its services to 150 communities in Côte d'Ivoire. Furthermore, during the health crisis caused by the coronavirus pandemic, Konnect Africa offered free broadband access to the coordinating bodies involved in the response to the crisis in South Africa, Nigeria and the Democratic Republic of the Congo. This enabled medical teams across the country to effectively coordinate their efforts by sharing information in real time, helping to combat the spread of the virus. In South Africa, over a six-month period, Eutelsat provided free access to eight healthcare facilities not served by terrestrial networks in the Mpumalanga province. With the help of the

pharmaceutical firm Aspen Pharmacare, the operation has been expanded to a total of 13 healthcare facilities, for one year.

More broadly, in many rural areas, satellite technology facilitates teleconsultation, allowing health centres in remote areas to hook up with university hospitals through satellite broadband connections. In Zimbabwe, more than 600 eHealth centres have been connected to EUTELSAT KONNECT satellite.

Satellite technology plays a critical role in facilitating teleconsultation, allowing health centres in remote rural areas to connect with university hospitals through satellite broadband connections. This technology has particularly been instrumental in Zimbabwe, where over 600 eHealth centres have been successfully linked to the EUTELSAT KONNECT satellite.

Aside from the education and health sectors, the services offered by Konnect Africa are key in many other fields of interest to public authorities, including security and defence, remote administrative services, land use planning and business creation, not to mention public initiatives to promote local agriculture. The satellite solution is thus recognised as making a vital contribution to the achievement of the United Nations Sustainable Development Goals: zero hunger, combatting poverty, gender equality, good health and wellbeing, quality education, development of infrastructure, economic growth, sustainable cities, etc.

In April 2023, Eutelsat partnered with POULSAT to provide schools in North Africa with high-speed Internet connectivity enabled by Eutelsat ADVANCE, an innovative satellite network-as-a-service solution. POULSAT's digital classroom project, supported by The World Bank Group, will connect over a hundred schools in the next three years. The collaboration makes distance learning and education possible for children living in underserved regions, empowering entire communities in the Sahel region, and beyond.

In November 2022, the Group inked a deal with Tizeti, West Africa's pioneer solar-based Internet service provider and a leading provider of community connectivity solutions to jointly improve broadband penetration in Nigeria, especially in underserved locations. Despite 44.5 percent broadband penetration, covered largely by Mobile Network Operators, reliable Internet connectivity is still limited to a few states. The partnership between Tizeti and Eutelsat will provide a complementary solution that leverages satellite broadband infrastructure and Tizeti's community Wi-Fi management platform to deliver a fast and affordable public Wi-Fi hotspot service, especially in remote areas that are difficult to reach by terrestrial broadband infrastructure, helping to bridge Nigeria's digital divide and improve digital transformation for more Nigerians.

In September 2022, Eutelsat and Liquid Intelligent Technologies signed a multi-year, multibeam agreement for capacity on the EUTELSAT KONNECT satellite to address the connectivity needs of Small and Medium Enterprises (SME) and Small Office/Home Office (SOHO) customers in Uganda, South Sudan and the Eastern regions of the Democratic Republic of the Congo. Under the agreement, Liquid will leverage capacity on the EUTELSAT KONNECT satellite to increase its portfolio with affordable Internet services in territories underserved by terrestrial networks. This agreement testifies to the strong appeal of EUTELSAT KONNECT satellite in Sub-Saharan Africa and its pertinence in supporting telecom operators in bridging the digital divide.

(1) <https://www.itu.int/itu-d/reports/partner2connect-annual-report-2022/wp-content/uploads/sites/9/2022/12/P2C-Annual-Report-2022.pdf>

For many countries in Africa, there is still a huge digital divide. This boundary between connected and unconnected translates into clear consequences for employment, education, family and social life, and access to information. Partnerships such as these play a significant role in addressing the digital infrastructure deficits in emerging economies, leveraging innovative technology and capabilities, to improve development outcomes for millions of people.

3.3.2.2 Promoting digital inclusivity within the European Union.

The launch of the EUTELSAT KONNECT VHVS (Very High Throughput) satellite at the end of 2022 will see Eutelsat take a further step towards closing the digital divide in Europe. In April 2018, Eutelsat reaffirmed its commitment to bridging the digital divide by placing an order with Thales Alenia Space for EUTELSAT KONNECT VHVS, a next generation satellite equipped with hundreds of beams and a Ka-band capacity of 500 Gbps. This new satellite will be mainly dedicated to fixed high-speed consumer broadband and in-flight connectivity and will provide coverage of Extended Europe from a geographical perspective, from the Canary Islands to Turkey and up to Iceland, as well as the southern part of the Mediterranean Basin.

Within the European Union, the transposition of the new Electronic Communications Code requires the Member States to put in place a universal high-speed broadband service. To achieve this objective on an exhaustive basis (guaranteeing the universality of access) and within a reasonable timeframe, satellites thus appear to be a key tool for operators subject to these new requirements, as a complement to their fixed or mobile terrestrial networks.

The Spanish government's UNICO-Rural Demand programme has entrusted Hispasat with the task providing affordable connectivity to all rural and remote areas throughout Spain. This will be made possible through the use of the EUTELSAT KONNECT satellite. The service will be priced at 35 euros per month, which includes both the router and antenna required to establish a connection between the satellite and the subscribing household.

Lastly, other large European countries plan to introduce equipment subsidy schemes to enable the populations in white zones to access high speed broadband by satellite, in the United Kingdom in particular.

3.3.2.3 Satellite solutions for rural France

In France, as part of the "Plan France Très Haut Débit" (France high-speed broadband plan), the government launched a scheme called "Cohésion numérique des territoires" in March 2019. This is an on-demand service available to all households and small businesses in France whose fixed broadband connection speeds do not reach 8 Mbps. Since 2019, grants of up to 150 euros have been available to finance part of the satellite equipment, installation, or commissioning. This scheme was improved in February 2022 by increasing the grants from 150 to 300 euros per household or business, and even up to 600 euros subject to conditions of resources (beneficiaries of minimum welfare support). This scheme is now renewed each year by the "National Agency for Territorial Cohesion" (ANCT). It concerns 16 labeled operators and more than 200 offers throughout the territory. *Régions* or *départements* have set up additional aid to cover the cost of installation. This is the case of the Auvergne-Rhône-Alpes and Provence-Alpes-Côte D'Azur regions or the Manche department. Today France has around 50,000 connectivity-by-satellite users.

3.3.2.4 Expanding digital access in the Americas

In the Americas, Eutelsat Americas provides capacity for various social connectivity programmes, notably in Mexico and Colombia, and is one of the leaders in the satellite sector for this type of programme. The latter are designed to connect rural communities and give them access to a broad range of services (schools, hospitals, libraries, etc.).

In Mexico, Eutelsat actively participates in the "Internet para Todos" (Internet for All) project alongside three major Mexican Internet Service Providers (ISPs). As part of this collaboration, the Group is providing capacity via its EUTELSAT 65 WEST A satellite for the deployment of Internet in rural Mexican schools through the installation of Internet access points. The "Internet para Todos" programme, developed by CFE Telecommunications with the support of the Mexican government, aims to accelerate the provision of Internet services to the entire Mexican population.

3.3.3 Eutelsat's commitment to inclusive broadcasting

Eutelsat promotes access to free-to-air television for all households in France and around the world.

As of 31 December 2022, the Group was broadcasting 6,800 TV channels including 2,480 free-to-air channels, accessible without subscription on its satellites (i.e., close to 30% of all channels broadcast as of that date), to an audience of over one billion viewers, mainly in Europe, Russia, the Middle-East and Africa.

In France, the EUTELSAT 5 WEST B satellite launched in October 2019 enables its subsidiary FRANSAT's platform to distribute 26 free DTT channels (along with the 25 regional France 3 channels in HD, local and thematic channels, radio stations, and connected TV services) on a subscription-free basis. It is designed for households with little or no terrestrial reception in particular. Around two million households are equipped for individual or collective reception of the FRANSAT package.

FRANSAT is also a preferred conduit for local channels to broadcast to a wider audience across 100% of mainland France. For local authorities, small community cable networks in DTT black spots and isolated terrestrial broadcasters, FRANSAT provides "FRANSAT PRO", a satellite-delivered free-of-charge community DTT solution.

The FRANSAT service is regularly enhanced to improve the televisual experience for viewers: HD, Ultra HD, the "FRANSAT Connect" portal that allows viewers to browse the programme line-up and interactive services available in connected mode.

The FRANSAT platform is at the forefront in terms of Ultra HD broadcasting, with the FRANSAT Ultra HD channel which regularly broadcasts major sporting or cultural events such as the French Open at Roland-Garros or the FIFA World Cup in partnership with major broadcasters.

Within the past few years, Eutelsat's HOTBIRD video neighbourhood has become a benchmark orbital position for more than 160 million households in Europe, the Middle-East and North Africa, providing them with access to a rich line-up around 1,900 channels broadcast

in some 30 languages. The 13° East orbital position also offers the opportunity for populations living outside their country of origin to preserve a cultural link with the latter by receiving their national channels.

3.3.4 Eutelsat's commitment to humanitarian programmes

During 2022 Eutelsat has increased by 19,859€ (6%) its level of financial donations and patronages.

Societal information (calendar year unless otherwise stated)	2022 Value	2021 Value	Units	GRI ref.	Scope
Patronage and donations ⁽¹⁾	342,634	322,775	euros	201-2	Group

(1) Total donations between the 1 January and 31 December (material + financial).

Eutelsat is one of the original signatories of the UN Crisis Connectivity Charter, integrated with the work of the World Food Programme (WFP). This Charter, which was signed in late 2015 by GVF (Global VSAT Forum), GSOA (Global Satellite Operators' Association) and multiple satellite operators with the support of the Emergency Telecommunications Cluster (ETC) under aegis of the World Food Programme and the UN Office for the Coordination of Humanitarian Affairs, aims to provide governments and NGOs with immediate (within 24 hours) and resilient connectivity in the event of a major humanitarian crisis on four continents. It defines the framework for coordinating and working between stakeholders to optimise the arrangements and response times to telecommunications needs in emergencies.

The main commitments of the Charter include:

- pre-planned, scalable satellite-based solutions that can be deployed within 24 hours of a disaster and can be adapted to the specific nature of each operation;
- satellite equipment pre-positioned in Dubai at the UN Humanitarian Response Depot (UNHRD) for deployment within 24 hours to disaster areas;
- pre-allocated bandwidth, to allow priority access to Internet traffic for humanitarian relief purposes.

All assistance under the UN Crisis Connectivity Charter is provided free of charge.

Technical training sessions for humanitarian staff, in addition to crisis response simulations, have regularly been held since the signing of the Charter by Eutelsat and other satellite operators and integrators.

The Crisis Connectivity Charter became operational in spring 2018, with the signing of a contribution agreement between the United Nations World Food Programme (WFP) and Eutelsat, including around 40 ground reception kits, and pre-allocated bandwidth on four satellites within the Group's fleet.

On 13 December 2022, Eutelsat announced the inking of a multi-year sponsorship deal with the NGO Télécoms Sans Frontières that follows on from a previous long-term partnership agreement between the two companies initiated in 2007. The assistance provided by Eutelsat under this partnership allows this international NGO to fit out a community or crisis unit with broadband connectivity within a few hours to send data, video or voice communications. As a sponsor, the Group is helping the NGO to strengthen its capacity in order to rise the communications challenges associated with emergency aid.

In February 2022, in the wake of the Batsirai cyclone that hit Madagascar, Eutelsat provided satellite equipment and in-orbit resources on its EUTELSAT KONNECT satellite in support of the World Food Programme's disaster relief coordination efforts.

Eutelsat is also a member of the Emergency Telecommunications Cluster (ETC). ETC is a global network of organisations that work together to provide shared communications services in humanitarian emergencies. Within the framework of its participation in this network, Eutelsat has donated two devices for training to the Gear Up scenario in Germany, for all the members of the Emergency Telecommunications Cluster. Eutelsat has supplied training, applications and telephone assistance to all the members of the network. In 2020, Eutelsat also represented the satellite industry within the Emergency Telecommunications Cluster.

3.3.5 Impact on regional development and employment

Among the Group's sites, it is the teleports that participate most directly and actively in local economic activity owing to their implantation in peri-urban or rural areas.

The Paris-Rambouillet teleport in France offers some benefits to the local community in terms of employment and regional development, making it the second largest economic contributor in the Eure-et-Loir department. The Company thus uses local service providers for some of its activity and upkeep, namely:

- local firms for the upkeep and maintenance of the grounds surrounding the teleport, small repairs, restoration;
- a regional company for antenna installation;

- most technical products required for the proper functioning of the teleport are purchased from a local company in Rambouillet;
- local farmers by making land around the Paris-Rambouillet teleport available for organic farming.

Similarly, the Group's teleports in Mexico have a positive impact on local communities in that they promote local suppliers. Local businesses are called upon for gardening, maintenance, servicing or office supplies. In addition, support for the local community is provided through a number of activities including reforestation and grants to local NGOs and other organisations. The proportion of local suppliers is estimated at 75%.

At the Paris-Rambouillet teleport, in order to reduce the impact of increased traffic in the region due to its business, the Company manages a shuttle-bus service between the teleport and Rambouillet town centre. Carpooling is also encouraged.

In a spirit of openness and with a view to promoting knowledge of the satellite industry, the Paris-Rambouillet teleport regularly receives visitors on site including schools, local elected representatives, local authorities, and media.

In Madeira, company presentations at local schools are frequently organised and the teleport teams regularly receive visits from students in partnership with their schools.

In June 2021, Eutelsat signed a charter in favour of young people living in Issy-les-Moulineaux, involving a commitment alongside the Issy-les-Moulineaux municipality to employing young people.

3.3.6 Technology partnerships that help protect civilian populations

Eutelsat has signed technology partnerships with players from the space and the Internet of Things sectors to help develop innovative satellite resources to protect civilian populations and endangered species. As regards civilian protection, the EUTELSAT 9B satellite, operational since November 2016, hosts EDRS-A, the first payload of the European data relay system rolled out by the European Space Agency (ESA) and Airbus Defence and Space. EDRS-A has opened a space data highway, accelerating data flows between low-orbit satellites and their ground stations. The data flow system uses an on-board laser communication terminal, an inter-satellite link in Ka-band, and a Ka-band antenna, which transmits data from geostationary orbit to the EDRS ground stations. The response time required to conduct a wide range of operations such as monitoring natural disasters, emergency operations and coastal and maritime patrol operations has been significantly improved.

3.3.6.1 Eutelsat mandated by EUSPA to develop EGNOS GEO-4

Eutelsat has signed a contract with the European Union Space Programme Agency (EUSPA) covering 15 years of service provision for the development, integration and operation of its next-generation EGNOS GEO-4 service on the future Eutelsat HOTBIRD 13G satellite. Since February 2020, Eutelsat has been operating the payload on board its EUTELSAT 5 WEST B satellite.

EGNOS is the European Geostationary Navigation Overlay Service that acts as an augmentation service to global positioning systems, to improve the reliability of positioning information. It is essential for maritime, rail and aviation transport systems. EGNOS also increases the positioning accuracy for other land-based applications, notably precision farming, geomatics, and civil engineering.

The Group's international presence and the unique footprint of its worldwide fleet of satellites provide many opportunities to engage in a wide range of development and solidarity initiatives. This societal commitment can take different forms: vis-à-vis its external stakeholders, examples include the Group's participation in research and development programmes that use satellite technology to

protect citizens, support humanitarian relief initiatives and digital development, promote science and technology in schools, as well as support the non-governmental organisation EUTELSAT IGO.

3.3.6.2 Donation of a Communication Support Vehicle to the Paris Fire Brigade

In the form of a donation, Eutelsat has equipped a Communication Support Vehicle (CSV) with the latest in connectivity infrastructure using next generation satellite networks.

In emergency situations, public networks and ground-based communications infrastructure are rapidly congested, unavailable and in some cases inadequate. Yet, when it comes to managing emergency relief, communication between front-line responders can play a decisive role. In this respect, the use of a CAV connected via a satellite broadband link is an effective solution, as it provides satellite connectivity between the field and the command units for the transmission of radio, voice and Internet communications.

The satellite-based CSV operates independently of any terrestrial infrastructure and public networks that can be damaged in a crisis situation (congestion, breakdown, voluntary outage, etc.). It is therefore the optimum solution to the congestion of other public networks. Satellite connectivity provides a reliable and resilient connection between the command centre, front-line responders, the local population and possibly the media.

Fitted with state-of-the-art technology, the CSV now uses the Ka-band on EUTELSAT KONNECT, a powerful, next-generation HTS (High Throughput Satellite) satellite. The increased throughput enables the CAV to host very high-capacity applications, support more simultaneous calls, file transfers, streaming and teleconferencing, and provide connectivity to the private 4G tactical bubble.

With the upcoming entry into service of the EUTELSAT KONNECT VHTS satellite, the communication capabilities of the CSV will be significantly enhanced thanks to high-speed broadband.

3.4 Environmental information

3.4.1 Global environmental policy

The Group's environmental policy is structured around two areas:

- ▶ **Space Traffic Management:** Ensure the long-term sustainability of space operations by minimising the risk of collisions and ensuring that no space debris is created during nominal operations of the Eutelsat fleet;
- ▶ **Reducing our carbon footprint:** Reduce the carbon footprint of Eutelsat (tCO₂eq) consistent with the Paris Agreement for the limitation of global temperature increase of 1.5°C.

▶ Key environmental commitments

During the fiscal year, Eutelsat undertook a more detailed assessment of the environmental policy to define key commitments to drive and guide the Group's activities.

The carbon reduction commitments, which are targeted on a delivery horizon of 2030 and designed to be in compliance with the requirements of the Paris Agreement, shall be submitted for SBTi approval during the coming year.

MISSION



**ENVIRONMENTAL –
SPACE TRAFFIC
MANAGEMENT**

**EUTELSAT IS COMMITTED
TO THE RESPONSIBLE
USE OF SPACE**



**ENVIRONMENTAL –
CARBON
FOOTPRINT**

**WE CARE ABOUT THE
ENVIRONMENT, ON EARTH
AND IN SPACE, AND PLACE ITS
PROTECTION AT THE HEART OF
OUR DECISION-MAKING**

COMMITMENTS

Ensure the long-term sustainability of space operations by minimising the risk of collisions and ensuring that no space debris is created during nominal operations of the Eutelsat fleet

- 1 Create zero debris in any protected region as a result of Eutelsat Geo activities
- 2 Become the first satellite operator to obtain the EU Safe Label Certification
- 3 Play a leading role in the development of higher and harmonised international standards and regulations for space operations which, accommodate sustainability goals

Reduce the Carbon footprint of Eutelsat (tCO₂eq) as far as possible, in accordance with the Paris Agreement for the limitation of global temperature increase of 1.5°C

Submission of the carbon reduction targets to the SBTi by 2024.

3.4.2 Space Traffic Management

3.4.2.1 Space debris management policy

Eutelsat's fleet of telecommunications satellites operates in geostationary orbit 35,786 kilometres (22,236 miles) above the Earth along the Equator, far beyond the Earth's atmosphere. The satellites remain at this distance from Earth for their entire operational life. When they reach end-of-life, approximately 15 to 20 years after entering service, they are re-positioned in a graveyard orbit, approximately 300 kilometres beyond geostationary orbit using the on-board propellant specifically allocated for this operation. This ensures, the satellites will not re-enter into the GEO protected region (GEO +/- 200 km). The satellites never return to Earth, nor do they re-enter the Earth's atmosphere.

Throughout their operational lives (including decommissioning), the satellites will be operated in compliance with the French Space Operations Act (*Loi sur les opérations spatiales*) and the international regulations.

Since the early 2000s, Eutelsat has addressed the issue of space debris by implementing a policy of responsible management of such debris, combining its operational experience with recommendations from the international community.

Since 8 July 2005, Eutelsat has been certified for satellite control and operations (ISO 9001 standard).

In 2005, Eutelsat also established a Space Debris Mitigation Plan covering station-keeping manoeuvres, satellite repositioning in geostationary orbit, colocation strategies, anomaly remedial measurements, inclined orbit operations strategies and end-of-life operations.

This Plan is aligned with the international (issued by the Inter-Agency Space Debris Coordination Committee and the Committee on the Peaceful Uses of Outer Space) and European guidelines (European Code of Conduct for Space Debris Mitigation), and with the criteria defined by the French Space Operations Act. Furthermore, Eutelsat's Space Debris Mitigation Plan sets out the requirements aimed at improving end-of-life and passivation operations, as well as minimising collision risks during operations. These requirements are more stringent than those contained in the regulations applicable to the Company and the Plan is updated on a regular basis to incorporate the new standards.

To date, thanks to the internal policies it applies, Eutelsat has re-orbited and passivated 24 satellites that have reached end-of-life, with a 96% success rate, clearly outperforming the industry. All 24 satellites have been re-orbited in compliance with international guidelines and the French Space Operations Act since its coming into force, i.e., in such a way as to prevent them from re-entering the protected zone (+/-200 km from geostationary orbit) in the long term (over 100 years). Lastly, Eutelsat has repositioned 114 satellites in geostationary orbit. All these operations were successfully conducted in compliance with the regulations governing collision risks and space debris generation. To mitigate collision risk, Eutelsat moves its satellites out of the geostationary corridor (+/-40 km above geostationary orbit) during the repositioning phase and assesses collision risks with the help of USSTRATCOM data, the EU SST (Space Surveillance and Tracking) anti-collision service and information contained in the Space Data Association database.

The space debris management policy implemented by Eutelsat for many years makes the Company a responsible global satellite operator maintaining high standards and making constant efforts to protect the Earth's orbital environment and the sustainability of space operations.

3.4.2.2 Partnering with responsible satellite manufacturing

Eutelsat is currently procuring satellites from two of the world's major satellite manufacturers: Airbus Defence and Space SAS (Airbus Group) and Thales Alenia Space (Thales & Leonardo Group). Each of these manufacturers has adopted policies to minimise their environmental impact and promote sustainable development and comply with international regulations on space debris. As EU manufacturers they are also subject to the EU REACH regulations to secure the production and use of chemical substances.

Airbus Defence and Space continuously considers the environment at all stages of its operations, striving to minimise its industrial footprint and aiming to develop eco-efficient products throughout its lifecycle. In 2021 Airbus scored A- for its climate change disclosure and reports on environmental issues using the Global Reporting Initiative standards. Airbus has set and implemented ambitious environmental reduction goals for 2030 against a 2015 baseline through its high5+ plan. This includes reduction targets for energy consumption, CO₂ emissions, water consumption, volatile organic compound emissions and waste production. In 2022, Airbus has committed to a new 2030 ambition to reduce its industrial emissions (Scope 1 and 2), from 43% to 63% by 2030 to be in line with the UN's goal of limiting global warming to 1.5° C.

Thales Alenia Space (TAS) is part of the Thales Group, which has had, since 2007, an environmental protection policy seeking to reduce energy consumption, CO₂ emissions, waste production and increase recycling. TAS has ISO 14001 Environmental certification for both its sites and products and its main energy consuming sites are certified ISO 50001 for Energy Management. In 2021 TAS implemented solar power generation in various production sites, LED lighting in cleanrooms and modernised office heating/cooling systems. Its ground products are being modified to reduce their CO₂ emissions and it has started Life Cycle Assessments on its new space missions. TAS is also actively involved in initiatives to address sustainable development in the space industry.

3.4.2.3 Our launch service providers

As a satellite operator, Eutelsat does not itself launch satellites, but uses launch service providers such as Arianespace and SpaceX who have launched Eutelsat's most recent spacecraft.

Arianespace seeks to promote a sustainable vision of space and pursues its efforts to protect the environment at its launch site in Kourou, French Guiana. The launch facility's environmental management and energy management systems are respectively, ISO 14001 and ISO 50001 certified. In 2022 at the Paris Peace Forum, Arianespace reaffirmed its commitment to the Net Zero Space charter, to reduce space debris by 2030 and to foster more sustainable use of space for humanity. In May 2023, Arianespace contracted with European startup ClearSpace to launch the first active removal mission that will capture and deorbit space debris. ArianeGroup, Arianespace's main shareholder and supplier, is also engaged in addressing the issue of space debris including designing the upper stage of Ariane 6 to allow de-orbitation and taking part in ESA's working groups on the sustainability of space operations.

SpaceX launches geostationary satellites using a Falcon 9 rocket from the Cape Canaveral Air Force base in the United States. A study of the environmental impact of the operations conducted from this launch facility has shown that the launch of the Falcon 9 rocket using kerosene/liquid oxygen had no material environmental impact. In addition, the environmental impact study conducted by the U.S. Federal Aviation Authority, in respect of the new launch facility currently in the process of being developed by SpaceX in Texas, shows that the CO₂ emissions generated by the launch of a Falcon 9 rocket will be limited to 387 tons.

3.4.2.4 Compliance with the French Space Operations Act

The French Space Operations Act, published in the *Official Journal* on 4 June 2008, was the direct result of France's international obligations in respect of the different United Nations treaties⁽¹⁾. Its entry into force on 10 December 2010 validated Eutelsat's responsible approach to fleet management.

The Act underscores the need for a responsible approach to fleet management and establishes a regulatory framework within which Eutelsat operates in collaboration with the French Ministry of Higher Education, Research and Innovation and the CNES (*Centre National d'Etudes Spatiales*) to meet its obligations regarding in-orbit control of space objects.

The technical authorisations and licenses delivered by the Minister responsible for Space under this Act are managed by the CNES. Eutelsat cooperates with the CNES at every stage of a satellite's life. Before a satellite is authorised, the CNES reviews the technical documentation with Eutelsat. After obtaining clearance, Eutelsat invites the CNES to its technical reviews in order for the CNES to verify the correct application of the technical regulations. Finally, Eutelsat informs the CNES of any incidents occurring on a satellite and/or any change in orbital position.

(1) In particular, the 1967 Treaty on Principles Governing the Activities of States in the Exploration and Use of Outer Space, including the Moon and Other Celestial Bodies.

As part of discussions with the CNES with a view to obtaining authorisations, Eutelsat specifies its strategies for depleting the resources of a satellite in a way that limits any increase in space debris, or for permanently deactivating all means of generating power on board the satellite. Eutelsat also demonstrates that it has sufficient resources to conduct re-orbiting operations and provides a probability calculation for their successful completion. Finally, Eutelsat provides the CNES with a study of the dangers posed to populations, the environment and public health, in particular the dangers associated with the generation of space debris (in the event of a collision with another space object, for example), as well as a plan to address the risks of accidental collisions.

From the outset, the best practices adopted by Eutelsat have enabled the Company to comply with the requirements of the French space legislation and the Group continues to be a responsible operator, committed to the avoidance of space debris.

Currently, the LOS and its implementing texts are undergoing a review to further improve and complete the existing legal framework relating to space operations. As such, since 1 January 2023, the opinion of the Minister for Armed Forces will be collected by the Minister responsible for Space before ruling on authorisation requests. Additionally, discussions and consultations aimed at achieving a more comprehensive revision of the applicable legal and regulatory framework have been initiated. This process, which involves the various players in the space sector (Ministry of Space, Ministry of Research, CNES, operators, manufacturers, etc.), seeks to provide a better understanding of the issues related to civil and commercial operations of interest to the Group, and Eutelsat S.A. is actively participating in this process. The review addresses important topics to tackle new challenges such as constellations, in-orbit services, and mission extensions.

3.4.2.5 Sharing Eutelsat's policy and practices

The proliferation of space debris has become a major issue for space operators and, with this in mind, Eutelsat is committed to pursuing the implementation of its responsible fleet management policy in close cooperation with satellite manufacturers and launchers.

In 2011, Eutelsat became an Executive Member of the Space Data Association (SDA). Bringing together satellite fleet operators, the SDA is tasked with assessing the risks of potential close approaches on the geostationary orbit and the Low Earth Orbit and sharing information with a view to mitigating RF interference.

Eutelsat is also involved in many events and workshops organised throughout Europe on space debris management. More specifically, the Group plays an active part in two key events organised by the

CNES on a regular basis: the Workshop on End-of-Life Operations (biannual) and the annual Working Panel on outer space debris. It also monitors the work of ESA and other relevant international institutions.

In 2013, Eutelsat also presented its internal policy and provided feedback on the French Space Operations Act at a workshop hosted by the "Long-term Sustainability of Outer Space Activities" working group of the UNCOPUOS Scientific and Technical Subcommittee. In addition, Eutelsat has regularly reported on its experience following the implementation of the French legislation during consultation sessions hosted by the CNES in 2013, 2017 and 2018.

Eutelsat also works closely with an array of stakeholders on issues surrounding sustainability and preservation of the space environment. As an experienced and responsible satellite operator, Eutelsat is notably planning to join the working group on Space Traffic Management (STM) within the European Cooperation for Space Standardization (ECSS), the only forum in Europe where such matters are addressed from a technical perspective.

On the Paris Peace Forum, Eutelsat was one of the founding members of the Net Zero Space initiative, supported by several leading players in the space industry. The aim of this multi-player international coalition is to enable the creation of a sustainable space environment by 2030, by taking concrete actions to limit and reduce the generation of debris orbiting the Earth. The Net Zero Space initiative enables Eutelsat to reaffirm its long-standing commitments in favour of a safe and uncongested space. The management of the satellite fleet, the prevention of space congestion and the reduction of the environmental footprint over the entire satellite life cycle thus constitute the main pillars of Eutelsat's environmental policy.

On 21 November 2022, Eutelsat also signed a "Statement for a Responsible Space Sector" committing to the long-term sustainability of space activities and paving the way for socially and environmentally responsible management of all activities within the space sector, for the purpose of fighting against climate change and preserving life and resources for future generations.

More recently, Eutelsat also became a full member of the Global Satellite Operators Association (GSOA). Alongside the other members of the association, Eutelsat intends to play an active role in defining the satellite telecommunications ecosystem of the future, including by promoting the responsible use of space.

Supported by more than 40 years' experience at the service of telecommunications, Eutelsat sees the integration of the environmental aspects linked to space as a key element in the success of its operations and of its long-term strategy. Environmental protection and the maintenance of a clean and uncongested space is also an integral part of the four major principles that underlie the Company's corporate social responsibility policy.

3.4.3 Reducing our carbon footprint

3.4.3.1 Carbon footprint

The Group assesses the significant items of greenhouse gas emissions over a broader scope, in compliance with Article 173 of France's Energy Transition Act (*Loi de transition énergétique*) and according to the rules of ADEME's carbon audit.

Carbon Emissions (calendar year unless otherwise stated)		2022 Value	2021 Value	Unit	GRI ref.
Scope 1	Diesel consumption (Fuel buildings)	39	75	tCO ₂ eq	305-1
	Petrol consumption (Fuel vehicles)	81	60	tCO ₂ eq	305-1
	Greenhouse gas emitted by liquid refrigerants	287	370	tCO ₂ eq	305-1
Scope 2	Electrical consumption	5,813	6,128	tCO ₂ eq	305-2
	Consumption of renewable energies	11	2	tCO ₂ eq	305-2
TOTAL SCOPE 1 & 2		6,230	6,634	TCO₂EQ	305-1,2
Scope 3	Buildings ⁽¹⁾	920	696	tCO ₂ eq	305-3
	Waste ⁽²⁾	39	45	tCO ₂ eq	305-3
	Electronic and IT equipment	579	1,585	tCO ₂ eq	305-3
	Use of FRANSAT products sold ⁽³⁾	185	99	tCO ₂ eq	305-3
	Employee commuting (business travel) ⁽⁴⁾	745	331	tCO ₂ eq	305-3
	Accommodation and meals (business travel)	1	0	tCO ₂ eq	305-3
	Water consumption	3	2	tCO ₂ eq	305-3
	Telecommunication packages	180		tCO ₂ eq	305-3
	Eutelsat geostationary satellite fleet ⁽⁵⁾	81,200	85,643	tCO ₂ eq	305-3
	Capacity leased on 3 rd party satellites ⁽⁶⁾	11,183	11,183	tCO ₂ eq	305-3
TOTAL SCOPE 3		95,033	99,584	TCO₂EQ	305-3
TOTAL SCOPE 1, 2 & 3		101,263	106,219	TCO₂EQ	305-1,2,3

(1) All the buildings at our sites are amortised for their entire life cycle.

(2) All the waste generated.

(3) FRANSAT products are only sold in France.

(4) All rail and air travel by the Group's employees.

(5) All the satellites in our fleet are amortised over their entire design life cycle.

(6) The carbon impact of the satellites we lease as a proportion of the capacity leased by Eutelsat.

The overall carbon emissions of Eutelsat reduced by 4,956 tCO₂eq (4.7%) in 2022 compared to 2021 with the carbon emission of Scope 1 & 2 reducing by 404 tCO₂eq (6.1%).

Four principal factors contributed to these reductions:

- ▶ increase in electricity produced from solar panel systems, owned and operated at the company's teleports (see Section 3.4.3.3);
- ▶ decrease in the carbon factors applied to the electricity procured in France, Italy and Madeira. The carbon factors used by Eutelsat for the calculation of the carbon impact of electricity usage are taken from the ADEME reference;
- ▶ reduction in the number of on-premises IT equipment, PCs, screens and servers;
- ▶ reduction in the impact of the geostationary satellite fleet driven by the continued policy of extending the operational life of the satellites beyond the satellite design life (generally 15 years).

In addition, Eutelsat continues its active participation in industry working groups to gain a broader vision of the impact of the satellite

sector activities and to determine actions to be put in place to drive further reductions in the carbon impact.

It should also be noted that the carbon footprint for 2021 has been corrected to take into account the following:

- ▶ Scope 3 Buildings – Carbon footprint 2021 increased to include m² not previously declared due to error.
- ▶ Scope 3 Waste – Carbon footprint 2021 increased to account for generate waste not previously declared due to error.
- ▶ Scope 3 Use of Fransat Products – Carbon Footprint 2021 decreased to reflect updated figures on consumption of units and cards in 2021.
- ▶ Scope 3 Accommodation and Meals – Carbon Footprint 2021 decreased due to error in previously declaring KGeq figure as Teq.
- ▶ Scope 3 Eutelsat and 3rd party capacity fleet – Carbon footprint 2021 increased to reflect change of approach in calculation. Life Cycle Carbon impact of the satellites now subdivided over the design life of the satellite rather than across the total potential active life.

3.4.3.2 ISO 14001 certification

The Group is mobilised around applying a responsible approach to reducing the environmental impact of its terrestrial operations. To this end, a programme has been followed for each of the principal operational sites to work towards achieving ISO 14001 certification.

During calendar year 2022, this certification has been successfully achieved for the Turin teleport and the current status and scope of the certification programme is shown in the table below.

Site	Scope	ISO14001 Status
Canical teleport – Madeira (Site 100% owned and operated by Eutelsat Group)	Design, implementation, operation and maintenance of telecommunication equipment and infrastructure for satellite managed services.	Certified since October 2017
Cagliari teleport – Italy (Site 100% owned and operated by Eutelsat Group)	Design, implementation, delivery and support of Video and data connectivity services on behalf of Eutelsat Group. Management of the Cagliari teleport (site 100% owned and operated by Eutelsat Group)	Certified since September 2021
Turin teleport – Italy (Site 100% owned and operated by Eutelsat Group)	Design, implementation, delivery and support of video and data connectivity services on behalf of the Eutelsat Group. Management of the Turin teleport (site 100% owned and operated by Eutelsat Group)	Certified since July 2022
Paris-Rambouillet teleport – France (Site 100% owned and operated by Eutelsat Group)	<ul style="list-style-type: none"> ► Procurement, operation and maintenance of RF Facilities for the ground operation of the spacecraft and the monitoring and provision of satellite commercial services. ► Implementation and operation of satellite commercial services. ► Provision of customer support for the use of satellite capacity and satellite commercial services. ► Management of the company warehouse. 	Certification in progress
Iztapalapa teleport – Mexico (Site 100% owned and operated by Eutelsat Group)	Satellite engineering and operation, satellite access and monitoring and technical support to the user.	Under review
Hermosillo teleport – Mexico (Site 100% owned and operated by Eutelsat Group)	Satellite engineering and operation, satellite access and monitoring and technical support to the user.	Under review
Company HQ Issy-les-Moulineaux – France (Site leased by Eutelsat Group)	Provision of office space for the use of centralised engineering, operations, sales and associated support functions of Eutelsat Group.	Under review

3.4.3.3 Electricity consumption

Much of the Group's electrical consumption is the result of cooling and heating operations for the teleports used for establishing two-way connectivity between the Earth and its fleet of satellites. At the teleports, approximately 60% of all electrical consumption is needed to power electronic equipment, particularly the high-power amplifiers attached to the antenna and used to transmit signals from the ground to the satellite.

The remaining 40% of electricity is consumed in the management of the technical environment. During the summer months, electronic equipment must remain at constant temperatures, so an air conditioning system is used. During the winter months, when cold weather is forecast, antennas used to uplink signals to satellites must be heated to ensure proper functioning.

The overall electrical consumption of Eutelsat increased by 940,661 KWh (3.9%) in 2022 compared to 2021.

	2022	2021
TOTAL ELECTRICAL CONSUMPTION (KWH)	24,970,363	24,029,702

This increase was largely driven by the increased volume of activities at the company teleport in Cagliari, Italy. New antennas and associated system were installed to support new customer services or to act as gateways for the company's new VHTS connectivity satellites.

Overall, the Group is focused on two key actions to reduce the carbon impact of electrical consumption:

- increase the capacity to generate green energy from solar panels installed at the teleports;
- actions to optimise electrical consumption (e.g., replacement of obsolete or inefficient equipment, move to LED lighting, decommissioning of unused equipment, etc.).

Generating Green Energy

The electricity generated from solar panel systems, owned, and operated at Eutelsat teleports increased by 203,920 KWh (+436%) in 2022 compared to 2021.

	2022	2021
TOTAL ELECTRICITY GENERATED FROM SOLAR PANELS (KWH)	250,687	46,767

This increase was driven by a new solar panel installation coming online at the Cagliari teleport in Sardinia. Additional solar panel systems will start delivering electricity during 2023 at both Eutelsat teleports in Italy, Cagliari and Turin, with systems under detailed assessment for the sites in Mexico.

Overall, the Eutelsat strategy continues to prioritise green energy installations in Italy and Mexico, countries with the highest carbon impact of procured electricity, where the biggest carbon reduction benefits can be achieved.

However, further systems are still under active assessment for the Group's teleports in France (Rambouillet) and on the island of Madeira (Canical), where a first small system has been in place since 2016 delivering approx. 30,000 KWh/year.

Optimising electrical consumption

Across the Eutelsat sites, efforts are continuing to find ways to lower the consumption of electricity, often to offset increases required to support new business activities.

In general, these efforts focus on improving the management of the site's energy usage, replacing old or inefficient equipment, moving to newer, more efficient technologies, removing equipment which are no longer used.

A summary of some of the actions already undertaken or under implementation are listed below.

At the Paris-Rambouillet teleport in France:

- ▶ intensive use of de-icing with anticipation of weather conditions and gradual implementation of a system for supplying fresh air from outside the buildings (free cooling);
- ▶ a pilot passive de-icing system for antennas measuring up to 3.8 meters has been installed on more than 20 antennas, avoiding the consumption of energy (electricity or other) for heating the antennas in winter;
- ▶ switch of all lighting to LED.

At the Turin teleport in Italy:

- ▶ implementation of new uninterrupted power supplies;
- ▶ implementation of an energy management system;
- ▶ a new air conditioning system incorporating free cooling has been installed to reduce electricity consumption;
- ▶ implementation of new racks with cold corridor cooling system to reduce overall energy consumption.

At the Cagliari teleport in Italy:

- ▶ a new air conditioning system using much less energy is being modified.

At the Canical teleport in Madeira,

- ▶ preventive maintenance is carried out on the systems to avoid over-consumption of electricity;
- ▶ the lighting system has also been replaced with a more-energy-efficient LED system.

At the Iztapalapa and Hermosillo teleports in Mexico:

- ▶ priority use of natural lighting, low-energy light bulbs, motion sensors to control lighting in all common areas;
- ▶ the site has upgraded its air-conditioning system and replaced the glass roof structure of the main building with thermal insulating panels.

For the offices located at Eutelsat's Paris headquarters,

- ▶ "green committees" bringing together suppliers, the owner of the premises and the maintenance service provider are organised to identify measures to save electricity consumption, such as the use of a BMS (Building Management System) or the installation of low-energy light bulbs;
- ▶ an employee "sustainability" committee has been established to focus on improvements including those of lower electrical utilisation.

Across all entities of the company regular awareness-raising initiatives are regularly carried out among employees.

3.4.3.4 Waste prevention and management

The Group is committed to observing best practices in the management of waste generated in its offices. Since 2010 in Mexico and 2015 in Paris, Eutelsat has pursued a rigorous programme to reduce paper consumption and recycle waste in its offices. The programme includes replacing printers with multifunction copiers with badges and reducing the number of photocopiers to lower paper consumption and using FSC or EU/Ecolabel certified paper. Employees are encouraged by display signs to avoid printing documents unless absolutely necessary.

The Group has implemented several waste management's measures:

- ▶ sorting of waste: paper, cardboard, glass, ordinary industrial waste (OIW) using dedicated collection bins;
- ▶ installation of waste bins for paper collection in offices and locations frequently used by employees (photocopiers);
- ▶ daily removal of waste;
- ▶ confidential document destruction by shredding truck;
- ▶ recycling of paper, cans, PET (plastic bottles) via Paprec/La Corbeille Bleue;
- ▶ WEEE (electrical and electronic waste) is minimised by our efforts to extend the life of electronic equipments and where possible to repair or use refurbished equipment;
- ▶ WEEE (electrical and electronic waste) from discarded electrical or IT equipment is either donated to associations for those in operation or disposed of by authorised companies.

The Group's international subsidiaries have also implemented consumption reduction procedures and the sorting of waste for recycling. One hundred per cent of electrical and electronic waste is recycled by external service providers at all the Group's sites. Most of the obsolete IT equipment is also given to external service providers who are responsible for its recycling.

For the management of hazardous materials, specific secure storage areas have been installed at the site of Rambouillet. These storage areas ensure that the materials are kept separately in containers where the optimum environmental conditions can be maintained.

For disposal, all hazardous material are separated from other forms of waste, and stored in specific separate containers before being removed for destruction. Specialised companies are employed to handle the removal of hazardous waste, and documentary evidence is kept to record the quantity and method of destruction.

3.4.3.5 Water consumption

The sites which consume the most water are the headquarters (Issy-les-Moulineaux, France) and the teleports. The office's air conditioning systems in Issy-les-Moulineaux account for the highest consumption of water, with peak levels during the summer. The water supply system at the Paris-Rambouillet teleport was refurbished in 2018, with a separate supply for teleport operations and fire-fighting networks. A monthly measurement is carried out for each network to ensure the precise monitoring of consumption.

At the Caniçal teleport in Madeira, rainwater is stored for irrigation and a rain sensor is used to avoid wastage. Water consumption is measured on a monthly basis and a report drawn up on any potential leaks. A rain detection system has been installed to ensure a maximum reduction in water usage.

For Eutelsat Americas, the water consumption shown corresponds to that of the Iztapalapa and Hermosillo teleports; consumption at the headquarters is not monitored. Consumption is kept to a minimum, with no watering of green spaces in Iztapalapa and very little watering in Hermosillo (located in the desert), where the local government applies restrictions on the use of water. Similarly, the water from air conditioners is used to irrigate green areas. The Group is maintaining its efforts to cover all areas and use the minimum consumption of water without affecting the plants.

3.4.3.6 Protection of biodiversity

Eutelsat understands the importance of biodiversity and its key role in mitigating the impacts of climate change. In France, Eutelsat owns 96 hectares of land, located just outside Paris on which the Paris-Rambouillet teleport is situated. This is the largest area of land owned by the Eutelsat Group worldwide, with approximately 85 hectares used for organic agricultural purposes.

This process was successfully completed in 2021 when the lease farmer obtained Organic Agriculture certification delivered by the Departmental Directorate of Territories (DDT) and recognised by the French and European authorities.

At the Caniçal teleport on the island of Madeira, two specific measures have been implemented to promote biodiversity and minimise pollution. Firstly, there is an emphasis on maintaining natural, green environments in all outdoor spaces, typically featuring gardens with ample provision of bushes and trees. Secondly the wastewater generated from the annual antenna cleaning, necessary for lubrication and salt removal, is carefully contained to prevent soil pollution. It is collected by a licensed entity to ensure proper management.

Eutelsat Madeira has been awarded first place for its outstanding environmental performance in 2022 by the Government of Madeira, recognising its commitment to environmental sustainability and promoting pollution-reduction practices.

3.4.4 European green taxonomy

Pursuant to the European Regulation 2020/852 of 18 June 2020 on the establishment of a framework to facilitate sustainable investment in the European Union, and its appendices, as well as the Commission Delegated Regulation of 6 July 2021, businesses that are required to provide a Non-Financial Performance Statement have an obligation to publish key performance indicators such as the share of their turnover, their capital expenditure (CAPEX) and their operating expenditure (OPEX) from services associated with those economic activities that can be considered sustainable under the Regulation and for this year, under two climate change related objectives: climate change mitigation and climate change adaptation.

The European Commission's approach is evolutionary. It is the industries responsible for the highest greenhouse gas emissions that were the first to be targeted by regulations. Accordingly, the telecommunications sector's activities are not included in the scope of the European green taxonomy under the Commission's delegated regulation. Therefore, Eutelsat's activities are not eligible for the European green taxonomy regulation.


However, the evaluation of the eligibility of each sector is likely to undergo changes as a result of the Commission's work and Eutelsat will carefully follow regulatory evolutions.

3.5 Social information

3.5.1 Empowering social commitment

During the fiscal year, the Group focused on strengthening the continuous improvement process of its social commitment, particularly regarding the areas of diversity and employee engagement.

► Key social commitments



**SOCIAL/
COMPLIANCE**

→ **MISSION**

WE RESPECT ALL OUR PEOPLE, CUSTOMERS AND PARTNERS, EMBRACING DIVERSITY, FOSTERING INCLUSION AND STRIVING TO ENSURE EQUAL OPPORTUNITIES FOR ALL

→ **COMMITMENTS**

Exploit the CSR mission and activities to **attract, engage and retain the best talent** for Eutelsat

- 1 Ensure that 40% of all staff are female by 2027
- 2 Increase Great Place to Work survey satisfaction Trust Index score by +2 in 2023
- 3 Provide regular training in Diversity, Inclusion and Anti-corruption to 100% of staff and enhanced Anti-corruption training to all staff identified with an elevated exposure level. Target a minimum participation level of 90% for all trainings

3.5.2 Employment

3.5.2.1 Workforce

The Group's headcount decreased slightly: 1,125 employees on 31 December 2022 (vs. 1,163 in 2021).

Within the Group, there were more than 150 new hires. This recruitment was in anticipation of forthcoming retirement departures and to support the transformation of the Group.

Eutelsat S.A. prepares an annual social audit report summarising the key data in a single document. This provides a high-level overview of the Company's performance in this area. The social audit report is prepared with reference to the calendar year.

Breakdowns of the workforce by gender, age and geographical area can be found in the social indicator tables in Section 3.8.1.

	Units	2022	2021
Total workforce	Persons	1,125	1,163
Men	Persons	760	769
Women	Persons	365	394

3.5.2.2 Vocational integration of young adults

Eutelsat recognises the importance of involving young adults in the workforce. As a result, the company continued to recruit individuals through its internship and work/study programme in 2022. During the year, Eutelsat hired over 20 interns and recruited 31 individuals under the age of 25 on temporary or permanent employment contracts. Additionally, 35 students participated in work/study assignments within the company. To facilitate learning and skills developments, all the students in the work-study programme or an internship receive close guidance from their managers, who are trained for this purpose.

3.5.2.3 Compensation

Employee compensation comprises a fixed salary, a possible bonus and an LTIP ("Long Term Incentive Plan").

The performance criteria used to calculate bonuses are correlated with the performance of the Group or its departments and have been harmonised across the Group and its subsidiaries.

The LTIP is designed to incorporate both quantitative financial and CSR criteria, highlighting the increasing significance of sustainable development. The plan comprises three key factors: performance rating by extra financial agencies, reduction in carbon footprint, and the representation of women in top management positions.

Eutelsat S.A.

A corporate savings plan (PEE) was established within Eutelsat S.A. in July 2000: the plan distributes significant sums on top of compensation as part of an incentive and profit-sharing plan.

Employees who so wish, may save up to 5,000 euros per year in the corporate savings plan (PEE). Eutelsat tops this up with an employer contribution of up to 2,170 euros.

3.5.3 Quality of life at work

As a state-of-the-art technology company operating in a global market, Eutelsat is dedicated to fostering an international corporate culture that brings employees together through shared practices and values. The company aims to attract and retain talent while ensuring favourable working conditions. The HR management policy prioritises the inclusion and advancement of women within the company as well as redefining the perception of disability.

The Group is highly culturally diverse, with employees from 47 countries across five continents at end of 2022. Three nationalities are represented on the Board of Directors. As of 31 December 2022, 49.3% of the Group's total workforce (i.e. 570 of the total 1,181 employees) was located outside France.

In order to enhance cohesion and uphold its international identity, the Group is implementing a policy centered around the following key aspects:

- quality of life at work and employee engagement are assessed annually through survey such as the Great Place to Work and Denison Culture surveys. Action logs and workshops are organised to address areas for improvement;
- in-house seminars, webinars, and other events are organised to encourage collaboration among employees both in France and internationally;
- the Group promotes employee mobility across its subsidiaries, facilitating opportunities for individuals to work in different locations within the company.

3.5.3.1 Quality of life at work and employee commitment

At Eutelsat S.A., a new action plan was implemented in 2022, which led to the signing of a collective agreement with the Union in December 2022 to promote gender equality and improve quality of life at work. This agreement is effective for the years 2023 and 2024. It encompasses various aspects of quality of life at work, including work-life balance and the right to disconnect. These initiatives align with the publication of a digital tools' usage charter in 2017. Additionally, the agreement is reinforced by the provisions regarding the right to disconnect outlined in the supplementary clause of the remote working agreement signed in the summer of 2020.

In 2022, numerous after work events were organised for the entire staff in France. Additionally, a special event called "One Team 4 Success" was held for the entire Group to celebrate the successful launches of four new satellites.

These initiatives exemplify the spirit of unity, solidarity, and mutual support within the working community and align closely with Eutelsat's values, particularly those of respect and team spirit.

To enhance the support offered to employees in their careers, discussions began at the end of 2019 on how to assist family caregivers. These discussions have been initiated and was expected that they would bear fruit in 2022. Similarly, in Italy, discussions took place in 2020 and 2021, to establish a comparable system that promotes solidarity and reflects the Group's values.

As part of the ongoing efforts to address psychosocial risks, Eutelsat S.A. has implemented an external hotline called the Stimulus service. This hotline is staffed by certified clinical psychologists who are available to provide support to Eutelsat S.A. employees. The hotline is also accessible to the family members of employees, ensuring a comprehensive support system.

The Company's values, a driver of employee engagement

The Ethical Charter, which was published in 2018 highlights the mission, key values, and commitments of Eutelsat S.A. to its clients, partners and employees. At the end 2022, the company's values underwent a review and simplification process through workshops involving more than 100 employees. To ensure the integration of these values into internal actions and operations, a dedicated online training course was developed at the Group level, making it easier for all employees, including new hires, to understand and adopt them in a user-friendly format. Additionally, an internal multi-channel communication campaign was conducted, featuring employee testimonials through video and a practical handbook, further reinforcing the values within the organisation.

The Group continues its ONE Talk initiative, which aims to communicate the Group's strategy and actions taken by its key divisions to all employees. External contributors are also invited to certain sessions to provide insights on strategic business topics. During the financial year, eight sessions were conducted, with an average of 250 employees participating in each event.

To ensure regular communication and foster dialogue with employees, webinars hosted by the Group's Chief Executive Officer are organised on a bi-monthly basis.

Employee engagement and satisfaction are regularly assessed through biannual Great Place to Work surveys, with a participation rate of 86% recorded in the last survey. Following each survey, an action plan is updated at both Group and department levels.

3.5.3.2 Talent identification, development, and retention

Since 2020, a new “Talent Review” process has been implemented for high-potential executives, spanning across two financial years. This process is facilitated by the Group’s Human Resources Information System and encompasses all countries and teams. It’s a “bottom-up” approach, allowing interaction at the team/department level and subsequently at the Group Executive Committee level.

The objectives of this process are as follows:

- identify, develop, and retain a talent pool consisting of high potentials and “key experts”;
- contribute to the Group’s succession planning efforts;
- conduct SWOT analyses of organisations and formulate actions plans to address skill management (such as training, recruitment, and partnerships) and optimise organisational structures and business processes.

At the end of 2022, the talent review exercise was conducted for the company’s top management, and a new review will be initiated at the company level at the end of the fiscal year 2023.

Other initiatives benefiting all employees have been developed over the years, including a long-term employee loyalty plan for approximately 30 Group employees.

Additionally, Eutelsat has expanded its presence on social media platforms to foster stronger connections with employees and engage a broader audience interested in its business.

3.5.3.3 Work organisation

3.5.3.3.1 Collaborative innovation

The Eutelsat Insider, the Group’s intranet portal has established itself as a key information and collaborative tool for employees, with an average of 320 visitors per day. Through a single-entry point, this portal provides employees with access to standardised business tools, practical information, and documents. This year, the changes in digital usage have led to further development of the portal’s ergonomics and functionalities. Additionally, more space has been allocated to editorial content addressing employee’s daily lives. The Intranet’s portal was launched in 2019 and underwent modernisation

in 2021, reinforcing the visibility of the new premises and highlighting new recruits, promotions, and internal mobility.

In 2021, The One Lab space was also launched, facilitating collaborative and creative work sessions to foster innovations. This space allows for exchanges with key innovation players.

3.5.3.3.2 Working time arrangements

Eutelsat complies with the rules on working time arrangements set forth by the International Labour Organisation (ILO). Moreover, the Group’s management ensures that all subsidiaries, both in France and abroad, comply with local labour laws, including those relating to working time.

At Group level, the statutory 40-hour week applies to 98.5% of the Group’s employees. In France, where 51.7% of the Group’s employees are based, the management applies the statutory 35-hour week for non-managerial staff. The vast majority of employees hold management positions and benefit from an average package of 212 working days per year, allowing for more flexibility in the way they organise their schedules. Employees benefit from six weeks of paid leave. Managers also enjoy 13 days of RTT (Reduction of Working Time).

Several working time agreements have been signed with employee representatives, including the Working Time Account agreement of 2018 and the remote working agreement, signed in 2018 and which was the subject of a supplementary clause in 2020.

The subsidiaries have a policy of paid leave that complies with the labour laws and regulations in the countries in which Eutelsat operates. Some offer additional leave provisions and benefits.

Well beyond the technical aspects, remote working (see Section 3.5.4.2) is an integral part of the corporate plan to foster a culture of performance and accountability amongst team members. Employees are able to contribute to new ways of sharing work between the office and home. It was with these principles in mind that a supplementary clause to the remote working agreement was signed with the social partners in France in July 2020, to adapt to the current issues concerning work organisation. Furthermore, this remote working agreement has borne fruit by facilitating, at the end of various lockdowns during 2021 linked to the public health crisis, a progressive return to the office for all employees.

3.5.4 Labour relations

The Group's management strives to maintain a productive social dialogue for the well-being of its employees worldwide and, most importantly, to ensuring continuous adherence to local practices in the countries where it operates. The Group's HR department aims to harmonise practices and schemes across countries with the goal to strengthening the "One Team" spirit, a core value reaffirmed within the Group.

3.5.4.1 Organisation of the social dialogue

For Eutelsat, social dialogue and maintaining a positive social climate are very important, as demonstrated by the ongoing dialogue between the social partners.

At its main subsidiary Eutelsat S.A., the Group fully respects freedom of association and promotes social dialogue through collective bargaining. Following the rulings in September 2017, Eutelsat's social partners agreed to extend the existing mandates for another year. A work's committee (French CSE) was set up following the election of employee representatives in November 2018. In 2019 and 2020, the Company showed its ability to develop social dialogue with these new bodies and to implement their new role, which was notably the subject of an agreement in 2018.

Eutelsat S.A. has implemented an agreement on trade union rights governing, in particular, relations between the social partners. During 2021, meetings with the union representatives were aimed at revisiting and modernising this agreement. The Company Intranet, where company-level agreements are accessible, is also a communications tool on these matters. In addition, meetings are organised around the annual and half-year results to recap on the highlights for the period and present the results to Group employees.

When preparing new organisational projects, the Unions or the Work council are informed or consulted in respect of the law of the country in which the new organisation will be implemented. These principles exist for Italy, Mexico and France.

In addition, and by way of example, during 2021, an "HR Portal" was rolled out to centralise and inject a new dynamism into all the useful information for employees (articles, job mobility opportunities, new recruits, fact sheets). The teams responsible for the project were aware of the comments made by the elected representatives and organised a workshop to work together on improving this communication tool.

Eutelsat S.A. was also invited by the elected representatives to join forces on the implementation of a platform on which to post press articles and give access to various training modules: "Tout Apprendre". The Company contributed to this initiative and participated financially in its deployment alongside the elected representatives.

A co-construction initiative has been established with all stakeholders, notably via joint working groups on key issues. The measures linked to the return to the office within the framework of the Covid-19 pandemic were thus co-constructed with the employee representatives, the players demonstrating a real maturity in social dialogue and health/safety matters.

Beyond being a channel for communications and dialogue, the Intranet portal available to the whole Group represents a means of changing working practices against the background of the digitalisation of the Company. Lastly, access to MyHRPlanet for all employees dating back many years enables the Group to count on a reliable tool which is familiar to employees. It improves the transparency of most of the HR processes, like the inputting of targets, performance and the granting of bonuses. It also offers every employee the opportunity to express their needs in terms of training or their wish for internal transfers. Available from the Group's intranet portal, this is a powerful tool in support of integration and social dialogue, while enabling employees to monitor and manage their careers.

3.5.4.2 Collective agreements

This section primarily pertains to Eutelsat S.A., whose collective agreements are available for viewing on the Company's Intranet. Eutelsat S.A. constitutes 50% of the Group's workforce and the agreements signed within this company apply to all employees.

Eutelsat S.A.'s social partners emphasise corporate social responsibility:

- ▶ "mid-career" interviews are held annually with employees who wish to conduct an audit of their experience and skills and support their mobility aspirations;
- ▶ in 2018, two agreements on (i) working time accounts (CET) and (ii) remote working were signed and have been rolled out within Eutelsat S.A. since 2019. Similar remote working arrangements have also been implemented in various subsidiaries, e.g., in Italy;
- ▶ in 2019, the social partners signed an agreement governing the gifting of time off between employees, defining the arrangements and rules of application both for Eutelsat and for the employees who are giving and receiving. This agreement reflects the spirit of unity and solidarity in support of employees facing family emergencies;
- ▶ in 2020, a new collective agreement was signed with the Unions to address and adapt to remote working.

Regarding professional gender equality, a review of the recommended measures is conducted annually and presented to the employee representatives.

3.5.5 Health, safety, and well-being in the workplace

With the exception of the teleports, the Group's activities are carried out in office buildings. As a result, most employees are not exposed to any specific health and safety risks.

3.5.5.1 Health and safety conditions

In France, the Comprehensive Risk Assessment Document (DUERP) is an annual listing of risks and is updated by the Safety department at the Issy-les-Moulineaux sites and the Paris-Rambouillet teleport. This document includes a specific procedure for addressing work-related stress risks and is available on the Company's Intranet. It underwent significant revision in 2022, and all necessary measures were taken to mitigate the identified risks.

The Comprehensive Risk Assessment document is an integral component of Eutelsat's risk prevention policy. Eutelsat identifies and registers risks and collaborates closely with employee representatives to mitigate the criticality of priority 1, 2 and 3 risks.

During organisational changes, particular attention is given to health and safety, with a focus on engaging the Unions or the Work council. If required the Risk Assessment Document is updated to reflect any changes.

Further details regarding the actions taken in various areas related to employee health and safety can be found below.

Health

Eutelsat S.A. (France) has established a guaranteed health and retirement programme for all its employees, particularly through health and life insurance schemes in addition to supplementary retirement benefits. Eutelsat S.A. offers employees over 50 years old a complementary full medical check-up every three years. A medical centre specialising in prevention carries out health checks intended to avoid serious ailments caused by occupational illnesses by means of high-end medical services. It also offers lifestyle advice designed to minimise the negative impacts associated with factors such as inappropriate diet, sleep problems and stress. A special programme is in place for controllers.

All office furniture is ergonomic. In France, if necessary, occupational medicine can suggest some adjustments to workstation. Requests for adjustments can be made directly by employees, their managers, or Human Resources.

At Eutelsat headquarters, two audits were conducted in 2022 to assess the noise in open spaces. The results were favourable, well below the limit. Additionally, air quality testing was carried out. The positive outcomes of these two audits were presented to the staff representative body.

Travel

There is a special process for foreign travel, with graded levels of approval depending on the country risk assessment, and membership of a foreign support team. Employees receive general training on travel risks with additional training as required for specific country risks.

3.5.5.2 Electromagnetic waves

The subject of exposure to electromagnetic waves is also part of the environmental risks. The World Health Organisation (WHO) has commented on this issue as follows:

"WHO, through the International EMF Project, has established a programme to monitor the EMF scientific literature, to evaluate the health effects from exposure to EMF in the range from 0 to 300 GHz, to provide advice about possible EMF hazards and to identify suitable mitigation measures. Following extensive international reviews, the International EMF Project has promoted research to fill gaps in knowledge. In response, national governments and research institutes have funded over 250 million U.S. dollars on EMF research over the past ten years.

While no health effects are expected from exposure to RF fields from base stations and wireless networks, research is still being promoted by WHO to determine whether there are any health consequences from the higher RF exposures from mobile phones⁽¹⁾."

(1) https://www.who.int/topics/electromagnetic_fields/fr/ - https://www.who.int/health-topics/electromagnetic-fields#tab=tab_1

To protect Eutelsat teleport employees in France from potential undesirable exposure to electromagnetic waves, the Company takes the various precautions listed below:

Tests and access to facilities

- ▶ Periodic tests measuring radiation and its impact are carried out at the Paris-Rambouillet teleport. The most recent tests were completed in 2019.
- ▶ All antennas at the Paris-Rambouillet teleport are tested in accordance with ESVA (Earth Station Verification and Assistance) to ensure the quality of the facility and detect any incidences of radiation exceeding the acceptable norms. As a standard part of every ESVA activity, antenna radiation patterns are measured. This allows for corrective actions to be taken in response to any installation shortcomings (such as excess surface mechanical tolerance, etc.). A radiation pattern is used to determine the maximum permissible EIRP (Equivalent Isotropic Radiated Power) spectral density, which may not be exceeded by any transmission originating from the station being tested. Eutelsat establishes standards to ensure compliance with national and international (i.e. ITU) radio frequency regulations.
- ▶ Access to installations with potential high-risk exposure, such as a limited number of ground-level antennas, is strictly controlled through the use of fences or ground signage. Employees who need to work within the perimeter are required to carry a dosimeter.
- ▶ In France, a DUERP (Document d'évaluation des risques) is prepared annually. It identifies the risks faced by the company and outline actions to reduce or eliminate them. When employees work near the antennas, they are required to wear an electromagnetic wave detector. Access to antenna fields is prohibited without this detector, which measures the level of electromagnetic waves and provides percentage indications. Additionally, an Inspection office is commissioned to assess radiation density in passage areas at least once every 5 years. A report is generated and provided to the company.
- ▶ The Italian law concerning health and safety in the workplace is defined by Law 81/2008 and subsequent updates.

Risks' analysis is conducted through the DVR (*Documento di Valutazione del Rischio*), which is the risk assessment document.

Among the various risks' assessments, instrumental measurements are used to evaluate workers' exposure to electromagnetic fields, ensuring compliance with the requirements of Law 81/2008, and the protection of the general population, including medical device users. These evaluations are periodically repeated or conducted when there are modification of the sources.

The results of the risk assessment are shared with the company doctor who determines the health eligibility based on the exposure of risks.

Based on the results of the risk assessment, several safeguard measures have been implemented including physical barriers (fences/demarcations) to restrict access to the antenna area, identification of authorised personnel for access, procedures for accessing and maintaining the antenna area, deactivation of equipment during malfunctioning or maintenance, and training and information provided to employees about existing procedures.

A tender procedure is established for external contractors to exchange information about the assessed risks by both parties. A dedicated document called DUVRI (*Documento Unico di Valutazione dei Rischi da Interferenza*) defines the risks that may arise during activities on the company premises.

The teleport in Turin, due to its proximity to civilian houses, is continuously monitored by the local public authority Arpa Piemonte (regional agency for environmental protection) to ensure emissions from antennas comply with the allowed limits. Non-active antennas are visually identified. Additionally, both the Turin and Cagliari branches are required to inform the local public authority about any modifications or new installations.

The DVR for all Italian entities is regularly updated. The most recent version for Skylogic was updated on 11 January 2023, and for Skylogic Mediterraneo, it was updated on 2 February 2023.

Awareness-raising and training

- ▶ All employees working on antennas are informed of the potential exposure risks.
- ▶ Training of new recruits at several sites;
- ▶ Training of Local Safety Teams at several sites;
- ▶ Fire drills at several sites.

The other teleports in Italy, Mexico and Portugal have implemented similar procedures.

3.5.5.3 Employee representation on health and safety matters

In France, the employee representative body responsible for health, safety and working conditions is the SSCT Committee, an integral part of the CSE. It is the Company's main point of contact for such matters. The SSCT Committee meets various times during the year and at least once a quarter. Its powers and role are set out in the agreement on the transformation of social dialogue – Agreement on the functioning of the Social and Economic Committee, signed in 2018.

In Italy, in-house union representatives, known as RLS (*"rappresentante dei lavoratori per la sicurezza"*) are responsible for issues relating to employee safety. An employee is also responsible for the safety of installations and for the mandatory health and safety training of all employees. This employee is called the *"Preposto alla sicurezza"*. Lastly, the HR team arranges regular medical check-ups for employees.

Within the Group, 83.77% of the staff are employees of entities benefiting from an employee representative body. This is the case in France, Italy, Mexico, Russia and Jordan.

3.5.5.4 Accidents at work and occupational illnesses

In 2022, 6 occupational accidents were recorded throughout the Group, all of which in France, representing a total of 98 days of absence following three of these accidents.

	Units	2022	2021
Frequency rate	Number	1.01	1.44
Gravity rate	Number	0.05	0.06
Absenteeism rate ⁽¹⁾	%	3.52	2.9

(1) 98.3% of the Group's consolidated scope.

3.5.6 Training and career management.....

3.5.6.1 Skills enhancement

To maintain competitiveness, the Group provides employees training programmes that enhance their effectiveness in daily work or equip them with new skills to stay up to date with developments in the Group's businesses. Eutelsat S.A. made significant investments in employee training in 2022, covering a wide range of disciplines and themes that reflect the challenges faced by the Group.

The training sessions focused on the following areas:

- developing managerial coaching skills to foster changer (over 100 managers trained in France and Europe);
- project management (ITIL) and technical knowledge;
- diversity and inclusion;
- language proficiency, particularly English and French for non-native speakers;
- support functions such as human resources, finance, and law;
- IT tools.

These training initiatives aimed to enhance employee's capabilities and address various aspects of professional development within the company.

All new hires were also given training in anti-corruption and compliance but also in diversity and inclusion. Furthermore, special personal data protection and cybersecurity training modules were made available (see Section 3.2).

The Group is strengthening its digital initiatives by introducing the eLearning Docebo platform for operational staff. This platform is accessible to all employees with, notably, access to training modules selected for their relevance including on-line courses, MOOC modules, e-learning, blended learning, and more. It enables training opportunities for all employees and allows for more effective monitoring of individual employees' training plans. For instance, various IT Skills, communication, time management and health and wellbeing training programmes have been made available.

Thus, in 2022, more than 38.96%⁽¹⁾ of the Group's employees received training.

Number of hours of training	Units	2022	2021
Group total	Hours	7,519	6,716
Eutelsat S.A. ⁽¹⁾	Hours	4,451	4776.5

(1) The total number of hours of training does not include the hours of cybersecurity and anti-corruption training for Eutelsat S.A. as these are booked separately. More than 900 hours of cybersecurity training have been carried out.

Number of hours of training per employee trained	Units	2022	2021
Group total	Hours	8.96	14.76
Eutelsat S.A. ⁽¹⁾	Hours	8.46	17.82

(1) The number of hours of training per employee does not include the hours of cybersecurity and anti-corruption training for Eutelsat S.A. as these are booked separately. 369 employees have been trained in cybersecurity.

3.5.6.2 Careers and mobility

In France and in every country where Eutelsat operates, annual performance interviews are conducted by managers with the support of the HR computer system. A professional development interview has also been established that must take place on an annual basis and may be conducted in parallel with the annual performance review. These interviews are designed to support employees in their desire for mobility and skills development.

In France, Eutelsat S.A. has implemented a "Career Review" interview which takes place after six years of service with the Company. A jobs board has been created with the support of the HR computer system, allowing for all vacancies to be posted immediately on the Intranet. Any internal candidate who applies is interviewed. Internal job opportunities are also specifically featured on the updated Intranet with a view to reinforcing their visibility across the Group.

(1) The percentage does not include cybersecurity and anti-corruption training at the level of Eutelsat S.A.

3.5.7 Diversity and equal opportunities

3.5.7.1 Gender equality

The representation of women within the business and gender equality are priorities for the Company, and the Executive Committee has tackled these issues to make progress in this area. The percentage of women in the Group is 33.1%. The Group supports measures pertaining to paternity leave, which have been rolled out across a number of countries (Italy, Singapore, Dubai, Mexico), actions to raise awareness of and combat cognitive biases for employees and managers.

Eutelsat S.A. scored 88/100 in the professional equality index⁽¹⁾. This score recognises the gender equality policy deployed in recent years.

In France, such as every year, the gender equality and quality of life at work action log has been rolled out in 2022 and covers access to employment, promotion, effective compensation and work-life balance. Targets and indicators have been tracked for each of these priorities. The Gender Equality Committee meets at least once a year to monitor this action plan.

A special budget is set aside for salary adjustment schemes. The taking of paternity leave is also encouraged. Since 2009, Eutelsat S.A. has been topping up the daily indemnities paid to fathers by the social security system, in order to maintain compensation levels. Since July 2021, Eutelsat has implemented the new paternity leave modalities foreseen by the French government, while bearing in mind its actions deployed internationally.

Data on employment, training and compensation by gender can be found in the social indicator table at the end of this Document.

Eutelsat has been member of the Women in Aerospace (WIA) association since 2022. WIA is dedicated to enhancing women's opportunities for leadership and increasing their visibility in the aerospace community. Through this membership, a total of 25 Eutelsat employees worldwide have benefited from various advantages, including attending events, webinars, and accessing specific information about our ecosystem. This collaboration allows Eutelsat employees to engage with a supportive network and stay informed about industry-related developments.

In Italy, Eutelsat has been a member of the Valore D association since 2019. This association of 200 companies promotes diversity and an inclusive culture in companies and organisations. Belonging to the Valore D network enables companies to position themselves as a powerful and influential voice on diversity and inclusion and gives access to a network composed of international companies which are already committed to diversity and inclusion, thereby facilitating successful collaboration. This has notably been exemplified through the various inter-company mentoring projects offered since 2019 and in which Eutelsat has participated. To pay tribute to the very good results obtained by the Company, Eutelsat was invited to take part in a special mentoring programme in partnership with the company Sanofi.

In France, Eutelsat signed the #StOpE initiative in 2021 to combat ordinary sexism, and the commitment to this initiative was renewed in 2022. Several actions have been implemented to raise awareness and address this important topic within the company. These efforts aim to foster a more inclusive and respectful work environment for all employees.

Within the Group, a paternity leave scheme has also been put in place designed to give new fathers time to help out around the home. In a number of countries, the Group offers new father's additional days of leave on top of the statutory provision. In Italy, for example, the Company grants an additional five days, bringing total paternity leave to 12 days. In Mexico, paternity leave has now been doubled to 10 days.

3.5.7.2 Employment and integration of people with disabilities

The Group employs 15 people with disabilities (compared with 17 in 2021), four of whom at Eutelsat S.A.

Eutelsat also seeks to find other jobs within the Company for employees who are deemed unfit for their existing positions. The Company also works with recruitment agencies that are aware of disability issues on the vocational integration of people with disabilities.

Eutelsat S.A. contributes a portion of the apprenticeship tax collected to institutions that focus on promoting education for people in need of a second chance or on integrating people with disabilities.

The initiatives on disability have mostly focused on a study of the action to be taken notably to raise employee awareness of the different forms of disability. It is with this in mind that, in consultation with the employee representative body responsible for health, safety and working conditions (SSCT Committee), a Disability Correspondent was appointed at the end of 2021. During 2022, the Disability Correspondent has benefited from targeted training to enable them to assume their full role. This training is notably aimed at clearly identifying the different challenges and key players so as to support employees with disabilities more effectively and further raise the awareness of all employees. Communication, awareness-raising and the involvement of all the stakeholders will thus be addressed as an integral part of this training.

Thanks to the efforts and collaboration of employees and the disability adviser, significant progress was made in 2022 through a series of meetings and discussions. As a result, the actions that were initially studied in 2021 have started to yield positive outcomes. In line with its commitment, Eutelsat S.A. has taken a proactive step by allocating a portion of the funds collected through the apprenticeship tax to organisations that focus on promoting training opportunities for individuals seeking a second chance and facilitating vocational access for people with disabilities.

(1) Results of the professional gender equality index relating to 2021, published on 1 March 2022.

3.5.7.3 Combating discrimination and encouraging diversity

The international and multicultural context together with compliance with local regulations have led Eutelsat to emphasise skills and diversity, eliminating all forms of discrimination from its HR management processes. Particular attention is paid to these points during the recruitment process.

Diversity and, in particular, multiculturalism are key factors in Eutelsat's success.

3.5.7.4 Supporting young talent in space industry education

In 2022, Eutelsat once again collaborating with the *Ailes de France* Foundation, which was established under the auspices of the

Fondation de France. The aim of these scholarships is to provide young individuals aged up to 25, who are pursuing various scientific and non-scientific studies, with the opportunity to realise their educational projects in the space industry.

In association with the CNES (*Centre National d'Etudes Spatiales*), Eutelsat is actively involved in the project by funding four scholarship funds, known as ESPACE scholarships, valued at 5,000 euros each. These scholarships enable young individuals to continue their studies in the field of aeronautics and space.

Eutelsat's renewed commitment to the Foundation aligns with the Group's extensive history of supporting the education and professional integration of young individuals, as well as the cultivation of future talented professionals in the space sector.

Every year, a jury consisting of distinguished experts from CNES, Eutelsat, the French Air Force and space industry firms convenes to select the project.

3.5.8 Respect for the fundamental conventions of the International Labour Organization (ILO)

All Eutelsat subsidiaries comply with the ILO's conventions and principles in countries where these fundamental conventions apply.

3.5.8.1 Respect for freedom of association and the right to collective bargaining

All Eutelsat subsidiaries have confirmed their compliance with the regulations pertaining to the right to collective bargaining in the countries where they operate. The company respects and upholds the rights established in collective agreements and does not make any derogations that infringe upon these rights. In the event of any non-compliance, the company would be subject to scrutiny by labour authorities, who would enforce the necessary measures to ensure compliance with the legislation.

The Group observes strict political, religious, and philosophical neutrality. The Group makes no financial contributions to political candidates, elected political representatives or political parties. Employees are allowed to participate in political activities in their own right, outside company premises and without using the Group's corporate image to support their personal beliefs. These principles

are applied with due regard for the individual freedom of expression of employees and their representatives.

In France, employees actively participate in the staff representatives' elections. The most recent election in Eutelsat S.A. took place in November 2022. Extensive communication efforts were made to emphasise the importance of voting. The overall participation rate, considering both titular and substitute votes, reached 74.59%. This demonstrates the engagement of employees in the election process and their commitment to shaping the representation of their interests within the company.

3.5.8.2 Fight against labour discrimination

The Group respects the principles outlined in the ILO conventions.

3.5.8.3 Elimination of forced labour

All Group subsidiaries comply with the principles outlined by the ILO.

3.5.8.4 Prohibition of child labour

All Group subsidiaries comply with the principles outlined by the ILO.

3.6 Outsourcing and relationships with suppliers

Given the highly technical nature of Eutelsat's business, the Group works with a limited number of major suppliers or subcontractors to manufacture and launch its satellites. In addition to procuring satellites in accordance with French space law, these main suppliers, who are mainly located in Europe and the United States, are required to meet high standards of social responsibility.

As for the procurement policy for products and services, the Purchasing Department at the Group's headquarters ensures that its key suppliers have implemented a policy that addresses the social and environmental issues: to reach this goal, a supplier charter is in force that our suppliers must respect. All suppliers must adhere to this charter to be eligible for inclusion in Eutelsat's approved list of suppliers.

Supplier control principles and procedures are applicable to the entire Eutelsat Group, as are environmental and social clauses, which are however adapted to local regulations.

All employees who deal with our suppliers are specifically educated and trained on risk issues.

All buyers under permanent contracts have completed an awareness-raising session on responsible procurement and must account for their purchasing practices in their annual performance objectives based on CSR criteria.

Calls for tender include a commitment to respect the ethical charter. Procurement contracts always contain clauses requiring compliance with regulations, including a ban on the employment of non-registered staff and the fight against corruption. For suppliers of product, the product description sheet is usually attached or provided on request.

Furthermore, in compliance with the Sapin II Act, stricter controls have been instituted.

All suppliers must undergo preliminary checks before being included in the supplier databases:

- Suppliers are established on a centralised basis by the Group's Purchasing Department.

- Verification of suppliers is carried out before their registration, on the basis of a dedicated questionnaire and the "World-Check" process.
- The evaluation and classification of supplier risk is carried out according to a set of criteria (supplier's activity, country in which the company is registered for trading, etc.) defined jointly with the Legal Affairs Department based on the recommendations of the French Anti-Corruption Agency's (*Agence Française Anticorruption* – AFA).
- High-risk suppliers are reviewed and cleared by the Compliance Committee, or even by the Executive Committee in the event of a particularly high risk.
- High-risk suppliers are subject to reinforced monitoring.

For existing suppliers:

- All suppliers with whom Eutelsat already has a relationship are subject to a full assessment when Eutelsat is considering entering into a new contract or renewing an existing contract with them, or when a significant change concerning the supplier is identified.
- In the case of high or particularly high risk, existing suppliers must be audited every two years. For a low or moderate level of risk, these checks take place every three years.

Furthermore, for business introducers/agents, a validation process is in place, starting with the submission of a written requirement validated by the Chief Commercial Officer, followed by the completion of an internal and external questionnaire for the agent, prior to the due diligence procedure entrusted to a specialist service provider.

After receiving the service provider's opinion, the Eutelsat Compliance Committee determines whether to authorise or decline the contract with the business introducer.

For business introducers who are renewed, a lighter due diligence is requested every two years.

As with business introducers, lobbyists are also subject to a separate due diligence procedure with the assistance of a specialised service provider and on the basis of a decision by Eutelsat's Compliance Committee.

3.7 Human rights actions

3.7.1 Human rights

Eutelsat is committed to respecting human rights in the countries where the Group operates, in particular the Universal Declaration of Human Rights, the International Labour Organisation's fundamental conventions and the United Nations Guiding Principles for Business and Human Rights.

As a signatory to the United Nations Global Compact (in the Global Compact Advanced reporting category), the Group supports the

Global Compact's Ten Principles in relation to human rights, international labour standards, the environment and anticorruption.

As part of its General Terms and Conditions of Sale, Eutelsat has incorporated a provision requiring each party to the contract to ensure that they comply with applicable laws and regulations on child labour and fundamental human rights.

3.7.2 Media freedom

In view of its strategic position in the radio and broadcasting market, and although it acts as a simple technical intermediary (Eutelsat makes its satellite capacity available to its customers), the Company is regularly confronted with complex situations in which the fundamental principles of freedom of information, independence and media pluralism are often contravened by attempts, often on the part of foreign States, to impose forms of information regulation informed by values that are different from those prevailing in Europe.

Even within the European Union, the rules applying to the media are currently very different between Member States. In the specific case of satellite broadcasters like Eutelsat, if two EU countries do not agree on the broadcasting of a television channel, it is technically impossible for the operator to cover only one of the two countries. Satellite beams are not wedded to national borders and generally extend across very wide areas. For satellites dedicated to the broadcasting of television channels like the EUTELSAT HOTBIRD satellites, the coverage is pan-European. This situation thus further reinforces the need for a single, consistent response at European level.

This is why, in March 2022, Eutelsat submitted to the European Commission, a substantial contribution in response to a public consultation on the topic "Preserving media freedom and pluralism in the internal market" with a view to the adoption of a future European Media Freedom Act. Eutelsat is very much in favour of increased convergence for the decisions taken by Member States, i.e., recourse to a legislative instrument supported by a reinforced network of independent media regulators at EU level with the establishment of common principles applicable within the national procedures. Using the current European network of independent media regulators (ERGA), potentially strengthened by the granting of additional powers and resources, would also be a move in the right direction. Eutelsat would also welcome any initiative in the EMFA (European Media Freedom Act) that would aim at applying an equal treatment to contents, irrespective of their technical means of distribution.

The complete text of Eutelsat's contribution can be consulted at the following address: https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/13206-Safeguarding-media-freedom-in-the-EU-new-rules/F2946573_en

3.7.3 Combatting intentional interference

Jamming is defined as interference on Eutelsat's satellite networks which is clearly deliberate and is aimed at disrupting or even preventing the broadcasting of certain TV channels. By definition, deliberate interference is a violation of freedom of information.

Eutelsat constantly monitors incidents of intentional interference, identifying their origins (if possible) and the channels affected. The Group is a member of the Satellite Interference Group (SIG), whose mission is to maintain interference at its lowest level. In this context, Eutelsat uses the "Carrier ID" (CID) system, an embedded code containing information, which allows satellite operators to quickly and easily identify the source of the transmission causing interference. In conjunction with representatives of this organisation, Eutelsat is examining the measures to be adopted against deliberate interference, which must be based on a better geolocation of the signal's origin and on the creation of a repository containing all relevant data on this subject.

Intentional interference is also considered illegal under Article 45 of the Constitution of the International Telecommunications Union (ITU) and Article 15 of the Radio Regulations. This is why the ANFR systematically files complaints with the ITU authorities against countries in which the jamming operations originate. In 2022, on several occasions, Eutelsat again had to ask the ANFR to file such complaints.

Furthermore, Eutelsat follows up on issues regarding the protection of intellectual property rights, in particular the broadcasting of content by "pirate" channels. Since March 2014, the Group has been a member of an Anti-Piracy Coalition that brings together key players in the industry (satellite operators, content providers, distributors, advertisers, etc.) in North Africa and the Middle-East (<http://menaapc.org/index.html>), to monitor satellite TV piracy, take all possible measures to stop piracy (systematic notification of breaches to the distributors involved), ensure the sharing of all data and information relating to pirate channels and raise awareness of the consequences of piracy.

3.8 Indicators

The indicators are structured as specified in the French Commercial Code with regard to the non-financial reporting. Correspondence with the data item listed by the GRI standard is indicated where appropriate, and a full GRI report is available on the Group's website (GRI Standards Content Index).

3.8.1 Social Information

Social information (calendar year unless otherwise stated)		2022 Value	2021 Value	Unit	GRI ref.	Scope
Total headcount		1,125	1,163 ⁽¹⁾	Persons	102-7	Group
Workforce by gender	Male	760	769 ⁽¹⁾	Persons	102-8	Group
	Female	365	394 ⁽¹⁾	Persons	102-8	Group
Workforce by age	Under 25	4.4%	5.3%	Percentage	401-1	Group
	Between 25 and 40	39.6%	41.5%	Percentage	401-1	Group
	Between 40 and 60	52.2%	50%	Percentage	401-1	Group
	Over 60	3.8%	3.2%	Percentage	401-1	Group
Workforce by geographical area	France	611	618	Persons	102-8	Entity France
	Americas	146	139 ⁽¹⁾	Persons	102-8	Entity Mexico + Brazil
	Rest Of World	368	406 ⁽¹⁾	Persons	102-8	All other entities of Eutelsat Group including Italy, MEA, UK, USA
Recruitment and departures on permanent and fixed term contracts	Recruitment	150	148	Persons	401-1	Group
	Departures	188	163	Persons	401-1	Group
Turnover rate		14.53%	14.01%	Percentage	401-1	Group
Number of occupational accidents		6	3 ⁽¹⁾	Number of accidents	403-2	Group
Number of occupational accidents with days of absence		2	3	Number of accidents	403-2	Group
Number of days of absence caused by accidents at work		98	126	Number of days	403-2	Group
Frequency rate		1.01	1.44	Number	403-2	Group
Gravity rate		0.05	0.06	Number	403-2	Group
Absenteeism rate		3.52%	2.9% ⁽¹⁾	Percentage	403-2	Group
Occupational diseases		0	1	Number of diseases	403-2	Group
Hours of training		7,519	6,716	Number of hours	404-1	Group
Percentage of employees trained		74.58%	39.12% ⁽¹⁾	Percentage	404-1	Group
Number of hours of training per employee trained		8.96	14.76	Number of hours	404-1	Group
Gender equality	Male managers	175	200	Persons	102-8	Group
	Female Manager	87	84	Persons	102-8	Group
	Total Managers	262	284	Persons	102-8	Group
Average salary by geographic area	France	71,625	74,847.5	Euros	102-8	Entity France
	Americas	12,047	-	Euros	102-8	Entity Mexico
	Rest Of World ⁽²⁾	41,557	-	Euros	102-8	See footnote 2
Average salary by gender	Male	39,496	-	Euros	405-2	Group
	Female	31,973	-	Euros	405-2	Group

(1) Data has been corrected for 2021

(2) Salary calculation based on main Group entities (Skylogic Italy, Skylogic Mediterraneo, Open Sky, Satellite de Sabedoria Lda, Bigblu Ireland Limited, Bigblu Operations Limited, Sat Internet Services GmbH, Europasat Sp Z.o.o)

3.8.2 Environmental information

Environmental information (calendar year unless otherwise stated)	2022 Value	2021 Value	Unit	GRI ref.	Scope
Liquid refrigerants	0.2	0.2	Tonnes	306-2	Group
Paper waste	3.64	1.24	Tonnes	301-1	Group
Cardboard waste	4.58	2.31	Tonnes	306-2	Group
WEEE	10.53	9.75	Tonnes	306-2	Group
Ordinary Waste	47.13	63.78	Tonnes	306-2	Group
Metal waste	7.05	1.65	Tonnes	306-2	Group
Water consumption	19,045	11,623	M ³	303-1	Head office + sites with teleport
Electricity consumption	2,474,841	2,405,657	KWh	302-1	Eutelsat S.A. head office
	9,741,201	9,813,421	KWh	302-1	Paris-Rambouillet teleport
	3,577,574	3,585,731	KWh	302-1	Eutelsat Americas
	8,011,811	7,066,334	KWh	302-1	Skylogic (Italy)
	1,164,936	1,158,558	KWh	302-1	Canical Teleport
Consumption of renewable energies	250,687	46,767	KWh	302-1	Group
Diesel consumption	12,565	26,326	Litres	302-1	Group
Petrol consumption	18,734	21,759	Litres	302-1	Group
Floor area of buildings	33,436	32,118	M ²	-	Group

3.8.3 Societal information

Societal and ethical information (calendar year unless otherwise stated)	2022 Value	2021 Value	Units	GRI ref.	Scope
Meetings of the Group Compliance Committee	6	6	Number	205-1	Group
Number of alerts	11	2	Number	205-1	Group
Number of internal investigations	8	2	Number	205-1	Group
% of employees trained in anti-corruption	92%	100%	Percentage	205-1	Group
World-check verifications ⁽¹⁾	744	2,137	Number	205-1	Group
Number of employees trained in cybersecurity	380	360	Persons	205-1	Group
Number of entities/sites with an active DPO	3	3	Number	205-1	Group
Patronage and donations ⁽²⁾	342,634	322,775	Euros	201-2	Group

(1) Comparison with the previous year's figures is not meaningful as the methods used to identify the third parties assessed changed during the financial year.

(2) Total donations between the 1 January and 31 December (material + financial).

3.9 Note on the methodology

Since 2010 the Group has published an annual report on Corporate Social Responsibility and, since the 2017-18 Financial Year, a non-financial performance statement.

In accordance with Article L. 225-102-1 of the French Commercial Code and Decree No. 2017-1265 of 9 August 2017 implementing

Order No. 2017-1180 of 19 July 2017 on the disclosure of non-financial information by certain large companies and groups of companies, the Group has collected a response for the items that are relevant to its business.

3.9.1 Methodology

Eutelsat's 2022 Non-Financial Performance Statement covers, for the qualitative information, the financial year from 1 July 2022 to 30 June 2023 and, for the quantitative information, the period from 1 January to 31 December 2022, to align this information with the data in the social audit report.

The entire report has been drawn up on the basis of indicators derived from benchmark international standards such as the AA1000 APS (2008), the Global Reporting Initiative (GRI), ISO 26000 and the United Nations Global Compact.

Eutelsat leverages on Tennaxia solution to ensure the accuracy and consistency of its non-financial performance data and facilitate the steering of its CSR policy. The CSR reporting campaign is led by the CSR team, in close collaboration with contributors from the Group's various sites and subsidiaries solicited for this exercise.

Each Group subsidiary has provided information for the drafting of this report. The information regarding the carbon footprint reflects input from Eutelsat's suppliers (satellite manufacturers and launch companies). Our report also includes carbon and environmental indicators from the Group's Italian and Mexican subsidiaries and teleports located in Paris-Rambouillet (France), Turin (Italy), Cagliari (Italy), Caniçal (Portugal) and Mexico.

With reference to Article L. 225-102-1 of the French Commercial Code, the following topics have been excluded as they are not material to Eutelsat's business:

- ▶ the fight against food waste and food deprivation;
- ▶ a commitment to animal welfare and to responsible, fair and sustainable food.

3.9.2 Verification of the report

Each year, in accordance with the regulations, Eutelsat mandates one of its Statutory Auditors, appointed as an independent third party, to verify the compliance of the Non-Financial Performance Statement and the fair presentation of the information contained therein to be included in the consolidated management report.

Grant Thornton is the independent third-party body entrusted with this task.

The verification of the non-financial reporting information was carried out with the entities that contribute the most to the consolidated financial statements.

4

Group risk factors, internal control procedures and risk management

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4 GROUP RISK FACTORS, INTERNAL CONTROL PROCEDURES AND RISK MANAGEMENT

Risks relating to the Combined Group's business and operations

Before making an investment decision, potential investors and shareholders are invited to read all the information contained in this Document, including the risks described below. Eutelsat is preparing to combine with the UK-based LEO-satellite operator OneWeb – a company operating in the same sector as Eutelsat itself, and the combination may be effective in the third quarter of 2023, subject to shareholder approval at the Extraordinary General Assembly which will be held on 28 September 2023. Therefore, as of the filing date of this Document, the risks described are those whose occurrence would likely have a significant adverse impact on the Combined Group, its business, financial situation and/or results and outlook, which are important when making an investment decision. This section summarises the main risks that the Combined Group may face in the course of its business. The risks mentioned are for illustrative purposes only and are not exhaustive. These or other risks not identified at the date of the filing of this report, or considered immaterial by the Combined Group at the date of filing of this report, could have an adverse effect on the Combined Group's business, financial position, results or development prospects. In addition, it should be recalled that some of the risks mentioned or not

mentioned in this report may be triggered or arise due to external factors, such as risks beyond the Combined Group's control.

Group risks may be divided into seven categories:

- risks relating to the Combined Group's business and operations;
- risks relating to changes in the Satellite Telecommunications Market;
- risks relating to clients;
- risks relating to regulation, legislation and tax regulatory risks;
- risks relating to the Combined Group's finances;
- risks relating to Completion of the Combination;
- risks relating to the ownership of Eutelsat Shares.

The significance of risks is assessed according to their probability of occurrence and their negative impact in the event of occurrence. It is specified that the risks are understood as net risks. Within each of these categories, risks are ranked in descending order of significance. Finally, it should be noted that the Non-Financial Performance Statement contains a description of the non-financial risks. It should be noted that some of these non-financial risks are – in view of their significance – also included in the risk factors of this chapter.

4.1 Risks relating to the Combined Group's business and operations

4.1.1 Realisation of anticipated revenue growth and associated cost savings

The projected financial benefits for the Combined Group may be less than expected, with the Combined Group incurring significant integration-related costs and challenges in connection with the Combination.

The Combined Group is expected to achieve strong profitable growth, synergies, and double-digit revenue and Adjusted EBITDA CAGR projected over the medium to long-term, by combining two highly complementary partners to create the first combined GEO/LEO satellite network which will capitalise on the fast-growing global satellite connectivity market. However, there are risks associated with conducting and integrating the business activities and operations of the OneWeb Group into the Eutelsat Group which have operated independently prior to the Combination.

There can be no certainty that the Combination and the integration of the Eutelsat Group and the OneWeb Group will achieve the projected levels of revenue growth or the expected revenue, costs and capex synergies for the Combined Group, or these will be achieved within the expected timeframe, as it depends on a number of factors and assumptions, many of which are outside of the Combined Group's control. Anticipated profit, revenue growth and expected synergies for the Combined Group may be lower than projected for a number of reasons, including:

- deterioration in macroeconomic conditions, including as a result of high inflation or domestic recessions impacting client demand and supplier costs and the persistence of geopolitical adverse conditions, such as the Russian invasion of Ukraine, or the occurrence of new international events, that would disrupt certain markets where the Combined Group expects to develop its

business. International sanctions are a particular risk factor in this respect as they may curtail relationships with certain customers (see paragraph 4.3.1 "geopolitical and macroeconomic factors" below);

- failure to successfully maintain Eutelsat's existing GEO network and OneWeb's existing LEO GEN 1 satellite constellation, including as a result of satellite failures or malfunctions in-orbit and launch delays (see paragraphs 4.1.5 "Failures or malfunctions in-orbit" and 4.1.6 "Maintenance of existing GEO and LEO GEN 1 satellite constellations and deployment of future LEO GEN 2 satellites" below);
- failure to successfully develop and deploy new technologies and services, including timely deployment of OneWeb's LEO GEN 2 satellite constellation, and supporting ground infrastructure, on time and competitive customer user terminals and information technology (see paragraph 4.1.3 "Development and deployment of OneWeb's LEO GEN 2 satellites" below);
- failure to successfully integrate Eutelsat's and OneWeb's businesses, in particular Eutelsat's GEO satellites and OneWeb's LEO satellite constellation to create a complementary GEO/LEO satellite network (see paragraph 4.1.2 "Integration risks and realisation of anticipated synergies and other financial benefits" and paragraph 4.1.4 "Delivery of the Combined Group's GEO and LEO integration strategy" below);
- cyber-attacks, security breaches or malfunctions of information systems or failures of maintain ground infrastructure, disrupting service, impacting satellite performance or causing the loss of confidential, proprietary or personal information (see paragraph 4.1.7 "Cyber-attacks, security breaches or malfunctions on information systems and/or teleports" below);

- ▶ LEO satellite constellations not gaining the anticipated level of traction or market acceptance to generate sufficient revenue (see paragraph 4.1.3 "Development and deployment of OneWeb's LEO GEN 2 satellites" below);
- ▶ increased competition from existing and future satellite and terrestrial operators who are able to offer combined GEO/LEO services through partnership arrangements (as opposed to the acquisition of GEO or LEO operators), reducing the barriers to entry and cost of entry for existing and future operators to offering combined emerging LEO or GEO/LEO services (see paragraph 4.2.1 "Competition changes in the satellite telecommunications market" below);
- ▶ the projected satellite market expansion not growing at the anticipated rate (see paragraph 4.2.3 "Evolution of satellite services"); and/or
- ▶ the Combined Group's failure, for any reason, to continue to take advantage of growth opportunities or to adapt to the legal,

regulatory and technological changes in the satellite connectivity market (see paragraph 4.4.1 "Legal and regulatory compliance risks").

The contemplated capital expenditures related to the Combination may also be higher than anticipated or additional unanticipated capital expenditures may be necessary.

If the Combined Group is incorrect about the assumptions on which its expected revenue growth, costs and capex synergies are based, or the Combined Group is unsuccessful in addressing the risks associated with the integration of the OneWeb Group's business activities and operations into the Eutelsat Group, the anticipated financial benefits and synergies may not be achieved in an effective and timely manner. As a result, the Combined Group's future profit and revenue growth or synergies may be lower than projected, which could have a significant negative impact on the Combined Group's reputation, business, results of operations, financial condition, and/or prospects.

4.1.2 Integration risks and realisation of anticipated synergies and other financial benefits

The success of the Combined Group and its ability to achieve the anticipated cost savings, synergies and other benefits of the Combination will partly depend on the integration of the businesses of the Eutelsat Group and the OneWeb Group.

While the Eutelsat Group expects that it will be able to integrate the OneWeb Group's operations with its own, there is a risk that integration may take longer than expected or that integration may cost more than anticipated, leading to a loss of value for shareholders. The integration of the Combined Group will require attention from teams and the focus on the integration process may, for a certain period, divert the management's attention from the ongoing business. The Combined Group may be adversely affected if it is unable to successfully integrate the combined employees, operations and supporting technologies.

Potential factors that may impact a successful integration include:

- ▶ disruption to the ongoing operations by impairing the ability of the Combined Group's management team to run the business effectively during the period of integration and execute the Combined Group's strategic priorities, including in relation to the integration of the GEO and LEO satellite constellations and the development and deployment of the GEN 2 LEO satellite constellation. This may negatively impact delivery or continuity of services to end users;
- ▶ disruption to the business relationships of either or both businesses;
- ▶ unforeseen satellite health issues and/or launch delays;
- ▶ higher than anticipated integration costs;

- ▶ unforeseen costs relating to integration of research and development, operational systems, internal control systems, IT systems and financial and accounting systems of both businesses;
- ▶ the inability to sufficiently leverage existing research and development, customer and commercial strategy, products and services, supply, manufacturing and distribution arrangements in a way that will scale the business and the associated deployment of the OneWeb Group's LEO GEN 1 and GEN 2 satellites and the Eutelsat Group's GEO satellites as currently planned or within the planned timeframe;
- ▶ extended period of transition services or duplicated activities due to delays in implementing replacement processes or services;
- ▶ unanticipated loss of key personnel or expert knowledge, or reduced employee productivity due to uncertainty arising as a result of the Combination (see paragraph 4.2.5 "Ability to retain and hire on key employees"); and
- ▶ the challenges of harmonising business cultures; and
- ▶ the inability to find suitable partners for the manufacture, deployment, and delivery of connectivity through the combination of its GEO/LEO satellite constellations (see paragraph 4.1.8 "Reliance on contractors and suppliers")

The occurrence of any of these factors may adversely impact the Combined Group's operations, cash flows, financial performance and financial position. In addition, the demands that the integration process may have on management time may also cause a delay in other projects currently contemplated by the Eutelsat Group and/or the OneWeb Group.

4.1.3 Development and deployment of OneWeb's LEO GEN 1 and GEN 2 satellites

The successful deployment of new technologies and services as part of the Combined Group's growth strategy, including OneWeb's LEO GEN 2 satellite constellation, is subject to a high degree of development and deployment risk.

The Combined Group intends to invest significant resources into the development of new technologies and services, including the development and deployment of OneWeb's LEO GEN 2 satellites, development of user terminals for OneWeb's LEO GEN 1 and GEN 2 satellites in conjunction with terminal manufacturers (e.g. Intellian, Hugues and Kymeta), development of terminals and solutions that benefit from a combined GEO/LEO connectivity and the rollout of 5G network connectivity. These anticipated developments are untested, and these products and technologies may not materialise or be commercialised in a way that would generate sufficient revenue streams to cover the costs of the associated research and development, and subsequent deployment of these new satellites, technologies and services.

Such research and development initiatives involve a high degree of risk, and unproven business strategies and technologies. There can be no assurance that consumer demand for such initiatives will exist or be sustained at the levels that the Combined Group anticipates, that the LEO only or GEO/LEO terminal offerings will have the needed time for its performance, the needed time to market and be cost competitive and or that any of these initiatives will gain sufficient traction or market acceptance to generate sufficient revenue to offset the initial capital expenditure or associated liabilities.

The successful deployment of OneWeb's LEO GEN 2 satellite constellation and supporting ground infrastructure and information technology services will involve significant outlay of capital expenditure and the Combined Group's future available funds and

cash flow from operations may not be sufficient to meet the capital expenditure required in the longer-term to deliver its strategic objectives.

In addition, there can be no assurance that the new technologies and services, including in relation to OneWeb's LEO GEN 2 satellite constellation and the complementary GEO/LEO network as well as the additional supporting ground infrastructure required, will obtain the necessary authorisations, permits, licences, and other regulatory approvals, nor can the Combined Group guarantee that it will obtain relevant market access or export approval for the new technologies or products which could delay or interfere with the provision of services to clients in the affected countries or the implementation of its development strategy.

Further, any such research and development efforts could distract management from current operations and could divert capital and other resources from the Combined Group's more established offerings and technologies, such as finalising the roll out and monetisation of OneWeb's LEO GEN 1 network, including: (i) construction of, and regulatory approval for, the remaining SNPs required to meet the LEO global coverage requirements; (ii) transitioning to full global LEO coverage; (iii) meeting the current business plan capacity fill rates; or (iv) developing user terminals to meet customers' needs.

Any delays to the Combined Group's development and deployment of new technologies and services as part of the Combined Group's strategy could impact the Combined Group's brand and reputation, and as a result of the above, have a significant negative impact on the Combined Group's business, results of operations, financial condition and/or prospects.

4.1.4 Delivery of the Combined Group's GEO and LEO integration strategy

The integration of Eutelsat's GEO satellites and OneWeb's LEO satellite constellation, and the deployment of the GEO/LEO complementary service may not be successful.

The delivery of the Combined Group as the first combined GEO/LEO satellite operator is subject to the successful combination of the Eutelsat Group and OneWeb businesses and, in due course, integration of the Eutelsat Group's GEO satellites and OneWeb's LEO GEN 2 satellite constellations. Although LEO and GEO satellites are inter-operable, usages on both LEO and GEO satellites through integration are not possible today. The technological solutions for an integrated LEO and GEO product are under development and the design for this solution could be complex and challenging. Today, if a customer wanted to access GEO and LEO services, they would have to install multiple antennas, terminals and modems, separate for GEO and LEO, and traffic would have to be routed to one of the systems, through separate hardware. Whilst development is underway, the coordinated integration of a GEO/LEO system

requires significant development and the Combined Group's strategy will require careful coordination and strategic planning to ensure successful integration, and there is a risk that current user terminal technology used by OneWeb may not be compatible for the combined GEO/LEO offering. Failure of the Combined Group to appropriately plan and monitor the interactions between the GEO satellites and LEO satellite constellations, including creating appropriate network control mechanisms to ensure a complementary service, may disrupt the provision of end-to-end services to its customers and distribution partners and affect the ongoing operations of the Combined Group. The Combined Group may be unable to capitalise on, or be delayed in the unlocking of, the new market opportunities it had expected to achieve through the GEO and LEO bundled services in the maritime, oil, gas, aviation, consumer and mobile broadband and government sectors, which could have a significant negative impact on the Combined Group's business, results of operations, financial condition and/or prospects.

There is also a risk that the increasing presence of LEO satellite constellations, including from OneWeb and other LEO competitors, will interact with, and disrupt, GEO satellites by creating an interference hazard which may impact the operations of the Eutelsat Group's GEO satellites. In addition, if OneWeb loses its priority spectrum rights or these are not observed, this could impact the successful integration of the GEO and LEO satellite services (see paragraph 4.4.5 "Application of international regulations" below). The failure of the Combined Group to mitigate the impact of any

interference from LEO satellites, including the interaction of, and integration with, OneWeb's LEO satellite constellation could have a material impact on the execution of the Combined Group's strategy as a GEO/LEO satellite operator leading to the loss of revenue or customers, as well as impacting the Combined Group's continued compliance with ITU Radio Regulations, potentially resulting in loss of priority spectrum rights and licences. This could have a significant negative impact on the Combined Group's business, results of operations, financial condition and/or prospects.

4.1.5 Failures or malfunctions in-orbit

The satellites operated by the Combined Group may experience failures or malfunctions in-orbit.

Satellites are sensitive to the external environment, operating in the harsh space environment, using highly complex technology. From launch to orbit of the GEO and LEO satellites, malfunctions may occur for various reasons which could reduce their remaining operating life and/or permanently or intermittently reduce their transmission capacity. While the Eutelsat Group and the OneWeb Group each considers that both of its satellite fleets are in good working order, some of the Eutelsat Group's GEO satellites have experienced equipment failures and are now operating using their redundancy equipment whilst a small number of OneWeb have also experienced equipment failures and required de-orbiting.

A number of factors can reduce the operational life of a satellite and/or affect its transmission capacity, including:

- quality defects in the components or equipment on board the satellite;
- construction and operational defects, whether due to the use of new and largely unproven technology or due to a design, manufacturing or assembly defect that was not discovered before launch, including circuit failures, transponder failures, solar array failures, digital processors, optical intersatellite links, active antennas, telemetry subsystem failures, battery cell and other power system failures, satellite control system failures and propulsion system failures;
- the emergence of future mega constellations of LEO networks which leads to orbital overcrowding and increased collision risk between spacecrafts;
- LEO satellites battery life-span degrades at a quicker pace compared with GEO satellites and LEO satellites are required to de-orbit whereas GEO satellites are raised to a graveyard orbit. The degradation of the LEO satellites battery life could impact the quality of its transmission at end-of-life stage;
- excessive fuel consumption to reach the desired orbital position and keep the satellite stationed there or to reposition it to a new orbital position;
- general failures resulting from human error and operating satellites in the harsh space environment, including damage caused by electrostatic or solar storms or by collision with micrometeorites or space debris; and
- beam failures in orbit which could cause network connectivity issues and intermittent micro-outages.

In the event of a satellite failure or in-orbit malfunction, the Combined Group may not be able to guarantee continuity of service for all its customers by using redundant equipment or back-up capacity on another satellite, particularly if there is a lack of available satellite capacity suitable for the needs of the customers concerned. Similarly,

the Combined Group may not be able to guarantee continuity of service for all customers at that orbital position by successfully launching or using a replacement satellite or one capable of carrying out the tasks of the defective satellite. In these circumstances, depending on the type and significance of satellite failure, the Combined Group may have difficulty in retaining its customers, who could terminate or renegotiate their capacity allotment agreements or distribution agreements, and the Combined Group may not be able to enter into new capacity allotment agreements or distribution agreements on satisfactory terms.

A satellite failure or in-orbit malfunction or series of failures (whether full or partial) of any of the Combined Group's satellites could cause material loss of revenues and cash flows, increase in operating costs and capital expenditure, the recognition of an impairment loss and in some circumstances result in claims from third parties for damages, if a satellite experiencing a malfunction were to cause physical damage to another satellite, create interference to the transmissions on another satellite or cause other satellite operators to incur expenses to avoid such physical damage or interference. In addition, satellite failures or in-orbit malfunctions may require the Combined Group to expedite its satellite replacement programme, which could have significant negative impacts on its profitability, increasing its financing requirements, limiting the availability of funds for other business purposes and delay delivery of its strategy.

Such satellite failures or in-orbit malfunctions may also have a significant negative impact on the Combined Group's ability to insure its satellites at commercially reasonable premiums. While the Combined Group will have in place following Completion:

- for the Eutelsat satellites an insurance policy that covers both launch and one year insurance for all newly launched satellites and an in-orbit policy for the majority of the existing fleet in stable orbit;
- for the OneWeb satellites an insurance policy that covers each launch and each satellite from launch until separation of the satellites from the launch vehicle and an in-orbit third-party liability policy;
- dynamic management of the fleet and of the deployment plan, which can in certain circumstances allow for the relocation of a satellite to carry out all or part of the mission of a satellite that may have failed; and
- initiatives in space situational awareness, space traffic management and assisted disposal and removal, including OneWeb's contract with LeoLabs to receive real-time data feeds about the locations of other satellites and space debris to reduce collision risk,

there are some malfunctions which are not or may not be covered (see paragraph 4.1.10 "Increasing insurance policy premiums and insurance coverage risk" below).

For example, the abovementioned measures do not cover the entire loss of opportunity generated by a possible breakdown in-orbit or are accompanied by a deductible for in-orbit insurance. Any significant satellite failures could also impact the Combined Group's brand and reputation and lead to loss of support with distribution partners, customers, governments and regulators. Any significant satellite failures or in-orbit malfunctions could thus have a significant negative impact on the Combined Group's business, results of operations, financial condition and/or prospects.

Furthermore, Eutelsat Group currently uses, and the Combined Group will continue to use, capacity on satellites that belong to third parties. In the event of failure or malfunction affecting these satellites, the Eutelsat Group, and the Combined Group going forward, cannot guarantee that it would be in a position to obtain compensation and/or equivalent available capacity under the same conditions. The Eutelsat Group, and the Combined Group going forward cannot guarantee that a dispute resulting from such failures or malfunctions would be settled in its favour. The Combined Group may also be exposed to the risk of bankruptcy of the owners of such satellites, which could result in the termination or interruption of its capacity leases.

4.1.6 Maintenance of existing GEO and LEO GEN 1 satellite constellations and deployment of future LEO GEN 2 satellites

The Combined Group may not be able to maintain its existing GEO and LEO GEN 1 satellite constellation or deploy its LEO GEN 2 satellites in the future as a result of delays or failures in the construction or launch of new satellites.

The end of life of OneWeb's LEO GEN 1 satellite constellation and timely transition to the LEO GEN 2 satellite constellation without network impact is dependent on a number of factors including the launch schedule for LEO GEN 2 satellites. The ongoing maintenance and running of the GEO fleet through satellite provision is also contingent on launch scheduling. Delays to satellite launches can result from a number of factors, including construction delays, delays in obtaining the required export authorisations or licences to transport satellite components or satellites to launch sites, the unavailability of reliable launch opportunities with launch service providers, launch failures and the increased cost of launches due to market saturation.

Satellite construction is a complex process reliant upon a restricted supply chain, which could fall behind schedule, result in satellite issues that could affect their reliability or not meet the Combined Group's desired specifications, especially since some of the satellites in the deployment plan have an innovative architecture compared to satellites currently in service or hosting specific payloads. In addition, the number of satellite manufacturers capable of designing and building satellites in compliance with the technical specifications and quality that will be required by the Combined Group is limited, as is the number of suppliers capable of launching these satellites (see paragraph 4.1.8 "Reliance on contractors and suppliers" below).

By way of example, the deployment plans for the Eutelsat Group's KONNECT VHTS and EUTELSAT 10B have an innovative architecture compared to satellites currently in service or hosting specific payloads, such as European Geostationary Navigation Overlay Service (EGNOS) on Eutelsat Hotbird 13G, UHF on EUTELSAT 10B. OneWeb's satellite construction may fall behind schedule due to its reliance on sole suppliers (e.g. Hughes, Qualcomm), the limited amount of suppliers for specialist products, the limited number of manufacturing facilities and providers (for example, Airbus) and restrictions on the import or export of products as a result of national or internal sanctions, export controls or national security. Any delays

to obtain the necessary export authorisations or licences to transport certain satellite components can impact the construction timetable as well as result in delays in launching.

If satellite construction schedules are not met, a launch opportunity may not be available at the time the satellite is ready to be launched and the next launch slot available could be much later. Delayed launches could result in a risk of minor degradation to a satellite's life expectancy. During the financial year ended on 31 March 2022, OneWeb experienced delays in launching 36 of its LEO GEN 1 satellites from Baikonur, Kazakhstan as a result of geo-political tensions following the invasion of Ukraine by Russia (see paragraph 4.3.1 "Geopolitical and macroeconomic factors" below).

In addition, satellite launch is a complex process that could result in delays to the planned schedule, or in the event of launch failure, result in the permanent loss of the satellite. Any satellites losses could result in significant delays to the deployment of satellites due to the time required to construct replacement satellites and obtain another launch provider and launch slot. This complexity is increased by the fact that some launch services impose that some satellites are launched with co-passengers belonging to third parties, so that the launch schedule is also dependent on the availability of co-passengers. There is only a small number of launch services providers in the launcher market which have the technical capabilities to launch satellites. The limited number of launch vehicles as well as the availability of co-passengers reduce operational flexibility and access to space within the Combined Group's planned timeframe and could increase the cost of the deployment programme or result in a launch delay. If one of the launch service providers is unable to meet its contractual obligations to the Combined Group within the expected timeframe, due to operational (e.g. following a launch failure) or financial difficulties, the Combined Group could be forced to reassign the concerned satellite to another launch service provider or, in some cases, even sign new launch service contracts that may be more costly than those currently available to the Eutelsat Group or the OneWeb Group (as applicable). In addition, delays to the planned launch schedule or underperformance of the launchers, may result in insertion of the satellite into a non-nominal orbit, resulting in a reduction in its service.

Since it began operations, the Eutelsat Group has lost three satellites following launch failures (being the EUTELSAT I-F3 in September 1985, the EUTELSAT II-F5 in January 1994 and HOTBIRD 7 in December 2002). In addition, the Eutelsat Group and the OneWeb Group has each reported loss of satellites following launch, such as: (i) Eutelsat's W3B satellite following a malfunction in the satellite's propulsion subsystem just after separation in October 2010; (ii) Eutelsat's AMOS-6 satellite in September 2016, which was owned by Spacecom and on which the Eutelsat Group planned to lease capacity, when the rocket exploded on the launch pad during Space X Falcon 9 static fire; and (iii) OneWeb's SL41 satellite following a system failure in-orbit in November 2021.

Moreover, although each of the Eutelsat Group and the OneWeb Group has had launch insurance on all of its launches to date, if the Combined Group were not able to obtain launch insurance on reasonable terms and a launch failure were to occur, the Combined Group would directly suffer the loss of the cost of the satellite and related costs (see paragraph 4.1.10 "Increasing insurance policy premiums and insurance coverage risk" below).

To the extent the Combined Group experiences a launch or in-orbit failure that is not fully insured, or for which insurance proceeds are

delayed or disputed, the Combined Group may not have sufficient resources to replace the affected satellite.

A significant delay in the construction of the Combined Group's GEO satellites or LEO GEN 2 satellites, or a delay or failure in the launch of one of the Combined Group's GEO or LEO satellites, could lead to a delay in revenue generation or cost overruns, impair the Combined Group's ability to generate new sales opportunities, implement its development strategy (including OneWeb's LEO GEN 2 satellite constellation) and meet its growth objectives, or meet its contractual service continuity commitments to customers, distribution partners and end-users resulting in the loss of customers and termination of service contracts or distribution agreements. Further, the battery lifespan of OneWeb's GEN 1 LEO constellation could expire before the deployment of the LEO GEN 2 constellation which could have a significant negative impact on network connectivity and cause customers detriment. The public nature of such delay or failure could impact the Combined Group's brand and reputation, cause scepticism in the Combined Group's ability to execute and recover from a setback, and loss of confidence of distribution partners, customers, suppliers and governments. Any significant delay or failure in the launch of any of its satellites could thus have a significant negative impact on the Combined Group's business, results of operations, financial condition and/or prospects.

4.1.7 Cyber-attacks, security breaches or malfunctions on information systems and/or teleports

The Combined Group's information systems and/or teleports could be disrupted or fall victim to a cyber-attack, security breach or other malfunction and any interference with satellite signals may impact performance of satellites affecting operations or quality of service.

As at 30 June 2023, each of the Eutelsat Group and the OneWeb Group operates a fleet of satellites, consisting of 36 GEO satellites from the Eutelsat Group and 634 LEO satellites from OneWeb that are mainly controlled and operated from their respective control centres or terminals. The Combined Group's success depends on the secure and uninterrupted performance of its satellite communication systems and information systems used to control such satellites, terminals and communications. The Combined Group's information systems could experience malfunctions, loss of data integrity, cyber-attacks, computer malware, satellite hijacking, malicious or accidental acts by employees, terrorist acts or sabotage that could compromise the continuity of service, cause a temporary or permanent interruption of service or call into question the quality of the service provided. The techniques used to obtain unauthorized access, disable or degrade service, or sabotage systems, change frequently and often are not recognised until launched against a target, so the Combined Group may be unable to anticipate these techniques or to implement adequate preventative measures.

In addition, although all information transmitted by OneWeb's LEO satellites and the Eutelsat Group's GEO satellites is encrypted, the Combined Group could experience cyber-attacks, terrorist acts or other acts of sabotage on its and any third-party service providers' data security which could result in the loss of the Combined Group's or its customers' or end users' confidential, proprietary or personal

data, potentially resulting in disputes, litigation, investigations, fines or other penalties or other liabilities.

The Russian invasion of Ukraine has increased cyber security risk across all industries, particularly with GPS jamming and disruption to services following Russian cyber-attacks (see paragraph 4.3.1 "Geopolitical and macroeconomic factors" below). As a business serving, amongst others, the needs of government and defence customers through the OneWeb's LEO GEN 1 satellite constellation and capacity allocation agreements with distributors of the Eutelsat Group, the Combined Group going forward will deal with classified information relating to armed forces and intelligence and security agencies, which is subject to heightened cyber security risk. If the Combined Group's cyber resilience strategy is not adequate to address such risk or if the Combined Group does not have enough investment to upgrade its cyber defences, any compromise of the Combined Group's security could result in a loss of confidence in the Combined Group's security measures, a loss of government contracts and subject the Combined Group to negative publicity.

Recently, risks and threats are mainly radio frequency interference, electronic downlink jamming and cyber-attacks against the ground segment. In the near future, there may be debris collisions on satellites, failures with ground installation or construction, non-kinetic physical attacks on satellites by high-powered laser or high-powered microwave, electronic uplink jamming, electronic spoofing and cyber-attack against satellite. There are also risks of kinetic physical attack by direct-ascent missile on satellite, by co-orbital anti-satellite weapon, kinetic attack on ground station (sabotage or bombing) and high-altitude nuclear explosion, in the event of high intensity conflict.

The Combined Group's business and operations could be adversely affected if, as a result of a significant cyber-attack or other malfunction, its operations are disrupted or shut down, confidential, proprietary or personal information is stolen or disclosed and as a result it loses customers, incurs costs, suffers reputational damage, is subject to litigation or fines or must dedicate significant resources to

system repairs or increase cyber security protection. A serious disruption to the Combined Group's systems could significantly limit its ability to manage and operate its business efficiently, which in turn could have a significant negative impact on its reputation, business, results of operations, financial condition and/or prospects.

4.1.8 Reliance on contractors and suppliers

The Combined Group's dependence on third-party contractors could result in increased costs and delays related to the design, manufacture and launch of new satellites, especially the LEO GEN 2 satellites, ground infrastructure and/or user terminals or could limit its ability to sell its services.

The Eutelsat Group and the OneWeb Group are, and the Combined Group will be, dependent on third-party contractors for the manufacture and launch of its satellites as well as maintaining and supplying its SNPs and user terminals. The Combined Group will be reliant on launch service providers which are limited in numbers, and their availability to launch new satellites according to the launch schedule. There are also a limited number of manufacturers that are able to design and build satellites and associated technology to allow connection to the network according to the technical specifications and standards of quality that the Combined Group will require or are capable of launching these satellites. The Combined Group will be focused on accelerating the commercialisation of the LEO GEN 2 satellite constellation, of which the design development, manufacturing and launching will be dependent on third-party contractors. The ability to secure launch service providers and their availability for the deployment of the new LEO GEN 2 satellite fleet will be critical to the Combined Group's achievement of its projected levels of revenue growth and synergies. The limited number of suppliers could reduce the Combined Group's bargaining power and increase the cost of implementing its launch programme within the scheduled timeframe. Furthermore, in the event a Combined Group supplier is unable to fulfil its contractual commitments towards the Combined Group within the agreed timeframe, the Combined Group would be forced to reallocate the satellites concerned to other service providers and, in some cases, enter into new launch service contracts which might prove more costly and/or result in significant delays to satellite launches.

The Combined Group will also rely in part on the manufacturers of its satellites to provide support throughout the life of the satellite in the event it should suffer a satellite failure or in-orbit malfunction. For example, OneWeb's LEO GEN 1 satellites are being manufactured through a joint venture entity, AOS, which relies on sole suppliers for certain parts.

In addition, OneWeb's WAN network is made up of fibre cables which connect the network through terrestrial and global sub-sea or submarine fibre cables. If such cables are damaged or destroyed, this could disrupt or limit the bandwidth of OneWeb's service provision in the affected areas, potentially restricting OneWeb's access to these markets. The timing of repair of any damaged fibre cables is subject to the availability and skill of third-party contractors, with the timing and repair of such cables being out of the Combined Group's control. This risk is heightened in remote areas or islands which typically have only one cable servicing the region.

Should any of the Combined Group's manufacturer's or launch supplier's businesses fail, it could result in the delay and/or increase the cost of the design, manufacture and launch of satellites or

impact the Combined Group's ability to overcome a satellite failure or in-orbit malfunction and maintain its satellites in service, in whole or in part. General economic conditions or unforeseen geopolitical events may also affect the ability of the Combined Group's manufacturers and launch suppliers to provide services on commercially reasonable terms or to fulfil their obligations in terms of manufacturing schedules, launch dates, pricing or other items (see paragraph 4.3.1 "geopolitical and macroeconomic factors" below).

Even where alternate suppliers for such services are available, the Combined Group may have difficulty identifying them in a timely manner and it may incur significant additional expense in changing suppliers, which could result in difficulties or delays in the design, construction or launch of satellites. Any such increased costs and delays could have a significant negative impact on the Combined Group's business, results of operations, financial condition and/or prospects.

In addition, the Combined Group will operate an extensive ground infrastructure including satellite control and operation centres, SNPs, TT&C stations and user terminals. These ground stations are used for controlling the Combined Group's satellites and/or for the provision of end-to-end services to its customers. Any difficulties in maintaining the equipment used at these stations or obtaining the necessary supply to build new facilities would have significant negative impacts on the Combined Group's business and operations. For example, factors out of the Combined Group's control, such as the global component supply chain challenges, including a shortage of semiconductor circuits, could impact the production of hardware for the ground network equipment for the ground stations and PoPs to support global rollout and operational spares. OneWeb also depends on specific suppliers to deploy its network.

Launch activities are conducted with the Launch Service Providers while some support from the satellite manufacturer is utilised during Early Orbit Phase, depending on the complexity and duration of such phase. The development and production of terminals which are required by end users to connect to OneWeb's LEO satellite network are also dependent on certain suppliers. If the supplier or manufacturer decides that the Combined Group programme is no longer strategic for them and reduces the resources dedicated to the Combined Group, this may lead to delays in deploying the Combined Group's network and providing connectivity to end users, which could have a significant negative impact on the Combined Group's ability to market its services and generate future revenues and profit. Furthermore, if a supplier or a manufacturer is restricted due to increasing government scrutiny (such as Huawei), this could further reduce supply, which would consequently increase costs and impact the Combined Group's budget and operations. Such difficulties in obtaining the necessary supplies, maintaining equipment or deploying the network could have a significant negative impact on the Combined Group's business, results of operations, financial condition and/or prospects.

4.1.9 Failure of ground operations infrastructure

Failure of the Combined Group's ground operations infrastructure may impact the provision and/or quality of service to customers and end users.

The Combined Group will operate an extensive breadth of ground infrastructure structure, including Eutelsat's control centres for handling satellite telemetry and remote control ("Satellite Control Centre") and for managing traffic on the space segment ("Communications Control Centre"), as well as OneWeb's TT&C stations, SNPs and user terminals. The Eutelsat Group and OneWeb ground stations will be used for controlling the Combined Group's GEO and LEO satellites respectively and/or for the provision of services to its customers and distribution partners.

The Combined Group may experience a partial or total loss of one or more of these ground stations due to natural or man-made disasters including extreme weather conditions, earthquakes, floods, fires, explosions, terrorist attacks, acts of war, disputes between countries, power loss, telecommunication or equipment failure or other man-made accidents which may compromise the continuity of service or cause a temporary or permanent interruption of service or increase their susceptibility to cyber-attacks or other security breaches. In particular, some of OneWeb's existing terminals are located in remote locations, for example in certain regions of Alaska,

and new terminals will continue to be constructed in such remote locations. This increases their vulnerability to natural disasters, break-ins, sabotage and intentional acts of vandalism and may result in construction delays due to their remote location.

A failure at any of these SNPs may interfere with or result in the breakdown in ability to communicate with one or more of the Combined Group's satellites or result in the transmission of incorrect instructions causing temporary or permanent loss of access to the network for customers and distribution partners, loss of revenue and increased costs. To the extent that a ground station fails, there will be regions whereby OneWeb may not currently be able to transfer services to another ground station or it may not be able to transfer services to other ground stations due to geographical restrictions or restrictions imposed by governmental bodies. As such, there can be no assurance that the Eutelsat Group, the OneWeb Group or the Combined Group will be able to rely on other ground stations to maintain the services to end-users in the affected area in the event of disruption, which may have a significant negative impact on the Combined Group's ability to market its services and generate future revenues and profit, which in turn could have a significant negative impact on its business, results of operations, financial condition and/or prospects.

4.1.10 Increasing insurance policy premiums and insurance coverage risk

Insurance policy premiums for satellites in-orbit and satellite launches could increase, and insurance cover could be more difficult to obtain or renew or may not cover all satellite-related losses.

The Eutelsat Group takes out "Launch-plus-one-year after entry into service" insurance covering the launches of the Eutelsat Group's GEO satellites as well as an in-orbit life insurance programme. For the Eutelsat Group's fully owned satellites with the highest revenue contribution, in-orbit insurance takes into account not only the net book value of the satellites but also the revenues generated. The policies cover the partial losses and/or deemed total losses of the insured satellites under certain conditions. OneWeb takes out "launch vehicle flight only" insurance covering its satellites from launch up to the separation of the satellite from the launch vehicle. OneWeb has in-orbit third party liability insurance coverage for all of its satellites providing third-party coverage from launch until de-orbit. In addition, OneWeb and the Eutelsat Group has insurance covering its equipment and SNP and PoP sites globally. These insurance contracts represent significant investments and expenses of each of the Eutelsat Group and the OneWeb Group, and the Combined Group going forward. The Combined Group might not be able to renew its in-orbit life insurance plan or its multi-launch insurance programme on comparable terms, or at all. A deterioration in the in-orbit life insurance market, the multi-launch insurance market or an increase in insurance premiums could prompt the Combined Group to reduce its coverage of partial losses or losses deemed total, which itself could lead to an increase in the Combined Group's exposure to the consequences of a launch failure or a failure or malfunction in-orbit.

There are numerous factors that may affect the cost of insurance premiums, some of which are outside of the control of the Eutelsat Group and the OneWeb Group, and the Combined Group going forward. Geopolitical events may drive insurance premiums higher, or incidents or losses as a result of geopolitical events may not be covered under insurance policies (see paragraph 4.3.1 "geopolitical and macroeconomic factors" below).

The Combined Group might not be able to obtain this additional in-orbit cover or launch insurance for the other satellites currently under construction, or for future satellites, on satisfactory terms, or at all. This situation could result from a reduction in the supply of insurance products and services or a substantial increase in launch insurance premiums due, in particular, to launch failure statistics across the whole industry. This could have a significant negative impact on the Combined Group's business, results of operations, financial condition and/or prospects.

Future insurance policies that have higher premiums, higher deductibles, shorter coverage periods, higher loss percentages required for constructive total loss claims or additional satellite health-related policy exclusions would impact the Combined Group's expected profitability. The Combined Group may elect to reduce or eliminate insurance coverage for certain of its existing satellites or elect not to obtain insurance policies for its future satellites, especially if exclusions make such policies ineffective, the costs of coverage make such insurance impractical or self-insurance or in-orbit spare satellites are deemed more cost effective.

Insurance policies currently held by the Eutelsat Group and the OneWeb Group do not protect them, and the insurance policies that will be held by the Combined Group going forward will not protect it, against all satellite-related losses that it may experience, and as is customary in the space sector, systematically provide for exclusions in the event of damage caused by cyberattacks, acts of war, anti-satellite devices, electromagnetic or radio frequency interference, insurrection, riots, civil commotion, civil war, usurpation, rebellion or action taken by a government or governmental authority in hindering, combating or defending against such an occurrence, confiscation or unlawful seizure, nuclear reaction or radiation, acts of sabotage, piracy or terrorism. Furthermore, the insurance programmes do not protect the Eutelsat Group and the OneWeb Group, and will not protect the Combined Group going forward, against losses such as opportunity cost, interruption of business, delayed activations, image losses or, to a certain extent, loss of revenue and potential asset impairments lower than the retention level.

To the extent the Combined Group experiences a launch or in-orbit failure that is not fully insured, or for which insurance proceeds are delayed or disputed, the Combined Group could require additional or accelerated capital expenditure, interruptions in service and therefore loss of revenue and a significant negative impact on the Combined Group's business, results of operations, financial condition and/or prospects.

Insurance companies could also challenge the causes of the failure or malfunction or the amount of the indemnity. Neither the Eutelsat Group, the OneWeb Group, nor the Combined Group going forward, can guarantee, in the event of a proven failure or malfunction of any of its satellites covered under insurance programmes that insurers would compensate the Combined Group within a reasonable timeframe or for the amount claimed by the Combined Group. A lack of compensation, late compensation or partial compensation of losses sustained could have a significant negative impact on the Combined Group's business, results of operations, financial condition and/or prospects.

4.1.11 Intellectual property protection and claims

If the Combined Group is unable to protect its intellectual property or becomes a party to intellectual property rights claims and other litigation, its business may be adversely affected.

The Combined Group will expect to continue to rely on a combination of confidentiality and licence agreements with its employees, consultants and third parties, as well as trademark, copyright, patent and trade secret protection laws, to protect its intellectual property and proprietary rights, including on some of the Eutelsat Group's satellites and OneWeb's existing LEO GEN 1 satellites and user terminals, in addition to those currently under development, in particular the LEO GEN 2 satellite constellation. However, the Eutelsat Group and OneWeb may have failed and the Combined Group may fail in the future to enter into all necessary agreements, and even if entered into, these agreements may be breached, not recognised in certain countries or may otherwise fail to prevent disclosure, third-party infringement or misappropriation of their intellectual property and proprietary rights, may be limited as to their term, and may not provide an adequate remedy in the event of unauthorised disclosure or use of proprietary information. The Eutelsat Group and OneWeb have filed applications for certain aspects of their intellectual property globally. However, third parties may knowingly or unknowingly infringe the Combined Group's intellectual property and proprietary rights, third parties may challenge intellectual property and proprietary rights held by it, pending and future copyright, trademark and patent applications may not be approved, and the Combined Group may not be able to prevent infringement without incurring substantial expense. The Eutelsat Group and OneWeb have asserted, and in the future the Combined Group may assert, its intellectual property rights against third parties. If the protection of the Combined Group's intellectual property and proprietary rights is inadequate to prevent use or appropriation by third parties, the value of the Eutelsat Group and

the OneWeb Group brands and other intangible assets may be diminished and competitors may be able to more effectively mimic the Combined Group's service and methods of operations. Any of these events could have a significant negative impact on the Combined Group's reputation, business, results of operations, financial condition and/or prospects.

Companies in technology industries own large numbers of patents, copyrights, trademarks and trade secrets and frequently enter into litigation based on allegations of infringement or other violations of intellectual property rights. The Combined Group may in future be subject to litigation on the foregoing grounds or other grounds. The costs of supporting such litigation are considerable, and a favourable outcome may not be obtained. The Combined Group may be required to settle such litigation on terms that are unfavourable to it, or if such litigation goes to trial, the Combined Group may be subject to an unfavourable judgment which may not be reversible upon appeal. The terms of such a settlement or judgment may require the Combined Group to cease some or all of its operations or require the payment of substantial amounts to the other party. With respect to any intellectual property rights claim, the Combined Group may have to seek a licence to continue practices found to be in violation of a third party's rights, which may not be available on reasonable terms and may significantly increase the Combined Group's operating expenses. A licence to continue such practices may not be available. As a result, the Combined Group may also be required to develop alternative non-infringing technology or practices or discontinue the practices. The development of alternative non-infringing technology or practices could require significant effort and expense. Any of the foregoing could have a significant negative impact on the Combined Group's reputation, business, results of operations, financial condition and/or prospects.

4.1.12 Health and Safety

The Combined Group may experience disruptions of operations due to health and safety incidents, compliance with occupational safety laws or other factors.

The Eutelsat Group and the OneWeb Group are, and the Combined Group will be, subject to extensive and evolving occupational safety laws and health and safety standards at the international, national and local levels in multiple jurisdictions. Many of these laws and regulations have become more stringent over time and the costs of compliance with these requirements may continue to increase, including costs associated with any necessary capital investments. Any non-compliance or suspected non-compliance could lead to major regulatory investigations or enforcement actions, which could cause distraction of management, reputational damage, higher operating costs, business interruptions and material fines and claims for damages.

The Combined Group will have offices, satellite manufacturing facilities, satellite operation centres and SNPs in various countries and is subject to the workplace regulations in those respective jurisdictions. The construction of SNPs has historically been predominantly managed by third parties, however, OneWeb, at times, relies on its employees to oversee and complete maintenance on ground stations and install user terminals due to the certain technical specifications. OneWeb cannot, and the Combined Group will not be able to, entirely control these third parties, joint partners, or the conduct of OneWeb's employees and cannot ensure that they will maintain sufficient and robust internal policies to comply with local regulations and to ensure workplace safety. Any health and safety incidents and decrease in productivity could have a significant negative impact on the Combined Group's reputation, business, results of operations, financial condition and/or prospects.

4.2 Risks relating to changes in the Satellite Telecommunications Market

4.2.1 Competition changes in the satellite telecommunications market

The Combined Group will be faced with considerable competition from satellite and terrestrial network operators, which could intensify over time from such operators and the level of such competition could also increase should new entrants enter the market.

The Eutelsat Group and the OneWeb group are, and the Combined Group will be, faced with significant competition from international, national and regional satellite operators. The Eutelsat Group's main competitors are other major international satellite operators, such as SES and Intelsat, with Inmarsat and Viasat for certain verticals. The competitive intensity is increased when these competitors launch new capacities. The Eutelsat Group and the OneWeb group are, and the Combined Group will be, in competition with regional and national satellite operators, some of which enjoy advantages (e.g. tax or regulatory advantages) in their domestic markets. Several LEO constellations service providers which are operational (such as Starlink) or which are under development (such as Kuiper and Telesat) are also emerging which represent additional competition for OneWeb and for the Combined Group going forward. Some of these current and potential new competitors may have greater financial, technical, marketing or other resources which may allow such competitors to respond more quickly to new or emerging technologies or changes in customer preferences. These competitors may engage in more extensive research and development, may benefit from greater economies of scale in their supply chains, undertake larger marketing campaigns and adopt more aggressive pricing policies, as well as develop satellites and provide services with more advanced capabilities and technologies or products and services achieve greater market take-up. Such factors could erode the Combined Group's presence and traction with distribution partners, its market share, resulting in higher costs of brand building

and adversely affecting the Combined Group's ability to achieve its business plan. Increased competition between satellite operators could lead to greater pressure on prices, which could have a significant negative impact on the Combined Group's business, results of operations, financial condition and/or prospects.

The Eutelsat Group is also in competition with terrestrial network operators (fibre optic, 4G) for most of its services, particularly services currently provided by the Eutelsat Group in relation to broadband internet access and TV broadcasting services. Prices offered by the Eutelsat Group for its broadband services may be less competitive than its competitors, such as Starlink, and as a result Eutelsat may be limited to specific market segments only that are interested in entering into service level agreements. A number of companies are also increasing their ability to transmit signals on existing terrestrial infrastructures, such as fibre optic cable, DSL (digital subscriber line) and terrestrial wireless transmitters often with funding and other incentives provided by governments. Heightened competition and/or increasing availability of capacity from other forms of communications technology creating excess supply of capacity could result in greater pressure on prices for satellite broadcasting and telecommunications services thereby affecting profitability. Furthermore, any increase in the geographical reach or capacity of the terrestrial network operators or development of new technology by such operators could cause the Eutelsat Group's customers to opt for the telecommunications solutions offered by these operators, thereby making it more difficult for the Eutelsat Group to keep or develop its customer portfolio. Stiffer competition with terrestrial network operators could have a significant negative impact on the Eutelsat Group's businesses, results of operations, financial condition and/or prospects.

4.2.2 Technological changes in the satellite telecommunications market

Technological changes could make the Combined Group's satellite telecommunications system obsolete and/or increase competition intensity.

The telecommunications industry is subject to rapid technological change. If the Combined Group does not adapt and stay abreast of these changes quickly and efficiently, its satellite telecommunications system could become obsolete. As such, the Combined Group's competitive position could be weakened, especially if its competitors were to adapt such new technologies into their own systems more quickly or efficiently.

The risk from the introduction of superior competing technology is particularly exacerbated in the satellite industry as it can take months or years to deploy any new satellites. As a result, if any technological change renders the Combined Group's satellites obsolete, even if the Combined Group is able to develop and deploy new technologies to compete, it could take substantial time until such satellites are operational. In addition, if components used by the Combined Group to manufacture its satellites become obsolete due to technological changes or other factors, it could lead to

inventory obsolescence, which may lead to inventory impairment charges.

Thus, the rise of HTS or VHTS, high-capacity satellites or constellations targeting applications other than video is bringing a significant amount of new capacity at a lower cost per gigabit. This could lead to a situation of overcapacity and price pressure, which is greater than expected, and could have a significant negative impact on the Combined Group's businesses, results of operations, financial condition and/or prospects. In addition, several LEO constellation projects are currently underway by competitors which could compete with OneWeb and the Combined Group in certain fixed data, government services and connectivity applications, particularly those LEO constellations with low latency.

If the Combined Group's satellite telecommunications system were to become obsolete and the Combined Group fails to improve its satellites in a timely manner, demand for its services could decrease, which would have a significant negative impact on its businesses, results of operations, financial condition and/or prospects.

4.2.3 Evolution of satellite services

Demand for satellite services may not evolve as expected.

Eutelsat Group's development notably depends on future demand for broadcast applications, linked to the evolution of the number of channels broadcast by satellites, improvement of image quality and the evolution of modulation and compression techniques.

The evolution of the number of channels notably depends on the expected development of broadcasting in emerging markets and whether it is maintained in Europe. In this respect, it should be noted that the audio-visual industry is sensitive to variations in advertising budgets and consumer spending, which are in turn affected by the economic environment as a whole. In addition, competition from new online video distribution platforms could affect Eutelsat Group's customers in certain geographies or lead them to reduce their broadcast by satellites. Finally, consolidation among satellite TV broadcast platform operators and/or cable operators could result in streamlining of the number of channels broadcast on a national market.

The improvement of image quality is linked to the rise of high definition or ultra-high definition. This rise may not materialise or may be slower than expected. The adoption of new technical broadcasting standards, which has resulted in and could continue to result in a higher signal compression rate, has reduced and could further reduce the demand for transponders for a given number of television channels. If the decline is not offset by an increase in the number of channels transmitted or by improved image quality, the overall demand for transponders could decrease.

The development of connectivity applications (in particular fixed connectivity and mobile connectivity) will represent the main driver of

the Combined Group's growth strategy. This will depend, in part, on continued growth in demand for satellite broadband internet services which is not guaranteed and not easily predictable, particularly because of the cost of access to satellite capacity, the deployment of alternative terrestrial solutions in certain areas, the cost of terminals or distribution issues. The growth in demand for mobile connectivity depends in part on the progressive equipping of aircraft and maritime fleets, the evolution of aircraft and maritime traffic and the strategies of airlines, which will not be under the Combined Group's control.

Lastly, the Eutelsat Group currently generates, and the Combined Group expects to continue to generate, an important part of its revenues in the government services market segment. This segment includes the direct or indirect provision of government services, mainly to the U.S. government, through capacity allocation agreements with distributors, which are generally renewable on an annual basis. The obtaining and/or renewal of capacity allocation contracts for this segment depends to a large extent on the international geopolitical and economic context and the commercial success of the Eutelsat Group's capacity distributors. As a result, going forward the Combined Group cannot be certain that it will be able to continue to generate comparable revenues in government services, which may include the non-renewal or renewal of its contracts on less favourable terms. If the demand for satellite services does not develop as predicted, and given the Combined Group's fixed cost structure, this could have a significant negative impact on its business, results of operations, financial condition and/or prospects.

4.2.4 Research and development

The Combined Group's growth depends in part on the development of new applications or innovative projects, the profitability of which is not guaranteed.

The Eutelsat Group currently invests at different scales in innovative projects such as "EUTELSAT QUANTUM", a software-defined satellite which entered into service in November 2021 and "EUTELSAT ADVANCE", an end-to-end managed connectivity service. The OneWeb Group invests in various research and development including but not limited to development of SOC and GNOC software, development initiatives of service software and development of satellite hardware and software and automation. The development of these new concepts depends in particular on sufficient demand, the timely and successful execution of these projects and their adequacy to market needs. If these conditions are not met, the ramp-up of these innovative projects could be slower or less profitable than anticipated, which could have a significant negative impact on the Combined Group's business, growth objectives, financial position and results. In addition, the Combined Group's growth will depend in part on the development of the fixed broadband business. The Eutelsat Group has made significant investments for the European and African markets, on the ground, with a complex network of earth stations, and in orbit, initially with the EUTELSAT KONNECT (progressive entry into service since November 2020) and KONNECT VHTS (entry into service expected in second half of calendar year 2023) satellites. The full realisation of this application's potential, which aims to provide broadband internet

access for individuals through a network of distributors and resellers, with a business-to-business-to-consumer model in addition to the proper functioning of the in-orbit and terrestrial infrastructure, will be subject to the success of the Combined Group's distribution strategy, which will include a direct distribution component, and to the availability of competitively priced terminals. These investment activities do not benefit from backlog and structurally involve higher customer acquisition costs and a higher level of churn. Slower than expected development or more difficult than expected execution in this application could have a significant negative impact on the Combined Group's business, results of operations, financial condition and/or prospects.

Further, the OneWeb Group will make significant investments in its development of its LEO GEN 2 satellite constellation, which will replace its existing LEO GEN 1 satellites, and are expected to have 5x higher capacity than GEN 1, with a longer lifetime of approximately 10 years and higher user performance, creating estimated savings of \$1.5 to \$1.8 billion for the Combined Group. Slower than expected development of OneWeb's LEO GEN 2 satellite constellation, unexpected technical issues, access to space being more difficult than expected, unplanned inadequacy to market demand or more difficult than expected execution of this project could have a significant negative impact on OneWeb and therefore the Combined Group's business, results of operations, financial condition and/or prospects.

4.2.5 Ability to retain and hire on key employees

The Combined Group may be affected by the departure of key employees or be unable to hire the staff needed for its operations.

For management and operational purposes, the Eutelsat Group and the OneWeb Group currently rely, and the Combined Group will rely, on a number of key employees who have specialised skills and extensive experience in their respective fields. If these employees were to leave, particularly those occupying commercial, technical and regulatory positions, and adequate replacements cannot be found within a suitable time period, the loss of any key employees could lead to operational or strategic uncertainty and the inefficient use of resources. In addition, where there is competition for expertise in new or expanding markets, competitors may attract whole teams

to move to a new business (such as spectrum experts and satellite operational teams). Moreover, the Combined Group's business, characterised by continuously evolving technology, requires the ability to constantly attract new, highly qualified employees. In the future, if the Combined Group is unable to retain or replace these employees, or is unable to attract new, highly qualified employees, this could have a significant negative impact on its business, results of operations, financial condition and/or prospects. The Combination could destabilise the workforce which, if not managed correctly, could result in a significant loss of employees and impact the Combined Group's ability to achieve the full benefits of the Combination (see paragraph 4.1.4 "Delivery of the Combined Group's GEO and LEO integration strategy" above).

4.3 Risks relating to clients

4.3.1 Geopolitical and macroeconomic factors

The Combined Group will be exposed to geopolitical and macroeconomic risks inherent in the international nature of its customer base and business.

The Eutelsat Group and the OneWeb Group each is, the Combined Group will be, a global satellite service provider, delivering services to customers and end users and working with suppliers, contractors and other third-parties across a large number of countries. The Combined Group will provide satellite telecommunications services to customers in a very large number of countries, with a significant proportion of its revenues generated in emerging countries. By way of example, for the year ended 30 June 2023 Eutelsat generated: (i) 5.7% of its revenues in France; (ii) 16.9% of its revenues in the Middle East; (iii) 9.7% of its revenues in Africa; and (iv) 19.8% of its revenues in the Americas. For the financial year ended 31 March 2023, the OneWeb Group generated 98.8% of its revenue from North America. The Combined Group's future growth will also depend partly on its ability to gain business in these countries.

Consequently, the Combined Group will be exposed to geopolitical, economic or other risks inherent in the international nature of its commercial activities, including the economic, social and political stability of countries it operates within and globally. Geopolitical events, such as instability within the Eurozone, Russia's invasion of Ukraine, territorial disputes in the South China Sea, tensions in Iran and the Middle East, could adversely impact the Combined Group's ability to provide services in affected regions and could negatively affect the economies of the end-markets in which the Combined Group will operate, including regional or global demand for the Combined Group's services.

In addition, the customers and end users of the Eutelsat Group, the OneWeb Group and going forward the Combined Group, have been and may continue to be impacted by the current global slowdown, including as a result of high inflation and interest rates, the cost-of-living crisis, commodity and energy price increases, supply chain disruptions and increased costs, economic sanctions and other disruptions to trade relationships, tightening financial conditions and, in some countries, recession, caused in part by Russia's invasion of Ukraine, the lingering impact of the COVID-19 pandemic, any potential new health crises and ongoing uncertainty as to the UK's future trade relationship with Europe and its legal and regulatory divergence from the European Union following the UK's departure from the European Union on 31 January 2020. During difficult market conditions, the Combined Group may experience decreased end user demand, increasing supply and other costs and difficulties in obtaining access to financing which could have a significant negative impact on the Combined Group's revenue, operating costs and ability to achieve and maintain profitable growth. Decreased end user demand may have an increased impact on distribution partners in more remote locations which are reliant on OneWeb services as their core or only product. If OneWeb's services are disrupted or otherwise reduced in such locations, the affected distribution partners could cease to operate and OneWeb could lose access to those markets. In addition, in difficult markets distribution partners may reduce their spending on OneWeb LEO satellite services or renegotiate their distribution agreements if they need to save costs and focus on their core provision, which could have a significant negative impact on the Combined Group's revenue, operating costs and ability to achieve and maintain profitable growth.

In addition, pricing, tax, currency fluctuations, regulatory and customs policies pertaining to the services provided by the Combined Group, business practices and employee relations in certain countries, burdens of complying with a variety of complex and evolving foreign laws, reduced protection for intellectual property rights in some countries or economic sanctions against some of these countries could prevent the Combined Group from implementing its development strategy or ensuring the continuity of its activity and thereby have a significant negative impact on its businesses, financial position and results (see paragraph 4.4.1 "Legal and regulatory compliance risks" below).

In February 2022, Russia launched a large-scale invasion of Ukraine. Although the length, impact and outcome of the ongoing military conflict in Ukraine is highly unpredictable, this conflict has led, and could continue to lead, to significant market and other disruptions, including significant volatility in commodity prices and financial markets, supply chain interruptions, high rates of inflation, risk of regional or global recessions, changes in consumer or purchaser preferences as well as increase in cyberattacks. In response to the invasion, a large number of countries imposed severe sanctions against Russia which has had and continues to have a direct impact on the Eutelsat Group's and OneWeb's supply chain, notably for OneWeb on its launch activities. On 4 March 2022, OneWeb was scheduled to launch 36 satellites from Baikonur, Kazakhstan. In the two days before the launch, due to geo-political tensions following Russia's invasion of Ukraine, the Russian Space Agency, Roscosmos, announced it would cancel the launch from Baikonur unless the UK Government divested its stake in OneWeb and OneWeb provided assurances that satellites would not be used for military purposes. The OneWeb Board decided to postpone the launch as well as five further launches due to take place from Baikonur. As a result, OneWeb was unable to achieve global coverage of its LEO GEN 1 satellites as planned. The launch postponements led to an assessment of impairment of \$229.2 million for the year ended 31 March 2022, causing OneWeb's operating loss to increase by 631% compared to the previous year (increasing by \$367.6 million to \$425.9 million for the year ended 31 March 2022 from \$58.3 million for the period 25 March 2020 to 31 March 2021).

In particular, in the context of the Russian-Ukrainian crisis, the Eutelsat Group generated 6.7% of its revenues in Russia for the financial year ended 30 June 2022 and 6.8% for the financial year ended 30 June 2023. Following a decision by the French Regulatory Authority for Audiovisual and Digital Communication ("**ARCOM**") in December 2022, Eutelsat moved to suspend the broadcasting of three Russian programmes (Rossiya One, Pervyi Kanal and NTV) that it had been distributing through capacity leased from three satellites operated by RSCC (Eutelsat 36C, Express AT1 and Express AT2). Further, in compliance with international sanctions against Iran, the Eutelsat Group also ceased all broadcasts related to the Islamic Republic of Iran Broadcasting. For FY 2022-2023, the application of these measures has had a cumulative negative impact of c. €8 million on the Eutelsat Group's revenues. The estimated negative impact on the Eutelsat Group's adjusted DFCF for FY 2022-2023 amounted to c. €8 million. The Eutelsat Group also restructured and downsized its capacity contracts in relation to the leasing of capacity on the satellites belonging to RSCC. In the case of OneWeb, whereby capacity over certain countries would go to waste as they cannot be utilised, this could have a significant negative impact on the Combined Group's business, results of operations, financial condition and/or prospects going forward (see paragraph 4.3.1 "geopolitical and macroeconomic factors" above).

The Combined Group will be actively monitoring the situation in Ukraine and assessing its impact on its business. It is not possible to predict the progress or outcome of the conflict in Ukraine, and any resulting government reactions or impacts on the satellite telecommunications market or the economy generally may rapidly develop and are beyond the Combined Group's control. If the conflict is prolonged or escalates, or if additional sanctions or other measures are imposed, or if volatility in commodity prices or disruptions to supply chains worsen, regional and global macroeconomic conditions could be impacted more severely, which in turn could have a significant negative impact on the Combined Group's business, results of operations, financial condition and/or prospects.

Russia's invasion of Ukraine has exacerbated global supply chains already disrupted by the impact of the COVID-19 pandemic and mitigating measures taken by governments. There is currently a worldwide shortage in the supply of numerous items, including electronic components, such as diodes, semiconductor circuits, computer chips and resistors that are required for the construction of network equipment, ground stations and manufacturing of user terminals. Given the Eutelsat Group's and OneWeb Group's, and going forward the Combined Group's, dependence on third party

contractors to manufacture and launch its satellites and maintain user terminals, if the Combined Group's suppliers are not able to provide goods and services to such third party contractors as a result of operational challenges, temporary or permanent shut downs, severe financial hardship or bankruptcy, or disruptions in their own supply chains, due to the impact of the COVID-19 pandemic, geopolitical turmoil caused by Russia's invasion of Ukraine or for other reasons, the Combined Group's ability to execute its business strategy and meet its service commitments to customers may be adversely affected (see paragraph 4.1.8 "Reliance on contractors and suppliers" above).

There can be no certainty that a future pandemic, epidemic or other serious public health concern, and together with any mitigating measures, could have a significant negative impact on the Combined Group in the future.

Furthermore, if the Combined Group had to bring legal action against its customers or commercial partners located outside of the EU, it could prove difficult to assert its rights, which could have a significant negative impact on its business, results of operations, financial condition and/or prospects.

4.3.2 Risks related to distribution partners

The Combined Group will be exposed to a specific risk related to its distribution partners.

A significant portion of the Combined Group's capacity will be marketed by specialised distribution partners. These distribution partners, who resell the Combined Group's resources to end-users, may have overestimated demand or misunderstood customer needs and may not be able to resell the capacity for which they have committed. In this case, these distribution partners could seek to resell it to Combined Group customers at lower prices. In addition, certain distribution partners in the mobile connectivity segments (10% of the Eutelsat Group's revenue for the year ended 30 June 2023 and 76.4% of the OneWeb Group's revenue for the year ended 31 March 2023) are faced with low margins and high levels of debt that may lead them into a situation of fragility.

The Eutelsat Group has developed a broadband internet business based in part on a business-to-business-to-consumer model, addressing end-users through specialised distributors in some

geographical regions. OneWeb has a business-to-business indirect channel model and depends on distribution partners to provide high speed, low latency LEO connectivity to serve the needs of its end users. As at the Last Practicable Date, OneWeb had signed more than 55 distribution partner agreements. The solvency and credibility of, or any breach of contractual terms by, these distribution partners could affect the deployment of the OneWeb networks. In addition, these distribution partners may not be able to develop the business at the pace the Combined Group expects in the future. The Combined Group may also not be able to find suitable distributors or distribution partners in certain sectors or geographic markets, or the number of long term distribution partners may be reduced as a result of an economic downturn which is particularly prevalent for the business-to-business-to-customer model, both of which may limit the Combined Group's growth strategy. These elements could have a significant negative impact on the Combined Group's business, results of operations, financial condition and/or prospects.

4.3.3 Major customers

The Combined Group will be dependent on a limited number of major customers.

The Eutelsat Group and OneWeb Group generate a significant portion of their respective business from a limited number of customers. The Eutelsat Group's ten largest customers represented 33% of its revenues as of 30 June 2023. The OneWeb Group's ten largest customers represented 88% of its revenues as of 31 March 2023. The five largest customers represent 22% of Combined Group's pro forma revenue as of 30 June 2023, all of which are contributed by the Eutelsat Group. The three largest customers

represented 15% of the Combined Group's pro forma revenue as of 30 June 2023, all of which are contributed by the Eutelsat Group. While the Combined Group intends to increase the number of its customers and distribution partners, it is possible that the Combined Group's revenue and operating results could in the near term and may in the future depend on sales to a small number of customers. As a result of this customer concentration, the Combined Group's revenue could fluctuate materially and be materially and disproportionately impacted by decisions of these customers or any other significant customer cancelling its service or distribution agreement.

4 GROUP RISK FACTORS, INTERNAL CONTROL PROCEDURES AND RISK MANAGEMENT

Risks relating to regulation, legislation and tax

Some of the Combined Group's major customers could decide to terminate their contracts, not to partially or totally renew them, or to renew them on terms that are less favourable to the Combined Group. This could have a negative impact on the Combined Group's business, results of operations, financial condition and/or prospects. Moreover, some of the Combined Group's major customers, particularly those located in emerging markets or specialised

distributors, could also encounter financial difficulties that could result in late payments, unpaid debts or bankruptcy, which could lead to an impairment of receivables and/or the termination of capacity agreements, which could have a significant negative impact on the Combined Group's business, results of operations, financial condition and/or prospects.

4.3.4 Unpaid or late payments

The Combined Group will be exposed to the risk of unpaid or late payments.

In the normal course of business, the Eutelsat Group and the OneWeb Group each occasionally encounters, and expects that the Combined Group will also encounter, difficulties in obtaining payment of the price related to the use of satellite capacity by certain customers or payment of this capacity within the expected time limits, which may result in the impairment of receivables or a negative impact on the Combined Group's working capital requirements in the medium and longer term going forward.

The Combined Group's pro forma receivables amounts to 222 million euros as at 30 June 2023, consisting of 207.5 million euros from the Eutelsat Group at 30 June 2023 and 15 million euros from the OneWeb Group at 31 March 2023. With respect to the

Combined Group as at 30 June 2023, the pro forma provisions for impairment of receivables (net of reversals) amounts to 21 million euros and the change in working capital related to trade receivables and related accounts generated a cash flow of 3 million euros.

This is made up of the Eutelsat Group's provisions for impairment of receivables (net of reversals) of 21 million euros for the year ended 30 June 2023. The OneWeb Group's provisions for impairment of receivables (net of reversals) amounted to nil for the year ending 31 March 2023, and the change in working capital related to trade receivables and related accounts generated a cash flow of negative 3 million dollars as of 31 March 2023.

Late payments or increased non-payment volumes could have a significant negative impact on the Combined Group's business, results of operations, financial condition and/or prospects.

4.4 Risks relating to regulation, legislation and tax

4.4.1 Legal and regulatory compliance risks

The Combined Group will operate in a highly regulated industry and could be exposed to the risk of non-compliance with the laws and regulations applicable to it, notably with regard to the fight against corruption and influence peddling, economic sanctions, export laws, listing regulations, tax, the protection of personal data and competition law.

The satellite industry is highly regulated due to the sensitive nature of satellite technology. The Eutelsat Group and the OneWeb Group are, and the Combined Group will be, subject to the laws and regulations of France, the UK, the US and other countries in which it conducts its business. The Combined Group's business and operational results may be significantly negatively impacted if the Combined Group is required to alter its business operations to comply with changes to the laws and regulations governing its business or if its ability to sell its products and services on a global basis is reduced or restricted due to increased EU, UK, US or other government regulation.

New international sanctions may be introduced in the jurisdictions in which the Eutelsat Group and the OneWeb Group operate in, and the Combined Group will operate in, and existing sanctions that affect the Eutelsat Group, the OneWeb Group and the Combined Group going forward may be amended from time to time, all of which could also cause disruption to the Combined Group's activities and business strategy.

The Combined Group will have in place appropriate systems and controls to ensure compliance with its corporate governance regimes. However, the Combined Group may need to expend significant time and costs of updating its compliance systems and controls for any evolution of the listing rule requirements in the UK and divergence from the listing rule requirements in France as a result of the reforms intended to be introduced in the UK following the UK's exit from the European Union, as well as for foreign laws and regulations reforms in other countries which the Combined Group will operate, notably with regard to the fight against corruption and influence peddling, economic sanctions, listing regulations, tax, the protection of personal data and competition law.

In the event of violations of the laws and regulations applicable to the Combined Group by any employee, this could result in civil penalties, including fines, the denial of export privileges, injunctions, asset seizures, debarment from government contracts, the termination of existing contracts, revocations or restrictions of licences, administrative penalties, criminal fines or imprisonment. In addition, such violations could also negatively impact the Combined Group's reputation and consequently its business. Moreover, any such violations by the Combined Group's competitors, if undetected, could give them an unfair advantage when bidding for contracts. The consequences the Combined Group may suffer as a result of the foregoing could have a significant negative impact on the Combined Group's business, results of operations, financial condition and/or prospects.

4.4.2 Anti-corruption, anti-money laundering and similar laws

Failure to comply with anti-corruption, anti-money laundering and similar laws could result in criminal or civil liability.

The Eutelsat Group and the OneWeb Group currently operates, and the Combined Group will operate, globally and interact, with customers, suppliers and distribution partners in multiple jurisdictions. The international presence of the Combined Group will inherently expose it to risks of corruption and money laundering. The Eutelsat Group is, and the Combined Group will be, subject to the Sapin 2 Law, the UK Bribery Act, the U.S. Foreign Corrupt Practices Act and other anti-corruption and anti-money laundering laws in France, the UK and the US and other countries in which the Eutelsat Group and the OneWeb Group currently conducts, and the Combined Group will conduct, activities.

Anti-corruption laws have been enforced strictly in recent years and are interpreted broadly to generally prohibit companies and their employees and third-party intermediaries from authorising, offering or providing, directly or indirectly, improper payments or benefits to recipients in the public or private sector. The Combined Group will engage distribution partners and third-party intermediaries to market its products and to obtain necessary permits, licences, and other regulatory approvals. The Combined Group can be held liable for the corrupt or other illegal activities of these third-party intermediaries, the Combined Group's employees, representatives, contractors, partners, and agents, even if it does not explicitly authorise such activities.

In order to reduce its exposure to the risk of corruption in particular, Eutelsat and OneWeb groups have each set up a compliance programme aimed at preventing and detecting acts of corruption or

influence peddling, coupled with a control system to ensure its effectiveness. The Eutelsat Group's actions are in accordance with the Sapin II Act on transparency, the fight against corruption and the modernisation of economic life and the recommendations of the Agence Française Anticorruption. Nevertheless, neither the Eutelsat Group nor the Combined Group going forward can guarantee that the procedures and controls in place will prevent or detect all violations of the laws and regulations applicable to the Combined Group by an employee; if it were to occur, such a violation could have a significant negative impact on the Combined Group's businesses, results of operations, financial condition and/or prospects.

Detecting, investigating, and resolving actual or alleged violations can require a significant diversion of time, resources, and attention from senior management. Notwithstanding that the Combined Group will have extensive systems and controls to ensure compliance, noncompliance with anti-corruption or anti-money laundering laws by an employee could subject the Combined Group to whistle-blower complaints, investigations, sanctions, settlements, prosecution or other enforcement actions, disgorgement of profits, significant fines, damages, other civil and criminal penalties or injunctions, suspension or debarment from contracting with certain persons, the loss of export privileges, reputational harm, adverse media coverage, and other collateral consequences. If any subpoenas or investigations are launched, or governmental or other sanctions are imposed, or if the Combined Group does not prevail in any possible civil or criminal litigation, this could have a significant negative impact on the Combined Group's proxy contracts, businesses, results of operations, financial condition and/or prospects.

4.4.3 FSOA

The Combined Group will be governed by the FSOA and other relevant space legislation and it may not be able to comply with them if the regulations are tightened.

The Space Operations Act was published in France's Journal officiel on 4 June 2008, and its application decrees were published on 10 June 2009. The Eutelsat Group is currently and, following Completion, the Combined Group will be, subject to Decree No. 2009-643 on authorisations. Under this law, a licensing mechanism has been set up for space operations and in-orbit control operations. This licensing system establishes several administrative, technical, operational and organisational requirements.

Moreover, OneWeb is currently and, following Completion, the Combined Group will be also, subject to the licence and insurance requirements and liabilities under the Outer Space Act 1986 and the Space Industry Act 2018. Following Completion, the Combined Group may incur increased compliance costs to ensure adherence to additional space legislation which Eutelsat and OneWeb were not subject to prior to Completion. In addition, if these regulations are tightened or if additional regulations are adopted or become applicable to the Combined Group, this could have an impact on the Combined Group's in-orbit operations and/or rollout plan, which in turn could have a significant negative impact on the Combined Group's businesses, results of operations, financial condition and/or prospects.

4.4.4 Landing rights or licences

The Combined Group may not obtain the landing rights or licences necessary for its activity in certain markets.

As a satellite operator offering its services in approximately 150 countries, the Combined Group is subject to the national laws and regulations of many countries regarding communication and broadcasting. Most of these countries do not require specific authorisation or licensing to only provide satellite capacity to entities that are themselves authorised to operate communication networks and/or services. In these countries, the Combined Group only needs an authorisation licence if it intends to deploy and operate its own communication networks or install and operate Earth stations. Most

European countries and many Member States of the WTO fall into this category. However, some countries require authorisations for the operation of satellites in orbit. In this case, the Combined Group must therefore be authorised to provide downlink services from the satellite to the Earth station terminals located in these countries – the "landing rights".

If the Combined Group is unable to obtain or renew the necessary authorisations for its business in certain markets, or the authorisation regime becomes more restrictive, this could have a significant negative impact on the Combined Group's businesses, results of operations, financial condition and/or prospects.

4.4.5 Application of international regulations

Interferences and the application of international regulations on coordinating frequency assignments could make it more difficult for the Combined Group to implement its deployment plan.

The increasing presence of LEO satellite constellations, including from OneWeb and other LEO competitors, could interact with, and disrupt, GEO satellites by creating an interference hazard which may impact the operations of the Eutelsat Group's GEO satellites. Emissions on identical or insufficiently differentiated frequencies can give rise to a risk of interference between these emissions, which can result in "radio interference" that can affect communications to the point of making them unusable or degrading the quality of service. Interference could, temporarily or more long term, affect the quality of service provided to customers resulting in reputational damage and could even prevent the Combined Group from being able to meet contractual commitments or could lead to the loss of revenue or customers, which may have a significant negative impact on the Combined Group's business, results of operations, financial condition and/or prospects.

There is a set of international rules that are governed by the ITU, a specialised body of the United Nations, for the 'frequency assignments' and their coordination. Frequency assignments are coordinated internationally according to the Radio Regulations. The purpose of this coordination is to limit the risks of interference between broadcasts.

In 2019, OneWeb satisfied the requirements of the ITU regulations, securing the highest priority position for its Ku-band for service links and strong priority position for its Ka-band for global gateways. Subject to ongoing compliance and filings, OneWeb will maintain its spectrum priority position indefinitely, which puts the burden on other LEO operators to coordinate with or work around OneWeb to avoid interference. If OneWeb loses its priority spectrum rights or these are not observed, and if the Combined Group fails to mitigate the impact of interference from LEO satellites, including the interaction of, and integration with, OneWeb's LEO satellite constellation, this could have a material impact on the successful integration of the GEO and LEO satellite services, and the execution of the Combined Group's strategy as a GEO/LEO satellite operator.

Neither the Eutelsat Group nor the Combined Group going forward can guarantee that the ITU regulation rules are respected by all third-party operators or governments or that these rules will remain in place. In particular, although the priority spectrum rights are obtained by OneWeb under ITU regulations for its LEO satellites, these are not observed by all countries, which may limit or prevent the Combined Group obtaining or maintaining market access or reduce the coverage in certain countries. The Combined Group is required in most jurisdictions to agree co-ordination agreements with competitors before it is granted licences to operate in that jurisdiction. To the extent that a competitor delays or does not agree to a co-ordination agreement, this may delay or prevent the Combined Group obtaining market access to a jurisdiction.

In addition, although OneWeb's priority spectrum rights currently have no time limit, there is no guarantee that the ITU Radio Regulations are not changed in the future and as such OneWeb's priority spectrum rights will remain indefinite. Competitors of the Combined Group have lobbied and may continue to lobby to amend the priority spectrum rights, including adding a time limit. If there is a loss of priority rights for OneWeb's LEO satellites or OneWeb's priority spectrum rights are not observed, this may impact the Combined Group's ability to meet contractual commitments, which could result in reputational damage, loss of revenue or customers, as well as impacting the Combined Group's continued compliance with ITU Radio Regulations. It will also impact the Combined Group's ability to deliver global LEO coverage and delay or prevent the roll out of LEO services to additional markets. This could have a significant negative impact on the Combined Group's business, results of operations, financial condition and/or prospects.

Eutelsat S.A. and OneWeb have a number of frequency assignments for which the international coordination procedure, in accordance with the general regime defined by the Radio Regulations, is not yet complete and/or is not yet in operation with any of the Eutelsat Group's or the OneWeb Group's satellites. Concerning assignments for which the coordination procedure is not yet complete, priorities for these assignments and for third parties involved in the coordination could mean that coordination restricts the Combined Group's ability to fully operate some of these assignments. Concerning assignments for which the coordination procedure is not yet in operation, the Combined Group might not be in a position to activate them within the timeframes set by the Radio Regulations, which would result in a loss of these assignments. Both situations could have a significant negative impact on the Combined Group's business, results of operations, financial condition and/or prospects.

Eutelsat S.A. and OneWeb also have, and the Combined Group will have, certain frequency assignments governed by one of two special regulations. If any ITU Member State decides to exercise its rights under these systems, or if these special regimes are amended, the Combined Group could be forced to change or discontinue the current use of its assignments, which could have a significant negative impact on its business, results of operations, financial condition and/or prospects.

Finally, the Radio Regulations and its rule of procedure provide only for amicable resolution of disputes in the event of disagreements between the ITU Member States over non-compliance with international regulations governing coordination of their frequency assignments. The Combined Group could be forced to accept the result of an unfavourable agreement between ITU Member States relating to frequency assignments it uses. This could have a significant negative impact on the Combined Group's businesses, results of operations, financial condition and/or prospects.

4.4.6 Statutory and regulatory provisions for satellite telecommunications

The Combined Group's provision of satellite telecommunications services will be subject to certain specific statutory and regulatory provisions, the evolution of which could have a significant negative impact.

The satellite telecommunications industry in which the Combined Group will operate is governed by extensive regulation. Changes in policy or regulation on a global level within the framework of the ITU or within the EU, France, the UK or other countries in which the Combined Group will do business could have a significant negative impact, particularly if such changes increase costs and regulatory restrictions relating to the Combined Group's services.

The Combined Group must be able to maintain its authorisations to operate existing frequency allocations at the orbital positions at which its satellites are operated or where it might need to redeploy some of its satellites. It must also be able to obtain new authorisations to operate existing frequency allocations at both existing and new orbital positions for the future expansion of its business.

In France, the regulatory framework governing electronic communications is laid down in the French Post and Electronic Communications Code, which sets out the rules applicable to any request for authorisation to operate frequency assignments. The regulations set out various obligations for the holder of the authorisation. Any change in these regulations that would make the conditions for obtaining and implementing these applications more stringent could ultimately affect the Combined Group's ability to obtain new frequency assignment authorisations from the French authorities, or to use them as it sees fit. To date, frequency assignment filings with the ITU and requests for frequency operation authorisations only incur charges for processing the file with the ANFR. A change in the pricing policy could, for example, prompt the authorities to pass on to the operator a portion of the economic value of the orbital positions it operates. OneWeb is also subject to regulatory filings with Ofcom in the UK.

Furthermore, the use of radio frequencies by radio frequency earth stations is covered by authorisations issued by the ARCEP. Changes in global, European or national regulatory policies could mean that certain frequency bands previously open to satellites could no longer be accessed through future authorisation requests. This is the case with the 3.4-3.8 GHz band, which has not been able to be used for fixed satellite services in France since 2008.

In particular, at the World Radiocommunication Conferences held every four years (the last one being held in 2019) certain bands identified for satellite use can be put on the agenda, and their potential usage for purposes other than for satellites, for example for 5G mobile networks, can be discussed. Thus, any regulatory changes at international, regional or national level could have a potential impact on the Combined Group's ability to operate optimally within these frequency bands.

In addition, to participate in classified U.S. government programs, OneWeb's subsidiary, OWT obtained security clearances from the U.S. Department of Defense. Given OneWeb's foreign ownership, OneWeb entered into a proxy agreement with the U.S. government that limits its ability to control the operations of this subsidiary, as required under the national security laws and regulations of the United States. If OneWeb does not maintain these security clearances, it will not be able to perform its obligations under any classified U.S. government contracts to which it is a party. As a result, OneWeb's business could be materially adversely affected. Further, if OneWeb materially violates the terms of the proxy agreement or if OneWeb is found to have materially violated U.S. law, OneWeb or

OWT who holds the security clearances for OneWeb's services may be suspended or barred from performing any government contracts, whether classified or unclassified, and OneWeb could be subject to civil or criminal penalties.

When developing new businesses, the Combined Group could be subject to regulatory requirements including those relating to broadcasting (content broadcast) and earth stations. Compliance with these new regulatory requirements could involve considerable investment of time and resources. Furthermore, neither the Eutelsat Group nor the Combined Group going forward can guarantee that it will be able to obtain or maintain the necessary authorisations, which could delay or interfere with the provision of services to clients in the affected countries or the implementation of its development strategy, thereby having a significant negative impact on its businesses, results of operations, financial condition and/or prospects.

The Combined Group may be limited by the amendment of applicable regulations and be prevented from obtaining or retaining of the requisite authorisations going forward for its business or its development strategy. Some countries could decide to impose a system of taxation on satellite operators for satellite broadcast reception in their territory. Such a development could have a significant negative impact on the Combined Group's businesses, results of operations, financial condition and/or prospects.

In addition, the Eutelsat Group is subject to strict regulations regarding the content of the programmes broadcast by its satellites. Regulations on the broadcasting of television programmes in the EU provide that each Member State must ensure that the programmes transmitted comply with applicable laws on broadcasts to the general public, especially for the purpose of the protection of minors and the avoidance of incitement to hatred or violence on grounds of race, gender, religion, habits or nationality. By remaining as a European satellite operator, Eutelsat could be given formal notice to cease broadcasting of a television channel from outside the EU if the channel's content does not comply with the applicable European and national laws and regulations or if it is likely to damage public order. Any competent regulatory authority in Europe could issue an order to interrupt broadcasting of new non-European channels. As a result, if at any time, governmental or judicial decisions prevent Eutelsat from delivering its transmission services, it could find it increasingly difficult to pursue its policy of long-term contracts for the transmission of television channels with non-French customers, thereby encouraging some of its customers to use the services of competing operators, which would have a significant negative impact on Eutelsat's businesses, results of operations, financial condition and/or prospects. Furthermore, Eutelsat might not be technically able to cease the broadcast without being forced to interrupt the transmission of other television channels that are part of the same multiplex on the same transponder. These television channels might then terminate contracts for that capacity and apply for compensation. This risk can vary from one EU Member State to another, with certain legislations adopting more flexible policies within the limits authorised by the community framework, and each regulator adopting its own interpretation of adherence to the principles. Certain decisions relating to channels that may create compliance problems under French law and the European directive (which is merely transposed by national legislation) are initiated by the commission itself. Such steps may therefore have repercussions, regardless of the designated national regulator within the EU. The position of one or another of the appropriate European regulators may, moreover, change and become entrenched over time, and this can neither be predicted nor prevented.

Finally, Eutelsat Group is subject to other regulations applicable to the channels it broadcasts. Some channels broadcast by Eutelsat Group could be explicitly addressed by United Nations resolutions transposed via EU regulations, introducing restrictive measures against some entities, or citing them directly in European regulations. These European regulations are directly applicable to Eutelsat Group, which must ensure that none of the listed channels are broadcast using its satellites. Considering the number of channels

broadcast by Eutelsat, and the absence of direct contractual links with television channels, the risk of transmitting channels covered by such regulations is real.

The evolution of certain specific legislative and regulatory provisions could therefore have a significant negative impact on the Combined Group's businesses, results of operations, financial condition and/or prospects.

4.4.7 Amended Convention of EUTELSAT IGO and Letter-Agreement

Eutelsat S.A., the Eutelsat Group's main operating subsidiary, is subject to the Amended Convention of EUTELSAT IGO which both France and the UK are member states of, and Eutelsat is subject to the Letter-Agreement.

Eutelsat S.A.'s by-laws provide that the Amended Convention of EUTELSAT IGO is a "Reference Document" for the conduct of Eutelsat S.A.'s business activities. Furthermore, the reciprocal rights and obligations of Eutelsat S.A. and EUTELSAT IGO are defined in an agreement pursuant to the Amended Convention (the "Arrangement") dated 2 July 2001.

The rights of EUTELSAT IGO under the Arrangement enables EUTELSAT IGO to ensure that Eutelsat S.A. abides by the "Basic Principles" defined in the Amended Convention, namely the:

- ▶ public service/universal service obligation for telephony services connected to the international public switched network;
- ▶ provision of audio-visual services in compliance with relevant international agreements, including the European Convention on Transfrontier Television and national regulations; and

- ▶ Pan-European coverage of the satellite system and compliance with the principles of non-discrimination and fair competition in defining its strategy and conducting its business.

With a view to allowing Eutelsat to carry out an initial public offering of its shares, Eutelsat and EUTELSAT IGO signed a letter-agreement dated 2 September 2005 (the "**Letter-Agreement**") by which Eutelsat made certain commitments to EUTELSAT IGO, notably in terms of financial policy.

EUTELSAT IGO's assessment of Eutelsat S.A.'s operations and strategy, in terms of the obligation to observe the "Basic Principles", could be different from that of the Combined Group. As a result, taking into account EUTELSAT IGO's recommendations or requests could reduce the Combined Group's flexibility in conducting its business, managing its debt and equity and defining its distribution policy, and could have a significant negative impact on the Combined Group's business, results of operations, financial condition and/or prospects.

4.4.8 Export Licences

The Combined Group may not obtain the necessary export licences for the export of equipment and technology.

Satellite, launch integration and ground station equipment, know-how and related technology are controlled under export control regulations including the International Traffic in Arms Regulations and export control by governmental departments, including, but not limited to, the US Department of Commerce, the French Export Control Agency and the UK Export Control Joint Unit. Pursuant to such export control regulations, the Combined Group, or its suppliers, must obtain export licences from the relevant governmental department or agency in order to export satellite, ground station and user terminal equipment and related technology, exchange certain types of technical information or hire international

persons for certain technical roles. Export licences can take months to be processed and government departments or agencies are not obligated to approve any licence application. OneWeb is also dependent in part, upon controlled American and British technology to provide its services. Violation of American or British export controls could therefore expose OneWeb to civil or criminal penalties, debarment from providing services to American or British governments, or the denial of export licences. OneWeb's, the Combined Group's or its suppliers' inability to get required export approvals for equipment and technology could have a significant negative impact on OneWeb's and the Combined Group's businesses, results of operations, financial condition and/or prospects.

4.4.9 Taxation risks for the Combined Group

Applicable tax laws and regulations, and the cost of compliance with existing or new tax laws and regulations, may have significant negative impacts on the Combined Group's business, results of operations, financial condition and/or prospects.

The tax laws of various jurisdictions to which the Combined Group will be subject are complex and their application can be subject to diverging and sometimes conflicting interpretations by taxpayers, tax advisers and tax authorities, and judgement is often required in determining the Combined Group's provisions for tax liabilities.

The Combined Group could be subject to audit, enquiry or investigation by, or involved in a dispute with, a tax authority, as a result of which tax authorities may seek to assess additional taxes on the Combined Group and/or impose interest and penalties. Any successful challenge by a tax authority could result in additional tax, interest and/or penalties being payable and could increase the worldwide effective tax rates of the Combined Group.

Additionally, the tax laws, rules or regulations (including their interpretation by relevant authorities) in any jurisdictions where the Combined Group will operate, is tax resident or has a taxable presence such as a branch or permanent establishment (or in any other jurisdiction, such as where employees, executives, customers or suppliers are located) are complex and are subject to change. This includes the levels of taxation to which the Combined Group will be subject and the tax reliefs from which it will benefit.

The Combined Group's future effective tax rates, as well as the tax burden on the Combined Group's revenue, could have a significant negative impact on by changes in rules regarding tax presence in certain jurisdictions, changes in the ability to offset net operating losses against profits, and changes in the ability to capitalise investments.

Any of the risks identified above could have a significant negative impact on the business, financial condition, results of operations and prospects of the Combined Group.

4.5 Risks relating to the Combined Group's finances

4.5.1 Foreign exchange risk

A significant portion of the activities currently carried out by the Eutelsat Group and the OneWeb Group, and will be carried out by the Combined Group going forward, are outside of the Eurozone and as some of its principal suppliers and customers are located outside the Eurozone, the Combined Group will need to contend with the risk of fluctuations in foreign exchange rates could lead to an increase in the price of the Combined Group's capacity and services for non-Eurozone customers and in turn reduce demand from these customers.

Some of the revenues of the Eutelsat Group and the OneWeb Group are currently denominated in US dollars, which represented around 45% of revenues in the financial year ended on 30 June 2023 for the Eutelsat Group and 100% of revenues in the financial year ended 31 March 2023 for the OneWeb Group, without it being offset by an equivalent level of foreign currency expenditure. The Combined Group's revenues going forward will also be partly denominated in US dollars because some purchases of satellites and launch services may be denominated in U.S. dollars, and consequently will also be exposed to euro/U.S. dollar exchange rate risks.

The payment of U.S. dollars may be phased over time. As a result, fluctuations in exchange rates may have a negative impact on the Combined Group's results despite the implementation of a hedging policy, as the Eutelsat Group is not, and the Combined Group will not be, certain that it will be able to hedge its entire net exposure under

favourable conditions and/or beyond a one year horizon. Moreover, considering that development of the Combined Group's business outside the Eurozone is a key component of its business strategy, its exposure to exchange rate fluctuations could increase in the future.

Fluctuating exchange rates could lead to an increase in the price of the Combined Group's capacity and services for customers when they generate revenues in currencies other than the euro. These fluctuations could reduce demand from customers paying in currencies other than the euro.

Moreover, the clients of the Combined Group located in emerging countries may encounter difficulties in obtaining euros or U.S. dollars because of currency controls or may face a strong decrease of the euro equivalent of revenues generated in local currencies. This could significantly affect their ability to pay in euros or in U.S. dollars, thereby exposing the Combined Group to additional exchange rate risks. In particular, given the context of the Russian-Ukrainian crisis and its consequences on the parity between the euro and the ruble, on the potential difficulties for Russian customers to have access to euros, and on the fluidity of payment circuits, the Combined Group may have to renegotiate certain contracts in order to temporarily ease certain conditions, in compliance with sanction restrictions imposed on the relevant region, or may be confronted with difficulties on the part of customers to pay in euros.

4.5.2 Liquidity risk

Given the level of indebtedness, the Eutelsat Group's and, following Completion, the Combined Group's business requires significant capital expenditure and future expansion and development of its business and capital expenditure beyond the Combined Group's current committed capital expenditure in the medium or longer term could require further debt or equity financing.

As of 30 June 2023, the Combined Group's pro forma net debt was approximately 2,664.7 million euros (consisting of the Eutelsat Group's and the OneWeb Group's consolidated net debt of 2,765.7 million euros as of 30 June 2023 and (110.4) million dollars as of 31 March 2023 respectively), with gross debt of 3,363.8 million euros (consisting of the Eutelsat Group's and the OneWeb Group's gross debt of 3,247.8 million euros as of 30 June 2023 and 116 million dollars as of 31 March 2023 respectively) and cash of 708 million euros (consisting of the Eutelsat Group's and the OneWeb Group's cash of 482.2 million euros as of 30 June 2023 and 226.4 million dollars as of 31 March 2023 respectively). Gross debt includes all bank debt, bonds and all liabilities from lease agreements and structured debt as well as the Forex portion of the cross-currency swap, and is not audited.

As of 30 June 2023, the Eutelsat Group's main debt maturities of drawn facilities and bonds consist of: (i) 128 million euros with maturity dates in June 2024; (ii) 50 million euros with maturity dates in

June 2025; (iii) 800 million euros with maturity date in October 2025; (iv) 75 million euros with maturity dates in June 2026; (v) 400 million euros with maturity date in June 2027; (vi) 600 million euros with maturity date in July 2027; (vii) 600 million euros with maturity date in October 2028; and (viii) 200 million euros with maturity date in December 2028.

The Combined Group's ability to generate cash flow will depend on economic, financial, competitive, legal, regulatory, commercial and other factors, which are outside its control and which will determine its future performance. Given its level of indebtedness, if the Combined Group's operating cash flow is not sufficient, it could be forced to postpone or reduce investments, sell assets, relinquish commercial opportunities or opportunities for external growth (including acquisitions), thereby limiting its operational flexibility. If the Combined Group determines it needs to obtain additional funds through external financing and is unable to do so, it may be prevented from fully implementing its business strategy, including deferring or reducing capital expenditures on OneWeb's LEO GEN 1 and LEO GEN 2 satellites. Moreover, if the Combined Group were not able to meet its debt-related obligations, it could be forced to refinance or restructure its debt under less favourable terms or may have difficulty refinancing itself. See also paragraph 4.5.4 "Debt rating and fundraising risks" below. Such a situation could have a significant adverse impact on its businesses, results of operations, financial condition and/or prospects.

4.5.3 Interest rate risk

Given the currently financial structure of each of the Eutelsat Group and the OneWeb's Group, the Combined Group's bank debt and structured debt will remain at variable rates, so that a significant increase in interest rates could result in an immediate increase in the Combined Group's financial expense. In addition, as the Combined Group's main fixed-rate maturities are to be refinanced and taking

into account an average maturity of the Combined Group's debt of 3.6 years, an increase in interest rates would also result in a gradual increase in interest expense. Thus, a substantial increase in interest rates could have a significant negative impact on its business, results of operations, financial condition and/or prospects.

4.5.4 Debt rating and fundraising risks

A change in the Eutelsat Group's debt rating could affect the cost and terms of its debt as well as its ability to raise financing.

The Eutelsat Group's debt instruments are rated by independent rating agencies, with the following solicited ratings:

- ▶ Standard & Poor's (with Eutelsat's debt rated BB+/Credit Watch Negative and Eutelsat S.A.'s debt rated BBB-/Credit Watch Negative) as of 30 June 2023; and
- ▶ Fitch Ratings (with Eutelsat S.A.'s debt rated BBB-/Rating Watch Negative) as of 27 July 2023.

These ratings affect the cost and terms of the future Combined Group's credit facilities going forward. Any future rating downgrades,

should they occur, could affect the future Combined Group's ability to obtain financing and the terms associated with that financing.

Neither the Eutelsat Group nor the Combined Group going forward can guarantee that it will be able to take measures enabling it to improve or maintain its ratings, nor that agencies will regard such measures as sufficient. Additionally, factors beyond the Combined Group's control, such as those related to its industry segment or the geographical areas in which it operates, may affect its credit ratings. Consequently, neither the Eutelsat Group nor the Combined Group going forward can guarantee that its debt rating will not be downgraded in the future, which could have a significant negative impact on its business, results of operations, financial condition and/or prospects.

4.5.5 Impairment

The Combined Group's net income and asset values could be adversely affected by impairments of the value of fixed assets, intangible assets and goodwill.

Due to the competitive market, there is a risk that revenues may fall short of the Combined Group's projections, resulting in lower or delayed cash generation. This may lead to an impairment in the value of fixed assets and intangible assets carried in the balance sheet if the recoverable value (being the higher of the fair value net of disposal costs and the value in use as determined by the present value of future cash flows) is lower than the current book values. Eutelsat assesses: (i) its goodwill and intangible assets with indefinite useful life annually for impairment or more frequently when an even occurs with a potential loss in value; and (ii) tangible fixed assets and intangible assets with finite useful lives, an impairment test is performed when there is an external or internal indication of loss in value. On the basis of discounted cash flow forecasts, it appraises the recoverable amount of tangible assets, or if it is not possible to estimate the recoverable value of a particular asset, it determines the recoverable amount of the cash generating unit associated with the asset. OneWeb assesses goodwill, spectrum rights and licences annually for impairment by reviewing the carrying amount against the recoverable amount of the asset. Other assets are reviewed at

each reporting date to determine whether an indication of impairment exists. OneWeb's operating loss for the year ended 31 March 2022 increased by 631% compared to the previous year (increasing by \$367.6 million to \$425.9 million for the year ended 31 March 2022 from \$58.3 million for the period 25 March 2020 to 31 March 2021) after the impact of an impairment arising from the postponement of a planned launch in March due to Russia's invasion of Ukraine, the associated postponement of subsequent scheduled launches, the loss of satellites not returned to OneWeb and the impairment of a portion of OneWeb's prepaid launch insurance (see paragraph 4.3.1 "geopolitical and macroeconomic factors" above).

Quantitative testing for impairment incorporates a significant degree of judgement by management to determine the assumptions used in the impairment analysis. Any changes in the assumptions used could have a material impact on the impairment analysis and result in an impairment charge. Neither the Eutelsat Group nor the Combined Group can predict whether an event that triggers impairment will occur, when it will occur or how it will affect the reported asset values. If the Combined Group's fixed assets, goodwill or other intangible assets are deemed to be impaired in whole or in part, this could have a significant negative impact on the Combined Group's business, results of operations, financial condition and/or prospects.

4.5.6 Financial risks relating to pension funds

Eutelsat S.A., the Eutelsat Group's main operating subsidiary, could be subject to new financing requests regarding the financial guarantee it provides to the IGO Closed Pension Fund.

Before Eutelsat S.A. was set up and prior to the transfer by IGO of its operating activities, the rights of the Closed Pension Fund's beneficiaries were fixed and management of the fund and the corresponding assets were assigned to a trust, which was also charged with managing the associated pension liabilities. Pursuant to the transfer agreement dated 2 July 2001, Eutelsat S.A. took over the unlimited financial guarantee given by the IGO to cover any financing shortfall in the Closed Pension Fund. During financial year ended on 30 June 2017, the financial guarantee was called for an amount of €35.9 million. This amount was evaluated on the basis of the projections of the trust, taking into account future market evolutions. In March 2017, an agreement was reached with the trust for nine annual payments of 4.0 million euros, spread between 30 June 2017 and 30 June 2025. During financial year ended on 30 June 2021, a new agreement replacing the previous one was signed with the pension fund, bringing the total amount of payments due to the fund as of 30 June 2021 to 38 million euros, with a schedule running until 30 June 2029. These sums could vary depending on the future financial positions established annually.

Changes in the financial position of the Closed Pension Fund result in the recognition of a balance sheet provision to cover the difference between the payment obligations and the fair value of the fund's assets of the Eutelsat Group, and the Combined Group going forward. This difference is influenced by changes in the actuarial assumptions reviewed at each balance sheet date by an actuarial expert (discount rate, assets' yield rate, rate of increase in pensions, estimated life expectancy) which means that a significant change in one or more of these variables could result in a call on the unlimited financial guarantee (which is at the fund's discretion) granted by Eutelsat S.A. to the fund after agreements signed in financial year 2016-17 and 2020-21, and, if necessary, in the adoption of a new agreement involving additional payments by Eutelsat S.A. As of 30 June 2023, the

defined benefit obligation of the trust's pension liabilities amounted to 139 million euros in Eutelsat's consolidated financial statements, and the fair value of its assets was 123 million euros.

The calculation of total pension liabilities is based on actuarial assumptions including the discount rate, the long-term yield on assets invested, and the estimated life expectancy of the Closed Pension Fund's beneficiaries. The estimated net defined obligation may be higher or lower depending on the scenario applied. Accordingly, as of 30 June 2023, a 25 bps decrease in the discount rate would have therefore resulted in an increase of 4.4 million euros in the provision.

Furthermore, in accordance with the agreements governing the Closed Pension Fund, the trust's administrators have the power to liquidate the Closed Pension Fund if certain events should occur, including if they deem that the Closed Pension Fund cannot continue to be managed effectively. In the event that administrators of the trust liquidate the Closed Pension Fund, they would appoint an actuary to determine any shortfall between the value of the Closed Pension Fund's assets compared to its liabilities, and the Combined Group would be compelled to pay the difference, which could be substantial.

Neither the Eutelsat Group nor the Combined Group going forward can predict with great certainty the amount it might have to pay if the guarantee were enforced after Completion. Any financing shortfall in the Closed Pension Fund could generate new obligations for the Combined Group pursuant to the financial guarantee. While any such new obligations for the Combined Group are expected to be covered by the working capital available to the Combined Group for the next 12 months following the date of this Prospectus, it could divert the funding required for the Combined Group's business and the significant capital expenditure required for its future expansion and development in the medium and longer term, and it may need to seek further debt or equity financing. This could have a significant negative impact on the Combined Group's businesses, results of operations, financial condition and/or prospects.

4.6 Risks relating to Completion of the Combination

4.6.1 Acquisition risks

Eutelsat may be unable to verify the accuracy, reliability or completeness of all information it has received regarding OneWeb and the Combination and the Framework Agreement may not adequately compensate Eutelsat for losses attributable to breaches of warranties made by OneWeb in the Framework Agreement.

The Eutelsat Group has conducted due diligence investigations in connection with the Combination. As part of this, Eutelsat has relied on the information provided by OneWeb as well as on the due diligence investigations conducted by its employees and its advisers. Furthermore, a few Eutelsat Group officers have been directors on the board of OneWeb since 2021. To the extent that any investigation by the Eutelsat Group's employees or advisers, or that any information provided to it, is incomplete, incorrect, inaccurate or misleading, the actual performance of the Combined Group may be different from what was expected, which may have a significant negative impact on the Combined Group's financial position and performance.

Additionally, it is possible that the investigation or analysis the Eutelsat Group or its employees or advisers have undertaken in connection with the Combination have resulted in conclusions and forecasts which are inaccurate, or which are not realised in due course, whether because any information provided to it is incomplete, incorrect, inaccurate or misleading or due to flawed methodology, misinterpretation of economic circumstances, tax

treatment or otherwise. To the extent that the actual results achieved by the Combination are different than those anticipated by Eutelsat's Group's analysis, there may be a significant negative impact on the Combined Group's financial position and performance. Further, given that OneWeb Shares are not publicly listed or priced, its value is difficult to determine. There is also no assurance that the due diligence conducted was conclusive, and that all material issues and risks in respect of the Combination have been identified and avoided or managed appropriately. Therefore, there is a risk that one or more issues may arise which may have a material impact on the Combined Group that were not identified through due diligence or for which there is no contractual protection for Eutelsat. This could have a significant negative impact on the business, results of operations, financial condition and/or prospects of the Combined Group.

Whilst the risks relating to Eutelsat's due diligence investigations in connection with the Combination are not expected to impact the working capital available to the Combined Group for the Combined Group's present requirements, that is, for at least the next 12 months following the date of this Prospectus, the Combined Group's business may still require further debt or equity financing to fund significant capital expenditure for its future expansion and development in the medium and longer term.

4.6.2 Dilution of Eutelsat Shareholders

After Completion, Existing Eutelsat Shareholders will have significantly lower ownership and voting interests in Eutelsat than they currently have and therefore will exercise less control over management.

As part of the Combination, Eutelsat will issue a significant number of New Eutelsat Shares as the Consideration Shares which represent approximately 47.6% of the Eutelsat share capital (including 356,061 treasury shares). Immediately after Completion, it is expected that (based on the number of Eutelsat Shares outstanding on 4 September and assuming that: (i) no OneWeb Options are exercised and converted into OneWeb A Ordinary Shares; (ii) no other additional Eutelsat Shares are issued between the Last Practicable Date and Completion; and (iii) no further declaration of Eutelsat dividends with an option to receive the dividend in shares of Eutelsat will occur prior to Completion), Existing Eutelsat Shareholders will own 52.4% of the share capital (including 356,061 treasury shares) in the Combined Group and OneWeb Shareholders will own 47.6% of the share capital (including 356,061 treasury shares) in the Combined Group (based on the number of Eutelsat Shares outstanding on 4 September and the issue of 226,252,053

New Eutelsat Shares). Existing Eutelsat Shareholders (other than the Contributors) will experience dilution of their ownership of the share capital and voting rights of Eutelsat as a result of the issuance of the New Eutelsat Shares and the Combination and will therefore have less influence over Eutelsat's management.

As an indication, a shareholder holding 1% of Eutelsat's share capital prior to Completion would see its shareholding decrease to 0.524% on a non-diluted basis (and 0.519% on a diluted basis) after Completion.

In addition, following Completion, the Bharti group would become the Company's largest shareholder with 21.24% of the share capital and voting rights, 18.51% of which is held by Bharti as a result of the Combination and 2.73% are held by Bharti Global, which would give it significant influence over the direction of decisions taken at Eutelsat's general meetings.

Following Completion, the Eutelsat Board will be composed of 15 directors, including two directors appointed upon the proposal of Bharti, one of whom will be appointed Vice-Chairman of the Eutelsat Board.

4.6.3 Change of control or material transaction

Completion of the Combination may trigger change of control or other provisions in certain agreements to which Eutelsat, OneWeb and/or their subsidiaries are parties. If consents or waivers under the agreements are not obtained or granted, this may have a significant negative impact on the Combination or the Combined Group.

Certain contracts to which Eutelsat, OneWeb and/or their respective subsidiaries are party (including contracts with customers, lenders and joint venture partners) contain change of control or deemed assignment provisions that could be triggered by the Combination (including by entry into the Framework Agreement, Completion, or other events in connection with the Combination). If any third party

right of that type is triggered, it may allow the counterparty to review, adversely modify, exercise rights under or terminate the relevant contract. This may result in Eutelsat, OneWeb and/or their subsidiaries being obliged to pay termination fees or other fees or costs associated with the change of control or deemed assignment provision. If a counterparty were to do any of the foregoing, this may have a significant negative impact on the Combined Group, which may be material. Agreements where such change of control provisions exist relating to OneWeb include the joint venture agreement relating to Airbus OneWeb Satellites LLC (an entity which OneWeb has 50% interests in), the supplier agreement between British Telecommunication plc and NAA.

4.6.4 Business restrictions

Between the date of the MoU and Completion, Eutelsat, OneWeb and their respective subsidiaries' businesses are subject to restrictions on their business activities. These restrictions could adversely impact the Combined Group, or adversely impact the Eutelsat Group if the Combination does not proceed to Completion.

The Framework Agreement subject Eutelsat and OneWeb to certain customary restrictions on their respective business activities during the period between the date of the MoU and the earlier of Completion and termination of the Framework Agreement. For example, the Framework Agreement restrict any acquisitions or disposals of business, assets or property with an aggregate book or

market value greater than \$75,000,000 with respect to OneWeb or Eutelsat (as applicable) or any act or omission which may have material tax consequences for the Eutelsat Group or the OneWeb Group (as applicable).

These restrictions could prevent Eutelsat Group and OneWeb from pursuing certain business opportunities that arise during the period between the date of the MoU and the earlier of Completion and termination of the Framework Agreement and could therefore adversely impact the Combined Group. Alternatively, if the Combination does not proceed to Completion, the business and the future prospects of Eutelsat Group and OneWeb could be adversely impacted.

4.6.5 Tax consequences for Eutelsat Shareholders

If the Combination is implemented, there may be adverse tax consequences for investors.

The taxation of an investment in Eutelsat Shares depends on the individual circumstances of each investor and the tax impact may be different than expected. Investors should seek their own professional advice regarding the individual taxation consequences of the Combination.

On 14 February 2014, the European Commission published a proposal for the EU FTT to be implemented under the enhanced cooperation procedure by Belgium, Germany, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (save for Estonia, the "Participating Member States").

If introduced in its current draft form, the EU FTT could apply under certain circumstances to some transactions involving the Eutelsat

Shares and to persons both established within and outside the Participating Member States. At this stage, Participating Member States agreed to continue negotiating on a new proposal based on the French model which would only concern shares of listed companies whose head office is in a Member State of the European Union. Such proposal is still subject to change, so the scope of tax under the EU FTT, if and when implemented, is uncertain. The timing of its implementation also remains unclear. Additional EU member states may decide to participate and certain of the Participating Member States may decide to withdraw.

The French FTT and/or the proposed EU FTT or any similar taxes, if adopted, may increase the transactional costs related to purchases and sales of the Eutelsat Shares and may reduce their liquidity on the market.

4.6.6 Standalone accounting policies and methods

Eutelsat and OneWeb have particular accounting policies and methods and the integration of these accounting functions may lead to revisions which impact the Combined Group's reported results of operations and/or financial position and performance.

Eutelsat and OneWeb, as standalone entities, have particular accounting policies and methods which are fundamental to how they record and report their financial position and results of operations. Eutelsat and OneWeb may have exercised judgement in

selecting accounting policies or methods, which might have been reasonable in the circumstances yet might have resulted in reporting materially different outcomes than would have been reported under the other company's policies and methods. The integration of Eutelsat's and OneWeb's accounting functions may lead to revisions of these accounting policies, which may adversely impact the Combined Group's reported results of operations and/or financial position and performance.

4.6.7 Implications for Eutelsat if the Combination is not implemented

Failure to implement the Combination could significant negative impact the price of the Eutelsat Shares and the future business and financial results of Eutelsat, and Eutelsat may not realise the anticipated cost savings, synergies and other benefits that Eutelsat expects to achieve from the Combination.

If the Combination is not implemented:

- ▶ the anticipated cost savings, synergies and other benefits that Eutelsat expects to achieve from the Combination will not be realised, which may have a significant negative impact on Eutelsat's operational and financial performance and the market price of Eutelsat Shares;
- ▶ Eutelsat would have expended considerable time and resources in preparing for the Combination that it could otherwise have been dedicated to other transactions or business opportunities which Eutelsat could have benefitted; and

- ▶ there may be negative reactions from Eutelsat's external stakeholders such as customers, regulatory authorities and employees, which could result in reputational damage to Eutelsat and OneWeb.

Eutelsat estimates that it will incur transaction and integration costs in connection with the Combination, regardless of whether or not the Combination is implemented. This may have a significant negative impact on Eutelsat's capital and operating expenditure, which in turn may have a significant negative impact on its business, results of operations, financial condition and/or prospects.

If the Combination is not implemented, Eutelsat Shareholders will continue to be exposed to the various risk factors that currently apply to an investment in Eutelsat.

4.6.8 Completion is subject to Eutelsat Shareholder Approval

Completion of the Combination is subject to Eutelsat Shareholder Approval and if this Condition is not satisfied, Completion may be delayed or the Combination may not be implemented

Completion of the Combination is subject to Eutelsat Shareholder Approval. There can be no certainty, nor can Eutelsat provide any assurance or guarantee, that this Condition will be satisfied.

The decision of the Eutelsat Shareholders whether to approve the Eutelsat Shareholder Resolutions at the Eutelsat Shareholders' Meeting is based on a number of different factors which are outside the control of Eutelsat.

If, for any reason, such Condition is not satisfied and the Combination is not implemented, there may be adverse consequences for Eutelsat and Eutelsat Shareholders. These include

that: (i) the trading price of Eutelsat Shares may be affected; (ii) negative reactions may be received from the Eutelsat Group's stakeholders such as customers, regulatory authorities and employees, or otherwise; (iii) the anticipated cost savings, synergies and other benefits that Eutelsat expects to achieve from the Combination will not be realised; and (iv) the Eutelsat management has dedicated time and significant resources on matters relating to the Combination that could otherwise have been dedicated to day-to-day activities and other opportunities from which Eutelsat could have benefited, which may have a significant negative impact on Eutelsat's operational and financial performance and the market price of Eutelsat Shares.

4.7 Risks relating to the ownership of Eutelsat Shares

4.7.1 Significant sale of Eutelsat Shares

Risks relating to the sale of a significant number of Eutelsat Shares after expiry of the lock-up period of six months following Completion under the Eutelsat Shareholders' Agreement.

Pursuant to the Eutelsat Shareholders' Agreement, the Contributors, BPI and FSP, who will be major shareholders of the Eutelsat Group following Completion of the Combination, are restricted from trading their Eutelsat Shares over a lockup period of six months following Completion, subject to certain exceptions. Upon expiration of the

lockup period or in the event that the Eutelsat Group releases any of them from the lockup, the Contributors, BPI and FSP, will be free to sell, or otherwise dispose of, all or part of their Eutelsat Shares which could have a significant negative impact on the Eutelsat Share market price. The significant increase in the supply of Eutelsat Shares on the market and the market's perception associated with this may decrease the price of Eutelsat Shares and the value that Eutelsat Shareholders hold.

4.7.2 Share volatility

The market price of Eutelsat Shares may be volatile, and an active trading market may not develop or be sustained in the future in the United Kingdom. Substantial future sales of the Eutelsat Shares, or

the perception that such sales might occur, or additional offerings of Eutelsat Shares could depress the market price of Eutelsat Shares.

4.7.3 Maintenance of multiple exchange listings

Liquidity in the market for Eutelsat securities may be adversely affected by Eutelsat's maintenance of two exchange listings.

Eutelsat will apply for the Eutelsat Shares to be admitted to the standard listing segment of the Official List and to trading on the LSE's Main Market for listed securities. Following Completion, Eutelsat

intends to continue to list the Eutelsat Shares on Euronext Paris, with a secondary standard listing on the LSE. Eutelsat cannot accurately predict the effect of having its securities traded or listed on each of these markets. The secondary listing may, however, reduce the liquidity of Eutelsat's securities in one or more markets.

4.7.4 Dividends on Eutelsat Shares

Eutelsat is a holding company that depends on its subsidiaries for the resources required to pay dividends. The ability of its subsidiaries to make distributions may be subject to certain constraints.

Eutelsat is a holding company that has only limited capacity to generate revenues, and it therefore depends on its subsidiaries for

the resources required for any payment of dividends or any other form of distribution to its shareholders.

Eutelsat will temporarily suspend its dividend in respect of the results of the financial years 2022-2023, 2023-2024 and 2024-2025.

4.7.5 Enforceability of foreign proceedings

The ability of foreign shareholders to bring actions or enforce judgments against Eutelsat or the Eutelsat Directors may be limited.

Eutelsat is a limited company (*société anonyme*) incorporated in France and the rights attached to the Eutelsat Shares are governed by French law and the Eutelsat Articles. These rights may differ from the rights of shareholders in other jurisdictions, including the United Kingdom. Consequently, it may not be possible to effect service of process upon the Eutelsat Directors within a foreign shareholder's country of residence or to enforce judgments of courts of the foreign shareholder's country of residence, based on civil or commercial liabilities under that country's securities laws, against the Eutelsat

Directors, the majority of whom are residents of France. In addition, courts in France or other courts may not impose civil liability on the Eutelsat Directors in any original action based solely on foreign securities laws brought against Eutelsat or the Eutelsat Directors in a court of competent jurisdiction in France or other countries.

As the rights and obligations of Eutelsat's shareholders are regulated by French law, Eutelsat Shareholders must follow French legal requirements in order to exercise their rights, in particular the resolutions of the shareholders in general meetings may be passed with majorities different from the majorities required for the adoption of equivalent resolutions under English law or other laws.

4.7.6 Standard Listing

Eutelsat is applying for a standard listing and, accordingly, it will not be required to comply with those protections applicable to a Premium Listing.

Eutelsat is seeking a standard listing and, as a consequence, additional on-going requirements and protections applicable to a Premium Listing will not apply to Eutelsat. In particular, the provisions

of Chapters 6 to 13 of the FCA Listing Rules (other than Listing Rule 7.2.1), being additional requirements for a Premium Listing of equity securities (Premium Listing principles, sponsors, continuing obligations, significant transactions, related party transactions, dealing in own securities and treasury shares and contents of circulars), will not apply. In addition, a standard listing will not permit Eutelsat to gain UK FTSE indexation.

4.7.7 Position on a winding-up

If Eutelsat is wound up, distributions to Shareholders will be subordinated to the claims of creditors.

On a winding-up of Eutelsat, holders of the Eutelsat Shares will be entitled to be paid a distribution out of the assets of Eutelsat available to Shareholders only after the claims of all creditors of Eutelsat have been met.

4.7.8 Suspension of trading

Trading in the Eutelsat Shares may be suspended.

Eutelsat Shares are currently traded on Euronext Paris. In certain circumstances the AMF has and the LSE will have, following Admission, the right to suspend trading in the Eutelsat Shares. If the Eutelsat Shares are suspended from trading, the holders of Eutelsat Shares may be unable to dispose of their Shares on the LSE or Euronext Paris (as the case may be).

The AMF also retains a general discretion to suspend trading in the Eutelsat Shares when an exception event disrupts the regular operation of a trading platform.

In particular, Euronext Paris may temporarily suspend the Eutelsat Shares from trading on Euronext Paris in the event of:

- ▶ violation by Eutelsat of the Euronext Paris rules;

- ▶ Eutelsat suspending payment or calling a meeting of its creditors;
- ▶ Eutelsat having a receiving order or a bankruptcy order made against it; or
- ▶ insolvency (or other similar event), or winding-up occurring in respect of Eutelsat.

The FCA may suspend the Eutelsat Shares from trading on the LSE if it determines that the smooth operation of the market is or may be temporarily jeopardised or that it is necessary to protect investors.

Eutelsat believes that as at the date of this Prospectus there are no circumstances which could provide grounds for the halting or suspending of the Eutelsat Shares from the LSE or Euronext Paris for the foreseeable future. However, there can be no assurance that any such circumstances will not arise in relation to the Eutelsat Shares in the future.

4.7.9 Delisting

Eutelsat may be delisted from the LSE or Euronext Paris.

In certain circumstances, the Eutelsat Shares may be delisted from the LSE or Euronext Paris. Delisting could have a significant negative impact on the liquidity of the Eutelsat Shares and on investors' ability to sell the Eutelsat Shares at a satisfactory price.

Eutelsat believes that as at the date of this Prospectus there are no circumstances which could provide grounds for the removal of Eutelsat from Euronext Paris or the delisting the Eutelsat Shares from the LSE in the foreseeable future. However, there can be no assurance that any such circumstances will not arise in relation to the Eutelsat Shares in the future.

The FCA may cancel the listing of the Eutelsat Shares on the LSE if satisfied that there are special circumstances precluding the normal and regular dealings in the Eutelsat Shares.

The listing of the Eutelsat Shares on the LSE may also be cancelled at the request of Eutelsat, subject to Eutelsat giving notice of at least 20 Business Days in England of the proposed cancellation of the listing. As Eutelsat is seeking a Standard Listing, it would not be required by the FCA Listing Rules to seek shareholder approval in order to effect a cancellation of its LSE listing.

4.8 Internal control procedures and risk management policy

Internal control is a Company process defined and implemented under the responsibility of the Audit Departments to ensure, at both the Company and the Group level:

- ▶ that there is compliance with legislation and regulations;
- ▶ that instructions and guidelines laid down by General Management are applied;
- ▶ that the Company's internal procedures function properly, particularly those that help to safeguard its assets;
- ▶ that the financial information is reliable,

while contributing to controlling its activities, the effectiveness of its operations and the efficient use of its resources.

The Company ensures that its internal control system complies with the AMF's Reference Terms. This report on the internal control and risk management procedures implemented by the Company is based on the implementation guidelines in the Reference Terms, supplemented by the application guidelines established by the *Autorité des marchés financiers* (AMF – French financial market regulator) as published in its recommendation dated 22 July 2010.

The risks identified in the internal control plan approved by the Audit Committee are specifically monitored by the Internal Control Department.

The main actions undertaken during the fiscal year include optimising the internal control process in relation to the main Group-wide systems, in particular through the continued implementation of tools for managing purchases, sales, cash, missions and expense reports according to a Group "core model".

In the description below, it is important to make a distinction between internal control procedures designed to ensure the security of the

Group's operating activities, namely procedures relating to the management of satellite risks and other Group risks, on the one hand, and internal control procedures relating to the handling of accounting and financial information (in compliance with the applicable regulations) concerning the business activity of the Company and its subsidiaries, on the other hand.

The Company's role is to provide financial and strategic management for the Eutelsat Group. The operating procedures described below are the procedures implemented at Eutelsat S.A. and its subsidiaries.

Risk management policy

Due to the very complex nature of the activities involved in operating and developing its satellite fleet, the Group's Senior Management has always been particularly attentive to risk management within the Group and to the measures taken to cover these risks. A risk manager was appointed in 2022. The Risk Manager, who is a senior manager of the Group, oversees the overall approach to operational risk management. He also has the support of internal control in the following steps:

- ▶ to identify potential new major risks likely to affect the Group's operations and activities;
- ▶ to update the assessment (impact and frequency) of the risks identified during the preceding fiscal year, assessing, in conjunction with the functions concerned, policies and processes in place to mitigate risks; and
- ▶ to assist the Group's Senior Management as well as the Audit Committee in developing a risk management policy consisting of all the envisaged measures to prevent and reduce risks, as well as of a business continuity plan.

4.8.1 Procedures relating to the satellite fleet and its operation

These procedures are designed to ensure the continuity of the communications service offered to our customers and end users.

Administration and control of the satellite system is the responsibility of the Technical Department, which is in charge of controlling the satellites and the quality of the signals, the satellites receive and broadcast.

These activities are carried out from the Company's control centres, which have backup facilities to overcome any operational unavailability or interruption affecting the centres. These centres are located in France and in Mexico depending on the satellite and the entity (Eutelsat S.A. or Eutelsat Americas) responsible for controlling and marketing the satellite. A centre for the control of signal quality was recently opened in Sao Paulo (Brazil) to assist customers in this country. The operational availability of the backup facilities is checked regularly.

These control centres are responsible for ensuring, in line with the recommendations and technical procedures applicable to the various satellites, that the satellites are protected, and that the signal's operational continuity is maintained to meet the requirements of the Group's customers.

Written operational procedures for the control centres, and the control centre responsible for the satellite fleet in particular, cover the various manoeuvres and configuration changes required in a nominal situation as well as in a crisis situation, or when a technical incident occurs. These procedures are reviewed and checked using satellite simulators by the staff responsible for controlling them and form part of the controllers' ongoing training.

Any incident affecting a satellite or one of the transmitted signals (e.g. a technical failure or signal interruption) is dealt with internally by the Operations Department according to escalation procedures. These procedures enable internal skilled staff to intervene immediately or call on the expertise of the satellite manufacturers if necessary. Any incidents that affect a satellite or the control system are logged and monitored under the authority of the manager responsible for satellite operations, so as to identify the causes of the incident and propose and implement the necessary corrective measures.

In addition, any material incident likely to affect the quality or continuity of the telecommunications service is:

- ▶ communicated to the Group's Senior Management;
- ▶ reviewed internally by Eutelsat S.A.'s Technical Department;
- ▶ where appropriate, reviewed by a panel of independent experts, depending on the nature of the relevant incidents;
- ▶ communicated to customers; and
- ▶ where appropriate, reported in a press release.

Back-up capacity and redundancy

As part of its management strategy, Eutelsat has developed a back-up and redundancy policy designed to reduce the risk of service interruptions, outages or failure to meet its contractual commitments.

The Group's satellites are designed with adequate redundancy to contend with potential equipment failures and to meet or exceed their theoretical operational life in-orbit. Significant on-board redundancy of equipment allows the Group to quickly replace any equipment damaged during the operational life of the satellite with minimal or no interruption of service, depending on the nature of the incident. Some of the satellites in the fleet are currently using this redundancy equipment.

Furthermore, the Group offers significant back-up capacity in certain key orbital locations. Back-up capacity is used to replace leased capacity in the event of an on-board fault or equipment failure on a satellite. It is often obtained by pooling capacity on several satellites located at nearby orbital positions and offering similar coverage and technical specifications. This enables the Group to provide continuity of service to customers, depending on the fill factors of the satellites concerned.

The Group has also signed leases guaranteeing continuity of service to some of its customers, by offering them capacity with guaranteed restoration of service using pre-defined capacity (generally on a neighbouring satellite). These leases generally attract a higher price. In the absence of an emergency or malfunction that requires back-up capacity, the Group is able to market this capacity subject to a clawback clause.

IT security and certification of satellite control systems and related services

The introduction of measures designed to improve the security of the satellite control information systems and associated services continued during the past year.

In 2011, the satellite control team obtained ISO 27001 certification for its information security management system for a period of three years, which was renewed in June 2014, June 2017 and in April 2020.

The certification covers:

- ▶ satellite control and operations, Launch and Early Orbit Phase Operations (LEOP);
- ▶ human resources and defining, developing, procuring, deploying, operating and maintaining the software, computer systems and networks that form part of the satellite ground control systems; and
- ▶ the security of stations for the operation of geostationary satellites.

In June 2013, the teleports teams in Rambouillet obtained information security certification (ISO 27001) for a period of three years, renewed in June 2016 and June 2019. The certification covers the activities and systems related to:

- ▶ the communication control centre;
- ▶ the management of the Rambouillet teleports;
- ▶ the implementation and supervision of managed services operations; and
- ▶ the security of all sites for monitoring the payload, the points of presence and the teleports.

In addition to the ISO 27001 certification, in June 2016 and renewed in June 2019, the Rambouillet teleports teams obtained Tier 4 certification – the highest – for a period of three years, in the context of the programme of certification delivered by the World Teleport Association (WTA). This teleports certification programme is aimed at both teleports operators and their customers. It is intended to be an objective, transparent and internationally-recognised methodology enabling an assessment to be made of the security and the quality of our teleports facilities, as well as the technology used and the operating procedures in place, via a rigorous evaluation of the elements relating to business continuity, transmission chains, satellite and terrestrial connectivity, security of persons and IT Systems (cyber security) and the network operations centre.

The operational teams of Eutelsat Americas obtained ISO 27001 certification in August 2016 for a period of three years and renewed in August 2019.

The certification covers the activities and systems related to:

- ▶ satellite control operations;
- ▶ the operation of the payload;
- ▶ monitoring of communications and of the ground segment.

The Skylogic Mediterraneo teams obtained the ISO 27001 certification in 2017 for a period of three years, which was renewed in March 2020.

The certification covers activities and systems relating to design, installation, supply and technical assistance activities for video and data connectivity services, and to the management of the Cagliari teleports.

The Skylogic teams obtained the ISO 27001 certification in 2017 for a period of three years, which was renewed in March 2020.

The certification covers activities and systems relating to design, installation, supply and technical assistance activities for video and data connectivity services on behalf of the Eutelsat Group.

ISO 9001 certification for the satellite control activities was obtained in 2005 and renewed four times: in June 2008, April 2011, May 2014, May 2017 and April 2020. Certification covers control and operation of the satellites, satellite launch and orbit operations and the satellite ground control system (definition, development, procurement, deployment, operation and maintenance).

ISO 9001 certification was also obtained in 2011 for the activities of the Rambouillet teleports, and this was renewed in May 2014, May 2017 and June 2020.

For the Paris-Rambouillet teleports, this certification covers activities relating to:

- ▶ the communication control centre;
- ▶ commercial services (management of data and television signals through teleports ground equipment); and
- ▶ radio frequency systems and Rambouillet teleports' technical infrastructures.

For the teleports activities of the subsidiary Skylogic (Turin, Italy) the ISO 9001 certification obtained in May 2014 and renewed in May 2017 and in March 2020 covers design, installation, supply and technical assistance activities on behalf of the Eutelsat Group for video and data connectivity services.

In June 2017, the teleports of the subsidiary Skylogic Mediterraneo (Cagliari, Italy) obtained ISO 9001 certification, which was renewed in March 2020. The certification covers design, installation, supply and technical assistance activities for video and data connectivity services.

Our subsidiary Eutelsat Americas also obtained ISO 9001 certification for all of its operational activities in November 2007 (satellite control and monitoring of the quality of signals received and relayed by satellites). This certification has been renewed in 2010, 2013, 2016 and 2019.

In March 2021, Eutelsat Group hired a Chief Information Security Officer (CISO).

Reporting to the Group Chief Technical Officer with a functional line to the Chief Security Officer, he leads all aspects of cybersecurity for the Group. He is responsible for developing and executing a comprehensive security programme to ensure the Company's assets and business processes are protected and that risks are assessed and treated at the right level. The CISO partners with the IT and satellite engineering teams to make sure that the programme is aligned with the business interests and best practices.

In May 2023, Eutelsat group hired a dedicated engineer for "IA-Pre program", a new programme establishing new cybersecurity requirements for commercial satellite communications providers working with the U.S. military, in order to develop sufficient procedures and be compliant with this new requirement.

Russia's war in Ukraine reaffirmed the need to heighten cybersecurity standards. As a consequence, Eutelsat Group is now committed in two major processes:

- ▶ France and Europe: Full compliance with ISO 27001, NIS2 and LPM ("Loi de programmation militaire");
- ▶ USA: NIST 800-53 and IA-Pre Program (see above).

Insurance

Launch-plus-one-year and In-Orbit Life Insurance

The Group has an insurance programme covering the phases of a satellite's lifespan, i.e. launch (the launch insurance policy also covers in-orbit acceptance testing and In-Orbit Life of the satellite until the anniversary date of the launch) and in-orbit (In-Orbit Life Insurance policy).

The Group's Launch-plus-one-year and In-Orbit Life Insurance policies include exclusions that are customary in space insurance.

4.8.2 Procedures for preventing and managing the Group's other operating risks

The Company's Business Continuity Plan

The continuity plan includes the following items:

- ▶ mapping of critical processes and their recovery objectives. This mapping is derived from an analysis of the impacts on business performance in various crisis scenarios;
- ▶ crisis management procedures (logistics, external and internal communication, decision-making processes);
- ▶ business procedures describing the tasks to be performed at the backup site;
- ▶ the backup IT System (applications, systems and network infrastructure, telecoms);
- ▶ procedures describing urgent action to be taken in the event of an incident; and
- ▶ the logistics required when the plan is triggered (backup user locations, plant rooms containing backup infrastructure).

The business continuity plan (BCP) aims to define the conditions for continuity of the commercial, financial, administrative and legal activities, as well as corporate communications, management of the IT Systems and Human Resources. The business continuity plan was updated during the current fiscal year.

Activities directly linked to managing the satellite fleet (particularly satellite and communications control centre activities) are not currently included as they are already covered by specific security procedures, as described in the previous paragraph devoted to this topic.

Information systems security

In carrying out its business, the Group is exposed to a certain number of operational risks and, more specifically, to risks that are likely to affect its business process. The IT Department is addressing the operating risks relating to the security of the Group's information systems, and this is reflected in the following activities:

- ▶ mapping risks relating to the security of IT Systems and assessing their impact on the Group's operations;
- ▶ introducing a policy and a set of standards to meet the Group's security requirements;
- ▶ drawing up and monitoring an action plan;
- ▶ assessing the protective measures that are in place in organisational and technical areas;
- ▶ detecting and reacting in the event of suspicious events or security incidents by implementing a SOC (Security Operating Center) in order to be able to supervise the complete activities on network, data, PC, servers, CERT-FR etc.;
- ▶ reinforcing our capacity to manage compliance and various solicitations of customers, security agencies, state, regulators.

IT department obtained end of last year the ISO 9001 certification which covers the following processes:

- ▶ Management;
- ▶ Project;
- ▶ Maintenance and evolution of application;
- ▶ Resource management;
- ▶ Customer feedbacks.

IT department launched the process of ISO 27001 certification with the objective to obtain it end of 2024. In the meantime, the IT department is also committed in IA-Pre program (see above).

Processing accounting and financial information

In addition to the internal control procedures inherent in its main business activity, the Group has developed significant control procedures for processing accounting and financial information, for both its operating subsidiaries and those that manage its equity interests. During the 2022-23 fiscal year, the Group has continued the implementation of a Group ERP and core model IT tools in each of its subsidiaries.

Monthly reports are also prepared under the supervision the Chief Financial Officer and presented to the Executive Committee. These reports take into account information on the various activities of the Group from the different operational departments of Eutelsat S.A. (Sales Department, Finance Department, Technical Department, Legal Affairs Department etc.) after reconciliation with appropriate accounting and legal documents.

Closing, consolidation and reporting procedures have not been specifically amended during this financial year. Eutelsat S.A.'s financial departments and those of its subsidiaries have duly complied with these procedures.

Preparing the consolidated financial statements

At the end of each month, the financial data from each subsidiary is reviewed by the Consolidation Manager to verify, in particular, that the accounting principles and methods currently in force within the Group are being correctly applied. These accounting principles and methods are set out in the consolidation manual drawn up and distributed within the Group during the year. This manual is updated when necessary. In addition, the Consolidation Manager issues specific instructions to the subsidiaries before the end of each closure of the accounts, including a detailed timetable and a list of the various actions to be taken. In addition, the increased formalisation of the process for drawing up consolidated accounts on the basis of information provided by the subsidiaries ensures that the entire corporate perimeter is covered.

The closing process has been strengthened within the Group's subsidiaries. The half-yearly financial and accounting performance letters were extended over the sales scope and are signed by the RVPs every quarter. This ensures that accounting and financial management is aware of any business commitments.

In addition, each time the accounts are closed (for the half-year and the full-year), the Audit Committee meets to examine and approve the financial statements in the presence of the Company's Statutory Auditors.

Following application by the Company of accounting principles and procedures embedded in the consolidation tool data entry manual, the Statutory Auditors present the conclusions of their work to the Audit Committee and then to the Board. This process aims to ensure accounts approved by the Board of Directors give a reliable and accurate picture of the financial position and business activity of the Company and the Group.

In furtherance of Management responsibility and financial data control for all companies in the Group, the Company uses a consolidation and reporting system guaranteeing:

- ▶ a single source for information used in the legal consolidation and reporting process, managed in a shared database; and
- ▶ that legal data is entered by the various senior managers in the companies comprising the Group and stored in the system.

The information used for consolidation is confirmed by the legal managers in the subsidiaries using representation letters.

Process for managing published financial information

Only duly authorised persons may communicate financial information to the market. In addition to the Chief Executive Officer, these include the Group Chief Finance Officer and other members of the Executive Committee; staff of the Financial Communications & Investor Relations Department; and the Corporate Communications Division.

Procedures have been introduced to inform relevant employees regarding regulatory requirements in terms of insider information and negative windows. Employees who, by virtue of their positions, have access to insider information, are informed before each negative window of the obligation to refrain from any trade in the Eutelsat share as well as all confidentiality obligations.

The Financial Communications & Investor Relations Department distributes and communicates financial information about the Eutelsat group and its strategy through, for example:

- ▶ the Universal Registration Document, half-yearly financial reports and quarterly financial information;
- ▶ financial press releases;
- ▶ presentations to financial analysts and investors.

Press releases and reports including financial information are approved by the Audit Committee and the Board of Directors. Barring exceptional circumstances, they are published outside the opening hours of the Paris Stock Exchange.

Each issue on which Eutelsat publishes information is accompanied by discussion and analysis that is approved by the Executive Management and updated regularly, providing robust support in the Group's relations with market players.

To guarantee investors equal access to information, all published financial information materials are made available in French and in English and distributed through the following channels:

- ▶ information intended for the general public is posted online (or sent by post on demand) on the corporate website at www.eutelsat.com/en immediately upon publication;
- ▶ regulated information is disseminated in accordance with the European Transparency Directive via a primary information provider;
- ▶ analyst meetings are accessible in full without restriction via live or catch-up webcast or via conference call;

- ▶ foreign visits and discussions with market players are usually conducted by two representatives from Eutelsat, to ensure that the information provided is accurate and to guarantee equal access to that information. Any documents presented on such occasions are posted immediately on the corporate website at www.eutelsat.com/en.

Insurance

In-orbit third-party liability insurance – Spacecraft third-party liability policy

The Group subscribes to an insurance policy covering civil responsibility for spacecraft, renewed on an annual basis, and which covers potential damage caused to third parties by the Company in its capacity as a satellite operator.

Other insurance policies

The Group has taken out several third-party liability insurances policies, including one covering its Corporate Officers, Directors and senior managers, as well as the senior managers of its subsidiaries, in the performance of their duties.

In addition, the Group has notably a standard insurance policy against all risks of damage or loss for on-ground telecommunications equipment, various assistance policies for its employees and visitors and an insurance policy covering employees' travel.

Delegation of signing authority and delegation of powers

In principle, all contracts and documents embodying a commitment by the Company are submitted for signature by the Chief Executive Officer. However, in a number of specific cases, such as managing contracts with suppliers involving small amounts (lower than 300,000 euros), the Chief Executive Officer has authorised certain people in the Group to delegate signing authority. These delegations are established by the Legal Affairs Department, which monitors them. The CEO is authorised to sign all commitments without limitation of the amount or nature, subject to the provisions laid down by the law and the Internal rules of the Company's Board of Directors.

Managing and monitoring the Group's supplier contracts

As with the Group's other contracts, preparing, negotiating and monitoring the Company's supplier contracts and financing contracts is carried out by Eutelsat S.A. under the service agreement between the Company and Eutelsat S.A. Accordingly, before they are signed, supplier contracts are examined using a procedure that requires endorsement from the relevant Managers, followed by formal approval from the Chief Executive Officer, or the Managers to whom the Chief Executive Officer has delegated signing authority.

Procurement procedures

Procedures have been put in place to guarantee that any commitment to order goods or services is preceded by a duly authorised purchase requisition.

The following authorisation procedure must precede all purchases:

- approval by Senior Management of a procurement budget per project/activity as part of the Annual Budget approved by the Board of Directors; and
- validation by Management of the Department which made the purchase request (as well as by General Management beyond a predetermined amount).

Invoices received are compared with the appropriate items delivered and/or the appropriate services provided subsequent to the relevant contract or order being submitted.

Invoice payment is subject to the agreement of the various services involved in the procurement process, in compliance with the internal control principles relating to the rules regarding the separation of roles.

All payments are predicated on the principle that two signatures are required. If certain pre-determined amounts are exceeded, the signature of the Chief Executive Officer is also required.

It should be noted that procurement contracts for satellites and launchers are approved beforehand by the Board of Directors as part of its review of the Group's business and investment decisions. Contracts for these programmes are governed by a specific procedure (technical, legal and financial) before being signed by the Chief Executive Officer of Eutelsat S.A.

Addressing the risk of non-compliance

During the fiscal year, the Group has continued to strengthen its anticorruption and influence peddling programme designed to prevent and detect acts of corruption within the Group, notably by:

- updating the Whistleblowing policy and the online reporting tool, to ensure its compliance with the Wasserman law, enabling anonymous whistleblowing reports;
- strengthening the internal compliance network in charge of developing the compliance culture locally, monitoring the effectiveness of the Group's processes and reporting on any vulnerabilities detected;
- continuing the actions undertaken as part of the implementation of the measures prescribed by the Sapin II Act, in accordance with the latest recommendations of the AFA, notably: (i) the intensification of the training programme, conducted with all employees in France and abroad in 2022, (ii) the regular updating of internal policies on ethics and compliance, and (iii) the conduct of a high level compliance review by an external auditor, to assess the implementation and effectiveness of the programme.

For more information on non-compliance risk management, please refer to Section 3 of this Document.

4.8.3 Prevention and management of the Group's commercial risks.....

Managing and monitoring the Group's customer contracts

The Group's customer contracts are concluded by Eutelsat S.A. or its subsidiaries on the basis of standard contracts prepared by Eutelsat S.A.'s Legal Affairs Department and Sales Department.

Any change to the standard form is examined in advance by the Legal Affairs Department before the contracts are signed by those with authority to do so.

The execution of sales agreements is subject to a number of approval stages, which vary depending on the annual value of each commitment.

The Group has implemented processes to develop contracts for the allocation of capacity, in particular to verify that contracts are duly signed and that customers are invoiced in accordance with the contract conditions.

Allotment agreements are the subject of monthly and quarterly reports prepared jointly by the Sales and Finance Departments.

Managing the Group's credit risk

In this respect, the standard contracts entered into with customers provide for suspension or interruption of services in the event of payment default. The Company has contracted with two collection agencies.

All new customers undergo a customer risk assessment by the "Credit Management" team in the Finance Department, which determines the amount of financial guarantee required. An annual reassessment is systematically carried out on the entire customer portfolio. Revaluations are also made on a case-by-case basis throughout the year.

The in-house "Credit Management" team of the Financial Department has exclusive responsibility for checking payments. Customers located in geographical areas deemed to be potentially the most exposed to the impact of the economic downturn are monitored closely.

Any delayed payment is thoroughly analysed with the appropriate customer relations managers in the Sales Department and the office of the Legal Affairs Department and, if necessary, followed by appropriate measures. In the event of a dispute, it contacts the Legal Department, which handles any litigation with the support of specialised law firms.

4.8.4 Management of financial risks

Via its subsidiary Eutelsat S.A., the Group has put in place centralised cash flow management. Under service agreements between Eutelsat S.A. and the various entities within the Group (including the Company), the financing & treasury department at Eutelsat S.A. manages foreign exchange, interest rate, counterparty and liquidity risks on behalf of all the Group's entities.

Moreover, the Group is exposed to market risks, notably in terms of currency, interest rates and counterparty risk. The Executive Board actively manages this risk exposure by using various derivative instruments.

These instruments are traded over the counter with first rank banking counterparties. The Group does not engage in financial transactions in a speculative perspective or in transactions whose associated risk cannot be quantified at their outset, i.e. the Group never sells assets it does not possess or does not know it will subsequently possess.

The goal is, where appropriate, to reduce revenue and cash flow fluctuations arising from interest rate and foreign exchange rate fluctuations.

The Group manages liquidity risk

As of 30 June 2023, liquidity remains strong, with undrawn credit lines of over 1,000 million euros and cash of 482 million euros.

As of 30 June 2023, the Group complied with all of the covenants on its various credit facilities as described in Section 7.4 of this Document. The Net Debt to Adjusted EBITDA ratio stood at 3.35 at 30 June 2023 (3.27x at 30 June 2022).

The Group manages liquidity risk by using a tool enabling it to monitor and manage its recurrent cash flow needs. This tool takes account of the maturity of financial investments, financial assets and estimated future cash flows arising from operations.

The Group's goal is to maintain a balance between continuous funding and flexibility by use of overdrafts, term loans, bond issues, revolving credit lines, structured loans and satellite lease contracts.

Total flows	30 June 2023							
(in millions of euros)	Balance Sheet value	Contractual flows	30 June 2024	30 June 2025	30 June 2026	30 June 2027	30 June 2028	Beyond 5 years
Bank loan Eutelsat Communications S.A.	(399.6)	(473.2)	(18.3)	(18.3)	(18.3)	(418.3)	-	-
ElB loan Eutelsat S.A.	(199.9)	(205.3)	(1.0)	(1.0)	(1.0)	(1.0)	(1.0)	(200.5)
Eutelsat S.A. bonds	(2,023.4)	(2 183.0)	(38.5)	(38.5)	(838.5)	(22.5)	(622.5)	(622.5)
Structured debt	(316.3)	(328.1)	(198.2)	(53.0)	(76.9)	-	-	-
Finance leases	(319.5)	(316.2)	(43.5)	(43.5)	(46.1)	(48.0)	-	(135.0)
Qualified Interest-rate derivatives	(32.4)	(32.4)	(0.5)	(31.9)	-	-	-	-
TOTAL FINANCIAL DEBT	(3,291.2)	(3,538.2)	(300.0)	(186.2)	(980.8)	(489.8)	(623.5)	(958.0)
Other financial liabilities	(135.3)	(135.3)	(112.5)	(22.8)	-	-	-	-
TOTAL FINANCIAL LIABILITIES	(3,426.4)	(3,673.5)	(412.5)	(209.0)	(980.8)	(489.8)	(623.5)	(958.0)

The following table presents credit line maturities:

(in millions of euros)	30 June 2023	June 2024	June 2025	June 2026	June 2027	June 2028	June 2029
Maturity of available unused credit facilities	-	-	(53)	(703)	(253)	-	-

The following table presents the maturity schedule for financial assets:

	Total flows	June 2024	June 2025	June 2026	June 2027	June 2028	Beyond 5 years
(in millions of euros)	30 June 2023	Principal	Principal	Principal	Principal	Principal	Principal
Currency derivatives	13.7	13.7	-	-	-	-	-
Financial assets	539.0	375.1	163.9	-	-	-	-
Cash	468.6	468.6	-	-	-	-	-
Cash equivalents	13.6	13.6	-	-	-	-	-
TOTAL FINANCIAL ASSETS	1,034.9	871.0	163.9	-	-	-	-

Interest rate risk

The Group manages its exposure to interest rate volatility by maintaining a portion of its debt at fixed rates (Eutelsat S.A. bond issues) and when appropriate by a hedging or pre-hedging policy.

Please refer to the Note 7.4.6 of the notes to the consolidated financial statements for more information.

As of 30 June 2023, there was no interest-rate hedging instrument.

The net interest-rate position as of 30 June 2023 was as follows:

(in millions of euros)	Financial assets (a)		Liabilities (b)		Net position before hedging (c) = (a) - (b)		Off-balance sheet (fixed rate swaps, caps, collars) (d)		Net position after hedging (e) = (c) + (d)	
	Fixed rate	Floating rate	Fixed rate	Floating rate	Fixed rate	Floating rate	Fixed rate	Floating rate	Fixed rate	Floating rate
Maturity										
Less than 1 year		871.0	214.3	198.2	(214.3)	672.8			(214.3)	672.8
From 1 to 5 years		163.9	1,773.2	529.9	(1,773.2)	(366.0)	621.9		(1,151.3)	(366.0)
More than 5 years			958.0		(958.0)	0.0			(958.0)	0.0
TOTAL	0.0	1,034.9	2,945.5	728.1	(2,945.5)	306.8	621.9	0.0	(2,323.6)	306.8

Foreign exchange risk

In order to hedge the risks of fluctuating foreign exchange rates, the Group may carry out forward sales or collars or synthetic forward sales of U.S. dollars and euros with knock-in options which are exercised or not, depending on the exchange rates on their expiry date. The Group does not automatically hedge or may not be able to hedge all of its contracts denominated in U.S. dollars.

Moreover, in order to hedge the translation risk, the Group may also create liabilities denominated in the currency of the cash flows generated by these assets. Hedging instruments include currency derivatives (cross-currency swaps) documented as hedges of net investments for investment transactions dealt in a foreign currency. The Group implemented foreign exchange swaps for a notional amount of 622 million euros to hedge its net investment in Satmex.

Please refer to the Note 7.4.6 of the notes to the consolidated financial statements for more information.

The following table shows the situation (in millions of euros) for all existing foreign currency hedging instruments as of 30 June:

(in millions of euros)	Notional amounts		
	2021	2022	2023
Synthetic forward transaction with knock-in option (Eutelsat S.A.)	235.5	487.8	354.7
Cross currency swap	572.0	646.8	621.9

Counterparty risk

Counterparty risk includes issuer risk, execution risk in connection with derivatives or monetary instruments, and credit risk related to liquidity and forward investments. The Group mitigates its exposure to issuer risk and its exposure to execution and credit risk by acquiring financial products mainly from A-rated financial institutions or banks. Exposure to these risks is closely monitored and maintained within predetermined limits. As of 30 June 2023, the Eutelsat Communications banking syndicate comprised nine lenders, with Eutelsat S.A.'s banking syndicate comprising eight banks for the 450 million euros revolver facility and nine for the 200 million euros revolver facility.

If any of the lenders default on the term loan portion of the credit facilities, the Group retains the amounts initially allocated in full. If any counterparty defaults on the revolving part of a credit facility, the amount obtained may be less than the total amount requested. In this case, the Group has the possibility of drawing one or more additional amounts from the other counterparties in order to obtain the extra sums needed to make up the total amount required. The Group does not expect any losses resulting from a failure by its counterparties to respect their commitments under the agreements it has concluded. As of 30 June 2023, the counterparty risk is not significant.

5 Regulation



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The provision of satellite capacity and services is highly regulated. As a satellite operator providing satellite capacity and services in a number of countries, the Group must comply with national regulations in countries in which it provides or seeks to provide capacity and services, and its operations are also governed indirectly by international regulations with which these countries themselves must comply. These various regulations fall into six categories:

- ▶ regulations governing access to the radio frequency spectrum and its international coordination;
- ▶ national regulations governing the deployment and operation of telecommunications networks, the supply of telecommunications services and the operation of RF facilities on the ground ("Earth station");
- ▶ regulations governing content;
- ▶ French regulations governing space operations for which France could potentially bear international liability;
- ▶ control requirements relating to exports (regulations governing the activities of the Group's suppliers); and
- ▶ other requirements applicable to the Group (relations with EUTELSAT IGO).

5.1 Regulations governing frequency assignments and international coordination

Frequency assignments are currently distributed between several different radiocommunications services.

In any radiocommunication, radio waves are transmitted, which are primarily characterised by their frequencies. Transmissions on identical frequencies or on frequencies that are insufficiently differentiated run the risk of creating a disturbance between these transmissions, which can result in "radio interference". This type of interference affects the quality of the communications to some degree and, depending on the level of severity, is deemed "permissible" or "acceptable" or, if it affects the communications to the point of making them unusable, "harmful". It is because of the need for an efficient use of frequencies and to mitigate the risks of

interference and the effect on the quality of radiocommunications services as much as possible that the International Telecommunication Union (ITU), which is a specialised United Nations agency, has a body of rules regarding "frequency assignments" and their coordination at the international level to limit the risks of interference. These rules are contained in the ITU's "Radio Regulations".

The World Radiocommunication Conference (WRC) is held every four years to agree on amendments to the Radio Regulations and their Appendices. The next WRC will take place from 20 November to 15 December 2023 in the United Arab Emirates.

5.1.1 International coordination of frequency assignments under the Radio Regulations

The coordination of frequency assignments at the international level aims to define the technical and regulatory conditions required to use frequency bands in order to ensure the co-existence of satellite operations authorised by countries in the exercise of their sovereign rights (or groups of countries in their capacity as Parties to an intergovernmental organisation, which is the case of the assignments the Group inherited from the IGO when the Transformation to privatise the Company took place in 2001).

The rules governing coordination make it possible to determine whether satellite operations that have not yet commenced can begin as defined by the corresponding assignments or, if not, whether they have to be adjusted due to the risks of interference with other satellite operations. Similarly, when satellite operations have already started and are proven to cause harmful interference to other operations, the rules define to what extent such operations can continue, with or without adjustments, or whether they must be terminated to avoid interference.

The Radio Regulations define three separate systems for frequency assignments to be used for space radiocommunications using geostationary satellites. The applicable system is determined by the

frequency bands in which the frequencies to be assigned are located:

- ▶ a general system governs assignments in all frequency bands assigned to space radiocommunications services in the parts of the spectrum known as "C-band", "Ku-band", "Ka-band" and "Q/V band", with the exception of those explicitly governed by one of the two special systems described below;
- ▶ the first special system (referred to below as the "BSS System") governs assignments in the Ku-band spectrum assigned to the Broadcasting Satellite Service (BSS) and the corresponding resources to be used for uplinks to the broadcasting satellites; and
- ▶ the second special system (referred to below as the "FSS System") governs assignments in specific sections of the spectrum in the C-, Ku-, Ka and Q/V-bands, assigned to the Fixed Satellite Services (FSS).

Under these three systems, the countries that have international responsibility for the given assignments, either individually or jointly, must submit, through their competent regulatory authority, certain items of information about the assignments to the ITU Radiocommunication Bureau (RB). The RB then publishes this information in circulars sent out periodically to the authorities of all ITU Member States. For France, the Authority is the *Agence nationale des fréquences* ("ANFR").

► General scheme

Under the general scheme, an initial submission ("Request for Coordination"), which provides very detailed information on the assignments, marks the beginning of the actual coordination process. From the date it is received by the Radiocommunication Bureau, this Request for Coordination takes priority over all assignments covered by a subsequent Request for Coordination. By virtue of this priority, when coordination between assignments covered by a subsequent Request for Coordination proves problematic or impossible, the Authority that submitted its Request for Coordination first is not required to make adjustments to its frequency assignments in order to facilitate coordination with assignments covered by a subsequent Request or Requests for Coordination.

The general scheme does not prohibit the implementation or operation of frequency assignments for which the coordination process has not been completed. However, in such a case, operation of these frequency assignments may have to be interrupted or adjusted if such operation causes harmful interference to operations covered by assignments with a higher priority.

Priority continues to apply for the 7-year period during which assignments can be brought into operation. If the assignments have not been brought into operation when this time limit expires, the Request for Coordination is deemed to have never existed. However, the Authority responsible must then restart the process and re-submit the submission. The new Request for Coordination then gives these assignments a lower priority than the first, placing them behind all assignments for which a Request for Coordination has been submitted in the meantime.

Assignments that are brought into use before the deadline expires, continue to enjoy the priority conferred by the Request for Coordination during the full term of validity of the assignments as declared by the relevant Authority in its Request for Coordination (30–40 years for the Group's frequency assignments). There are, however, provisions in the Radio Regulations enabling an extension in the period of validity for assignments in operation.

► Special BSS and FSS schemes

With these two special systems, the international community adopted *a priori* plans at the ITU's World Radiocommunication Conferences (WRCs). These plans guarantee all ITU Member States identical rights, irrespective of the size of their populations and territories, to make predefined use of specified amounts of radio spectrum resources in the frequency bands governed by these two systems. These predefined uses have priority over any other use of these resources. Furthermore, in contrast to the general method of coordination in which participating authorities can freely agree on the measures and technical conditions to be used for coordination, these special systems define highly detailed rules and technical conditions to be used for coordination.

Apart from these predefined frequency assignments for national coverage, public authorities may submit requests for additional frequency assignments as in the case of the general system. In this case, these two systems do not involve an initial submission (whose date, in the case of the general coordination system, determines the deadline for bringing the assignments into use), but instead call for a single detailed submission (request for registration of "additional assignments"), which, as in the general method of coordination, gives priority over subsequent submissions from the date it is received by the RB.

Under the BSS method, the date of receipt by the ITU is the start of an 8-year period during which the assignments have to be brought into use, otherwise the entire process must be restarted with a new submission and a lower priority. Once operation has begun, it can continue for 15 years and is renewable, without loss of rights, as long as the technical specifications of these rights remain the same. As under the general coordination system, operation may begin before the end of the coordination process with priority uses that are predefined as being additional. In situations where there is harmful interference, the priority ranking will determine the uses that can be continued without adjustments and those which will have to be interrupted or adjusted, with predefined uses having the highest priority.

Under the FSS system, it is also the date of receipt by the ITU which starts the 8-year period.

Following a review by the RB, a submission is accepted if:

- the assignments do not affect the rights of any Member State, as predetermined by the plan, or the rights acquired by a Member State for assignments covered by a submission on which the RB has previously reached a favourable finding; or, if the opposite is the case;
- the authorities, the rights of which might be affected, have explicitly accepted that their rights can be affected.

If the RB reaches a negative conclusion, the submission is deemed null and void. In that case, the authority concerned must make a new submission, which will be examined by the RB after all the other submissions that have been received by the RB in the meantime.

A majority of the frequency assignments the Group uses for its activities, present and future, have been granted under the general system and have either been successfully co-ordinated or benefit from a high priority.

Nevertheless, at a number of orbital positions, the Group operates under frequency assignments governed by the special BSS and FSS systems. Most of these assignments have been the subject of a successful coordination procedure. In a very small number of cases, however, the Group began operation under such assignments without having fully completed the coordination process.

► Settlement of disputes

The legal certainty obtained by satellite operators from the application of the Radio Regulations governing international coordination of frequency assignments depends on strict compliance with these procedures by all ITU Member States.

As a general rule, verified situations of harmful interference are handled through informal contacts at an operational level (control centres) between the operators concerned. In the majority of cases, the operators resolve the problem. Rare cases that cannot be resolved by such means are handled through exchanges between the relevant authorities ("interference claims"). The authorities can also request the assistance of the RB to establish contacts or, in very rare cases, conduct an investigation into the failure by an ITU Member State to comply with its obligations under the Radio Regulations.

However, the Radio Regulations do not contain any mechanism for mandatory resolution of disputes or compulsory enforcement. The ITU's arbitration procedure assumes the consent of the parties. Similarly, no provision of the Radio Regulations or of international law in general offers a solution in cases when this spontaneous and voluntary arbitration process does not succeed in resolving the dispute.

5.1.2 Frequency assignments under joint responsibility and/or granted by France

Frequency assignments used by the Group in its business activities, both present and future, involve joint responsibility, and were, in part, issued to the IGO by the Member States collectively ("Parties") prior to the Transformation. For all these frequency assignments, the Parties collectively discharged their joint obligations under the Radio Regulations through the Party of France, which was designated by them to act in their name and on their behalf.

The *Agence nationale des fréquences* ("ANFR") is the French authority responsible for ensuring that France complies with its obligations under the Radio Regulations. Prior to the Transformation, the ANFR was the entity responsible for applying the international rules governing the coordination of frequency assignments on behalf of all the Parties.

Following the Transformation, all frequency assignments remained under the joint responsibility of the Parties.

France is the main authority required by the Group for all new French frequency assignments (see the description of applicable French regulations under "Access to frequencies" as below). Eutelsat S.A. has already requested and obtained new frequency assignments, both to supplement the collective frequency assignments that were transferred to it on 2 July 2001 and to plan for the future development of its activities. In addition, in connection with the Group's international expansion, new assignments were also requested through other authorities.

5.1.3 French regulations relating to satellite frequency assignments and their operation

Prior to the adoption of French Law No. 2004-575 of 21 June 2004, satellite frequency assignments were under the sole control of the ANFR. They depended on the ANFR submitting to the ITU's Radiocommunication Bureau information required under the Radio Regulations governing international coordination of frequency assignments. Relations between the operators and the ANFR for the operation of frequency assignments were not legally formalised.

French Law No. 2004-575 of 21 June 2004 concerning confidence in the digital economy (known as LCEN) contains a section on "satellite frequency assignments" and was transposed into the *Code des postes et des communications électroniques* (Postal and Electronic Communications Code ("CPCE")) in Articles L. 97-2 et seq. This law, together with Decree No. 2006-1015 of 11 August 2006, transposed into the CPCE in Articles R. 52-3-1 et seq., establishes a new two-stage process:

- the assignment request is sent to the ANFR, which, after verifying that it complies with the national Table of Frequency Band Allocations, declares it to the ITU on behalf of France. A fee, equal to the amount invoiced by ITU to ANFR for processing the request submitted to ITU, is payable by the operator (Article R. 52-3-1 of the CPCE);
- operation of the assignment is subject to authorisation by the Minister responsible for electronic communications, after obtaining

the opinion of the authorities involved in assigning the frequencies concerned (the *Autorité de régulation de la communication audiovisuelle et numérique* (ARCOM), the *Autorité de régulation des communications électroniques et des postes* (ARCEP), the French Ministry of Defence, etc.). This authorisation is granted on condition that the entity requesting the capacity provides proof of its ability to control the emissions of all RF stations, including Earth stations, using the frequency assignment, and pays a fee to the ANFR for services rendered corresponding to the cost to the government of processing the request. The amount of this fee is established jointly by the Minister in charge of the budget and the Minister in charge of electronic communications. The Decree of 11 August 2006 set this amount at 20,000 euros. Authorisation can be refused, for example "for the protection of public order, defence or public safety".

Currently, Eutelsat S.A. is authorised to operate frequency assignments at the following orbital positions: 5° West, 7° West, 8° West, 12.5° West, 3° East, 4° East, 7° East, 9° East, 10° East, 13° East, 14.5° East, 16° East, 21.5° East, 25.5° East, 28.5° East, 33° East, 36° East, 48° East, 70.5° East, and 88.5° East. In addition, some filings for other orbital positions (such as 61° West, 65° West, 133° West, 139° West, 172° East, and NGSO), or, more frequently, to complement authorisations already obtained, are currently under examination and should be authorised in the near future.

5.1.4 Frequency assignments granted by Mexico

Providers of satellite services to or within Mexico and the use of orbital slots licensed by the Mexican government are subject to the requirements of the Federal Telecommunications and Broadcasting Law. Under the Telecommunications Law, a provider of satellite services must operate under a concession granted by the SCT. Such a concession may only be granted to a Mexican corporation and may not be transferred or assigned without the approval of the SCT. Pursuant to a recent amendment to the Mexican Constitution, foreign investors are permitted by law to hold up to 100% of the full-voting stock of such a corporation.

In addition, Eutelsat Americas' operations are subject to the regulations of the Mexican (a) *Ley General de Bienes Nacionales* ("General Law on National Assets"), which regulates all assets that fall within the public domain, as well as the safeguarding clauses contained in our Concession; (b) *Ley General del Equilibrio Ecológico y Protección al Ambiente* ("General Law on Ecology and Protection of the Environment") together with other Mexican environmental laws; (c) *Ley Federal de Competencia Económica* ("Federal Economic Competition Law"); (d) *Ley de Vías Generales de Comunicación* ("Law of General Means of Communication"), and (e) other international treaties, laws, rules, regulations, and decrees.

Under the Federal Telecommunications and Broadcasting Law, the SCT is, among other things, responsible for issuing concessions and permits related to telecommunications and for formulating policies in the telecommunications area and otherwise taking all other actions on behalf of the Mexican government in connection with telecommunications. The *Instituto Federal de Telecomunicaciones* ("IFT") is the telecommunications regulator responsible for, among other things, most day-to-day regulation of satellite communications services in Mexico.

The rules promulgated pursuant to the Federal Telecommunications and Broadcasting Law require licensees of satellites intending to provide telecommunications services through one or more transmitting earth stations of their own to obtain a separate license to construct and operate a public telecommunications network. Where the satellite operator intends to provide telecommunication services to any person not holding a public telecommunications network concession or permit, it must provide such services only through an affiliate or subsidiary that holds a separate concession or permit.

Mexican laws currently allow competition in the provision of (a) any Mexican satellite operators holding a concession and (b) any foreign satellite operators holding an authorisation to provide international FSS, DTH FSS and broadcast satellite services. The Mexican government has liberalised its regulatory environment to allow non-Mexican satellite companies to provide satellite services in Mexico.

The Orbital Concessions awarded by the Mexican government to Eutelsat Americas currently include the right to use the 113.0° W.L., 114.9° W.L. and 116.8° W.L. orbital slots and associated C- and Ku-radio-frequency bands, upon fulfilment of certain requirements before the SCT and the IFT.

As part of the three Orbital Concessions, Eutelsat Americas is required by the SCT to allocate 362.88 MHz (171.84 MHz in C-band and 191.04 MHz in Ku-band) of capacity to the Mexican government, free of charge, for national security and certain social services (State Reserve). In the case of future satellites, the capacity reserved to the Mexican government will be defined by the SCT according to applicable law and regulations.

5.1.5 Frequency assignments granted by authorities other than France or Mexico

The Group operates satellites with frequency assignments granted by authorities other than France or Mexico on an increasing number of orbital positions.

The Group may directly hold the corresponding rights, or these frequency assignments may be operated by the Group under agreements entered into with entities having the right to use these assignments.

The EUTELSAT 36C satellite is operated at 36° East under Russian frequency assignments granted by the Russian Authority and held directly by RSCC.

In the case of the EUTELSAT 172B satellite operated at 172° East, the Group is directly entitled to a combination of frequency assignments granted by the U.S. and the French authorities. Furthermore, the satellite operates its assignments under the U.S. regulations and authority.

In the case of the EUTELSAT 174A satellite operated at the 174° East orbital position, the Group directly holds frequency assignments

notified under Cyprus's administration, and the satellite operates these assignments under the authority and regulations of Cyprus.

For the EUTELSAT 65 WEST A satellite operated at 65° West, frequency assignments have been granted by the Brazilian Authority. They were obtained, together with associated authorisations, in an auction process in Brazil and they were directly granted to the Group. The satellite operates these assignments under the Brazilian authority and regulations as well as under other authorities, in particular to protect services provided outside the Brazilian territory from the 65° West orbital position. In this regard, the Group also obtained rights on further assignments for additional frequencies and/or coverage. As an example, for the specific frequency band known as Ka, frequency assignments notified under the administration of Papua New Guinea (PNG) for which Eutelsat is the beneficiary are also used.

The EUTELSAT 117 WEST B is operated at the 117° West orbital position under frequency assignments granted by the authority of Papua New Guinea and held by Eutelsat.

5.2 Regulations governing the operation of Earth stations, the deployment of networks, the operation of electronic communications networks, and the provision of electronic communications services

As a satellite operator offering its services in approximately 150 countries, the Group is subject to national laws and regulations on communications and broadcasting in a large number of different countries.

Most of these countries do not require satellite operators to obtain a licence or other authorisation if their role is limited to providing satellite capacity to other entities that are themselves authorised to operate networks and/or communications services. In these

countries, the Group only needs a licence or other authorisation if it intends to deploy and operate its own communications networks or install and operate earth stations. Most European countries and many of the Member States of the World Trade Organisation ("WTO") have been included in this category of countries since the liberalisation of their regulations, by virtue of the commitments made under the WTO Agreement on basic telecommunications services, which came into force in February 1998.

5.2.1 Regulations in France

The *Autorité de régulation des communications électroniques et des postes* ("ARCEP") is the French authority responsible for ensuring that operators comply with the obligations contained in the applicable legislation and regulation.

► Operation of telecommunications networks

In France, the installation and operation of telecommunications networks open to the general public as well as the provision to the general public of telecommunications services used to require prior declaration to the ARCEP under French Law No. 2004-669 of 9 July 2004 on electronic communications and audio-visual communications services.

In accordance with Order No. 2021-650 of 26 May 2021 transposing Directive (EU) 2018/1972 of the European Parliament and of the Council of 11 December 2018 establishing the European electronic communications code, the establishment and operation networks open to the general public as well as the provision to the general public of electronic communications services are now free, subject to compliance with a certain number of rules relating, in particular, to:

- the conditions of permanence, quality, availability, security, and integrity of the network and the service;
- the secrecy of correspondence;
- network and service standards and specifications;
- the requirements imposed by the protection of health and the environment and by land use and urban development objectives;
- the requirements imposed by public order, national defence, and public security, in particular those necessary for the implementation of interceptions justified by public security requirements;
- the free delivery of emergency communications and information of general interest to end users;
- the financing of the universal service;
- interconnection and access as well as interoperability of services;

- Internet neutrality, which consists of ensuring open Internet access.

However, until 2015, these activities still required payment of an administrative tax of 20,000 euros under Article L. 33-1 of the CPCE. French Finance Law No. 2015-1785 of 29 December 2015 for 2016 removed this tax due by communication operators (Article 27).

In France, the services provided by electronic communications operators are now subject to the payment of the "Copé Tax" introduced by Article 33 of Law No. 2009-258 of 5 March 2009 on audio-visual communication and the new public television service.

In accordance with Article 302 bis KH of the French General Tax Code, this tax is payable by all telecommunications operators, within the meaning of Article L. 32 of the CPCE, which provide a service in France and are subject to a prior declaration to ARCEP (the French Electronic Communications, Postal and Print media distribution Regulatory Authority). The tax is based on the amount, excluding VAT, of subscriptions and other amounts paid by users to operators for telecommunications services that they provide. A rate of 1.3% is applied to the portion of this annual revenue, excluding VAT, over and above five million euros.

► Access to frequencies

Moreover, the use of radio frequencies by RF Earth stations is covered by authorisations issued by ARCEP ("frequency assignments"). Under Article L. 42-1 of the CPCE, these authorisations cannot exceed 20 years. In practice, they are issued for 10 years. ARCEP also imposes a certain number of technical requirements that must be respected by the operators to which the frequencies have been assigned.

In addition, operators are required to pay an annual fee to the government for the provision of frequencies and an annual fee for their management, under Decree No. 2007-1532 and the Order of 24 October 2007, as amended by Decree No. 2008-656 and the Order of 2 July 2008 as well as Decree No. 2016-409 and the Order of 5 April 2016.

Regulations governing the operation of Earth stations, the deployment of networks, the operation of electronic communications networks, and the provision of electronic communications services

They also have to take the necessary measures to protect the secrecy of private communications as well as the confidentiality of their customers' personal data. ARCEP has assigned to Eutelsat S.A. a certain number of frequencies for the operation of Earth stations, notably Earth stations located at its Paris-Rambouillet teleport.

Non-compliance with the applicable telecommunication laws and regulations could result in administrative or criminal fines, as well as sanctions imposed by ARCEP or other public authorities, including the suspension or withdrawal of the frequency assignment.

5.2.2 Regulations in other countries

Many countries, including most European states, have liberalised their regulatory frameworks relating to the provision of voice, data and video services. They have also increased the scope for granting authorisations to own and operate Earth station equipment and to select a provider of satellite capacity. Most countries allow authorised providers of communications services to have their own transmission equipment and to purchase satellite capacity without restriction. This facilitates end-user access to the Group's services.

The Group filed licensing applications to act as a network and Earth station operator in Italy, Germany, Austria, the United Kingdom, Switzerland and Spain. The Group notably obtained a network operator licence and two general authorisations to provide interactive satellite services in Italy.

Some countries, mainly in emerging markets, have maintained strict or de facto monopolies. In these countries, a single State entity (generally the public postal, telephone and telegraph authority) often has a monopoly on the ownership and operation of communications equipment or on the provision of communications or broadcasting services to/from that country, including via satellite. To offer services in these countries, the Group may have to negotiate an operating agreement with the State entity, which defines the services to be offered by each party, the contractual terms of the service and tariffs. Depending on national regulatory requirements, operating agreements between the Group and the service provider may require end-user clients to obtain the Group's services through the State entity, with all associated ground services provided by that entity. These operating agreements also allow customers to possess and use their own equipment, while requiring them to purchase the Group's services through the State entity.

► Landing rights

Despite the liberalisation of national regulations following adoption of the WTO Agreement on Basic Telecommunications Services, some countries require authorisations to operate satellites in-orbit. In some countries, satellites must be authorized to transmit over those countries - "landing rights" are required.

Prior to becoming a part of the Group, Satmex (which now operates under the commercial name Eutelsat Americas) secured landing rights to provide satellite services to more than 45 nations and territories across the Americas (Canada to Argentina). Eutelsat Americas holds an authorisation by the FCC to access the U.S.

market with respect to SATMEX 5 (renamed EUTELSAT 115 WEST A), SATMEX 6 (renamed EUTELSAT 113 WEST A), SATMEX 7 (renamed EUTELSAT 115 WEST B), SATMEX 8 (renamed EUTELSAT 117 WEST A), and SATMEX 9 (renamed EUTELSAT 117 WEST B). Except for EUTELSAT 117 WEST B, all of these satellites have been added to the list of foreign satellites approved to provide FSS in Canada. The Brazilian regulatory authority has also granted landing rights for EUTELSAT 113 WEST A.

The Group has also obtained these authorisations for some of its satellites in Brazil, Pakistan and a number of other South American countries. The Brazilian regulatory authority granted Eutelsat S.A. landing rights for EUTELSAT 8 WEST B (at 8° West), EUTELSAT 10A (at 10° East) and for EUTELSAT3 WEST B (at 3° West).

As part of the acquisition of orbital rights at the 65° West orbital position under the auction process in Brazil, the Group has automatically obtained the Brazilian landing rights for this orbital position, and landing rights are being secured for other countries in the region covered by the EUTELSAT 65 WEST A satellite launched in March 2016.

► Access to the Group's satellites from the U.S.A.

The Federal Communications Commission ("FCC") is the U.S. governmental agency responsible for regulating satellite communications. In 1997, the FCC enacted regulations permitting non-U.S. satellite operators to request access to the U.S. market using non-U.S. satellites for the provision of both international and domestic services. In 1999, the FCC streamlined the process by creating the "Permitted Space Station List".

Where a non-U.S. satellite is added to the FCC's Permitted Space Station List, Earth station operators in the U.S.A. licensed to operate with U.S. satellites are able to access that non-U.S. satellite without additional authorisation from the FCC. These streamlined procedures are applicable only to frequency bands that the FCC considers "conventional". These do not include the full spectrum of Ku-band or C-band frequencies used for transmissions to and from the Group's satellites. Earth station operators in the U.S.A. must therefore still apply for FCC authorisation to transmit to or receive from the Group's satellites in certain frequency bands despite these satellites being on the FCC's "Permitted Space Station List".

Currently eight of the Group's satellites are entered on the "Permitted Space Station List".

Satellite name	Orbital position	Date of entry on the Permitted Space Station List
EUTELSAT 8 WEST B	8° West	2020
EUTELSAT 113 WEST A (previously SATMEX 6)	113.0° West	2006
EUTELSAT 115 WEST B (previously SATMEX 7)	114.9° West	2015
EUTELSAT 117 WEST A (previously SATMEX 8)	116.8° West	2012
EUTELSAT 117 WEST B (previously SATMEX 9)	117.0° West	2015
EUTELSAT 172B	172° East	2017
EUTELSAT 174A	174° East	2017
EUTELSAT 139 WEST A	139° West	2021

5.2.3 European Union regulations

► Current regulatory framework

Directive (EU) 2018-1972 of the European Parliament and of the Council of 11 December 2018 establishing the new European electronic communications code, defines the new regulatory framework in this area.

This text, which covers issues relating to spectrum, access, consumer rights, universal service, the alert mechanism, and intra-EU calls, was to be transposed by the Member States before 21 December 2020.

On 26 May 2021, France adopted Ordinance No. 2021-650 transposing this Directive (EU) 2018-1972, which also establishes the measures to adapt the powers of the regulatory authority for electronic communications, the post, and the distribution of the printed press.

This new European code replaced and repealed the regulatory framework formerly in force, adopted on 24 November 2009 and known as the "Telecom Package", which contained:

- a Directive (2009/140/EC) which amended three existing directives:
 - the "Access" Directive (2002/19/EC),
 - the "Authorisation" Directive (2002/20/EC),
 - the "Framework" Directive (2002/21/EC);
- a Directive (2009/136/EC) which amended two existing directives:
 - the "Universal Service" Directive (2002/22/EC),
 - the "Privacy and Electronic Communications" Directive (2002/58/EC);
- Regulation (EC) No. 1211/2009 establishing the Body of European Regulators for Electronic Communications (BEREC).

5.3 Regulations governing content

5.3.1 "Audio-visual Media Services" Directive applicable to TV channels

TV broadcasting in the European Union was first regulated by Directive 89/552/EEC of 3 October 1989, also known as the "Television without Frontiers" Directive. This directive was substantially amended three times by:

- European Directive 97/36/EEC of 30 June 1997 on the coordination of certain legislative, regulatory or administrative provisions in Member States relating to the performance of television broadcasting activities;
- European Directive 2007/65/EC of 11 December 2007 known as the "Audio-visual Media Services" (AVMS) Directive. This Directive (i) extends the scope of the "Television without Frontiers" Directive to on-demand audio-visual media services, (ii) promotes the production of and access to European works and (iii) relaxes the rules governing audio-visual advertising. The directive was required to be transposed into the national laws of Member States by 19 December 2009; it has direct and simultaneous application throughout the European Union since this date, hence preventing

any dispute over jurisdiction liable to arise from any gap in transposition between Member States and was transposed into French law by the Act of 5 March 2009 relating to audio-visual communication and the new public television service; and

- Directive 2018/1808 of 14 November 2018. It introduces new provisions such as (i) extending the scope of application to new audio-visual media services such as video sharing platforms, social media and live streaming, (ii) imposing a quota of 30% of European works in the catalogues of video-on-demand services (VOD) such as Netflix or Amazon Prime or (iii) applying the target country's rules to taxation for linear and non-linear services. Self-regulation and co-regulation is strongly encouraged.

In accordance with this regulation, each EU Member State must ensure that programmes transmitted by TV broadcasters under its jurisdiction comply with laws applicable to broadcasts intended for the general public.

► Channels established in an EU Member State

If the television channel is established in an EU Member State, that Member State is automatically the competent regulatory authority. Under the regulations of most EU Member States, producers of television programmes that can be viewed by the general public must be authorised by the regulatory body. After being approved by the regulator in its home country, a channel can then broadcast its content freely in other EU States, provided that it continues to comply with its home country's laws. These laws include the provisions of Directives in force, including those covering the protection of minors and banning the promotion of hatred and racial discrimination.

► Channels established in a non-EU country

In the case of channels outside the EU that are broadcast via satellite to all or part of the EU and, by definition, are established in a non-EU country, the "Audio-visual Media Services" Directive provides for the determination of an EU Member State to regulate these channels on behalf of the other Member States.

Since the "Audio-visual Media Services" Directive came into force on 19 December 2009, the responsible EU Member State has been the one from which the uplink is made towards the satellite (criterion No. 1) or, failing this, the one with authority over the satellite capacity used (criterion No. 2).

The AVMS Directive has established a Contact Committee under the aegis of the European Commission. The Committee brings together representatives of the regulatory authorities of EU Member States. Its objective is to facilitate effective implementation of the Directive through regular consultation on any practical problems arising from its application (particularly from application of Article 2), to deliver opinions, and to be a forum for an exchange of views.

At its 26th meeting held on 19 February 2008, during the AVMS Directive's transposition period, the Commission established an anteriority rule to ensure that channels are only subject to one jurisdiction: *"the Member State where the uplink is used first keeps jurisdiction, even if the same signal is also uplinked later – for other packages – from another Member State"*. Accordingly, the uplink prevails to identify the Member State having jurisdiction.

On 3 November 2009, during its 31st meeting, the Commission proposed an improvement to the anteriority criterion of the uplink: *"if the oldest uplink concerns a satellite whose footprint is not focused on Europe, while the more recent one concerns a satellite whose footprint is focused on Europe, the more recent uplink should be taken into consideration for determining the jurisdiction. The focus of a footprint is the region where the signal strength is the highest"*.

In practice, these principles are implemented by the ARCOM as follows:

- when two or more uplinks concern satellites with non-equivalent coverages of Europe (EU), the Member State having jurisdiction is the one where the uplink targets the satellite offering the best coverage of Europe (footprint criterion);
- when two or more uplinks concern satellites with equivalent coverages of Europe (or the same satellite), the Member State having jurisdiction is the one with the oldest uplink (anteriority criterion).

The directive was transposed in France by the Law of 5 March 2009. Since 2009, most of the non-European channels broadcast by the

Group in Europe use an uplink coming from an EU country which is now covered by other European regulators. The French ARCOM is no longer systematically the competent regulatory authority.

The AVMS Directive has been revised through Directive 2018/1808 of the European Parliament and of the Council of 14 November 2018. Nevertheless, the criteria of the 2007 AVMS Directive for determining the competence of the regulator in the case of non-European channels have remained unchanged. The new directive was transposed into French law on 21 December 2020 by ordinance. Five implementing decrees published on 30 December 2021 completed the transposition.

► Consequences of Brexit: the specific case of British channels

In application of Article 43-7 of the French Law of 1986, television services coming under the jurisdiction of another EU Member State or a party to the agreement on the European Economic Area, as well as television services falling under the jurisdiction of another State party to the European Convention on Transfrontier Television (ECTT), can be broadcast in France by satellite or wireline without prior formalities.

As the United Kingdom is, like France, a Party to the ECTT, the television services established there, within the meaning of Article 5 of this convention, continue to benefit from this option, in accordance with the ECTT, of which Article 4 provides that the Parties "shall guarantee freedom of reception and shall not restrict the retransmission on their territories [...] of programme services which comply with the terms of this Convention".

Conversely, the United Kingdom ensures the freedom of reception, on its territory, of television services falling under the jurisdiction of other States party to the ECTT, including the EU Member States party to the ECTT, such as France. Television services of States not party to the ECTT must complete the formalities required by Ofcom for their reception in the United Kingdom.

Some EU and EEA Member States have not signed or ratified the ECTT.

In these states, a television service established in the United Kingdom cannot benefit from the freedom of reception provided for in Article 4 of the ECTT, and it is solely on the basis of the AVMS Directive and national legislation in each of these States that the legal situation is examined.

Each of these States is therefore justified in considering that this service established in the United Kingdom, a non-EU State, is deemed to come under the jurisdiction of an EU Member State under Article 2-4 of the AVMS directive (provisions transposed in France in Article 43-4 of the Law of 30 September 1986), if it uses an uplink to a satellite located in a Member State or, failing that, if it uses satellite capacity under the authority of a Member State.

Consequently, this television service can be brought under the jurisdiction of France due to its uplink's location in France or its broadcasting in Europe by Eutelsat's satellite capacity.

French law applicable to non-European television services under the jurisdiction of France provides that they can be broadcast by satellite and wireline without prior formalities. However, they must respect the French Law of 30 September 1986 and are subject to the CSA's control.

5.3.2 French legislation on audiovisual communication

The Law No. 86-1067 of September 30, 1986 on freedom of communication, as amended, includes measures transposing the provisions of the AVMS Directive.

In accordance with French Law No. 86-1067 of 30 September 1986 on the freedom of communication, as amended, French TV channels broadcast by the Group were subject to a convention with the French regulator (CSA, now ARCOM) until the Antiterrorism Act of 23 January 2006, introducing various provisions concerning security and border controls, which terminated all prior formalities (i.e. all authorisation procedures) regarding the broadcasting of non-EU channels for which France has authority and those that come under the authority of other European Member States or parties to the European Economic Area Agreement. Nevertheless, like French channels, they remain subject to French law and all restrictions on content imposed by the 1986 Act, particularly regarding human dignity, protection of minors and the safeguarding of public order, as defined in Article 1, and non-incitement to hatred and violence for reasons of race, sex, culture, religion or nationality, as established in Article 15.

As a satellite operator, the Group is not a provider of television programmes. However, it is subject to certain obligations under the Law of 30 September 1986:

- it is required, under Article 19, to provide the ARCOM with all information needed to identify the producers of the channels it broadcasts; and
- it is required, under Article 33-1-III, to inform channel producers of the regime applicable to them, including the aforementioned restrictions on the freedom of communication. Since Eutelsat S.A. has no direct contractual link with most of the channels it broadcasts, it fulfils its obligation by including in its contracts a provision stating that content broadcast on leased capacity must comply with the law in force in the country of reception.

The ARCOM's powers of sanction are defined in Article 42: it can serve a notice directly on Eutelsat to comply with its legal obligations. The ARCOM can serve a notice on Eutelsat not only to fulfil its obligations as defined in Articles 19 and 33-1, but also to cease broadcasting any non-EU TV channel that does not comply with the principles set out in the law. In practice, this provision has so far been used only to address threats against public order, incitement to racial hatred as well as offence to human dignity.

If Eutelsat S.A. were to fail to cease such transmissions by the specified deadline, the ARCOM would have the right to sanction the Company by imposing a fine of up to 3% of its annual revenues and 5% in the event of a further violation of the same obligation (Articles 42-1 and 42-2).

The ARCOM has another legal method of ensuring compliance with a notice, i.e. application to the *Conseil d'État* for an interim order requiring Eutelsat to fulfil its legal obligations. However, since this method is more cumbersome than the service of a notice and direct penalties, it has rarely been used.

These specific powers, which enable the ARCOM to bring pressure to bear on the satellite operator, are not expressly provided for in the directive. The directive does accept, however, that States can take this type of action.

Finally, within the framework of sanctions imposed on some states by the European Union and/or the Security Council of United Nations, Eutelsat might have to request the termination of a service if a channel broadcast by its satellites were to figure amongst the sanctioned organisations.

Since the launch of the war in Ukraine by Russia on 24 February 2022, the European Union has taken numerous sanctions related to the broadcasting of Russian television channels. As early as 2 March 2022, Russia Today (RT) and Sputnik were banned from broadcasting in Europe. Further measures then prohibited the major Russian public broadcasters (RTR Planeta, Rossiya 24/Russia 24, TV Centre International, Rossiya 1, Perviy Kanal, NTV-Mir, REN TV) from broadcasting content via operators in the European Union.

These bans are directly applicable in all Member States, without the need for national regulators to intervene. Eutelsat has therefore implemented these broadcasting bans, making these sanctions fully effective.

Eutelsat S.A. has also ceased all broadcasting activities related to the Islamic Republic of Iran Broadcasting (IRIB) entity following restrictive measures decided by the EU Council in Regulation 2022/2428 of 12 December 2022.

Broadcasting around 7,000 channels around the world, Eutelsat has always pursued a strict policy of neutrality, systematically applying the decisions of the competent regulators and authorities.

It could nevertheless prove difficult to comply with injunctions to cease transmission of an uplinked signal on a given transponder, in the event of the broadcaster client or the channel itself not stopping the broadcasting of the programme concerned. This would imply that the Group would have to switch off the corresponding transponder on-board the satellite even if this transponder is carrying other, authorised television channels (a 36 MHz transponder can broadcast around ten television channels in digital mode). In addition, unlike terrestrial networks, it is technically impossible, for example, because of the satellite technology itself, to broadcast certain channels only in certain countries of the European Union. This is why Eutelsat is inviting Member States to improve European coordination so that these measures can be effectively applied.

5.3.3 Digital Services Act (DSA)

The Digital Services Act (DSA) aims to regulate Internet content (hate, child pornography, terrorism, etc.) and illegal products (counterfeit or dangerous) offered online. This new European regulation seeks to harmonise the national legislation already in place in the Member States in this area and has as its motto: “what is illegal offline must also be illegal online”.

The DSA was approved by the Council on 4 October 2022, and it will apply to all EU countries and companies operating therein from February 2024 and from 2023, for very large online platforms. It will concern all companies that offer their services (goods, content or services) on the European market, whether they are established in Europe or elsewhere in the world. The DSA brings in new obligations for service providers and in particular for major platforms. To date, it has been mainly the ISPs’ responsibility to block illegal content. With the DSA, most of these obligations now fall on online platforms.

As a result, online platforms are most directly concerned by this new regulation, which focuses on the fight against manipulation of

information, child pornography and online hatred, for example, and which sets out a number of transparency requirements for them (such as the algorithms used). However, the scope of those targeted by the DSA is wider and extends to companies offering “Intermediary Services”, such as ISPs, cloud services, messaging systems and social networks.

In concrete terms, in case of acknowledged breach of the DSA, each Member State and the European Commission shall determine the applicable fines of up to 6% of the company’s global annual income or turnover. In the case of very large online platforms, the European Commission may itself conduct compliance checks. Businesses that repeatedly fail to comply with the rules may be banned from operating its online platforms. As the Combined Group operates in a number of European countries through its affiliates, it will take steps to ensure the implementation of the regulation in the various countries in which it is registered as an ISP and its compliance.

5.4 Regulations governing space operations

The French Law No. 2008-518 governing space operations (LOS) was published in France’s legal gazette, *Journal officiel*, on 3 June 2008. This legislation is the direct result of France’s international obligations, imposed by various UN treaties – of which France is a signatory – including:

- ▶ the 1967 Treaty on principles governing the activities of states in the exploration and use of outer space, including the moon and other celestial bodies; and
- ▶ the 1972 Convention on international liability for damage caused by space objects.

Two application decrees were published on 10 June 2009. Of the two, the Group is mainly affected by Decree No. 2009-643 relating to authorisations delivered in application of LOS. This decree – which clarifies the procedure for issuing authorisations – also stipulates that the system will come into force one year after the publication of the relevant technical regulations and, at the latest, 18 months after publication of the decrees. The technical regulations to comply were published by decree on 31 May 2011, and the system has thus been in force since 10 December 2010.

5.4.1 Principles set out in the law

The LOS creates an authorisation regime providing a framework for space operations under French jurisdiction that may incur France’s international liability, namely the launch of a space object from France and, for a French operator, the launch of a space object from France or abroad (or the return of a space object), the control of a space object in outer space or the transfer of control of a space object that has already been authorised. These authorisations are granted by the Minister for Space within a period of four months, which may be extended by two months if there is a valid reason.

This law also creates a licensing regime for operators involving certain guarantees. Three licence levels exist: licences which only attest to compliance with moral, financial, and professional guarantees, those which also attest to the compliance of systems and procedures with technical regulations (for these first two levels, an authorisation on a case-by-case basis for each operation remains necessary but with shorter lead times compared to the conventional procedure), and those which constitute an authorisation for certain operations (only an obligation to provide information on a case-by-case basis then exists). The third level of licences only exists for in-orbit control operations and will not cover launch operations, which remain subject to a system of case-by-case authorisations.

The LOS also requires insurance (or equivalent financial guarantee) throughout space operation. Nevertheless, the decree relating to authorisations states that the Minister for Space may waive this obligation for an operator during the station-keeping phase of a geostationary satellite if it can produce a document confirming its solvency.

If, as a result of an operation authorised under this law, any operator is required to compensate a third party for damage caused by a space object during and/or after launch, the operator may benefit from a state guarantee for amounts exceeding the ceiling set out in the authorisation and enshrined by the applicable finance law. The ceiling is currently between 50 million euros and 70 million euros as laid down by Article 119 of Law No. 2008-1443 of 30 December 2008 Amending Finance Law 2008. However, the operator will not be able to claim in the event of intentional fault and will only be able to claim if the operation is conducted from France or any EU or EEA (European Economic Area) country or using resources or facilities under the jurisdiction of any such country. Furthermore, during the orbital control phase, the guarantee will only apply if the damage is caused on the ground or in the airspace.

5.4.2 Authorisation process

Decree No. 2009-643 stipulates the authorisation process, providing for delivery of authorisations by the Minister for Space no later than four months from the date of registration of the application, which can be extended by two months if the decision is justified. The process and timeframe are the same for licence applications. If the applicant already has a level 1 or 2 licence, the authorisations are delivered within one month, which may be extended by two months.

Authorisation or licence applications include three parts:

- ▶ an administrative part, which attests to the existence of sufficient moral, professional and financial guarantees;
- ▶ a technical part, which demonstrates that the systems and procedures, the applicant intends to use comply with the technical regulations.
- ▶ a recently introduced part related to the characteristics of the mission payload to ensure that the operation is not likely to compromise the interests of national defence.

These technical regulations were published by order on 31 May 2011. Within the framework of the authorisation process, they require the availability of various studies on orbital control (studies on danger and environmental impact), risk control measures (plan for limitation of debris in space, plan for preventing collision risk, etc.), documents on quality and proof of the implementation of an organisation to deal with all the technical and organisational facts, as the case may be, potentially affecting space operations as authorised. The regulations also require the CNES (*Centre national d'études spatiales*) to be informed of the co-contractors' and subcontractors' undertaking to comply with the technical regulations.

They also establish a number of requirements linked to the limitation of debris in space, in the form of information on the likelihood of accidental disintegration, passivation at the end of useful life, the probability of being able to dispose of the energy resources needed for end of operational life manoeuvres, etc.

The regulations provide for transitional provisions and progressive entry into force (best efforts) for the various requirements, to take the current design of satellites into account and to give manufacturers the time needed to apply the new requirements to future satellites. These technical regulations are fully applicable since 1 January 2021.

The technical part of applications is dealt with by the CNES, which transmits its decision to the Ministry in charge of Space. Before

handing down a decision, the Ministry informs the applicant of its draft decision, and the latter has a fortnight in which to make comments.

More recently, the Minister of the Armed Force (MINARM) introduced Ordinance No. 2022-232 of 23 February 2022 on the protection of national defence interests in the conduct of space operations and the exploitation of space-derived data, before presenting a bill aimed at ratifying the said ordinance. The latter aims to improve and complete the existing legal framework relating to space operations conducted in the interest of national defence, as well as guaranteeing the preservation of national defence interests when space operations and activities subject to authorisation are conducted.

This Ordinance stems from Article 44 of French Law No. 2020-1674 of 24 December 2020 on research programming for 2021 to 2030 authorising the Government to take, by ordinance, any measure falling within the scope of the law necessary to complete and adapt the provisions relating to space activities and operations and related services, for the sole purpose of guaranteeing the protection of national defence interests, by specifying, in particular, the conditions under which the State can act as a space operator as well as the rules for collecting and disseminating space-derived data and promoting space research and development for the same purposes.

As such, this ordinance creates a regime for the requisition of space goods and services strictly proportionate to the needs related to safeguarding the interests of national defence. It also brings changes to the authorisation procedure to guarantee that the interests of national defence are duly addressed. Thus, since 1 January 2023, the opinion of the Minister for the Armed Forces will be collected by the Minister responsible for Space before ruling on authorisation requests. The precise content of the authorisation application file is now defined by a joint order of the Minister responsible for Space and the Minister for the Armed Forces dated 23 February 2022.

In parallel, the LOS and its implementing texts are currently undergoing a comprehensive review of the applicable legal and regulatory framework. Discussions and works are currently underway involving the various space industry stakeholders (Ministry in charge of Space, Ministry of research, CNES, operators, manufacturers, etc.) and in which Eutelsat S.A. is actively participating.

5.4.3 Licences and authorisations obtained by the Group

Within the framework of this process, on 24 December 2010, the Group obtained, by order, a licence equivalent to authorisation for the control of space devices for its entire fleet. This licence was granted for one year as from the effective date of the order insofar as the technical regulations associated with the law had not yet been published. On 11 October 2011, the Group obtained a new licence serving as authorisation and valid until 31 December 2020. On 25 November 2020, the Group received from the Minister in charge of Space confirmation that the in-orbit control operations of satellites in progress, having been authorised under the aforementioned licence, would remain so for the duration of the operation and, therefore, in this case, until the end of the life of the satellites concerned, or, where applicable, until Eutelsat's transfer of control to a new operator, even after the authorisation licence has expired.

The licence provides for requirements in addition to those in the technical regulations. In particular, the Group will have to provide, for any new satellite to be launched within the framework of this licence, specific information such as the mission analysis and danger study, the revision dates prior to launch and the launch date, and propellant emissions before and after the launch. The Group will also have to send regular declarations to the CNES proving the ability of satellites covered by the licence to perform service withdrawal manoeuvres. The Group is also required to notify the Minister and the CNES of any changes in orbital position – other than an avoidance manoeuvre – one month before the start of its implementation, except in the event of an emergency.

U.S. Export Control Requirements (regulations governing the activities of the Group's suppliers)

The Group also obtained authorisations to operate satellites, which were not covered by the licence obtained on 11 October 2011:

- ▶ on 29 July 2013, the authorisation to operate EUTELSAT 25B⁽¹⁾;
- ▶ on 29 February 2016, the authorisation to operate EUTELSAT 65 WEST A;
- ▶ on 15 March 2017, the authorisation to operate EUTELSAT 172B;
- ▶ on 8 June 2017, the authorisation to operate EUTELSAT 117 WEST B (authorisation limited to some non-recurring operations);
- ▶ on 30 April 2019, the authorisation to operate EUTELSAT 7C;
- ▶ on 19 September 2019, the authorisation to operate EUTELSAT 5 WEST B;
- ▶ on 30 April 2020, the authorisation to operate EUTELSAT QUANTUM.

In addition, on 4 December 2019, the Group obtained the licence to operate satellites that are or will be based on a Spacebus Neo platform from Thalès Alenia Space, as is the case for KONNECT KONNECT VHTS or EUTELSAT 10B.

Any satellite launches undertaken by the Group from France or abroad remain subject to a case-by-case authorisation regime. However, on 23 December 2010, the Group obtained a licence

certifying that Eutelsat has moral, financial and professional/business guarantees granting it an exemption from the administrative part of such subsequent requests and reducing the authorisation timeframe from four months to one month. Valid for ten years, this licence was renewed on 1 December 2020 and is therefore in effect until 30 November 2030.

To date, the Group has obtained authorisations to launch EUTELSAT KA-SAT 9A⁽¹⁾, EUTELSAT 7 WEST A, EUTELSAT 16A, EUTELSAT 21B, EUTELSAT 70B, EUTELSAT 3D, EUTELSAT 25B⁽¹⁾, EUTELSAT 3B, EUTELSAT 9B, EUTELSAT 8 WEST B, EUTELSAT 7C, EUTELSAT 5 WEST B, KONNECT, EUTELSAT QUANTUM, KONNECT VHTS, EUTELSAT 10B, HOTBIRD 13F, HOTBIRD 13G, ELO 3 and ELO 4.

Within the framework of its authorisations to proceed with satellite launches, one month before the launch, the Group must provide the launch authorisation obtained by Arianespace in the case of a launch by Ariane 5, or, in the case of a launch by other launchers, the launch authorisation granted by the relevant government to its launch operator or, failing this, a "certificate" for authorisation to launch from the relevant government or its launch operator.

5.5 U.S. Export Control Requirements (regulations governing the activities of the Group's suppliers)

U.S. companies and companies located in the USA must comply with U.S. export control laws and regulations, specifically the Arms Export Control Act, the International Traffic in Arms Regulations, the Export Administration Act and the trade sanction laws and regulations administered by the U.S. Treasury's Office of Foreign Asset Control in connection with any information, products and equipment that are regulated by U.S. law and supplied to non-U.S. companies.

The export of satellites, satellite hardware, defence services and technical information relating to satellites of non-U.S. satellite manufacturers, launch services providers, insurers, customers, non-U.S. employees and other persons who do not have U.S. nationality is

regulated by the Office of Defense Trade Controls under the International Traffic in Arms Regulations of the U.S. Department of State and/or by the U.S. Department of Commerce.

Since the Group and its service providers, distributors, suppliers and sub-contractors using U.S. technologies (including for communications) export U.S. components for the construction of the Group's satellites and provide launch services outside the U.S.A., they are required to obtain permits for the export of technical data and material (under technical assistance agreements) for any material they purchase for the construction of satellites or for satellite launches outside the U.S.A.

(1) EUTELSAT KA-SAT 9A and EUTELSAT 25B have been sold and are no longer part of the Group's fleet as at 30 June 2021.

5.6 Other provisions applicable to the Group

Eutelsat S.A.'s activities were originally carried out by an intergovernmental organisation, the European Telecommunications Satellite Organisation ("IGO"). The IGO was founded by certain countries in Western Europe ("Signatories") on 1 September 1985 ("Convention") to develop and operate a telecommunications satellite system for trans-European telecommunications purposes.

On 2 July 2001, all the IGO's operating activities were transferred to Eutelsat S.A. ("Transformation"). As a result of the Transformation, the Convention was amended to adjust the IGO's missions ("Amended Convention").

The IGO has been maintained as an intergovernmental organisation and currently covers 49 European countries ("EUTELSAT IGO").

5.6.1 Role of EUTELSAT IGO

The main purpose of EUTELSAT IGO is to ensure that Eutelsat S.A. complies with the following principles ("Basic Principles"):

- ▶ public service/universal service obligations: these obligations apply to the space segment and to its use to provide services connected to the public switched telephone network. Audio-visual services and future services will be provided in compliance with the relevant national regulations and international agreements, in particular the European Convention on Transfrontier Television, taking account of the provisions applying to the universal service concept and the information society;
- ▶ pan-European coverage by the satellite system: Eutelsat S.A. will, on an economic basis, seek through the pan-European coverage of its satellite system to serve all areas where there is a need for communications services in Member States;
- ▶ non-discrimination: services will be provided to users on an equitable basis, subject to commercial flexibility and consistent with applicable laws and regulations; and
- ▶ fair competition: Eutelsat S.A. must comply with all applicable laws and regulations relating to competition.

5.6.2 Current relationship between Eutelsat S.A. and EUTELSAT IGO

The relationship between Eutelsat S.A. and EUTELSAT IGO is governed by an agreement ("Arrangement") that came into force on 2 July 2001 and was amended on 1 July 2021 ("Amendment No. 6"). The Arrangement states that, on the understanding that the management of Eutelsat S.A. is carried out on a sound economic and financial basis, Eutelsat S.A.'s principal obligation under the Arrangement will be to observe the Basic Principles. The main provisions of the Arrangement are as follows:

▶ Eutelsat S.A.'s obligations

- ▶ EUTELSAT IGO will be given 60 days' notice of any proposal to change its Articles of Association which would materially affect the observance of the Basic Principles.
- ▶ Eutelsat S.A. must inform EUTELSAT IGO and take into account any recommendation made by EUTELSAT IGO, in the event of any major changes to its operating, technical, marketing or financial policies that might materially affect the observance of the Basic Principles.
- ▶ Eutelsat S.A. must obtain written prior approval from EUTELSAT IGO if it intends to go into voluntary liquidation, or if it intends to merge or combine with another entity.
- ▶ EUTELSAT IGO's Executive Secretary must be named as an Observer on Eutelsat S.A.'s Board of Directors, subject to certain conditions.
- ▶ Eutelsat S.A. must finance EUTELSAT IGO's annual operating costs.

▶ EUTELSAT IGO's obligations

- ▶ EUTELSAT IGO must make every effort to ensure that Eutelsat S.A. can make use of all frequency assignments acquired or filed with the ITU Radiocommunication Bureau as of 2 July 2001.
- ▶ Any proposed amendment to the Amended Convention that is liable to affect EUTELSAT IGO's performance of its activities must be submitted to Eutelsat S.A., which will have six weeks in which to communicate its observations to EUTELSAT IGO.

▶ Liaison and information

- ▶ A joint committee made up of representatives of EUTELSAT IGO and Eutelsat S.A. must meet at least once per quarter to ensure that Eutelsat S.A. is observing the Basic Principles. In this regard, Eutelsat S.A. must send EUTELSAT IGO extracts from its Five-Year Strategic Plan and its certified annual accounts and must examine with EUTELSAT IGO the impact on its activity or on its observance of the "Basic Principles" caused by any changes in regulations, particularly European or French, applicable to it.
- ▶ In his capacity as Observer, the Executive Secretary of EUTELSAT IGO will have access to information under the same conditions as those which apply to a Board Member and will attend, but not vote at, meetings of Eutelsat S.A.'s Board of Directors.

The Arrangement also provides for a mechanism for settling disputes, including by arbitration.

5.6.3 Relationship between Eutelsat Communications and EUTELSAT IGO

At the time of Eutelsat Communications' IPO, Eutelsat Communications and EUTELSAT IGO signed a Letter-Agreement on 2 September 2005, which came into force on 6 December 2005 ("Letter-Agreement"). Under the Letter-Agreement, Eutelsat Communications undertook:

- ▶ to give EUTELSAT IGO's Executive Secretary a seat as Observer on the Board of Directors of Eutelsat Communications from the date of the latter's IPO;
- ▶ to ensure that Eutelsat S.A. is at all times able to honour its undertakings made pursuant to the Arrangement and not to take any decision which might entail any breach of the said undertakings by Eutelsat S.A.;
- ▶ in any event, and without constituting an exception to or a reduction of the undertaking set out in the above paragraph, to inform the Executive Secretary, in his capacity as Observer, of any decision taken by Eutelsat Communications, which might affect Eutelsat S.A.'s compliance with the Basic Principles and to communicate to them all useful information on such matters;
- ▶ to inform EUTELSAT IGO, through its Executive Secretary, of any crossing of a legal threshold or of a threshold contained in the Articles of Association, which has been notified to it by a shareholder;
- ▶ not to propose or vote for any proposal that Eutelsat S.A. distribute dividends in excess of the amount of Eutelsat S.A.'s annual net income and/or annual net income plus retained earnings and/or which would result in Eutelsat S.A.'s net debt/Adjusted EBITDA ratio rising above 3.75/1, given that this ratio will not be considered as having been exceeded where any excess comes as a result of any external growth operation and that the notion of dividends is that defined under Article L. 232-12 of the French Commercial Code;
- ▶ to take all steps necessary so that the undertakings given by Eutelsat Communications, or those that Eutelsat Communications may give, in particular in relation to its financial needs, present or future, cannot in any way result in cross default by Eutelsat S.A., unless such undertakings given by Eutelsat Communications were also given in Eutelsat S.A.'s direct interest;
- ▶ to maintain a level of consolidated Group debt that is not contrary to market practice and sound management of the Eutelsat Group; and
- ▶ to maintain within Eutelsat S.A. a minimum amount of equity in compliance with sound financial management of Eutelsat S.A. and allowing it to continue complying with the Basic Principles.

The role, position, remuneration and right to information of the Observer, as well as the right to supply information to the Parties and the settlement of any disputes relating to such supply of information, are specified in the Letter-Agreement (see Section 2.3.5 "Board of Directors, Committees and Observer (Articles 13 to 19 of the Articles of Association)" for further information on the clause in Eutelsat Communications' Articles of Association concerning the Observer).

The Letter-Agreement also provides for the creation of a Coordination Committee, whose main tasks are (i) to exchange useful information and views for the proper implementation of the Letter-Agreement, (ii) to examine any request for the removal of confidentiality restrictions on information received by the Observer, and (iii) to examine in particular the annual accounts and the list of third-party experts designated to resolve any problem arising as to what information may be circulated by the Observer to the Parties to the Convention.

The Letter-Agreement will become null and void upon the expiry of the Arrangement pursuant to its terms and conditions (it should be noted that the Arrangement may only be terminated by mutual agreement). EUTELSAT IGO and Eutelsat Communications may, however, terminate or amend the Letter-Agreement at any time upon mutual agreement, in particular in the event where such termination or amendment proves to be helpful in facilitating the development of the Group.

In the event of assignment of Eutelsat S.A. shares by Eutelsat Communications, the latter shall inform the proposed transferee of the content of the Letter-Agreement, it being understood that Eutelsat Communications shall remain bound, in any event, by its undertakings until the expiry of the Letter-Agreement in accordance with the paragraph above.

The Letter-Agreement also contains a mechanism for settling disputes by arbitration.



6

Financial information



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6.1 Review of Eutelsat communications' financial position

6.1.1 Preliminary note

The Company is a holding company with no business activities of its own other than its indirect equity interest in Eutelsat S.A. As of 30 June 2023, the Company held directly 96.38% of the share capital of Eutelsat S.A.

The following paragraphs are mainly dedicated to the presentation and analysis of Eutelsat Communications' consolidated results for the Financial Year ended 30 June 2023.

Readers are invited to read the following presentation together with the document as a whole, including Eutelsat Communications' consolidated financial statements for the Financial Year ended 30 June 2023 prepared in accordance with International Financial Reporting Standards ("IFRS"), and the Notes to those financial statements in Section 6.2 "Consolidated financial statements as of 30 June 2023" of this document.

The review of the Company's financial position and results for the Financial Years ended 30 June 2022 and 2021 are incorporated for reference purposes in this document and may be found, respectively, in Section 6.1 of the Company's 2021-22 and 2020-21 Universal Registration Documents.

► Alternative Performance Indicators

In addition to the data published in its financial statements, the Group communicates on four alternative performance indicators which it deems relevant for measuring its financial performance: Adjusted EBITDA, Cash Capex, Discretionary Free Cash Flow (DFCF) and Adjusted Discretionary Free Cash Flow. These indicators are the object of reconciliation with the consolidated accounts.

Adjusted EBITDA, Adjusted EBITDA margin and Net debt/Adjusted EBITDA ratio

Adjusted EBITDA reflects the profitability of the Group before Interest, Tax, Depreciation and Amortisation. It is a frequently used indicator in the Fixed Satellite Services Sector and more generally the Telecom industry.

The table below shows the calculation of Adjusted EBITDA based on the consolidated P&L accounts for FY 2021-22 and FY 2022-23:

Twelve months ended 30 June (in millions of euros)	2022	2023
Operating income	424.8	573.5
+ Depreciation and Amortisation	481.7	455.5
- Other operating income and expenses	(44.9)	(203.5)
ADJUSTED EBITDA	861.6	825.5

The Adjusted EBITDA margin is the ratio of Adjusted EBITDA to revenues. It is calculated as follows:

Twelve months ended 30 June (in millions of euros)	2022	2023
Adjusted EBITDA	861.6	825.5
Revenues	1,151.6	1,131.3
EBITDA MARGIN (as a % of revenues)	74.8%	73.0%

The Net debt/Adjusted EBITDA ratio is the ratio of net debt to last-twelve months Adjusted EBITDA. It is calculated as follows:

Twelve months ended 30 June (in millions of euros)	2022	2023
Last twelve months Adjusted EBITDA	861.6	825.5
Closing net debt ⁽¹⁾	2,814.4	2,765.7
NET DEBT/ADJUSTED EBITDA	3.27X	3.35X

(1) Net debt includes all bank debt, bonds and all liabilities from lease agreements and structured debt as well as the Forex portion of the cross-currency swap, less cash and cash equivalents (net of bank overdraft). Net Debt calculation is available in the Note 7.4.4 of the consolidated financial statements.

Cash Capex

The Group on occasion operates capacity within the framework of leases, or finances all or part of certain satellite programmes under export credit agreements or through other bank facilities, leading to outflows which are not reflected in the item "acquisition of satellites and other tangible or intangible assets". Cash Capex including the outflows related to these elements is published in order to reflect the totality of Capital Expenditures undertaken in any financial year.

In addition, in the event of a partial or total loss of a satellite, as previously reported Cash Capex included investment in assets which are inoperable or partially inoperable, the amount of insurance proceeds is deducted from Cash Capex.

Cash Capex therefore covers the acquisition of satellites and other tangible or intangible assets, payments in respect of export credit facilities or other bank facilities financing investments as well as payments related to lease liabilities. If applicable it is net from the amount of insurance proceeds.

The table below shows the calculation of Cash Capex for FY 2021-22 and FY 2022-23:

Twelve months ended 30 June (in millions of euros)	2022	2023
Acquisitions of satellites, other property and equipment and intangible assets	(177.2)	(201.0)
Insurance proceeds	-	-
Repayments of ECA loans, lease liabilities and other bank facilities ⁽¹⁾	(102.3)	(69.9)
CASH CAPEX	(279.5)	(270.6)

(1) Included in lines "Repayment of borrowings" and "Repayment of lease liabilities" of cash flow statement.

Discretionary Free Cash Flow (DFCF)

The Group communicates on Discretionary Free Cash Flow, which reflects its ability to generate cash after the payment of interest and taxes. DFCF generally and principally serves investments to pursue the strategy of the company, shareholder remuneration and debt reduction.

Reported Discretionary Free Cash Flow is defined as Net cash flow from operating activities less Cash Capex as well as interest and

other fees paid net of interest received. It excludes C-band proceeds and attendant tax and future payments related to the exclusive commercial partnership with OneWeb.

Adjusted Discretionary free cash flow (as per financial objectives) is calculated at the guidance rate (based on a EUR/USD rate of 1.00) and excludes one-off impacts such as Hedging, effects of changes in perimeter when relevant, C-band proceeds, and one-off costs related to specific projects, in particular to the COMETE project as well as the Eutelsat-OneWeb combination project for FY 2022-23.

The table below shows the calculation of Reported Discretionary Free Cash Flow and Adjusted Discretionary Free Cash Flow for FY 2021-22 and FY 2022-23 and its reconciliation with the Cash Flow statement:

Twelve months ended 30 June (in millions of euros)	2022	2023
Net cash flows from operating activities	800.9	734.9
Payments of the OW take-or-pay	-	93.4
Cash Capex (as defined above)	(279.5)	(270.6)
Interest and other fees paid net of interest received	(78.3)	(95.3)
REPORTED DISCRETIONARY FREE CASH FLOW	443.2	462.4
Currency impact ⁽¹⁾	45.1	17.9
Hedging Impact	11.8	13.6
One-off costs related to "LEAP 2" programme, move to new headquarters (FY 2021-22) and to specific projects, in particular to the COMETE project as well as the Eutelsat-OneWeb combination project (FY 2022-23)	21.4	24.2
ADJUSTED DISCRETIONARY FREE CASH FLOW	521.5	518.0

(1) FY 2021-22 and FY 2022-23 Discretionary Free Cash Flows have been converted at 1.00 euro/U.S. dollar rate.

6.1.2 Analysis of the income statement

Revenues

The Group's revenues mainly come from supplying satellite capacity. The Group's customer base includes both distributors who resell satellite capacity to end-users and end-user customers who use the Group's satellite capacity for their own needs. The Group's ability to generate revenues largely depends on its tariffs, which vary mainly according to the type of capacity offered and the orbital neighbourhood of the satellites.

However, the prices charged by the Group also depend on the rates charged by the competition.

In addition, a modest portion of the Group's revenues ("Other revenues") mainly derives from:

- i) the impact of euro/U.S. dollar currency hedging;
- ii) the provision of various services or consulting/engineering fees; and
- iii) termination fees.

The evolution of these various items is difficult to predict.

Operating costs

Operating costs mainly include staff costs and other costs associated with controlling and operating the satellites, as well as insurance premiums for satellite in-orbit lives:

- ▶ **staff costs:** these comprise salaries and the payments by the employer for employees responsible for supplying, operating and maintaining the satellites (including French mandatory profit-sharing for Group employees);
- ▶ **costs for operating and controlling the satellites:** these correspond to the Earth station operating costs and equipment costs, which include, in particular, telemetry, control, positioning, payload management, and maintaining software and equipment at the satellite control centres, as well as traffic supervision and management. The amount of these costs is based on the number of satellites and the family of satellites operated, any repositioning of the satellites, as well as the number and type of services offered. These costs also include sub-contracting of telemetry, control and tracking operations for a number of the satellites in-orbit. In addition, Eutelsat S.A. has signed service agreements related to control of the satellite communications systems;
- ▶ **in-orbit insurance premiums:** in-orbit insurance premiums for satellite lives: Satellite in-orbit insurance generally takes effect when the launch insurance policy expires (generally one year after the satellite is launched). When the Group takes out launch insurance covering a satellite's In-Orbit Life, the premiums for periods after the first anniversary of the launch date are treated as in-orbit insurance costs. Depending on the selected risk management policy and prevailing market conditions for space insurance the costs for these insurance premiums can vary from one year to the next.

Selling, general and administrative expenses

Selling, general and administrative expenses include notably:

- ▶ administrative and commercial staff costs (including mandatory employee profit-sharing);
- ▶ general expenses associated with property leases, external studies and logistics;
- ▶ expenses associated with developing and marketing new products;
- ▶ a portion of the operating taxes; and
- ▶ provisions for accounts receivable or other receivables.

Depreciation and amortisation

The depreciation charge is the Group's largest expense item and includes costs concerning the depreciation of non-current assets.

The Group's non-current assets mainly consist of its satellites in orbit or under construction, right of use in respect of leases, ground facilities and intangible assets. Satellite costs include all expenses incurred in bringing individual satellites into operational use, in particular manufacturing, launch and launch insurance costs, capitalised interest, satellite performance incentives, and costs directly associated with the monitoring of the satellite programme (studies, staff and consultancy costs).

Satellites are depreciated on a straight-line basis over their estimated useful lives, which is between 12 to 24 years.

The Group conducts an annual review of the remaining useful lives of its in-orbit satellites on the basis of both their forecast utilisation and the technical assessment of their useful lives. In case the useful life is reduced or extended, the amortisation schedule is revised prospectively.

Intangible assets consist of goodwill, certain licences, the "Eutelsat" brand and the associated "Customer Contracts and Relationships" assets. Because their lifetimes are indefinite, the "Eutelsat" brand and the licences are not amortised but are systematically tested for impairment on a yearly basis. The "Customer Contracts and Relationships" assets are amortised on a straight-line basis over their economic life. This useful life was estimated on the basis of the average length of the contractual relationships existing at the date of acquisition of Eutelsat and taking into account anticipated contract renewal rates.

Other operating income and expenses

Please refer to Note 6.3 of the consolidated financial statements.

Operating income

Operating income reflects revenues less operating costs, selling, general and administrative expenses, depreciation and amortisation, and other operating income and charges.

Financial result

The financial result mainly reflects (i) interest expense and bond issuance costs related to the Group's borrowings, less borrowing costs offset against the value of eligible assets, (ii) changes in the fair value of the financial instruments (primarily including changes in time value and changes in the fair value of derivatives not eligible for hedge accounting) and (iii) foreign exchange gains and losses.

Share of result of associates

The Group's investments in associates consolidated under the equity method are initially booked at their cost of acquisition, including as appropriate the goodwill arising. Their book value is then increased or reduced to take into account the Group's share in the profits or losses realised after the acquisition date. In FY 2022-23, the share of profit of associates corresponds to the Group's share in the profit of OneWeb Holdings Ltd.

Consolidated net income

Consolidated net income reflects the sum of operating income, the financial result and income from equity investments, less income tax.

Net income attributable to the Group

Net income attributable to the Group represents the Group's consolidated net income less the income from subsidiaries attributable to non-controlling interests in these subsidiaries.

6.1.2.1 Comparative analysis of the income statements for the Financial Years ended 30 June 2022 and 2023

► Condensed consolidated income statement for the Financial Years ended 30 June 2022 and 2023

IFRS (in millions of euros)	12-month Financial Year ended	
	30 June 2022	30 June 2023
REVENUES	1,151.6	1,131.3
Operating costs	(93.2)	(103.3)
Selling, general and administrative expenses	(196.8)	(202.7)
ADJUSTED EBITDA	861.6	825.5
Depreciation and amortisation	(481.7)	(455.5)
Other operating income (charges)	44.9	203.5
OPERATING INCOME	424.8	573.5
Financial result	(64.9)	(91.3)
Income tax expense	(48.6)	(66.5)
Share of result of associates	(71.5)	(87.3)
CONSOLIDATED NET INCOME	239.8	328.3
Portion of net income attributable to non-controlling interests	(9.1)	(13.4)
GROUP SHARE OF NET INCOME	230.8	314.9

6.1.2.2 Revenues and key indicators

► Change in revenues

(in millions of euros)	FY 2021-22	FY 2022-23	Change	
			Reported	Like-for-like ⁽¹⁾
Video	752.2	704.8	-6.3%	-8.3%
Government Services	144.4	143.4	-0.7%	-7.2%
Mobile Connectivity	79.9	110.1	+37.9%	+26.8%
Fixed Connectivity	171.9	177.8	+3.5%	-2.3%
TOTAL OPERATING VERTICALS	1,148.3	1,136.1	-1.1%	-4.8%
Other revenues ⁽²⁾	3.3	-4.8	-244.7%	-247.1%
TOTAL REVENUES	1,151.6	1,131.3	-1.8%	-5.5%
EUR/USD exchange rate	1.14	1.04		

(1) Change at constant currency. The variation is calculated as follows: i) FY 2022-23 U.S. dollars revenues are converted at FY 2021-22 rates; ii) Hedging revenues are excluded.

(2) "Other revenues" include mainly the impact of euro/U.S. dollar revenue currency hedging (except for the like-for-like column), the provision of various services or consulting/engineering fees and termination fees.

As of June 30, 2023, the breakdown of the Operating Verticals revenues will evolve to better reflect the respective end markets which they address. The new framework will be altered from five verticals (Broadcast, Data & Professional Video, Government Services, Fixed Broadband and Mobile Connectivity) to four:

- Video, henceforth encompassing Broadcast and professional Video,
- Fixed Connectivity, encompassing Data and Fixed Broadband,
- Mobile Connectivity,
- and Government services.

Proforma quarterly data for FY 2021-22 and FY 2022-23 is provided in the Notes to the Consolidated Accounts.

Total revenues for **FY 2022-23** stood at 1,131 million euros, down by 1.8% on a reported basis and down by 5.5% like-for-like.

Revenues of the five Operating Verticals (ie, excluding 'Other Revenues') stood at 1,136 million euros. They were down by 4.8% on a like-for-like basis, excluding a positive currency impact of 43 million euros. "Operating Verticals" revenues as per financial objectives (at a €/€ rate of 1.00) stood at 1,157 million euros.

Fourth Quarter revenues stood at 286 million euros down 2.3% like-for-like. Revenues of the five Operating Verticals stood at 283 million euros, down 4.1% year-on-year and up 4.7% quarter-on-quarter on a like-for-like basis.

Unless otherwise stated, all variations indicated below are on a like-for-like basis, i.e., at constant currency and perimeter

Video (62% of revenues)

FY 2022-23 Video revenues were down by 8.3% to 705 million euros, reflecting the impact of the early non-renewal of a capacity contract with Digitürk from mid-November 2022 as well as lower revenues in Europe related to volume reductions with certain resellers. They were also impacted by the effect of sanctions against Russian and Iranian channels, mainly in the Second Half.

On the commercial front, Eutelsat was selected by Orby Elevate for the distribution of its first mainstream English language Direct-to-Home (DTH) services in the United States, leveraging the unparalleled coverage of EUTELSAT WEST 117 West A over the US territory. Eutelsat also extended its partnership with du, the Emirates Integrated Telecommunications Company, to upgrade its DTH services across the Middle-East and North Africa.

Professional Video revenues, which account for c.10% of the Video vertical, also decreased, reflecting structural headwinds as well as the seasonality of some events.

Fourth Quarter revenues stood at 170 million euros down by 9.7% year-on-year and broadly stable quarter-on-quarter.

Government Services (12% of revenues)

FY 2022-23 Government Services revenues stood at 143 million euros, down by 7.2% year-on-year.

Fourth Quarter revenues stood at 45 million euros, up by 25.8% year-on-year and by 45.0% quarter-on-quarter. This increase was mainly due to a one-off contract of 14 million euros with the German space agency, DLR, whereby EUTELSAT HOTBIRD 13F provided a service from April at the 0.5°E orbital position, prior to its commissioning at 13°E, expected in Q3 2023 (calendar).

Excluding this impact, Fourth Quarter revenues declined by 14.0% year-on-year, a level consistent with the trend of the Third Quarter (-13.4%), albeit representing a slightly improved trend versus the First Half, thanks to a superior renewal rate in the Spring 2023 US DoD campaign of above 70%, following the 65% rate of the Fall 2022 campaign.

Mobile Connectivity (10% of revenues)

FY 2022-23 Mobile Connectivity revenues stood at 110 million euros, up 26.8% year-on-year, reflecting the ongoing positive momentum, notably in Maritime.

Fourth Quarter revenues stood at 27 million euros, up 20.7% year-on-year and by 2.9% quarter-on-quarter, reflecting the positive impact of the commercialisation in the First Half of the third beam on EUTELSAT QUANTUM for a maritime mobility customer.

Fixed Connectivity (16% of revenues)

FY 2022-23 Fixed Connectivity revenues stood at 178 million euros, down by 2.3% year-on-year.

In Broadband, 40% of this application, revenues were broadly stable as the comparison basis included the contribution from the wholesale agreements with Orange, TIM, and more recently Hispasat and Swisscom as well as, to a lesser extent, the growth of the African operations.

Eutelsat completed the disposal of its European broadband retail activities in the wake of the success of its wholesale go-to-market model to distribute satellite broadband capacity over Europe. This strategy will be further supported by the entry into service of KONNECT VHTS expected in the second half of 2023 (calendar).

In Fixed Data, 60% of this application, improved volume trends partly offset the negative impact of the ongoing competitive pressure on prices.

Fourth Quarter revenues stood at 41 million euros. On a like-for-like basis, they were down by 16.0% year-on-year, and by 6.9% quarter-on-quarter, reflecting a tougher comparison basis including a positive one-off of c. 2.5 million euros in the Fourth Quarter last year. Excluding this one-off, they were broadly stable on a sequential basis.

Other Revenues

Other Revenues amounted to -5 million euros versus +3 million euros a year earlier. They included a 15 million euros negative impact from hedging operations versus a negative impact of 12 million euros a year earlier.

Geographical breakdown of revenues

The following table gives a breakdown of the Group's revenue by geographical area for the Financial Years ended 30 June 2022 and 2023. This table is based on sales region.

(in millions of euros and as a percentage)		30 June 2022		30 June 2023	
Regions		Amount	%	Amount	%
France		71.0	6.2%	64.2	5.7%
Italy		129.7	11.3	122.8	10.9%
United Kingdom		68.9	6.0%	64.5	5.7%
Europe (others)		310.1	26.9%	339.5	29.9%
Americas		235.1	20.4%	224.5	19.8%
Middle-East		214.5	18.6%	191.2	16.9%
Africa		99.5	8.6%	109.5	9.7%
Asia		33.9	2.9%	29.0	2.6%
Others ⁽¹⁾		(10.9)	(1.0)%	(13.9)	(1.2)%
TOTAL		1,151.6	100.0%	1,131.3	100.0%

(1) Others include the impact of EUR/USD currency hedging, which amounted to (15.3) million euros for the year ended June 30, 2023, compared with (11.8) million euros for the year ended June 30, 2022.

Main customers

As of 30 June 2023, the Group's top 10 customers accounted for 33% of its revenues (35% as of 30 June 2022). The top five customers represented 22% (24% as of 30 June 2022) and the top three 16% (16% as of 30 June 2022).

Key Indicators

Operational and utilised transponders

The number of operational transponders at 30 June 2023 stood at 1,351 units, down 10 units year-on-year.

The number of utilised transponders stood at 953 units, down 43 units year-on-year, the latter reflecting notably lower volumes in Video and the absence of major Video renewals

As a result, the fill rate stood at 70.8% compared with 73.2% a year ago.

	30 June 2022	30 June 2023
Operational transponders ⁽¹⁾	1,361	1,351
Utilised transponders ⁽²⁾	996	953
Fill rate	73.2%	70.8%

(1) Number of transponders on satellites in stable orbit, back-up capacity excluded.

(2) Number of transponders utilised on satellites in stable orbit.

Note: Based on 36 MHz-equivalent transponders excluding high throughput capacity.

Backlog

The backlog stood at 3.4 billion euros at 30 June 2023 versus 4.0 billion a year earlier. The natural erosion of the backlog, especially in the Video segment, more than offsets the contribution of the EGNOS

contract in Government as well as other incremental contracts in Mobility

The backlog was equivalent to 3.0 times 2021-22 revenues, and Video represented 59% of the total.

	30 June 2022	30 June 2023
Value of contracts (in billions of euros)	4.0	3.4
In years of revenues based on last fiscal year	3.5	3.0
Share of Video	62%	59%

Note: The backlog represents future revenues from capacity or service agreements and can include contracts for satellites under procurement.

6.1.2.3 Operating costs and selling, general and administrative expenses

Operating costs were 16 million euros higher than last fiscal year reflecting increased staff and technical costs due to a changing revenue mix and, to a lower extent, inflation. They also included transaction costs incurred with Russian clients.

6.1.2.4 Adjusted EBITDA

Adjusted EBITDA stood at 825 million euros at 30 June 2023 compared with 862 million euros a year earlier, down by 4.2%. The **Adjusted EBITDA margin** stood at 72.9% at constant currency (73.0% reported) versus 74.8% a year earlier, on the back of lower revenues, especially in the Video vertical.

This Adjusted EBITDA margin is reflective of the progressive rebalancing of our business towards connectivity applications.

6.1.2.5 Depreciation and amortisation, other operating charges and other operating income

Depreciation and amortisation mainly corresponds to the depreciation of satellites and on-ground facilities, as well as the amortisation of intangible assets recorded under "Customer Contracts and associated relationships".

Depreciation and amortisation represents the Group's largest expense item.

Lower **depreciation** of -455 million euros versus -482 million euros a year earlier, due to lower in-orbit and on-ground depreciation. Two satellites, HOTBIRD 13F and HOTBIRD 13G entered into service respectively on April 4, 2023 and May 30, 2023.

Other operating income of 203 million euros, compared to income of 45 million euros last year, which principally includes the 382 million dollars payment related to Phase II of C-band proceeds. Last year's other operating income included 125 million dollars of Phase I of C-band proceeds.

6.1.2.6 Operating income

As of 30 June 2023, **operating income** stood at 573 million euros, up 35% on last year.

6.1.2.7 Financial result

A **net financial result** of -91 million euros versus -65 million euros a year earlier, reflecting an unfavourable evolution of foreign exchange gains and losses as well as higher interest rates.

6.1.2.8 Income tax

Higher **tax**, at -67 million euros versus -49 million euros a year earlier, reflecting notably the 30% tax rate applied to the above-mentioned C-band proceeds.

6.1.2.9 Share of result of associates

Negative **income from associates** of -87 million euros, reflecting the full year contribution of the stake in OneWeb, which last year was only from September 2021 onwards⁽¹⁾.

6.1.2.10 Consolidated net income

As of 30 June 2023, **consolidated net income** totaled 328 million euros, compared to 240 million euros as of 30 June 2022.

6.1.2.11 Net income attributable to the Group

Group share of **net income** stood at 315 million euros in 2022-23 versus 231 million euros in 2021-22, an increase of 36%. The net margin stood at 28%.

(1) In September 2021, Eutelsat held 20.52% of OneWeb. Its equity interest increased to 25.13% in late December 2021, after having participated in a portion of Bharti Global's last call option. As of March 2022, following Hanwha Systems UK Ltd.'s acquisition of an equity interest, Eutelsat's participation now stands at 22.91% of OneWeb's capital.

6.1.3 Liquidity and capital resources

6.1.3.1 Eutelsat Communications' equity

Investors are advised to refer to Note 7.6 on the consolidated financial statements for the year ended 30 June 2023 shown in Section 6.2 of this document, which contains information on the issuer's equity.

6.1.3.2 Evolution of Discretionary Free Cash Flow

Cash Capex and Discretionary Free Cash Flow are defined at the beginning of this section (see "Alternative Performance Indicators"). Their evolution is shown in the chart below:

Twelve months ended 30 June (in millions of euros)	2022	2023
Net cash flows from operating activities	800.9	734.9
Payments of the OW take-or-pay	-	93.4
Cash Capex (as defined above)	(279.5)	(270.6)
Interest and other fees paid net of interest received	(78.3)	(95.3)
REPORTED DISCRETIONARY FREE-CASH FLOW	443.2	462.4
Currency impact ⁽¹⁾	45.1	17.9
Hedging Impact	11.8	13.6
One-off costs related to "LEAP 2" programme, move to new headquarters (FY 2021-22) and to specific projects, in particular to the COMETE project as well as the Eutelsat-OneWeb combination project (FY 2022-23)	21.4	24.2
ADJUSTED DISCRETIONARY FREE-CASH FLOW	521.5	518.0

(1) FY 2021-22 and FY 2022-23 Discretionary Free Cash Flows have been converted at 1.00 euro/U.S. dollar rate.

Net cash flow from operating activities amounted to 735 million euros, 66 million euros lower than a year earlier due to lower adjusted EBITDA and the first instalment of 100 million dollars of the take-or-pay agreement signed with OneWeb, partially compensated by lower working capital requirement needs, namely thanks to a prepayment in respect of the EGNOS contract of 85 million euros and strong cash collection.

Cash Capex amounted to 271 million euros, a level broadly stable versus 280 million euros last year.

Interest and other fees paid net of interest received amounted to 95 million euros versus 78 million euros last year. It notably reflected

interests from the credit facility drawn down for the financing of satellite programmes.

Discretionary Free Cash-Flow amounted to 462 million euros on a reported basis, up 19 million euros. It excludes the first instalment of 100 million dollars of the take-or-pay agreement signed with OneWeb.

Adjusted Discretionary Free Cash-Flow as per the financial outlook definition and at a Euro/dollar rate of 1.00, stood at 518 million euros, down 3 million euros or 1%, but well above our objective of an average of 420 million euros per year at a €/€ rate of 1.00 for FY 2022-23 and FY 2023-24.

6.1.3.3 Changes in Eutelsat Communications' cash flow

The following table shows changes in cash flow for the Financial Years ended 30 June 2022 and 2023:

(in millions of euros)	30 June 2022	30 June 2023
Cash flow from operating activities	800.9	734.9
Cash flow from investing activities	(583.0)	(332.9)
Cash flow from financing activities	(413.3)	(598.0)
Impact of exchange rate on cash and cash equivalents	14.7	(0.3)
Impact of perimeter change	-	(2.0)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(180.6)	(198.3)
Cash and cash equivalents at beginning of year	861.1	680.5
Cash and cash equivalents at end of year	680.5	482.2

Cash flow from operating activities

Net cash flow from operating activities amounted to 735 million euros, 66 million euros lower than a year earlier due to lower adjusted EBITDA and the first instalment of 100 million dollars of the take-or-pay agreement signed with OneWeb, partially compensated by lower working capital requirement needs, namely thanks to a prepayment in respect of the EGNOS contract of 85 million euros and strong cash collection.

Cash flow from investing activities

Investing activities mainly concern satellites ("Acquisitions of satellites") and ground equipment ("Other property and equipment").

"Acquisitions of satellites" covers the costs of satellite construction, launch, and entry into operational service. These expenses comprise construction costs (including performance-related incentive payments), launch costs and Launch-plus-one-year insurance premiums.

"Acquisitions of satellites" is the largest component of the Group's capital investments. The cost of procuring and launching a satellite is generally spread over the 2-or 3-year period prior to the satellite launch.

"Other property and equipment" essentially comprises satellite control and monitoring equipment.

Cash flow from investing activities might also include operations related to changes in perimeter, if any.

The level of investment depends on the satellite launch programme and may fluctuate substantially from one year to the next.

During the Financial Year ended 30 June 2023, cash flows from investing activities stood at (332.9) million euros compared to (583.0) million euros one year before, a variation reflecting mainly:

- ▶ The phasing of various satellite programmes;
- ▶ During the Financial Year ended 30 June 2023, Acquisition of equity investments for 122.1 million euros mostly related to the acquisition of a stake in OneWeb Holdings Limited;
- ▶ During the Financial Year ended 30 June 2022, Acquisition of equity investments for 491.9 million euros mostly related to the acquisition of a stake in OneWeb Holdings Limited;
- ▶ During the Financial Year ended 30 June 2022, the payment related to the phase I of C-band proceeds for an amount of 86 million euros after tax.

The following table shows cash flows from investing activities during the Financial Years ended 30 June 2022 and 2023.

Financial Year ended 30 June (in millions of euros)	12-month period	
	2022	2023
Acquisitions of satellites, other property and equipment and intangible assets	(177.2)	(201.0)
Insurance repayments	-	-
C-band transition plan	86.1	(9.8)
Acquisition of equity investments and other movements	(491.9)	(122.1)
Cash flows from investing activities	(583.0)	(332.9)

Cash flow from financing activities

During the Financial Year ended 30 June 2023, cash flow from financing activities moved from (413.3) million euros to (598.0) million euros. This evolution reflected principally:

- ▶ the effect of the main financing or refinancing operations described in the paragraph "The Group's financing structure as of 30 June 2023 Main changes during Financial Year ended 30 June 2023" of the following section, and namely a bond repayment for 300 million euros.
- ▶ interest paid for (95.3) million euros in 2022-23 compared to an amount of (78.3) million euros in 2021-22.
- ▶ the evolution of dividends paid partly in newly issued share and partly in cash ((80.6) million euros in 2022-23 and (221.5) million euros in 2021-22);
- ▶ lease payments for (54.6) million euros in 2022-23 compared to an amount of (14.1) million euros in 2021-22.

6.1.3.4 Changes in debt and Group financing structure

The following paragraphs primarily describe the Group's liquidity needs and financial resources. See also the Company's consolidated financial statements for the Financial Years ended 30 June 2022 and 2023 prepared under IFRS standards and also the Notes to these financial statements.

The Group's liquidity needs mainly comprise:

- ▶ financing for satellite construction and launches;
- ▶ servicing of the Group's debt;
- ▶ inorganic acquisitions when applicable;
- ▶ financing of working capital; and
- ▶ payment of dividends.

Financial resources

The Group's financial resources primarily comprise cash flows generated by Eutelsat S.A.'s operating activities. The Group has additional financial resources through the credit facilities obtained, the bond debt issued by Eutelsat S.A. and cash.

Change in net debt

The Group's net debt includes all bank and bond debt, as well as debt related to lease liabilities and export credit agencies and the change portion of cross-currency swaps, less cash, cash equivalents and marketable securities net of bank credit balances (see Note 7.4.2 "Financial debt" to the consolidated Financial statements for the year ended 30 June 2023 in Section 6.2 of this document).

The following table shows a breakdown of the Group's net debt as of 30 June 2022 and 2023:

<i>(in millions of euros)</i>	30 June 2022	30 June 2023
Term loan	400.0	400.0
EIB loan	200.0	200.0
Bonds	2,300.0	2,000.0
Structured debts	133.0	318.0
"Change" portion of the cross-currency swap	41.3	13.6
Lease liabilities	420.6	316.2
Cash and cash equivalents	(680.5)	(482.2)
TOTAL	2,814.4	2,765.6

At 30 June 2023, **net debt** stood at 2,766 million euros, down 49 million euros versus end of June 2022. It reflected: (i) higher reported Discretionary Free Cash-Flow, (ii) a reduced dividend payment of 81 million euros following the payment of part of the dividend in shares under the scrip option, and (iii) lower leases. These impacts were partly compensated by the outflow in respect of inorganic investments of 140 million euros mainly for OneWeb as well as the first instalment of 100 million dollars of the take-or-pay agreement signed with OneWeb.

The **net debt to Adjusted EBITDA ratio** stood at 3.35 times, compared to 3.27 times at end-June 2022 and 3.55 times at end-December 2022.

Net debt as of 30 June 2023

At 30 June 2023, the Group's total net debt amounted to 2,766 million euros, and comprised mainly (i) 400 million euros of borrowings drawn down within the framework of the Eutelsat Communications term loan, (ii) 200 million euros of borrowings drawn down within the framework of the Eutelsat S.A. term loan with the European Investment Bank (EIB), (iii) 2,000 million euros of bonds issued by Eutelsat S.A., (iv) 316 million euros of debt-related finance leases, mainly for satellite financing; (v) 318 million euros of structured debt (Eutelsat S.A. credit facility); (vi) +14 million euros for the foreign exchange portion of the cross-currency swap and; (vii) 482 million euros in cash, cash equivalents and marketable securities (net of bank overdrafts).

The Group also has over 1.0 billion euros available under its various lines of undrawn credit.

The table below describes the Group's main credit facilities as of 30 June 2023:

<i>(in millions of euros)</i>	Amount granted	Amount used	Maturity
Eutelsat Communications term loan	400	400	25 June 2027
Eutelsat Communications revolving credit facility	200	-	25 June 2027
Eutelsat S.A. revolving credit facility No. 1	450	-	30 September 2025
Eutelsat S.A. revolving credit facility No. 2	200	-	30 September 2025
Eutelsat S.A. credit facility No. 1	200	200 (of which 82 reimbursed)	Two tranches left: 30 June 2023: 65 million euros 30 June 2024: 53 million euros
Eutelsat S.A. credit facility No. 2	200	200	Three tranches: 30 June 2024: 75 million euros 30 June 2025: 50 million euros 30 June 2026: 75 million euros
Eutelsat S.A. credit facility No. 3	159	-	Three tranches: 30 June 2025: 53 million euros 30 June 2026: 53 million euros 30 June 2027: 53 million euros
Eutelsat S.A. EIB term loan	200	200	8 December 2028
2025 Eutelsat S.A. Bond	800	800	2 October 2025
2027 Eutelsat S.A. Bond	600	600	13 July 2027
2028 Eutelsat S.A. Bond	600	600	13 October 2028
Leases	-	316	-
Foreign exchange portion of the cross-currency swap	-	+14	13 January 2025
TOTAL	4,009	3,248	

As of 30 June 2023, part of the Group's debt bore interest at a variable rate (generally EURIBOR plus a margin), and the bond loan bore interest at a fixed rate. The average cost of debt after hedging stood at 2.96%, and the weighted average maturity of the Group's debt stood at 3.6 years.

The Group's financing structure as of 30 June 2023

Main changes during Financial Year ended 30 June 2023

- ▶ The 300 million euros in 10-year bonds issued on 1 October 2012 on the Luxembourg Stock Exchange, maturing on 10 October 2022, were repaid in full at maturity at 100%.
- ▶ The maturities of the 450 and 200 million euros Revolving Credit Facilities of Eutelsat S.A. were both extended until 30 September 2025, with a 1-year additional extension option until 30 September 2026 subject to lenders agreement.
- ▶ Regarding Eutelsat Communications S.A.'s Term Loan and Revolving Credit Facility's adjusted EBITDA/Net Debt ratio covenant, the Group obtained from the lenders that the calculation of the ratio between the total net debt and adjusted

EBITDA will take into account in anticipation the post-tax proceeds from the release of the C-band spectrum for the tests performed until 30 June 2024. The Group also obtained from the lenders an increase in the net debt to adjusted EBITDA ratio from 4 to 4.75 for the test periods from 30 June 2023 to 31 December 2024, then at 4.50 for the test periods from 30 June 2025 to 31 December 2025 in the event that the finalisation of the OneWeb transaction should take place before the testing date. Lastly the calculation of the net debt to EBITDA ratio will take into account OneWeb's annualised EBITDA of the last quarter for the test of 30 June 2023, on the basis of the total financial data if the combination operation occurs before this date.

Main changes during Financial Year ended 30 June 2022

- ▶ A new facility of 159 million euros was raised at the Eutelsat S.A. level to increase the Group's liquidity. It consists of three tranches repayable in June 2025, June 2026 and June 2027 respectively.
- ▶ The maturities of the 400 million euros Term Loan of Eutelsat Communications and of the 200 million euros Revolving Credit Facility of Eutelsat Communications were both extended by one year from June 2026 to June 2027.

Eutelsat Communications S.A. Credit Facilities

Eutelsat Communications S.A. financing structure is the following:

- ▶ A 400 million euros Term Loan initially for a 5-year maturity with two possible extensions of one year, of which one has been exercised and approved until June 2027 (with a second possible extension of one year not exercised) bearing interest at EURIBOR plus a margin depending on Eutelsat Communications S.A. long-term credit ratings given by Standard & Poors (S&P). Interest periods are selected for three months, beginning on 10 September, 10 December, 10 March and 10 June every year.
- ▶ A 200 million euros Revolving Credit Facility (undrawn at 30 June 2023), concluded in June 2021 with – initially – a 5-year maturity with two possible extensions of one year, of which one has been exercised and approved and the second possible extension of one year not exercised. Interest periods are of a maximum of 6 months and bear interest at EURIBOR (or SOFR for drawings in U.S. dollars) plus a margin depending on Eutelsat Communications S.A. long-term credit ratings given by Standard & Poors (S&P).

The loan agreements do not involve any guarantee by Eutelsat Communications' subsidiaries or any pledge of assets as collateral for the loan. This loan agreement includes some restrictive clauses, subject to the usual exceptions in loan agreements. The agreement provides for each lender party to the agreement to ask for early repayment of all monies owed if there is a change in control of Eutelsat Communications and Eutelsat S.A. including as a result of concerted action.

In addition, Eutelsat Communications has agreed to retain directly or indirectly 95% of the capital and voting rights in Eutelsat S.A. for the duration of the loan.

The credit agreement entails an obligation to maintain Launch-plus-one-year insurance policies for any satellite located at 13° East and, for any satellite located at another orbital position, a commitment not to have more than one satellite not covered by a launch insurance policy.

Eutelsat Communications S.A. is required to maintain a total net debt to annualised adjusted EBITDA ratio (as these terms are defined contractually and based on the Group's IFRS consolidated accounts) of less than or equal to 4.0 to 1, this ratio being tested on 30 June and 31 December each year. In the Financial Year 2022-23, the Group obtained from the lenders that the calculation of the ratio between the total net debt and adjusted EBITDA will take into account in anticipation the post-tax proceeds from the release of the C-band spectrum for the tests performed until 30 June 2024. The Group also obtained from the lenders an increase in the net debt to adjusted EBITDA ratio from 4 to 4.75 for the test periods from 30 June 2023 to 31 December 2024, then at 4.50 for the test periods from 30 June 2025 to 31 December 2025 in the event that the finalisation of the OneWeb transaction should take place before the testing date. Lastly the calculation of the net debt to EBITDA ratio will take into account OneWeb's annualised EBITDA of the last quarter for the test of 30 June 2023, on the basis of the total financial data if the combination operation occurs before this date.

The fees incurred for setting up the Term Loan are amortised over the duration of the loans. As of 30 June 2023, they represent a balance of 1.3 million euros.

Eutelsat S.A.'s credit facilities

Eutelsat S.A. financing structure is the following:

- ▶ 800 million euros in 7-year bonds issued on 25 September 2018 on the Luxembourg Stock Exchange regulated market and maturing on 2 October 2025 ("the Bond Loan 2025"). The 2025 bonds carry an annual coupon of 2.000%, were issued at 99.400%, and are redeemable at maturity at 100% of their principal amount;
- ▶ 600 million euros in 8-year bonds issued on 6 June 2019 on the Luxembourg Stock Exchange regulated market and maturing on 13 July 2027 ("the Bond Loan 2027"). The 2027 bonds carry an annual coupon of 2.250%, were issued at 99.822%, and are redeemable at maturity at 100% of their principal amount;
- ▶ 600 million euros in 8-year bonds issued on 13 October 2020 on the Luxembourg Stock Exchange regulated market and maturing on 13 October 2028 ("the Bond Loan 2028"). The 2028 bonds carry an annual coupon of 1.500%, were issued at 99.619%, and are redeemable at maturity at 100% of their principal amount;
- ▶ a 450 million euros revolving credit facility signed on 28 April 2017 with a 5-year term initially and two 1-year extension options subject to lenders agreement, of which both have been exercised and approved. A further extension until September 2025 was put in place in June 2023 with a 1-year additional extension option until September 2026, subject to lenders agreement. Amounts drawn for a maximum period of six months bear interest at EURIBOR (or SOFR for amounts drawn in U.S. dollars) plus a 0.23% to 0.95% margin depending on Eutelsat S.A.'s long-term rating assigned by Standard & Poor's. Furthermore, under this credit agreement, Eutelsat S.A. is required to maintain a total net debt to annualised Adjusted EBITDA ratio (as contractually defined and based on the consolidated financial statements of the Eutelsat S.A. sub-group prepared in accordance with IFRSs) of less than or equal to 4 to 1 (this ratio is tested on 30 June and 31 December each year). No amount was drawn from this revolving credit facility as at 30 June 2023;
- ▶ a credit facility of up to 200 million euros signed on 17 April 2019. This facility is composed of two remaining tranches payable in June 2023 and June 2024 respectively, bearing interest at a fixed rate plus a predefined margin. Furthermore, under this credit agreement, Eutelsat S.A. is required to maintain a total net debt to annualised Adjusted EBITDA ratio (as contractually defined and based on the consolidated financial statements of the Eutelsat S.A. sub-group prepared in accordance with IFRS) of less than or equal to 4 to 1 (this ratio is tested on 30 June and 31 December each year). 200 million euros were drawn from this credit facility as at 30 June 2023;
- ▶ a 200 million euros revolving credit facility concluded in June 2021 with a 2-year term initially, two 1-year extensions, subject to the lenders' agreement for the second, are possible. The first option until June 2024 was exercised. A further extension until September 2025 was put in place in June 2023 with a 1-year additional extension option until September 2026 subject to lenders agreement. Amounts drawn for a maximum period of six months bear interest at EURIBOR (or LIBOR for amounts drawn in U.S. dollars) plus a margin depending on Eutelsat S.A.'s long-term rating assigned by Standard & Poor's. Furthermore, under this credit agreement, Eutelsat S.A. is required to maintain a total net debt to annualised Adjusted EBITDA ratio (as contractually defined and based on the consolidated financial statements of the Eutelsat S.A. sub-group prepared in accordance with IFRSs) of less than or equal to 4 to 1 (this ratio is tested on 30 June and 31 December each year). No amount was drawn from this revolving credit facility as at 30 June 2023;

- ▶ a credit facility of up to 200 million euros concluded in June 2021. This facility is composed of three tranches payable in June 2024, June 2025 and June 2026 respectively, bearing interest at a fixed rate plus a predefined margin. Furthermore, under this credit agreement, Eutelsat S.A. is required to maintain a total net debt to annualised Adjusted EBITDA ratio (as contractually defined and based on the consolidated financial statements of the Eutelsat S.A. sub-group prepared in accordance with IFRS) of less than or equal to 4 to 1 (this ratio is tested on 30 June and 31 December each year). 200 million euros were drawn from this credit facility as at 30 June 2023;
- ▶ a 200 million euros Term Loan initially concluded on 27 November 2020 with the European Investment Bank (EIB) for an 8-year period maturing on 8 December 2028. Interest periods are six months, beginning on 10 June and 10 December;
- ▶ a credit facility of up to 159 million euros concluded in March 2022. This facility is composed of three tranches payable in June 2025, June 2026 and June 2027 respectively, bearing interest at a fixed rate plus a predefined margin. Furthermore, under this credit agreement, Eutelsat S.A. is required to maintain a total net debt to annualised Adjusted EBITDA ratio (as contractually defined and based on the consolidated financial statements of the Eutelsat S.A. sub-group prepared in accordance with IFRS) of less than or equal to 4 to 1 (this ratio is tested on 30 June and 31 December each year). No amount was drawn from this credit facility as at 30 June 2023.

The credit agreements and the bond issues include neither a guarantee by the Group nor the pledging of assets to the lenders, but they include restrictive clauses, subject to the usual exceptions contained in loan agreements, limiting the capacity of Eutelsat S.A. and its subsidiaries, in particular to:

- ▶ grant security interests or guarantees;
- ▶ enter into agreements resulting in additional liabilities;
- ▶ grant loans and carry out certain types of investments;
- ▶ enter into merger, acquisition, asset disposal, or lease transactions (with the exception of those carried out within the Group and expressly provided for in the loan agreement);
- ▶ modify the nature of the business of the company or its subsidiaries.

The bond issues and the credit facilities referred to in paragraph 7.4.2 provide for the possibility:

- ▶ For each lender party to the credit agreements to request early repayments of all credit agreements in the event of a change of control of Eutelsat S.A. or a change of control of Eutelsat Communications (other than control acquisition by the Group's reference shareholders). This provision does not apply in case of Group restructuring;
- ▶ For each lender party to the bond issues to request early redemption of all issued bonds in the event of a change of control of Eutelsat S.A. or change of control of Eutelsat Communications accompanied by a downgrade in its bond ratings.

The credit agreement entails an obligation to maintain Launch-plus-one-year insurance policies for any satellite located at 13° East and, for any satellite located at another orbital position, a commitment not to have more than one satellite not covered by a launch insurance policy.

Issue costs incurred on issuing the bonds are amortised over the duration of the loans. As of 30 June 2023, they represent a balance of 9.9 million euros.

6.1.3.5 Other Group commitments

The following table summarises the Group's contractual obligations (including lease liabilities excluding other components of the gross debt) and commercial commitments as of 30 June 2023 (see the Notes to Eutelsat Communications S.A.'s consolidated financial statements for the year ended 30 June 2023 in Section 6.2 of this document).

(in millions of euros)	Total	Payments by period			
		<1 year	1-3 years	3-5 years	>5 years
Lease liabilities	316.2	43.5	137.6	-	135.0
Satellite construction and launch contracts, operating agreements and customer contracts ⁽¹⁾	628.0	230.0	153.0	245.0	-
Retirement indemnities and other post-employment benefits ⁽²⁾	13.4	-	-	-	13.4
TOTAL CONTRACTUAL OBLIGATIONS AND COMMERCIAL COMMITMENTS	957.6	273.5	290.6	245.0	148.4

(1) Primarily includes costs of controlling satellites in-orbit.

(2) Mainly includes long-term obligations (more than five years).

It should be noted that:

- ▶ lease liabilities are described in the Notes to Eutelsat Communications S.A.'s consolidated financial statements in Section 6.2 of this document (Note 7.4.3). They mostly are related to five satellites for which capacity is leased (EUTELSAT 53A, EXPRESS AT1, EXPRESS AT2, EUTELSAT 36C and EUTELSAT 28G);
- ▶ commitments with certain suppliers for the acquisition of assets (satellites and other assets) are described in the Notes to Eutelsat Communications S.A.'s consolidated financial statements (Note 7.1.5);
- ▶ retirement indemnities and other post-employment benefits are described in the Notes to Eutelsat Communications S.A.'s consolidated financial statements (Note 7.7.2);
- ▶ the financial guarantee granted to the IGO's Closed Pension Fund is in the Notes to Eutelsat Communications S.A.'s consolidated financial statements (Note 7.7.1);
- ▶ the Group gave an undertaking to put in place a liquidity mechanism, which is described below.

Off-balance sheet commitments as of 30 June 2023 consist mainly of the above-mentioned Satellite construction and launch contracts, operating agreements and customer contracts, and parent company guarantees issued in favour of certain subsidiaries, all of which are related to operating activities, as well as commitments related to the Group's financing (more information in Section 6.1.3.4) and to the financial instruments referred to in Note 7.4.5 to the consolidated financial statements in Section 6.2).

Liquidity offers

The Company gave an undertaking to employees who are shareholders in Eutelsat S.A. or who hold Eutelsat S.A. stock subscription or stock purchase options, apart from Corporate Officers and Directors and executives who made commitments to sell their shares to put in place a liquidity mechanism for their Eutelsat S.A. shares should Eutelsat Communications be floated on the stock market.

The Group consequently provides a liquidity "window" on a regular basis.

6.1.4 Dividend policy

The dividend policy is set by the Board of Directors after analysis, in particular, of the Group's results and financial position.

Starting in the Financial Year ended 30 June 2020, Eutelsat Communications undertook the distribution of:

- ▶ an amount of 0.89 euro per share subtracted from the distributable profit in respect of the Financial Year ended 30 June 2020. It is noted that this 30% reduction compared to the previous fiscal year occurred in the context of the global health crisis, as a measure of prudence with a view to maintain a high level of financial flexibility;

- ▶ an amount of 0.93 euro per share subtracted from the distributable profit and retained earnings in respect of the Financial Year ended 30 June 2021;
- ▶ an amount of 0.93 euro per share subtracted from the distributable profit and retained earnings in respect of the Financial Year ended 30 June 2022. An option for shareholders to receive the entire dividend, either in cash or in new shares of the Company, was proposed.

In the context of the projected combination with OneWeb, Eutelsat will suspend its dividend for the coming three fiscal years with cash flow focused on the deployment of the Gen 2 constellation while maintaining a strong balance sheet.

6.2 Consolidated financial statements as of 30 June 2023

Consolidated income statement

<i>(in millions of euros, except per-share data)</i>	Note	30 June 2022	30 June 2023
Revenues from operations	6.1	1,151.6	1,131.3
Operating costs	6.2	(93.2)	(103.3)
Selling, general and administrative expenses	6.2	(196.8)	(202.7)
Depreciation expense	7.1.1, 7.1.2, 7.1.3	(481.7)	(455.5)
Other operating income and expenses	6.3	44.9	203.5
Operating income		424.8	573.5
Cost of net debt		(63.1)	(68.5)
Other financial income and expenses		(1.8)	(22.8)
Financial result	6.4	(64.9)	(91.3)
Current income before tax		359.9	482.2
Income tax	6.5	(48.6)	(66.5)
Share of result of associates	7.2	(71.5)	(87.3)
Net income		239.8	328.3
Attributable to the Group		230.8	314.9
Attributable to non-controlling interests		9.1	13.4
Basic and diluted earnings per share attributable to Eutelsat Communications shareholders	6.6	1.002	1.267

Comprehensive income statement

<i>(in millions of euros)</i>	Note	30 June 2022	30 June 2023
Net income		239.8	328.3
<i>Other recyclable items of gain or loss on comprehensive income</i>			
Translation adjustment	7.6.4	117.3	(46.3)
Tax effect	7.6.4	21.0	(2.9)
Changes in fair value of hedging instruments ⁽¹⁾	7.6.3	(43.3)	33.2
Tax effect	7.6.3	10.6	(8.5)
<i>Other non-recyclable items of gain or loss on comprehensive income</i>			
Changes in post-employment benefits	7.7	56.8	(17.5)
Tax effect		(14.7)	4.5
TOTAL OF OTHER ITEMS OF GAIN OR LOSS ON COMPREHENSIVE INCOME		147.7	(37.5)
TOTAL COMPREHENSIVE INCOME		387.5	290.9
Attributable to the Group		373.1	278.9
Attributable to non-controlling interests ⁽²⁾		14.4	12.0

(1) Changes in the fair value of hedging instruments relate to cash flow hedges, foreign net investment hedges and the effect of the unwinding of documented forwards and the amortisation of payouts.

(2) The portion attributable to non-controlling interests breaks down as follows:

- a net result of 9.1 million euros as of 30 June 2022 and 13.4 million euros as of 30 June 2023;
- other recyclable items of gain or loss on comprehensive income of (1.9) million euros as of 30 June 2022 and (1.0) million euros as of 30 June 2023; and
- other non-recyclable items of gain or loss on comprehensive income of 7.3 million euros as of 30 June 2022 and (0.5) million euros as of 30 June 2023.

Consolidated statements of financial position

<i>(in millions of euros)</i>	Note	30 June 2022	30 June 2023
ASSETS			
Goodwill	7.1.1	1,295.2	1,280.1
Intangible assets	7.1.1	377.4	302.2
Tangible assets and construction in progress	7.1.2	3,677.5	3,587.0
Rights of use in respect of leases	7.1.3	452.9	345.1
Investments in associates	7.2	605.7	501.2
Non-current financial assets	7.4.3	43.0	163.9
Non-current assets associated with customer contracts and costs to obtain and fulfil contracts	7.3	34.0	31.8
Deferred tax assets	7.8	1.4	15.3
TOTAL NON-CURRENT ASSETS		6,487.0	6,226.5
Inventories		12.9	13.0
Accounts receivable	7.3.1	246.9	207.5
Current assets associated with customer contracts and costs to obtain and fulfil contracts	7.3	18.8	13.3
Other current assets		32.6	39.0
Current tax receivables		29.7	40.6
Current financial assets	7.4.3	65.1	388.8
Cash and cash equivalents	7.4.1	680.5	482.2
TOTAL CURRENT ASSETS		1,086.5	1,184.3
TOTAL ASSETS		7,573.6	7,410.8

<i>(in millions of euros)</i>	Note	30 June 2022	30 June 2023
LIABILITIES			
Share capital	7.6.1	230.5	248.9
Additional paid-in capital		718.0	831.3
Reserves and retained earnings		1,828.8	1,895.1
Non-controlling interests		83.4	96.8
TOTAL SHAREHOLDERS' EQUITY		2,860.7	3,072.1
Non-current financial debt	7.4.2	2,718.1	2,841.8
Non-current lease liabilities	7.4.3	365.9	272.5
Other non-current financial liabilities	7.4.3	94.7	54.7
Non-current payables to fixed asset suppliers	7.4.3	134.1	1.2
Non-current liabilities associated with customer contracts	7.3.3	159.2	269.0
Non-current provisions	7.7	17.6	29.2
Deferred tax liabilities	7.8	184.8	157.9
TOTAL NON-CURRENT LIABILITIES		3,674.5	3,626.2
Current financial debt	7.4.2	338.5	97.6
Current lease liabilities	7.4.3	59.8	47.0
Other current payables and financial liabilities	7.4.3	302.4	113.0
Accounts payable		78.3	93.5
Current payables to fixed asset suppliers	7.4.3	163.3	188.5
Tax payable		23.6	99.5
Current liabilities associated with customer contracts	7.3.3	65.2	68.5
Current provisions	7.7	7.1	5.1
TOTAL CURRENT LIABILITIES		1,038.3	712.5
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		7,573.6	7,410.8

Consolidated statement of cash flows

(in millions of euros)	Note	30 June 2022	30 June 2023
CASH FLOW FROM OPERATING ACTIVITIES			
Net income		239.8	328.3
Income from associates		71.5	87.3
Tax and interest expenses, other operating items		(17.3)	163.8
Depreciation, amortisation and provisions		492.6	535.3
Deferred taxes	7.8	0.2	(48.5)
Changes in accounts receivable		5.8	6.3
Changes in assets held under customer contracts and other assets		4.0	(357.4)
Changes in accounts payable		(1.2)	(74.3)
Changes in liabilities associated with customer contracts and other liabilities		30.8	121.4
Taxes paid		(25.2)	(27.3)
NET CASH FLOWS FROM OPERATING ACTIVITIES		800.9	734.9
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisitions of satellites, other property and equipment, and intangible assets	7.1.1. 7.1.2	(177.2)	(201.0)
Insurance repayments		-	-
C-band transition plan	2.2	86.1	(9.8)
Acquisition of equity investments and other movements ⁽¹⁾		(491.9)	(122.1)
NET CASH FLOWS FROM INVESTING ACTIVITIES		(583.0)	(332.9)
CASH FLOW FROM FINANCING ACTIVITIES			
Distributions		(221.5)	(80.6)
Increase in borrowings	7.4.2	-	-
Repayment of borrowings	7.4.2	(88.2)	(314.9)
Repayment of lease liabilities	7.4.3	(14.1)	(54.6)
Loan set-up fees		(4.4)	-
Interest and other fees paid		(78.3)	(95.3)
Transactions relating to non-controlling interests ⁽²⁾		-	(15.5)
Premiums and termination indemnities on derivatives settled		(6.7)	(36.9)
Other changes		0.1	(0.2)
NET CASH FLOW FROM FINANCING ACTIVITIES		(413.3)	(598.0)
Impact of exchange rate on cash and cash equivalents		14.7	(0.3)
Impact of changes in scope		-	(2.0)
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(180.6)	(198.3)
Cash and cash equivalents, beginning of period		861.1	680.5
Cash and cash equivalents, end of period		680.5	482.2
<i>Including Cash and cash equivalents, end of period</i>	7.4.1	680.5	482.2
<i>Including Overdrafts included under debt, end of period</i>		-	-

(1) As of 30 June 2023, acquisitions of equity investments and other movements include the payment of 127.9 million euros linked to the acquisition of equity interests in OneWeb Holdings Limited and the reimbursement of 5.2 million euros on Broadpeak convertible bonds. As of 30 June 2022, they include the payment of 494.9 million euros linked to the acquisition of equity interests in OneWeb Holdings Limited (see Note 3.2.1) and the reimbursement of 3.9 million euros from the escrow account in respect of the acquisition of BigBlu Europe (see Note 3.2.2).

(2) As of 30 June 2023, transactions relating to non-controlling interests include the additional payment linked to the acquisition of the minority interests in Eutelsat International taking place during the Financial Year ended 30 June 2020.

Consolidated statement of changes in shareholders' equity

(in millions of euros, except share data)	Share capital		Additional paid in capital	Reserves and retained earnings	Shareholders' equity Group share	Non- controlling interests	Total
	Number	Amount					
AS OF 30 JUNE 2021	230,544,995	230.5	718.0	1,666.0	2,614.5	76.2	2,690.7
Net income for the period	-	-	-	230.8	230.8	9.1	239.8
Other items of gain or loss in comprehensive income ⁽¹⁾	-	-	-	142.3	142.3	5.4	147.7
TOTAL COMPREHENSIVE INCOME	-	-	-	373.1	373.1	14.4	387.5
Dividend distributions	-	-	-	(214.2)	(214.2)	(7.3)	(221.5)
Benefits for employees upon exercising options and free shares granted	-	-	-	0.2	0.2	-	0.2
Transactions with non-controlling interests and others	-	-	-	3.7	3.7	0.2	3.9
AS OF 30 JUNE 2022	230,544,995	230.5	718.0	1,828.8	2,777.3	83.5	2,860.7
Net income for the period	-	-	-	314.9	314.9	13.4	328.3
Other items of gain or loss in comprehensive income ⁽¹⁾	-	-	-	(36.0)	(36.0)	(1.4)	(37.5)
TOTAL COMPREHENSIVE INCOME	-	-	-	278.9	278.9	12.0	290.9
Treasury stocks	-	-	-	(1.0)	(1.0)	(0.0)	(1.0)
Dividend distributions	-	-	-	(80.6)	(80.6)	-	(80.6)
Capital increase	18,381,330	18.4	113.3	(131.6)	-	-	-
Benefits for employees upon exercising options and free shares granted	-	-	-	0.6	0.6	-	0.6
Transactions with non-controlling interests and others ⁽²⁾	-	-	-	(0.2)	0.2	1.2	1.4
AS OF 30 JUNE 2023	248,926,325	248.9	831.3	1,895.2	2,975.4	96.7	3,072.1

(1) The changes in other items of gain or loss in comprehensive income include actuarial gains and losses recognised on post-employment benefits and changes in the revaluation surplus of derivative instruments (see Note 7.6.3) and the translation reserve (see Note 7.6.4), net of the associated tax effects.

(2) The transactions with non-controlling interest mainly include change in the price adjustment related to Eutelsat International for 1.2 million euros.

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Note 1 General Overview

1.1 Business

With capacity operated on 36 satellites, the Group is an industry leader in Fixed Satellite Services. It mainly operates and provides capacity for Video Services, Fixed Data and Government Services, and capacity in Connectivity applications (Fixed Broadband and Mobile Connectivity). Through its satellite fleet, the Group is able to serve the entire European continent, the Middle-East and North Africa, as well as Sub-Saharan Africa, a significant proportion of the Asian continents and the Americas.

1.2 Financial year

The financial year runs for a period of 12 months from 1 July to 30 June.

1.3 Approval of the Financial Statements

The consolidated financial statements as of 30 June 2023 have been established under the responsibility of the Board of Directors, which adopted them at its meeting of 27 July 2023. They will be submitted for approval to the Ordinary General Meeting of Shareholders taking place on 23 November 2023.

Note 2 Key events during the financial period

2.1 Business combination between Eutelsat and OneWeb

On 26 July 2022 Eutelsat Communications and the key OneWeb shareholders signed a Memorandum of Understanding with a view to a business combination between the two companies via a share exchange transaction, aimed at creating a global leader in connectivity. The transaction will be structured as an exchange of OneWeb shares by their shareholders (other than Eutelsat) for new shares issued by Eutelsat. On realisation of the transaction, Eutelsat will own 100% of OneWeb and OneWeb shareholders will receive around 226 million newly-issued Eutelsat Communications shares.

Following the issuance by the employee representative bodies of their opinion, Eutelsat Communications and the key OneWeb shareholders signed the final combination agreement on 14 November 2022. The realisation of the transaction remains subject to the customary conditions precedent, in particular approval by the relevant regulatory authorities. The Extraordinary General Meeting of Eutelsat shareholders convened to approve the transaction should take place in the third quarter of the 2023 calendar year.

As of 30 June 2023, transaction costs of 37,8 million euros have been booked in Other operating expenses.

On 31 March 2023, 100 million U.S. dollars was paid to OneWeb within the framework of the advance payment instalments for the constellation capacity negotiated during the implementation of the exclusive distribution agreement signed between the Group and OneWeb concomitantly with the final business combination agreement. An amount of 100 million U.S. dollars must be paid in March 2024, followed by 75 million U.S. dollars in March 2025.

In May 2023, the Group signed an agreement with all of OneWeb's key shareholders to commit to a maximum loan of 160 million U.S. dollars in line with each shareholder's equity interest (the Group share amounting to a maximum of 37.8 million U.S. dollar) in the event of OneWeb having insufficient cash before the finalisation of the business combination. This loan would be repayable as of the realisation date of the transaction or could be converted into equity were the business combination to be compromised.

2.2 C-band transition plan

Following the federal decision published by the Federal Communications Commission (FCC – US communications regulator) on 3 March 2020, within the framework of the vacation of spectrum in the 3.7-4 GHz range (C-band) across the US territory, the Group

implemented a transition plan composed of two phases, each corresponding to the vacation of certain frequencies and resulting in the payment of financial incentives amounting to 125 million U.S. dollars for the first phase and 382 million U.S. dollars for the second phase.

In October 2021, the FCC approved the certification of the first phase of the Group's transition plan. Within this framework, income of 125 million U.S. dollars has been booked in Other operating income in respect of the 2021-22 financial year. The corresponding funds were received in December 2021.

On 15 May 2023, the FCC published the guidelines opening the certification window for the second phase of the C-band transition. The group filed its transition plan and certification on 1 June 2023. At the end of the 30-day public consultation period the FCC approved the certification of the second phase of the transition plan on 30 June 2023. Within this framework, an income of 382 million U.S. dollars has been booked in Other operating income in respect of the 2022-23 financial year. The corresponding funds should be paid to the Group within 97 days following the filing date of the transition plan on 1 June 2023.

2.3 Launches of the EUTELSAT KONNECT VHTS, HOTBIRD 13F, HOTBIRD 13G and EUTELSAT 10B satellites

The KONNECT VHTS, HOTBIRD 13F, HOTBIRD 13G and EUTELSAT 10B satellites were successfully launched respectively on 8 September 2022, 15 October 2022, 3 November 2022 and 23 November 2022.

The KONNECT VHTS satellite will deliver high speed broadband and mobile connectivity services everywhere in Europe.

The HOTBIRD 13F and 13G twin satellites, which entered into operational service respectively in April and May 2023, will reinforce and optimise the delivery of more than a thousand television channels to homes situated in Europe, North Africa and the Middle-East.

EUTELSAT 10B carries two new multibeam HTS (High-Throughput Satellite) Ku-band payloads: a high-capacity payload covering the North Atlantic corridor, Europe, the Mediterranean Basin and the Middle-East, offering significant throughput in the busiest air and sea traffic zones; and a second payload to extend coverage across the Atlantic Ocean, Africa and the Indian Ocean.

The entries into operational service of the KONNECT VHTS and EUTELSAT 10B satellites are scheduled for the second half of the 2023 calendar year.

2.4 Impacts of the Russo-Ukrainian war and sanctions linked to the situation in Iran

Pursuant to the formal demand of the French Regulatory Authority for Audiovisual and Digital Communication (ARCOM) on 14 December 2022, the Group ended all involvement in the broadcasting of three television channels within the prescribed seven-day compliance period.

Pursuant to the Council of the European Union (EU) Regulation 2022/2474 of 16 December 2022, these same three channels as well as a fourth, RenTV, have been placed under restrictive measures imposed by the Council effective from 1 February 2023. The Group had taken steps in advance to comply with these measures, which essentially overlap with the ARCOM measures.

In the process of implementing the aforementioned measures, the Group has also ensured that it will not be involved in the broadcasting of any language versions of the Russia Today (RT) News channel in Russia itself. Moreover, Eutelsat liaises regularly with its distribution partners around the world to ensure that the provisions of Article 2(f) of EU Regulation 2014/833 relating to the ban on broadcasting certain Russian channels are fully complied with.

Concerning the situation in Iran, pursuant to the Council of the European Union Regulation 2022/2428 of 12 December 2022, the Group has also ceased all Islamic Republic of Iran Broadcasting (IRIB)-related broadcasting activity.

For the 2022-23 financial year, the implementation of the aforementioned measures had a total negative impact of 8 million euros on the Group's revenues. The negative impact on the Group's Adjusted Discretionary Free Cash Flow for the 2022-23 financial year amounted to 8 million euros.

The Company also leases capacity on four satellites belonging to the Russian operator RSCC servicing Russian customers concerned by the above decisions. As a result, since 21 December 2022, the Group has restructured and downsized its capacity lease contracts. This reduction in lease scope has led to a reduction in the discounted liability and the right of use amounting to a respective 51 million euros and 46 million euros (see Notes 7.1.3 and 7.4.4), and the

booking of income of 5.0 million euros (see Note 6.3). As of 30 June 2023, the total discounted liability amounted to 240 million euros. The taking into account of the reduction in revenues estimated above in the impairment tests for rights of use on lease contracts has led to the recognition of a 4.2 million impairment loss on transponder rights of use on one of the satellites concerned.

Although the Group has two subsidiaries in Russia, virtually all the operations with Russian customers and suppliers are regrouped in subsidiaries situated outside the Russian territory. As of 30 June 2023, the Company has no material payment arrears with its Russian customers. The proportion of revenues realised with Russian customers represents 6.8% of the Group's revenues.

In respect of assets in relation to Russian partners, notably the launcher supplier ILS, the Group has recognised a 42 million euros impairment in Other operating expenses for the financial year.

Furthermore, the OneWeb low orbit constellation, in which Eutelsat has a 22.9% equity interest, had to suspend the six remaining launches planned from the Baikonur cosmodrome in the 2022 first half. OneWeb has since entered into agreements with SpaceX and New Space India enabling it to secure the last satellite launches for its constellation in 2023.

2.5 Divestment of BigBlu Operations Ltd

On 15 June 2023, Eutelsat announced the signature of an agreement to sell its European retail broadband activities to a private operator.

The activities to be divested by Eutelsat include those of the affiliate BigBlu Operations Ltd, together with the other European retail activities in the UK, Ireland, France, Germany, Italy, Spain, Portugal, Poland, Hungary and Greece.

The sale of the BigBlu Operations Ltd shares generated a capital gain of 5.3 million euros which has been booked under Other operating expenses. Earn-out payments will apply to the transaction until two years from the finalisation date in an amount ranging from a maximum negative adjustment of 1.5 million euros to a maximum positive adjustment of 4.7 million euros. The consequences of this transaction are detailed in Note 3.2 "Main changes in the scope of consolidation".

Note 3 Scope of consolidation

The consolidated financial statements cover Eutelsat Communications S.A., its subsidiaries, and entities over which it directly or indirectly exercises joint control or a significant influence (considered together as the "Group").

Accounting principles

Subsidiaries are entities over which the Group has direct or indirect control. Control is defined by the power to direct the financial and operational policies generally, but not systematically, combined with a shareholding of more than 50% of the voting rights. The existence and effects of potential voting rights that are currently exercisable or convertible, the power to appoint the majority of members of the governing bodies and the existence of veto rights are considered when assessing whether the Group controls another entity. Subsidiaries are consolidated under the full consolidation method from the date the Group gains control. They are de-consolidated as of the date on which the Group loses control. The portion of equity ownership that is not directly or indirectly attributable to the Group is booked under non-controlling interests.

The financial statements of entities under joint control are consolidated on an equity basis where these are considered to be joint ventures, and based on the equity percentage of each item on the balance sheet and income statement where they are considered to be joint activities.

The financial statements of associates over which the Group exerts significant influence are consolidated using the equity method. Significant influence is presumed where at least/more than 20% of the shares are held by the Group.

3.1 Scope of consolidation

As of 30 June 2023, the list of companies in the scope of consolidation is as follows:

Company	Country	Consolidation method	% control as of 30 June 2023	% interest as of 30 June 2023
Eutelsat Communications S.A (parent company)	France	FC	100.00%	100.00%
Eutelsat S.A.	France	FC	100.00%	96.38%
Eutelsat S.A. Sub-Group				
Eutelsat Konnect Services	France	FC	100.00%	96.38%
Fransat S.A.S.	France	FC	100.00%	96.38%
Eutelsat do Brasil LTDA ⁽¹⁾	Brazil	FC	100.00%	96.38%
Eutelsat Participações LTDA ⁽¹⁾	Brazil	FC	100.00%	96.38%
Satmex International BV ⁽¹⁾	Netherlands	FC	100.00%	96.38%
Satelites Mexicanos S.A. de C.V. ⁽¹⁾	Mexico	FC	100.00%	96.38%
EAS Delaware Corp.	USA	FC	100.00%	96.38%
SMVS Administracion S de R.L de C.V. ⁽¹⁾	Mexico	FC	100.00%	96.38%
SMVS Servicios Tecnicos S de R.L de C.V. ⁽¹⁾	Mexico	FC	100.00%	96.38%
Satmex USA LLC ⁽¹⁾	USA	FC	100.00%	96.38%
Eutelsat Servicos de Telecom, do Brasil Ltda ⁽¹⁾	Brazil	FC	100.00%	96.38%
Eutelsat Latam Corp.	USA	FC	100.00%	96.38%
Skylogic S.p.A.	Italy	FC	100.00%	96.38%
Eutelsat Russia ⁽¹⁾	Russia	FC	100.00%	96.38%
Eutelsat Services & Beteiligungen GmbH	Germany	FC	100.00%	96.38%
Eutelsat Inc.	USA	FC	100.00%	96.38%
Eutelsat America Corp.	USA	FC	100.00%	96.38%
ES 172 LLC	USA	FC	100.00%	96.38%
ES 172 UK	UK	FC	100.00%	96.38%
ES 174E LTD	Cyprus	FC	100.00%	96.38%

Company	Country	Consolidation method	% control as of 30 June 2023	% interest as of 30 June 2023
Eutelsat UK Limited	United Kingdom	FC	100.00%	96.38%
Eutelsat Polska spZoo	Poland	FC	100.00%	96.38%
Skylogic Mediterraneo S.r.l.	Italy	FC	100.00%	96.38%
Eutelsat Madeira Unipessoal Lda	Madeira	FC	100.00%	96.38%
Eutelsat Asia Pte.Ltd	Singapore	FC	100.00%	96.38%
Eutelsat Australia Pty Ltd	Australia	FC	100.00%	96.38%
Eutelsat International Ltd	Cyprus	FC	100.00%	96.38%
Eutelsat Networks LLC ⁽¹⁾	Russia	FC	100.00%	96.38%
Taurus Satellite Holding Limited	United Kingdom	FC	100.00%	96.38%
Broadband4Africa Limited	United Kingdom	FC	100.00%	96.38%
Konnect Africa France	France	FC	100.00%	96.38%
BB4A Israel Ltd	Israel	FC	100.00%	96.38%
Konnect Africa Côte d'Ivoire	Côte d'Ivoire	FC	100.00%	96.38%
Konnect South Africa Ltd	South Africa	FC	100.00%	96.38%
Konnect Africa RDC ⁽¹⁾	Democratic Republic of the Congo	FC	100.00%	96.38%
Konnect Broadband Tanzania Limited	Tanzania	FC	100.00%	96.38%
Eutelsat BH D.O.O. SARAJEVO ⁽¹⁾	Bosnia	FC	100.00%	96.38%
Eutelsat Bulgaria ⁽¹⁾	Bulgaria	FC	100.00%	96.38%
Eutelsat MENA FZ-LLC	Dubai	FC	100.00%	96.38%
Noorsat Media City Ltd	Cyprus	FC	100.00%	96.38%
Noor Al Sharq Satellite	Jordan	FC	100.00%	96.38%
Eutelsat Cyprus Ltd	Cyprus	FC	100.00%	96.38%
Eutelsat Canada Inc	Canada	FC	100.00%	96.38%
Eutelsat Greece	Greece	FC	100.00%	96.38%
OneWeb Holdings Limited ⁽²⁾	United Kingdom	EM	22.91%	22.08%

FC: Full consolidation method.

EM: Equity method.

(1) Companies with financial years ending on 31 December for legal or historical reasons.

(2) Company whose Financial Year ends on 31 March.

For the other companies, the Financial Year ends on 30 June.

3.2 Main changes in the scope of consolidation

3.2.1 Financial year ended 30 June 2023

Divestment of BigBlu Operations Ltd

On 15 June 2023, the Group finalised the divestment of its equity interest in BigBlu Operations Ltd.

The sale of the BigBlu Operations Ltd shares generated a capital gain of 5.3 million euros which has been booked in Other operating expenses. Earn-out payments will apply to the transaction until two years from the finalisation date in an amount ranging from a maximum negative adjustment of 1.5 million euros to a maximum positive adjustment of 4.7 million euros.

3.2.2 Financial year ended 30 June 2022

Investment in OneWeb Holdings Ltd

On 8 September 2021, the Group finalised the acquisition of an equity interest in OneWeb Holdings Ltd. for 550 million dollars. The OneWeb constellation enjoys significant priority spectrum rights and will operate 648 satellites in low orbit (LEO) offering low latency. Concomitantly, Bharti Global exercised a securities call option for an amount of 350 million dollars, increasing Eutelsat's equity interest to 20.52% on the close of the transaction as of 8 September 2021.

On 6 October 2021, Eutelsat announced its participation in a portion of Bharti Global's last call option in OneWeb Holdings Ltd for a total consideration of 165 million dollars. Once the regulatory approvals had been obtained on 22 December 2021, this transaction increased Eutelsat's equity interest to 25.13%.

On 28 February 2022, Hanwha Systems UK Ltd finalised the acquisition of an equity interest for 300 million dollars, taking Eutelsat's shareholding to 22.91%.

The Group exercises a notable influence in OneWeb Holdings Ltd: the Group sits on the company's Board of Directors, participates in decisions relating to the company's management and provides it with vital technical expertise. As a result, this shareholding is consolidated under the equity method.

The allocation of the acquisition price as of 30 June 2023 is definitive and is as follows:

Balance sheet at 100%	Purchase price acquisition	
	(in millions of euros)	(in millions of dollars)
Non-current assets	1,541.1	1,827.7
Current assets	970.8	1,151.3
TOTAL ASSETS	2,511.8	2,979.0
Non-current liabilities	120.3	142.7
Current liabilities	164.6	195.3
TOTAL LIABILITIES	284.9	337.9
Net asset value (100%)	2,226.9	2,641.1
Group share in net asset value	457.0	542.0
Preliminary residual goodwill	7.6	9.0
Transferred counterparty	464.5	550.9
ACQUISITION PRICE	464.5	550.9

As of 22 December 2021, the second capital increase led to additional final goodwill of 8.4 million euros.

On 26 July 2022, Eutelsat Communications and the key OneWeb shareholders signed a Memorandum of Understanding with a view to a business combination between the two companies via a share exchange transaction. On realisation of the transaction, Eutelsat Communications will own 100% of OneWeb and OneWeb shareholders will receive around 226 million newly-issued Eutelsat

shares. Following the issuance by the employee representative bodies of their opinion, Eutelsat Communications and the key OneWeb shareholders signed the final business combination agreement on 14 November 2022. The realisation of the transaction remains subject to the customary conditions precedent, in particular approval by the relevant regulatory authorities. The Extraordinary General Meeting of Eutelsat shareholders convened to approve the transaction, should take place in the third quarter of the 2023 calendar year.

Note 4 Accounting principles and valuation methods

4.1 Basis of preparation of financial information

The consolidated financial statements as of 30 June 2023 have been established in accordance with IFRS as adopted by the European Union and in force as of that date. The relevant texts are available for consultation on the following website: <http://ec.europa.eu/commission/index.fr>

Since 1 July 2022, the Group has applied the following new standards and interpretations which have been adopted by the European Union:

- ▶ Amendments to IAS 1 "Presentation of financial statements": description of accounting policies;
- ▶ Amendments to IAS 8 "Accounting policies": definition of accounting estimates;
- ▶ Amendments to IAS 12 "Income Taxes": deferred tax on assets and liabilities arising from the same transaction.

These new texts had no significant impact on the Group's financial statements.

4.2 Financial reporting rules

4.2.1 Conversion of financial statements and transactions in foreign currencies

The reference currency and the presentation currency used to prepare the financial statements is the euro.

Each subsidiary located outside the euro zone maintains its accounting records in the currency that is most representative of their respective economic environments. Balance sheet items are translated into euros using the closing-rate method. Income statement items are converted at the average exchange rate for the period. Balance sheet and income statement translation adjustments arising from exchange rate fluctuations are recorded as translation adjustments under shareholders' equity. The Group does not consolidate any entities whose functional currency is that of a hyperinflationary economy.

Transactions denominated in foreign currencies are translated into the functional currency of the entity at the rate prevailing on the date

of the transaction. Foreign exchange gains and losses arising from these transactions and from the translation of monetary assets and liabilities at the closing date exchange rate are shown under the foreign exchange result.

Foreign exchange gains and losses arising from the translation of capitalisable advances made to foreign subsidiaries and forming part of the net investment in the consolidated subsidiary are recognised directly as a translation adjustment within shareholders' equity.

The main foreign currency used is the U.S. dollar. The closing exchange rate used is 1.093 U.S. dollars for 1 euro and the average exchange rate for the period is 1.041 U.S. dollars for 1 euro.

4.2.2 Reporting of current and non-current assets and liabilities

Current assets and liabilities are those that the Group is looking to realise, use or settle during its normal operating cycle, which is less than 12 months. All the others are non-current assets and liabilities.

4.3 Significant accounting judgements and estimates

The establishment of the Group's consolidated financial statements requires the use of estimates and judgements that are likely to affect the amounts of certain assets, liabilities, income, and expenses appearing in these financial statements and their accompanying notes. The Group's management constantly updates its estimates and assessments using past experience in addition to other relevant factors in relation to the economic environment. The closedown of the transactions underpinning these estimates and assumptions could result in significant adjustments to the amounts that are recognised in a subsequent financial period owing to the attendant uncertainty.

In preparing the financial statements for the period ended 30 June 2023, the management has exercised judgement, particularly with regard to the recoverable amounts of assets, the recognition of revenues, the estimation of provisions and contingent liabilities assessment, the recognition of tax assets and liabilities, and the assessment of customer risk.

Note 5 Segment information

The Group considers that it only operates in a single operational segment, basing that view on an assessment of services rendered and the nature of the associated risks, rather than on their purpose. This is the provision of satellite-based video, business and broadband networks, and mobile services mainly to international telecommunications operators and broadcasters, corporate network integrators and companies for their own needs.

The performance indicators monitored by the Chief Executive Officer and the Chief Financial Officer, who together make up the Group's main operational decision-making body, are as follows:

- ▶ Revenues;
- ▶ EBITDA, defined as the operating result before amortisation and depreciation, impairment of assets and other operating income and expenses, and the EBITDA profit margin on revenues;
- ▶ Cash CAPEX, covering the acquisition of satellites and other tangible or intangible assets, as well as payments in respect of export credit facilities and related to lease liabilities;

- ▶ Discretionary cash flow, defined as the cash flow from operating activities less cash CAPEX, as well as interest and other financial costs, net of interest income;
- ▶ The net debt to EBITDA ratio (see Note 7.4.4 "Net Debt").

To highlight these performance indicators, for which the main aggregates are nonetheless identical to those included in the Group's consolidated financial statements, the internal reporting uses a presentation of the Group's consolidated income statement which is based on a different breakdown of items than the one used in the consolidated financial statements. The reporting is made in line with the IFRS principles applied by the Group to establish its consolidated financial statements.

Most of the Group's assets are satellites in orbit. The remaining assets are mainly located in France, Italy and Mexico.

Note 6 Notes to the income statement

6.1 Revenues

Accounting principles

Most of the contracts involve the supply of satellite capacity services delivered to distributor-customers (who retail the capacity to end users) and end users (who use the capacity for their own needs). These contracts usually cover periods ranging from several months to several years. Some contracts concern the provision of short-term satellite capacity for occasional use. For all of these contracts, revenues are recognised progressively as control over the capacity is transferred to the customer over the contract period according to the volume of units of satellite capacity sold (expressed in MHz or Mbps depending on the contract). The purpose of this method is to recognise revenues corresponding to the level of service provided to our clients for a given period, taking into account possible changes in the volume of units sold under the contract.

Some contracts include variable consideration, such as variable prices or free periods. For such contracts, the Group estimates the value of the consideration to which it will be entitled in return for providing the promised services to the customer, and recognises this under revenues once it is highly likely that the subsequent ascertainment of the variable consideration will not entail a substantial downward adjustment to recorded revenues.

At times the Group bears marketing (promotion, advertising, etc.) or technical expenses (especially antenna purchase and installation) on behalf of some customers. When these costs are not distinct from the service transferred to the customer, they represent the same performance obligation with the service and the consideration payable to the customer is recognised as a reduction in revenue over the duration of the contract. Where the consideration payable to the customer is paid in return for a separate service from the customer and corresponds to the fair value of the service for the Group, it is recognised under operating expenses.

Some contracts provide for early termination in return for the payment of penalties. When these penalties are paid as part of an amendment to a contract that does not concern services not covered by the existing contract, the services in the amended contract form only a single performance obligation with the services partially performed at the date of amendment. These penalties are then spread over the duration of the amended contract.

As part of its Fixed Broadband business, the Group sells terminals to its customers in addition to the provision of satellite capacity. Depending on the type of terminal and the contractual framework which can vary according to the geographical region addressed and the type of customer (distributor or end user), the Group determines whether the sale of the terminal constitutes a performance obligation that is separate from the supply of capacity or whether the sale of the terminal and the capacity service form a single performance obligation. When the terminal constitutes a separate performance obligation, as distinct from the capacity service, the revenue and costs of purchasing the equipment are recognised in full on transfer of control of the terminal to the customer. When the sale of the terminal and capacity constitute a same performance obligation, the revenue from the capacity service is recognised over the average duration of the customer relationship and the revenue from terminal services over the average duration of the equipment's use. The costs of purchasing the terminal are spread over the same period as the sale, as part of the cost of fulfilling the contract. The assets and liabilities relating to the spreading of the purchase and sale of the terminal are presented separately under other assets and liabilities associated with customer contracts.

6.1.1 Revenues by application

Revenues by application break down as follows:

<i>(in millions of euros)</i>	30 June 2022	30 June 2023
Broadcast	696.9	652.0
Data & Professional Video	158.5	159.1
Government Services	144.4	143.4
Fixed Broadband	68.7	71.5
Mobile Connectivity	79.9	110.1
TOTAL OPERATING ACTIVITIES	1,148.3	1,136.1
Other Revenues ⁽¹⁾	3.3	(4.8)
TOTAL	1,151.6	1,131.3
EUR/USD exchange rate	1.138	1.041

(1) Other revenues include mainly the impact of EUR/USD currency hedging amounting to (15,2) million euros for the Financial Year ended 30 June 2023 against (11.8) million euros for the Financial Year ended 30 June 2022.

Other revenues include the impact of EUR/USD currency hedging, fees for the provision of various consulting/engineering services to third parties and termination fees at the end of contracts.

As of 30 June 2023, the breakdown of revenues by application has changed to better reflect the respective end markets they address. The new framework has been reduced from five applications (broadcast, data and professional video, government services and mobile connectivity) to four:

- ▶ Video, for professional broadcasting and the production of visual content.

- ▶ Government Services, including offerings tailored to the needs of public administrations.
- ▶ Fixed Connectivity, for data and stable broadband Internet access.
- ▶ Mobile Connectivity, for wireless connectivity.

The revenue breakdown by application following the new format is as follows:

<i>(in millions of euros)</i>	30 June 2022	30 June 2023
Video	752.2	704.8
Government Services	144.4	143.4
Fixed Connectivity	171.9	177.8
Mobile Connectivity	79.9	110.1
TOTAL OPERATING VERTICALS	1,148.3	1,136.1
Other Revenues ⁽¹⁾	3.3	(4.8)
TOTAL	1,151.6	1,131.3
EUR/USD exchange rate	1.138	1.041

(1) Other revenues include mainly the impact of EUR/USD currency hedging amounting to (15.2) million euros for the Financial Year ended 30 June 2023 against (11.8) million euros for the Financial Year ended 30 June 2022.

6.1.2 Revenues by geographical region

Revenues by geographical region based on the customer billing address are as follows:

<i>(in millions of euros and as a percentage)</i>	30 June 2022		30 June 2023	
Region	Amount	%	Amount	%
France	71.0	6.2	64.2	5.7
Italy	129.7	11.3	122.8	10.9
United Kingdom	68.9	6.0	64.5	5.7
Europe (others)	310.1	26.9	339.5	29.9
Americas	235.1	20.4	224.5	19.8
Middle-East	214.5	18.6	191.2	16.9
Africa	99.5	8.6	109.5	9.7
Asia	33.9	2.9	29.0	2.6
Others ⁽¹⁾	(10.9)	(1.0)	(13.9)	(1.2)
TOTAL	1,151.6	100.0	1,131.3	100.0

(1) Other revenues include mainly the impact of EUR/USD currency hedging amounting to (15.2) million euros for the Financial Year ended 30 June 2023 against (11.8) million euros for the Financial Year ended 30 June 2022.

6.1.3 Backlog

The backlog represents future revenues from capacity allocation or service delivery contracts (including contracts for satellites currently under construction). As of 30 June 2023, the backlog stands at

3.4 billion euros. The secured backlog, corresponding to the IFRS 15 requirements and excluding revenues subject to early termination clauses, stands at 2.8 billion euros. The amount of secured backlog within a 5-year time horizon stands at 2.3 billion euros, of which 1.5 billion euros in less than two years.

6.2 Operating expenses

Operating costs essentially comprise staff costs and other costs associated with controlling and operating the satellites in addition to satellite in-orbit insurance premiums.

Selling, general and administrative expenses are mainly made up of costs for administrative and commercial staff, all marketing and advertising expenses and related overheads.

The operating expenses relating to impairment losses on trade receivables and assets associated with customer contracts amount to 20.1 million euros as of 30 June 2023 (versus 23.5 million euros for the Financial Year ended 30 June 2022).

6.2.1 Staff costs

Staff costs (including mandatory employee profit-sharing) break down as follows:

<i>(in millions of euros)</i>	30 June 2022	30 June 2023
Operating costs	54.9	62.4
Selling, general and administrative expenses	84.5	87.8
TOTAL	139.4	150.2

Eutelsat S.A. employees benefit from a Group Savings Plan (PEE) funded by voluntary contributions by employees, a Leave Bank (CET) and a 3-year profit-sharing agreement based on targets revisable on a yearly basis.

6.2.2 Employee headcount

The Group has 1,067 full-time equivalent employees as of 30 June 2023 compared to 1,112 as of 30 June 2022.

The average number of full-time equivalent employees during the reporting period is as follows:

	30 June 2022	30 June 2023
Operations	510	516
Selling, general and administrative	602	551
TOTAL	1,112	1,067

6.2.3 Share-based and similar compensation

Accounting principles

Share-based payments are measured at fair value at the grant date and are recognised under staff costs over the vesting period of the rights representing the benefit granted, with a corresponding increase in shareholders' equity for equity-settled plans, or in company debts for cash-settled plans. They are revalued at each balance sheet date to take into account changes in vesting assumptions (employee turnover rate, likelihood of meeting performance criteria) and, for cash-settled plans, changes in market conditions (share price).

In addition to the plans in force within the Group as of 30 June 2022, the Group granted two new share-based plans on 10 November 2022, one paid in cash and the other in shares. The vesting of these shares is subject to an attendance requirement and the achievement of performance conditions.

The expense recognised in respect of these plans (excluding employer contributions) stands at 0.3 million euros for the Financial Year ended 30 June 2023 against 1.6 million euros for the Financial Year ended 30 June 2022.

The key features of the plans are as follows:

Key features of the plans	November 2020 plan	November 2021 plan	January 2022 plan	November 2022 plan
Vesting period	July 2020 – June 2023	July 2021 – June 2024	January 2022 – December 2024	July 2022 – June 2025
Payment method	Cash and shares	Cash and shares	Shares	Cash and shares
Maximum number of attributable shares at inception	512,560	264,675	75,736	308,020
Number of beneficiaries	25	34	1	45

NUMBER OF SHARES AND PERFORMANCE CONDITIONS FOR THE FREE SHARE PLAN

Total number of shares in circulation	81,323	25,386	75,736	98,010
Performance conditions	Revenue, Discretionary Free-Cash-Flow, Relative TSR ⁽¹⁾ and CSR	Revenue, Discretionary Free-Cash-Flow, Relative TSR ⁽¹⁾ and CSR	Revenue, Discretionary Free-Cash-Flow, Relative TSR ⁽¹⁾ and CSR	Revenue, Discretionary Free-Cash-Flow, Relative TSR ⁽¹⁾ and CSR

NUMBER OF SHARES AND PERFORMANCE CONDITIONS FOR THE PHANTOM SHARE PLANS

Total number of shares in circulation	147,190	104,046	-	210,855
Performance targets	Revenue, Discretionary Free-Cash-Flow and CSR	Revenue, Discretionary Free-Cash-Flow and CSR	-	Revenue, Discretionary Free-Cash-Flow and CSR

FAIR VALUE OF THE SHARES AS OF 30 JUNE 2023

Fair value excl. TSR ⁽¹⁾ (shares)	€6.63	€9.98	€8.87	€8.76
Fair value excl. TSR ⁽¹⁾ (cash)	€6.04	€6.25	-	€6.43
Fair value after TSR ⁽¹⁾	€4.97	€9.71	€9.21	€6.39
Aggregate valuation of plan as of 30 June 2023 (in millions of euros) ⁽²⁾	1.7	0.7	0.1	0.2

EXPENSE FOR THE FINANCIAL YEAR

EXPENSE FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

(in millions of euros) ⁽²⁾	0.5	0.1	(0.3)	(0.6)
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(1) The relative TSR (Total Shareholder Return) measures the Eutelsat share rate of return compared with that of other benchmarks or indexes. This performance requirement only applies to Company Directors.

(2) Excluding social security charges.

6.3 Other operating income and expenses

Accounting principles

Other operating income and expenses comprise unusual, abnormal and infrequent income and expense items. They mostly include asset impairment charges, launch failure costs and the related insurance repayments, non-commercial disputes net of costs incurred, restructuring costs, income from asset disposals and the implications of scope changes (acquisition costs and disposal gains/losses).

(in millions of euros)	30 June 2022	30 June 2023
Other operating income	108.0	365.0
Other operating expenses	(63.1)	(161.6)
TOTAL	44.9	203.5

As of 30 June 2023, other operating income mainly includes the proceeds of 352 million euros on phase 2 of the C-band vacation.

The other operating expenses mainly include 42.0 million euros of transformation and restructuring costs notably linked to the business combination with the OneWeb group, and asset impairments amounting to 115.0 million euros (including 80 million euros of impairment of fixed assets and 35 million euros of impairment of financial assets (see Note 2.4)).

As of 30 June 2022, other operating income included the proceeds of 106.6 million euros on phase 1 of the C-band transition plan. Other operating expenses mainly included impairments on satellites and launchers amounting to 33.8 million euros, restructuring costs amounting to 7.2 million euros and an adjustment in the impact of the EBI disposal amounting to 10.9 million euros.

6.4 Financial result

<i>(in millions of euros)</i>	30 June 2022	30 June 2023
Interest expense after hedging	(64.4)	(67.9)
Interest on lease liabilities	(11.9)	(12.7)
Loan set-up fees and commissions	(10.1)	(7.3)
Capitalised interest	16.2	17.7
COST OF GROSS DEBT	(70.2)	(70.1)
Financial income	7.0	1.6
COST OF NET DEBT	(63.1)	(68.5)
Changes in derivative financial instruments	(0.9)	-
Foreign-exchange impact	16.6	(13.8)
Others	(17.5)	(9.0)
FINANCIAL RESULT	(64.9)	(91.3)

The interest expense as of 30 June 2022 and 30 June 2023 includes, respectively, 9.5 million euros and 9.5 million euros of expenses related to the exercise and termination of pre-hedging instruments used to secure the interest rate on the October 2018, June 2019 and October 2020 bond issues.

The amount of capitalised interest depends on the state of progress and number of satellite construction programmes recorded during

the relevant financial year. The interest rate used to determine the amount of interest expense eligible for capitalisation is 2.96% as of 30 June 2023 versus 2.55% as of 30 June 2022.

Changes in the fair value of derivative instruments as of 30 June 2023 and 2022 mainly include the ineffective portion of the time value of derivatives that are qualified in a hedging relationship.

6.5 Income tax

The Group's income tax expense breaks down as follows:

<i>(in millions of euros)</i>	30 June 2022	30 June 2023
Current tax expense	(48.4)	(111.6)
Deferred tax income (expense)	(0.2)	45.1
TOTAL INCOME TAX EXPENSE	(48.6)	(66.5)

The theoretical income tax expense, calculated by applying the standard French corporation tax rate to the pre-tax result (excluding the share of net income from equity investments), can be reconciled to the actual expense as follows:

<i>(in millions of euros)</i>	30 June 2022	30 June 2023
Current income before tax	359.9	482.2
Standard French corporate tax rate	28.41%	25.83%
Theoretical income-tax expense	(102.2)	(124.6)
Non-taxable profit	62.6	58.7
Differences in corporation tax rates	1.7	(14.2)
Use of tax losses	-	(0.1)
CVAE (Contribution on Added Value of Enterprises)	(2.2)	(1.7)
Deferred tax generated during the previous period and recognised for the period	0.5	0.6
Other permanent differences	(8.9)	14.7
TAX EXPENSE	(48.6)	(66.5)
<i>Effective tax rate</i>	<i>13.5%</i>	<i>13.8%</i>

The other permanent differences mainly include the impact of exchange rate differences and inflation effects recorded by Satellites Mexicanos on this subsidiary's deferred tax positions for respectively 5.3 million euros and 18.3 million euros as of 30 June 2022 and 30 June 2023. They also include the impact of the additional tax

depreciation granted to the Eutelsat Asia subsidiary amounting to 11.7 million euros as of 30 June 2023, offset by the non-activation of tax losses for 4.1 million euros and other permanent differences for 7.6 million euros.

6.6 Earnings per share

Accounting principles

EPS (earnings per share) are calculated by dividing the net income for the period attributable to shareholders of Eutelsat Communications by the weighted average number of common shares outstanding during the period. Treasury shares are not considered in the earnings per share calculation.

The following table shows the reconciliation between net income and net earnings attributable to shareholders (basic and diluted) used to compute earnings per share (basic and diluted):

<i>(in millions of euros)</i>	30 June 2022	30 June 2023
NET INCOME	239.8	328.3
Income from subsidiaries attributable to non-controlling interests	(9.1)	(13.2)
NET EARNINGS USED TO COMPUTE EARNINGS PER SHARE	230.8	315.1
Average number of shares	230,322,045	248,570,264

Note 7 Notes to the balance sheet

7.1 Fixed assets

7.1.1 Goodwill and other intangibles

Accounting principles

Goodwill

Business combinations are recognised using the purchase accounting method. The consideration transferred in return for control of the acquired entity is measured at fair value and includes contingent consideration, taking into account probability of occurrence. The identifiable assets, liabilities and contingent liabilities of the entity are recognised at their fair values. The costs directly attributable to the acquisition are excluded from the transferred consideration and are recognised under other operating income and expenses once they are incurred.

At the acquisition date, non-controlling interests may be computed at their fair value or as a portion of identifiable assets and liabilities of the acquired entity. The option for applying either of these two methods can be exercised on a transaction-by-transaction basis.

At the first consolidation, all assets, liabilities and contingent liabilities of the acquired entity are measured at their fair value. In a takeover by successive acquisitions, the investment previously held is restated at its fair value at the acquisition date, while the ensuing gains or losses are recognised under income.

Goodwill is measured in the functional currency of the acquired entity at the date of the combination at an amount equal to the difference between the aggregate fair value of the consideration paid and the fair value of the identifiable assets acquired, and the liabilities assumed. They are tested for impairment at least once a year solely for the Group's operating segment.

Customer contracts and relationships

Customer contracts and relationships acquired in a business combination are recorded at fair value on the acquisition date. The fair value is set by referring to the generally accepted methods such as those based on revenues or market value. These assets are amortised on a straight-line basis over their economic life, which is estimated on the basis of the average duration of the contractual relationships existing at the date of acquisition of Eutelsat and the expected contract renewal rates. The main customer relationship recognised in the Group's financial statements is that of Eutelsat S.A. amortised over a 20-year period.

Other intangibles

Other intangibles are composed of development, licence and orbital rights costs.

Development costs are capitalised and amortised over a period of 3 to 7 years if the Group can demonstrate that:

- ▶ It has the technical capacity to realise the intangible asset for use or sale;
- ▶ It has the intention and capacity to complete the software and use or sell it;
- ▶ It has the capacity to use or sell the intangible asset;
- ▶ There is a likelihood that the intangible asset will yield future economic benefits for the Group;
- ▶ There are sufficient technical, financial or other resources to realise the intangible;
- ▶ It has the capacity to accurately assess the expenses attributable to the intangible during its development phase.

Expenses incurred for research (or during the research phase of an in-house project) are recognised as expenses in Selling, general and administrative expenses once they are incurred.

Orbital rights and licenses are amortised over their useful lives for periods of 13 to 23 years and between 1 to 13 years respectively.

The changes in goodwill and intangible assets over the past two financial years are as follows:

<i>(in millions of euros)</i>	Goodwill	Customer contracts and relationships	Eutelsat brand	Other intangibles	Total
GROSS ASSETS					
Gross value as of 30 June 2021	1,246.5	1,118.3	40.8	370.3	2,775.9
Acquisitions	-	0.2	-	12.2	12.4
Transfers	-	-	-	11.5	11.5
Foreign-exchange variation	44.9	28.8	-	8.2	81.9
Disposals and scrapping of assets	-	-	-	(3.2)	(3.2)
Entries into the scope	3.7	-	-	-	3.7
Gross value as of 30 June 2022	1,295.2	1,147.2	40.8	398.9	2,882.1
Acquisitions	-	-	-	15.9	15.9
Transfers	-	-	-	11.8	11.8
Foreign-exchange variation	(15.1)	(9.7)	-	(2.8)	(27.5)
Disposals and scrapping of assets	-	-	-	(1.3)	(1.3)
Exits from the scope	-	(5.4)	-	(1.9)	(7.4)
GROSS VALUE AS OF 30 JUNE 2023	1,280.1	1,132.0	40.8	420.6	2,873.6
DEPRECIATION AND IMPAIRMENT					
Accumulated amortisation as of 30 June 2021	-	(833.9)	-	(255.1)	(1,089.0)
Depreciation expense	-	(64.5)	-	(35.7)	(100.3)
Transfers and others	-	0.1	-	0.2	0.3
Foreign-exchange variation	-	(15.6)	-	(3.2)	(18.8)
Reversals (disposals and scrapping of assets)	-	-	-	1.5	1.5
Impairment	-	(3.2)	-	-	(3.2)
Accumulated amortisation as of 30 June 2022	-	(917.0)	-	(292.5)	(1,209.5)
Depreciation expense	-	(64.1)	-	(33.5)	(97.7)
Transfers and others	-	-	-	1.4	1.4
Foreign-exchange variation	-	6.5	-	1.3	7.7
Reversals (disposals and scrapping of assets)	-	-	-	-	-
Impairment	-	-	-	-	-
Exits from the scope	-	5.4	-	1.4	6.8
Accumulated amortisation as of 30 June 2023	-	(969.5)	-	(321.8)	(1,291.2)
Net value as of 30 June 2021	1,246.5	284.3	40.8	115.2	1,686.9
Net value as of 30 June 2022	1,295.2	230.0	40.8	106.6	1,672.6
NET VALUE AS OF 30 JUNE 2023	1,280.1	162.5	40.8	98.9	1,582.3

The Eutelsat brand was recognised when Eutelsat S.A. was acquired by Eutelsat Communications in 2005.

7.1.2 Tangible assets and construction in progress

Accounting principles

Satellites and other tangible assets are recognised at their acquisition cost, which includes all costs directly attributable to making the asset ready for use, less accumulated depreciation and any impairment.

Satellite costs include all expenses incurred in bringing individual satellites into operational use, in particular manufacturing, launch and launch insurance costs, capitalised interest, satellite performance incentives, and costs directly associated with the monitoring of the satellite programme (studies, staff and consultancy costs).

Borrowing costs incurred for the financing of tangible assets are capitalised with respect to the portion incurred during the period of construction. In the absence of a loan specifically related to the asset under construction, the capitalised interest is calculated on the basis of a capitalisation rate, which is equal to the weighted average of the Group's borrowing costs.

The useful lives adopted by the Group are as follows:

- ▶ 12 to 24 years for satellites;
- ▶ 5 to 10 years for traffic monitoring equipment;
- ▶ 2 to 5 years for computer equipment;
- ▶ 3 to 10 years for leasehold arrangements and improvements.

The satellites are amortised as of their technical entry into service. The period between the launch of a satellite and its technical entry into service can vary between one and nine months depending on the propulsion method used by the satellite.

The Group conducts an annual review of the remaining useful lives of its in-orbit satellites on the basis of both their forecast utilisation and the technical assessment of their useful lives. In case the useful life is reduced or extended, the amortisation schedule is revised prospectively.

"Construction in progress" primarily consists of milestone completion payments for the construction of future satellites and advances paid in respect of launch vehicles and related launch insurance costs.

The changes in tangible assets over the past two financial years are as follows:

(in millions of euros)	Satellites	Other tangibles	Assets under construction	Total
GROSS ASSETS				
Gross value as of 30 June 2021	5,732.8	455.4	1,214.4	7,402.5
Acquisitions	7.6	26.0	276.5	310.0
Disposals	-	(1.2)	-	(1.2)
Scrapping of assets	(86.7)	(2.1)	(1.7)	(90.4)
Foreign-exchange variation	155.0	5.3	0.4	160.7
Entries into the scope	-	-	-	-
Exits from the scope	-	-	-	-
Transfers and others	167.7	10.3	(281.5)	(103.5)
Gross value as of 30 June 2022	5,976.4	493.8	1,208.1	7,678.2
Acquisitions	51.9	20.9	246.9	319.8
Disposals	-	(1.3)	-	(1.3)
Scrapping of assets	(285.1)	(1.9)	(0.5)	(287.6)
Foreign-exchange variation	(51.7)	(1.8)	(0.5)	(54.0)
Exits from the scope	-	(4.6)	-	(4.6)
Transfers and others	327.0	12.4	(347.9)	(8.5)
GROSS VALUE AS OF 30 JUNE 2023	6,018.5	517.6	1,106.1	7,642.1
DEPRECIATION AND IMPAIRMENT				
Accumulated amortisation as of 30 June 2021	(3,325.8)	(346.4)	-	(3,672.2)
Depreciation expense	(290.2)	(29.7)	-	(319.8)
Impairment	(12.0)	-	-	(12.0)
Reversals (disposals)	-	1.0	-	1.0
Reversals (scrapping of assets)	86.7	0.9	-	87.6
Foreign-exchange variation	(82.6)	(3.1)	-	(85.8)
Exits from the scope	-	-	-	-
Transfers and others	-	0.4	-	0.4
Accumulated amortisation as of 30 June 2022	(3,623.9)	(376.9)	-	(4,000.8)
Depreciation expense	(274.5)	(28.2)	-	(302.7)
Impairment	(66.6)	(2.6)	(6.5)	(75.7)
Reversals (disposals)	285.1	2.2	-	287.4
Reversals (scrapping of assets)	-	0.7	-	0.7
Foreign-exchange variation	31.2	1.2	-	32.4
Exits from the scope	-	2.7	-	3.5
Transfers and others	-	1.5	-	-
ACCUMULATED AMORTISATION AS OF 30 JUNE 2023	(3,649.6)	(400.0)	(6.5)	(4,055.2)
Net value as of 30 June 2021	2,407.0	109.0	1,214.4	3,730.4
Net value as of 30 June 2022	2,352.6	116.9	1,208.1	3,677.5
NET VALUE AS OF 30 JUNE 2023	2,369.8	117.6	1,099.6	3,586.9

Transfers relating to satellites arising during the period ended 30 June 2023 correspond to the entry into commercial service of the Hotbird 13F and 13G satellites launched during the period.

As of 30 June 2023 and 30 June 2022, the Group recognised respective impairment losses on satellites of 66.6 million euros and 12.0 million euros.

The expected dates of entry into service for satellites under construction at the balance sheet date are as follows:

Projects	Years
KONNECT VH7S, EUTELSAT 10B	Calendar year 2023
EUTELSAT 36D	Calendar year 2024

7.1.3 Rights of use in respect of leases

Accounting principles

Contracts under which the Group uses a specific asset are recognised as assets on the balance sheet in the form of a right of use, and a liability on the liabilities side, where the contractual terms are such that they qualify as leases, i.e. they transfer control of the asset over the entire lease term.

Rights of use are generally amortised over the term of the lease covering the non-cancellable period supplemented, where applicable, by renewal options, which the Group is reasonably certain to exercise.

The discount rate used to calculate the value of the right of use and the lease liability is determined, for each contract, on the basis of the associated estimated marginal debt rate.

Assets with a low unit value and leases with a term of less than 12 months are recognised as expenses.

During the Financial Year ended 30 June 2023, the rights of use saw the following changes:

<i>(in millions of euros)</i>	Satellites	Other tangible assets	Total
GROSS ASSETS			
Gross value as of 30 June 2021	847.7	61.9	909.6
New contracts	-	0.1	0.1
Modifications and early terminations of contracts	-	0.3	0.3
Scrapping of assets	-	-	-
Foreign-exchange variation	-	1.0	1.0
Entries into the scope	-	-	-
Gross value as of 30 June 2022	847.7	63.4	911.0
New contracts	-	1.3	1.3
Modifications and early terminations of contracts	(98.6)	(5.4)	(104.0)
Scrapping of assets	-	-	-
Foreign-exchange variation	-	(0.3)	(0.3)
Exits from the scope	-	(0.9)	(0.9)
GROSS VALUE AS OF 30 JUNE 2023	749.1	58.1	807.0
DEPRECIATION AND IMPAIRMENT			
Accumulated depreciation and impairment as of 30 June 2021	(375.9)	(16.1)	(392.1)
Depreciation expense	(53.0)	(8.9)	(61.9)
Impairment	(4.3)	-	(4.3)
Reversals (modifications and early terminations of contracts)	-	0.1	0.1
Reversals (scrapping of assets)	0.4	-	0.4
Foreign-exchange variation	-	(0.4)	(0.4)
Accumulated depreciation and impairment as of 30 June 2022	(432.8)	(25.3)	(458.1)
Depreciation expense	(48.8)	(6.3)	(55.1)
Impairment	(4.2)	-	(4.2)
Reversals (modifications and early terminations of contracts)	52.6	2.3	54.9
Reversals (scrapping of assets)	-	-	-
Foreign-exchange variation	-	0.2	0.2
Exits from the scope	-	0.4	0.4
ACCUMULATED DEPRECIATION AND IMPAIRMENT AS OF 30 JUNE 2023	(433.2)	(28.8)	(462.0)
Net value as of 30 June 2021	471.8	45.8	517.5
Net value as of 30 June 2022	414.9	38.1	452.9
NET VALUE AS OF 30 JUNE 2023	315.9	29.3	345.1

Satellite rights of use mainly relate to the EXPRESS AT1, EXPRESS AT2, EXPRESS AM6, EXPRESS 36C and Astra 2G leases. The terms of these leases cover the expected life spans of this type of satellite and, as such, none of these contracts include purchase options upon termination of the contract.

No renewal options have been considered to determine the term of the leases.

On 21 December 2022, following the sanctions concerning Russia adopted by the competent French and European regulatory bodies,

the Group restructured its capacity leasing contracts on Russian satellites. This reduction in lease scope led to a 46 million euros reduction in rights of use (see Note 2.4).

The anticipated decline in activity linked to the application of these measures also led the Group to recognise an impairment on transponder rights of use on a satellite amounting to 4.2 million euros during the 2022-23 financial year.

As of June 30, 2022, the Group had recognised an impairment loss of 4.3 million euros on transponder usage rights on certain satellites.

7.1.4 Fixed asset value tests

Accounting principles

Goodwill and unamortised intangible assets

Goodwill and other intangible assets with an indefinite useful life, such as the brand, are tested annually for impairment or more frequently when an event occurs indicating a potential loss in value.

Amortisable assets

For tangible fixed assets and intangible assets with finite useful lives, an impairment test is performed when there is an external or internal indication that their recoverable values may be lower than their carrying amounts (for example, the loss of a major customer or a technical incident affecting a satellite).

An impairment test consists of appraising the recoverable amount of an asset, which is the higher of its fair value net of disposal costs and its value in use. If it is not possible to estimate the recoverable value of a particular asset, the Group determines the recoverable amount of the cash generating unit (CGU) with which it is associated. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows largely independent of the cash inflows from other assets or groups of assets. In order to define its CGUs, the Group takes into account the conditions of use of its fleet and, in particular, the capacity of certain satellites to be used as back-up for other satellites.

CGUs correspond to orbital positions, carrying one or more satellites, as well as customer contracts and relationships (after taking into account the technical or economic interdependence of their cash flows).

The Group estimates value in use on the basis of estimated future cash flows. These are generated by the asset or the CGU during its useful life and are discounted using the Group's WACC defined for the impairment testing, based on the medium-term plan approved by Management and reviewed by the Board of Directors. Revenues in the medium-term plan are based upon the order backlog for each satellite, market studies, and the deployment plan for existing and future satellites. Costs given in the plan that are used for the impairment test consist mainly of in-orbit insurance costs, technical and commercial costs directly attributable to the satellites tested, as well as tax expenses. Beyond a maximum 5-year period, cash flows are estimated on the basis of constant rates of growth or decline.

The fair value net of selling costs is equal to the amount that could be received from the sale of the asset (or of one CGU) in the course of an arm's length transaction between knowledgeable, willing parties, less the costs relating to the transaction.

Impairment losses and their reversals are recognised in the income statement under other operating income expenses.

Goodwill

The Group's goodwill is monitored only at Eutelsat's operating segment level.

As of 30 June 2023, since Eutelsat Communications' market capitalisation amounts to less than the book value of the Group's shareholders' equity, the recoverable amount of goodwill has been estimated on the basis of the value in use determined from a valuation of the Group based on future cash flows. This analysis incorporates a significant degree of judgement on the part of the Group's Management.

The cash flows used are based on an updated version of the Group's 5-year business plan approved by the Board of Directors in February 2023 and updated in July 2023, covering the periods through to the 2026-27 financial year, on the long-term plan defined on an ongoing basis over a horizon covering the periods through to the 2034-35 financial year, and on a terminal value. The Group considers it relevant to use projections beyond five years in view of the long-term visibility it has on a significant portion of its activity and on its expected growth profile that the long-term plan is able to capture more effectively.

With respect to financial metrics such as the WACC (8.37% used) and the long-term growth rate used to calculate the terminal value, the sensitivity analyses show that a 29bp increase in the WACC or a 72bp fall in the long-term growth rate could derive a value in use below the net book value of the assets tested as of 30 June 2023. A zero-growth rate to perpetuity would not lead to a value in use below the net book value of the assets tested.

Furthermore, the main operational assumptions potentially impacting the recoverable amount of assets are the level of EBITDA and the amount of capital expenditures. The operational assumptions of the long-term plan are based on internal market models of the growth trend of each of the Group's business segments and on external strategic reviews. The sensitivity analyses show that a 1.8% decline in EBITDA for each year of the plans used and in the terminal value would not result in a goodwill impairment.

The impairment tests performed as of 30 June 2023 on the basis of discounted cash flow forecasts did not lead to the recognition of any impairment expenses.

Depreciable assets

Concerning the impairment tests carried out in respect of the satellites as of 30 June 2023, the cash flows used are based on the period of the updated Group's 5-year business plan approved by the Board of Directors in January 2023 and updated in July 2023, then on the cash flows extended until the end of life of each satellite based on a normative growth rate. For the relevant satellites, the impairment tests as of 30 June 2023 are based on cashflows including the sums still to be received in respect of phase two of the

C-band transition plan in the United States, amounting to pre-tax proceeds of 382 million dollars (see Note 2.2).

As of 30 June 2023 and 30 June 2022, these tests resulted in the recognition of respective impairment losses on satellites under ownership of 66.6 million euros and 12 million euros (see Note 7.1.2 "Tangible assets and construction in progress") and impairment losses on rights of use amounting to respectively 4.2 million euros and 4.3 million euros as of 30 June 2023 and 30 June 2022 (see Note 7.1.3 "Rights of use in respect of leases").

7.1.5 Purchase commitments

In addition to the items recognised on the balance sheet, the Company has entered into commitments with suppliers for the acquisition of assets (satellites and other assets) and the provision of services amounting to a total of 574 million euros as of 30 June 2022 and 628 million euros as of 30 June 2023.

The following table lists the future payments in respect of these commitments as of 30 June 2022 and 30 June 2023:

<i>(in millions of euros)</i>	As of 30 June 2022	As of 30 June 2023
Maturity within 1 year	300	230
From 1 to 2 years	109	113
From 2 to 3 years	23	40
From 3 to 4 years	126	55
Maturity exceeding 4 years	16	190
TOTAL	574	628

On 31 March 2023, 100 million U.S. dollars was paid to OneWeb within the framework of the advance payment installments for the constellation capacity negotiated during the implementation of the exclusive distribution agreement signed between the Group and

OneWeb concomitantly with the final business combination agreement. The outstanding total commitment stands at 175 million U.S. dollars, of which 100 million U.S. dollars must be paid in March 2024, followed by 75 million U.S. dollars in March 2025.

7.2 Investments in associates

Accounting principles

The Group's investments in associates consolidated under the equity method are initially booked at their cost of acquisition, including as appropriate the goodwill arising. Their book value is then increased or reduced to take into account the Group's share in the profits or losses realised after the acquisition date.

After the application of the equity method and should there be an event indicating a potential loss in value, the book value may be the subject of an impairment in the event that its recoverable value would be below its carrying amount.

Value of the investment in OneWeb Holdings Ltd.

As of 30 June 2023, investments in associates represents the equity value of the company OneWeb Holdings Ltd. and the income from associates corresponds to the Group's share in the result of OneWeb Holdings Ltd.

<i>(in millions of euros)</i>	30 June 2022	30 June 2023
Equity interests at the opening date	-	605.7
Purchases of shares	613.3	-
Share of result of associates	(71.5)	(87.3)
Translation adjustment	63.9	(17.3)
EQUITY INTERESTS AT THE CLOSING DATE	605.7	501.2

The main financial information from OneWeb Holdings Ltd based on the latest accounting period ended 31 March 2023 is as follows:

<i>(in millions of dollars)</i>	31 March 2023
NET RESULT	(361.9)
Balance sheet	
Non-current assets	2,539.3
Current assets	492.7
Shareholders' equity	2,436.4
Non-current liabilities	377.8
Current liabilities	217.8

<i>(in millions of euros)</i>	31 March 2023
GROUP SHARE OF THE NET ASSETS	
Net asset value	2,238.1
Percentage held	22.91%
Group share in net asset value	512.7
Goodwill	17.2
Adjustment of the Group share in net asset value	(0.4)
Book value of the Group's equity interest as of 31 March 2023	529.5
Share of net result from March to June 2023	(25.9)
Translation adjustment	(2.4)
BOOK VALUE OF THE GROUP'S EQUITY INTEREST AS OF 30 JUNE 2023	501.2

7.3 Receivables, assets and liabilities on customer contracts and costs to obtain and fulfil contracts

Accounting principles

Accounts receivable are recorded at their nominal value. They are subject to impairment, recognised as Selling and Administrative Expenses, in order to cover the risk of expected future losses. These impairments are determined on the basis of a statistical approach of expected credit losses by market and region, after taking into account the deposits and guarantees received, and supplemented, where applicable, by a specific impairment in the event of failure to make contractual payments or significant financial difficulties on the part of a customer.

Assets held under customer contracts include assets relating to revenue recognised in respect of variable prices or free periods not yet invoiced to the customer. The deferred costs of obtaining contracts correspond to the consideration paid to the customer. Contract fulfilment costs include the deferral of the cost of sales of Broadband terminals.

Liabilities related to customer contracts consist of prepayments received from customers or invoiced prior to delivery of the services.

Receivables, assets and liabilities on customer contracts and the costs to obtain and fulfil contracts are summarised as follows:

<i>(in millions of euros)</i>	30 June 2022	30 June 2023
ASSETS		
Accounts receivable	246.9	207.5
Assets associated with customer contracts	41.7	40.2
Costs to fulfil contracts	3.2	-
Costs to obtain contracts	7.9	4.9
TOTAL CURRENT AND NON-CURRENT ASSETS	299.7	252.5
<i>Including non-current portion</i>	34.0	31.7
<i>Including current portion</i>	265.7	220.8
LIABILITIES		
Financial liabilities – Guarantees and commitments received	40.1	31.2
Liabilities associated with customer contracts	224.4	337.5
TOTAL CURRENT AND NON-CURRENT LIABILITIES	264.5	368.7
<i>Of which non-current portion</i>	186.9	289.7
<i>Of which current portion</i>	77.6	78.9

7.3.1 Accounts receivable

Accounts receivable (matured and non-matured) break down as follows:

<i>(in millions of euros)</i>	30 June 2022	30 June 2023
Non-matured receivables	116.7	120.1
Matured receivables between 0 and 90 days	42.5	25.6
Matured receivables between 90 and 365 days	48.9	26.0
Matured due for more than 365 days	130.2	136.8
Impairment	(91.3)	(101.0)
TOTAL	246.9	207.5

The account receivables due for more than 365 days as of 30 June 2023 include receivables amounting to 3.9 million euros covered by collateral deposits (versus 10.1 million euros as of 30 June 2022). These do not involve any risk of impairment in the income statement. The provision for impairment of 101.0 million euros as of 30 June 2023, covers 74% of the receivables due for more than 365 days except collateral deposits and 54% of all overdue receivables.

In addition, given the nature of the activities and the geographies in which it operates, the Group is periodically required to collect matured receivables due for more than one year.

Credit risk arising from a customer's failure to pay its debt at the due date is tracked at the level of each entity under the supervision of the financial managers. In the most important cases, the relevant financial managers are assisted by a credit manager, acting in accordance with the instructions of the Group's debt recovery service. This tracking is based mainly on an analysis of the amounts due and can be accompanied by a more detailed study of the creditworthiness of some debtors. Based on the assessment of the financial managers, entities may be required to hedge their credit risk by obtaining bank guarantees from first-tier financial institutions and insurance companies, and guarantee deposits from customers.

Credit risk is mitigated by the following guarantees and commitments received:

<i>(in millions of euros)</i>	30 June 2022		30 June 2023	
	Value of accounts receivable	Value of guarantee	Value of accounts receivable	Value of guarantee
Guarantee deposits	64.1	14.1	59.0	12.3
Bank or insurance guarantees	18.6	20.4	10.4	9.5
Guarantees from the parent company	2.9	2.9	3.6	3.6
TOTAL	85.6	37.4	73.0	25.5

Guarantee deposits are recognised as financial liabilities. Bank guarantees and guarantees from parent companies are not shown on the balance sheet.

The Group's ten largest clients accounted for 30% of revenues as of 30 June 2023 (35% as of 30 June 2022). The top five account for 20% of revenues (20% as of 30 June 2022).

The changes in impairment of trade receivables over the two financial years are as follows:

<i>(in millions of euros)</i>	Total
Value as of 30 June 2021	96.5
Net allowance (reversal)	22.9
Reversals (used)	(29.5)
Foreign exchange variations	1.5
Value as of 30 June 2022	91.3
Net allowance (reversal)	21.0
Reversals (used)	(10.4)
Foreign exchange variations	(0.9)
VALUE AS OF 30 JUNE 2023	101.0

7.3.2 Assets associated with customer contracts, costs to obtain and fulfil non-current contracts

<i>(in millions of euros)</i>	Total
Assets associated with customer contracts as of 30 June 2021	40.3
Use of assets associated with customer contracts during the period	(5.8)
New assets associated with customer contracts recorded during the period	5.7
Net reversals (depreciations)	0.7
Translation adjustment	0.8
Assets associated with customer contracts as of 30 June 2022	41.7
Use of assets associated with customer contracts during the period	(3.1)
New assets associated with customer contracts recorded during the period	1.8
Net reversals (depreciations)	-
Translation adjustment	(0.2)
ASSETS ASSOCIATED WITH CUSTOMER CONTRACTS AS OF 30 JUNE 2023	40.2

The costs to obtain and fulfil contracts are shown below:

<i>(in millions of euros)</i>	Total
Costs to obtain and fulfil customer contracts as of 30 June 2021	14.7
Use of costs to obtain and fulfil customer contracts during the period	(4.5)
New costs to obtain and fulfil customer contracts during the period	0.9
Exits from the scope	-
Costs to obtain and fulfil customer contracts as of 30 June 2022	11.1
Use of costs to obtain and fulfil customer contracts during the period	(3.5)
Exits from the scope	(2.8)
COSTS TO OBTAIN AND FULFIL CUSTOMER CONTRACTS AS OF 30 JUNE 2023	4.9

7.3.3 Liabilities associated with customer contracts

The liabilities associated with customer contracts break down as follows:

<i>(in millions of euros)</i>	Total
Liabilities associated with customer contracts as of 30 June 2021	186.4
Revenue recognition during the period	(77.1)
New liabilities associated with customer contracts recorded during the period	107.5
Translation adjustment	7.7
Exits from the scope	-
Liabilities associated with customer contracts as of 30 June 2022	224.4
Revenue recognition during the period	(49.0)
New liabilities associated with customer contracts recorded during the period	166.4
Translation adjustment	(2.0)
Exits from the scope	(2.4)
LIABILITIES ASSOCIATED WITH CUSTOMER CONTRACTS AS OF 30 JUNE 2023	337.4

7.4 Financial assets and liabilities

Accounting principles

Cash and cash equivalents

Cash mainly comprises cash in hand and demand deposits with banks. Cash equivalents mainly consist of short-term deposits with original maturities of three months or less, term accounts, as well as mutual fund investments that are easily convertible into a known amount of cash, the liquid value of which is determined and published daily and for which the risk of a change in value is insignificant. Mutual fund investments with fair value option through profit or loss are carried at fair value, with the resulting realised or unrealised gains or losses arising from the change in fair value recognised under the financial result.

Financial debt

Financial debts comprise bank loans, bond loans and structured debts. They are initially recognised at the fair value of the consideration received, less directly attributable transaction costs. These costs are recognised as loan set-up fees and premiums and are spread out over the period of the loan.

Financial assets

With the exception of derivative financial instruments and non-consolidated investments financial assets are recorded at amortised cost. An impairment loss is recognised in the income statement when there is evidence of an impairment loss. Non-consolidated financial assets are measured at fair value.

Financial liabilities

Lease liabilities recognised in exchange for rights of use correspond to the aggregate of discounted future payments under the lease contracts. The discount rate used to measure these payables is determined by contract based on the estimated marginal debt rate of the entity that holds the contract.

When the Group grants firm or conditional purchase commitments to non-controlling shareholders, the corresponding amount of non-controlling interests is reclassified as a financial liability to reflect the fair value of the commitment. The financial liability is revalued at each balance sheet date with a corresponding entry in shareholders' equity if no further details are provided by the IFRS standards.

Derivative financial instruments

Derivatives that do not qualify as hedging instruments are recognised at fair value, with subsequent changes in fair value recognised in the financial result. Derivatives qualifying as hedging instruments are measured and recognised on the basis of hedge accounting criteria.

Hedging transactions are carried out using derivative financial instruments, the fair value changes of which are intended to offset the exposure of the hedged items to these same changes. Changes in fair value are recognised in shareholders' equity, within other recyclable gains and losses in comprehensive income, for the effective portion of the hedging relationship, while changes in fair value for the ineffective portion are recognised in the financial result. The Group uses derivative financial instruments to hedge cash flows (forwards and forwards KI) and the net investment of its subsidiaries in Mexico, Singapore and Dubai (cross currency swap). Forwards, forwards KI, and the interest rate component of the cross-currency swap are recorded as financial assets or liabilities depending on the position while the exchange component is included in the Group's net debt.

Cumulative changes in the fair value of the hedging instrument previously recognised in equity are reclassified to the income statement when the hedged transaction affects the income statement. The gains and losses thus transferred are recognised in the income statement at the level of the hedged item impact.

7.4.1 Cash and cash equivalents

Cash and cash equivalents are detailed as follows:

<i>(in millions of euros)</i>	30 June 2022	30 June 2023
Cash at bank and in hand	596.9	468.6
Cash equivalents	83.6	13.6
TOTAL	680.5	482.2

7.4.2 Financial debt

The financial debt breaks down as follows:

<i>(in millions of euros)</i>	Rate	30 June 2022	30 June 2023	Maturity
ElB term loan	0.488%	200.0	200.0	December 2028
Term loan 2026	Variable	400.0	400.0	June 2027
Bond 2025	2.000%	800.0	800.0	October 2025
Bond 2027	2.250%	600.0	600.0	July 2027
Bond 2028	1.500%	600.0	600.0	October 2028
Structured debts			-	
	0.75%	80.0		July 2023
	0.90%	53.0	53.0	June 2024
	1.88%		75.0	June 2024
	2.15%		50.0	June 2025
	2.52%		75.0	June 2026
Sub-total of debt (non-current portion)		2,733.0	2,853.0	
Loan set-up fees and premiums		(14.9)	(11.2)	
TOTAL OF DEBT (NON-CURRENT PORTION)		2,718.1	2,841.8	
Structured debts	0.75%	-	65.0	July 2023
Bond 2022	3.125%	300.0	-	October 2022
Accrued interest not yet due		38.5	32.5	
TOTAL DEBT (CURRENT PORTION)		338.5	97.5	
TOTAL		3,056.6	2,939.3	

The totality of the debt is denominated in euros.

The term loans and structured debts are subject to a financial covenant that initially provided for a total net debt to EBITDA ratio equal to or less than 4.0/1. During the first half of the 2022-23 financial year, the Group reached agreement with its lenders that the calculation of the ratio of total net debt to EBITDA should take into account the early receipt of the after-tax proceeds on the release of the C-band for the test periods up to 30 June 2024 (see Note 2.3). The Group also obtained from its lenders an increase in the net debt to EBITDA ratio from 4 to 4.75 for the test periods from 30 June 2023 to 31 December 2024, and then to 4.50 for the test periods from 30 June 2025 to 31 December 2025 in the event of completion of the business combination with OneWeb before the test date.

Under the term loan covenants, each lender may request early repayment of all sums due in case of a change of control of Eutelsat S.A. or Eutelsat Communications.

The obligations are also backed by a banking covenant which provides for each lender to request early repayment of all amounts due in the event of a change of control of Eutelsat S.A. or Eutelsat Communications and a rating downgrade on Eutelsat S.A.

As of 30 June 2023, the Group was in compliance with all the banking covenants.

The credit agreements include neither a guarantee by the Company nor a pledge of assets to lenders, but do contain restrictive clauses (subject to the usual exceptions provided for in this type of loan agreement) which limit the ability of Eutelsat Communications and its subsidiaries, in particular to grant loans on a borrower's assets, incur additional debt, dispose of assets, enter into mergers or acquisitions, sales of assets and finance lease transactions (except those carried out within the Group and expressly provided for in the loan agreement) and modify the nature of the business of the Company and its subsidiaries.

Credit arrangements include a commitment to maintain "launch-plus-one-year" insurance policies for any satellite located at 13° East and, for any other satellite, a commitment not to have more than one satellite that is not covered by a launch insurance policy.

In addition, as of 30 June 2023, the Group has active credit facilities for an aggregate undrawn amount of 1,009.0 million euros (1,209.0 million euros as of 30 June 2022). These lines are backed by banking covenants similar to those in place for the term loans and the structured debts. The Group has also obtained an extension in the term of its affiliate Eutelsat S.A.'s 200 million credit facility until June 2025, the final year being subject to the lenders' agreement.

The schedule of debt maturities, excluding issue costs and premiums and accrued interest not yet due as of 30 June 2023, is as follows:

(in millions of euros)	Amount	Maturity within 1 year	Maturity between 1 and 5 years	Maturity exceeding 5 years
Term loan 2026	400.0	-	400.0	-
EIB term loan	200.0	-	-	200.0
Structured debts	318.0	65.0	253.0	-
Bond 2025	800.0	-	800.0	-
Bond 2027	600.0	-	600.0	-
Bond 2028	600.0	-	-	600.0
TOTAL	2,918.0	65.0	2,053.0	800.0

7.4.3 Other financial assets and liabilities

The detailed breakdown of the other financial assets is as follows:

(in millions of euros)	30 June 2022	30 June 2023
Non-consolidated equity investments	17.7	11.5
Derivative financial instruments ⁽¹⁾	-	13.7
Other financial assets ⁽²⁾	90.3	527.4
TOTAL	108.1	552.6
Of which current portion	65.1	388.8
Of which non-current portion	43.0	163.8

(1) See Note 7.4.5 "Derivative financial instruments".

(2) As of 30 June 2023, the other financial assets mainly include the receivable linked with the vacation of C Band for 352 million euros (see Note 2.2) and the asset linked with the prepayment of capacity to OneWeb for 89 million euros (see Note 2.1).

As of 30 June 2022, the other financial assets include an amount of 46.7 million euros to be received from launcher suppliers whose contracts have been terminated. As of 30 June 2023, these amounts were nil.

The other debts and financial liabilities break down as follows:

(in millions of euros)	30 June 2022	30 June 2023
Lease liabilities	425.7	319.5
Other liabilities ⁽¹⁾	225.9	69.8
Payables to fixed asset suppliers	297.5	189.6
Derivative financial instruments ⁽²⁾	105.7	32.4
Liabilities for social contributions	46.6	49.1
Tax liabilities	18.9	16.4
TOTAL	1,120.3	676.8
Of which current portion	525.5	348.4
Of which non-current portion	594.8	328.4

(1) As of 30 June 2022, the other liabilities include capital uncalled by OneWeb Holdings Ltd amounting to 128.4 million euros. As of 30 June 2023, this amount is nil.

(2) See Note 7.4.5 "Derivative financial instruments".

As the construction of certain satellites progresses, the acceptance of milestone payments leads to the recognition of an asset under construction and an account payable.

As of 30 June 2022, payables to fixed asset suppliers amounted to 134.1 million euros and included acceptances of milestone payments due on satellite deliveries. As of 30 June 2023, non-current

payables amounted to 1.2 million euros and include no acceptances of milestone payments on satellites under construction, the current arrangement coming to an end during the 2023 calendar year.

The changes in lease liabilities during the period break down as follows:

(in millions of euros)	30 June 2022	New contracts	Cash flow	Others	Currency effects	Change in accrued interests	30 June 2023
Satellites	379.2	-	(45.6)	(51.3)	-	(1.8)	280.4
Real estate	45.6	0.9	(8.1)	(0.9)	(0.2)	-	39.1
Others	0.9	-	(0.9)	-	-	-	-
TOTAL	425.7	0.9	(54.6)	(50.4)	(0.2)	(1.8)	319.5

The amounts shown for lease liabilities include accrued interest totalling 3.5 million euros as of 30 June 2022 and (1.8) million euros as of 30 June 2023.

7.4.4 Net debt

The net debt breaks down as follows:

<i>(in millions of euros)</i>	30 June 2022	30 June 2023
Term loan	400.0	400.0
EIB term loan	200.0	200.0
Bonds	2,300.0	2,000.0
Structured debts	133.0	318.0
"Change" portion of cross-currency swap	41.3	13.6
Lease liabilities	420.6	316.2
GROSS DEBT	3,494.9	3,247.8
Cash and cash equivalents	(680.5)	(482.2)
NET DEBT	2,814.4	2,765.6

The changes in the debt position between 30 June 2021 and 30 June 2022 are presented below:

<i>(in millions of euros)</i>	30 June 2021	Cash flow	Non-cash flow	Currency effects	Fair value change and others	30 June 2022
Term loan	400.0	-	-	-	-	400.0
EIB term loan	200.0	-	-	-	-	200.0
Bonds	2,300.0	-	-	-	-	2,300.0
RCF drawdown	-	-	-	-	-	-
Structured debts	221.2	(88.2)	-	-	-	133.0
"Change" portion of cross-currency swap	(38.7)	-	-	-	80.0	41.3
Lease debt	434.0	(14.1)	0.1	0.7	(0.1)	420.6
TOTAL	3,516.5	(102.3)	0.1	0.7	79.9	3,494.9

The changes in the debt position between 30 June 2022 and 30 June 2023 are presented below:

<i>(in millions of euros)</i>	30 June 2022	Cash flow	Non-cash flow	Currency effects	Fair value change and others	30 June 2023
Term loan	400.0	-	-	-	-	400.0
EIB term loan	200.0	-	-	-	-	200.0
Bonds	2,300.0	(300)	-	-	-	2,000.0
Structured debts	133.0	185.0	-	-	-	318.0
"Change" portion of cross-currency swap	41.3	-	-	-	(27.7)	13.6
Lease debt	420.6	(53.7)	(51.2)	(0.2)	0.7	316.2
TOTAL	3,494.9	(168.7)	(51.2)	(0.2)	(27.0)	3,247.8

7.4.5 Derivative financial instruments

Derivative financial instruments are valued by an independent expert before being reconciled with the valuations provided by bank counterparties. The following table presents the contractual or notional amounts together with the fair values of the derivative financial instruments by type of contract.

(in millions of euros)	Notional		Fair value		Change in fair value over the period	Impact on income (excl. coupons)	Impact on equity (excl. coupons)
	30 June 2022	30 June 2023	30 June 2022	30 June 2023			
Synthetic forward transaction with knock-in option (Eutelsat S.A.)	487.8	354.7	(47.4)	13.2	60.6	-	60.6
Cross currency swap	646.8	621.9	(58.3)	(31.9)	26.4	-	26.4
TOTAL FOREX DERIVATIVES	1,134.6	976.6	(105.7)	(18.7)	87.0	-	87.0
Pre-hedging swap	-	-	-	-	-	-	-
TOTAL INTEREST RATE DERIVATIVES	-	-	-	-	-	-	-
TOTAL DERIVATIVE INSTRUMENTS	1,134.6	976.6	(105.7)	-	87.0	-	87.0

Coupons on interest rate instruments qualifying as future cash flow hedges are posted directly to income. The change recognised in equity in respect of these instruments corresponds to the change in fair value net of coupons. Coupons on the cross-currency swap and

forwards qualifying as a hedge of a net investment in a foreign operation, as well as changes in fair value net of coupons, are booked directly to shareholders' equity.

The fair value and maturities of derivatives qualifying as hedges are as follows:

(in millions of euros)	Fair value recognised in equity and to be reclassified to income as of 30 June 2022						
	Total	1 year at most	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	More than 5 years
Foreign exchange risk hedges	(105.7)	(47.4)	-	(58.3)	-	-	-
NET TOTAL AT 30 JUNE 2022	(105.7)	(47.4)	-	(58.3)	-	-	-

(in millions of euros)	Fair value recognised in equity and to be reclassified to income as of 30 June 2023						
	Total	1 year at most	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	More than 5 years
Foreign exchange risk hedges	(18.7)	13.2	-	(31.9)	-	-	-
NET TOTAL AT 30 JUNE 2023	(18.7)	13.2	-	(31.9)	-	-	-

7.4.6 Risk management

The Group is exposed to market risks, principally in terms of currency and interest rates. To address this, the Group uses a certain number of financial derivatives. The Group does not engage in financial transactions whose associated risk cannot be quantified at maturity, i.e. the Group never sells assets it does not hold, or about which it is uncertain whether it will subsequently hold them. The objective is to limit, where appropriate, the fluctuation of revenues and cash-flows due to variations in interest rates and foreign-exchange rates.

Foreign exchange risk

Through the sale of its satellite capacity, the Group is a net receiver of currencies, mainly the U.S. dollar. Consequently, the Group is primarily exposed to the U.S. dollar/euro foreign exchange risk.

In order to hedge foreign exchange risks, the Group may be compelled to use forward sales or synthetic forward transactions with knock-in option of U.S. dollars against the euro, which can be exercised or not depending on the exchange rate at their expiry date. However, the Group cannot guarantee that it will be able to systematically hedge all of its U.S. dollar-denominated contracts. Additionally, to hedge the translation risk, the Group may also create liabilities denominated in the currency of the cash flows generated by these assets. The hedging instruments used by the Group may include currency derivatives (cross-currency swaps and forwards) documented as net foreign investment hedges. The Group has thus developed a euro-U.S. dollar currency swap for a notional amount of 680 million dollars to hedge its net investment in the subsidiaries based in Mexico, Singapore and Dubai.

Given its exposure to foreign currency risk, the Group estimates that a 10% increase in the euro/U.S. dollar exchange rate (excluding foreign exchange derivatives) would generate a 45.3 million euro decline in the Group's revenue and a 6.2 million euro decline in operating expenses. It would also result in a 179 million euros negative variation in the Group's translation reserve and a 72 million euros increase in the foreign exchange portion of the cross-currency swap recorded under financial liabilities.

Interest rate risk

The Group manages its exposure to interest rate fluctuations by maintaining a portion of its debt at fixed rates (Eutelsat S.A. bonds) and, where necessary, by applying a hedging or pre-hedging policy.

Considering the full range of financial instruments available to the Group as of 30 June 2023 an increase of 10 basis points (+0.1%) over the EURIBOR interest rate would have a non-material impact on the interest expense with the revaluation of the financial instruments having an impact on the income statement.

Financial counterparty risk

Financial counterparty risk includes issuer risk, execution risk in connection with derivatives or monetary instruments, and credit risk related to liquidity and forward investments. The Group minimises its exposure to issuer, execution and credit risk by acquiring financial products from first-rate financial institutions and banks. Exposure to these risks is closely monitored.

The Group does not foresee any losses resulting from a failure by its counterparts to respect their commitments under the agreements it has concluded.

As of 30 June 2023, the counterparty risk associated with these operations is not deemed to be significant.

Liquidity risk

The Group manages liquidity risk by taking into account the maturity of financial investments, financial assets and estimated future cash flows from the operating activities.

The Group's objective is to maintain a balance between the continuity of its funding needs and their flexibility through the use of overdraft facilities: term loans, revolving lines of credit from banks, bond loans and satellite lease agreements.

The Group's debt maturity profile is shown below:

As of 30 June 2022 (in millions of euros)	Balance-sheet value	Total contractual cash flows	Timelines as of 30 June 2022					
			June 23	June 24	June 25	June 26	June 27	More than 5 years
Term loan	(398.2)	(426.4)	(4.4)	(4.4)	(4.4)	(4.4)	(4.4)	(404.4)
ElB term loan	(199.8)	(207.3)	(1.0)	(1.0)	(1.0)	(1.0)	(1.0)	(202.4)
Bonds	(2,289.6)	(2,517.4)	(347.9)	(38.5)	(38.5)	(838.5)	(22.5)	(1,231.5)
Structured debt	(130.5)	(134.5)	(81.0)	(53.5)	-	-	-	-
Lease debt	(420.6)	(420.6)	(54.8)	(51.0)	(52.2)	(54.7)	(55.9)	(152.1)
Qualified derivatives ⁽¹⁾	(105.7)	(105.7)	(47.4)	-	(58.3)	-	-	-
TOTAL FINANCIAL DEBT	(3,544.4)	(3,811.9)	(536.5)	(148.4)	(154.4)	(898.6)	(83.8)	(1,990.4)
Other financial liabilities	(291.4)	(291.4)	(255.0)	(36.4)	-	-	-	-
TOTAL FINANCIAL LIABILITIES	(3,835.8)	(4,103.3)	(791.5)	(184.8)	(154.4)	(898.6)	(83.8)	(1,990.4)
Qualified derivatives ⁽¹⁾	-	-	-	-	-	-	-	-
Financial assets	108.0	108.0	65.1	42.9	-	-	-	-
Cash	596.9	596.9	596.9	-	-	-	-	-
Cash equivalents	83.6	83.6	83.6	-	-	-	-	-
TOTAL FINANCIAL ASSETS	788.5	788.5	745.6	42.9	-	-	-	-
NET POSITION	(3,047.3)	(3,314.8)	(45.9)	(141.9)	(154.4)	(898.6)	(83.8)	(1,990.4)

(1) The amounts broken down under derivative instruments are recognised at fair value (not as contractual cash flows).

As of 30 June 2023 (in millions of euros)	Balance-sheet value	Total contractual cash flows	Timelines as of 30 June 2023					
			June 24	June 25	June 26	June 27	June 28	More than 5 years
Term loan	(399.6)	(473.2)	(18.3)	(18.3)	(18.3)	(418.3)	-	-
ElB term loan	(199.9)	(205.3)	(1.0)	(1.0)	(1.0)	(1.0)	(1.0)	(200.5)
Bonds	(2,023.4)	(2,183.0)	(38.5)	(38.5)	(838.5)	(22.5)	(622.5)	(622.5)
Structured debt	(316.3)	(328.1)	(198.2)	(53.0)	(76.9)	-	-	-
Lease debt	(319.5)	(316.2)	(43.5)	(43.5)	(46.1)	(48.0)	-	(135.0)
Qualified derivatives ⁽¹⁾	(32.4)	(32.4)	(0.5)	(31.9)	-	-	-	-
TOTAL FINANCIAL DEBT	(3,291.2)	(3,538.2)	(300.0)	(186.2)	(980.8)	(489.8)	(623.5)	(958.0)
Other financial liabilities	(135.3)	(135.3)	(112.5)	(22.8)	-	-	-	-
TOTAL FINANCIAL LIABILITIES	(3,426.4)	(3,673.5)	(412.5)	(209.0)	(980.8)	(489.8)	(623.5)	(958.0)
Qualified derivatives ⁽¹⁾	13.7	13.7	13.7	-	-	-	-	-
Financial assets	539.0	539.0	375.1	163.9	-	-	-	-
Cash	468.6	468.6	468.6	-	-	-	-	-
Cash equivalents	13.6	13.6	13.6	-	-	-	-	-
TOTAL FINANCIAL ASSETS	1,034.9	1,034.9	871.0	163.9	-	-	-	-
NET POSITION	(2,391.5)	(2,368.6)	458.5	(45.1)	(980.8)	(489.8)	(623.5)	(958.0)

(1) The amounts broken down under derivative instruments are recognised at fair value (and not as contractual cash flows).

7.4.7 Other commitments

Within the framework of commercial contracts or specific bilateral agreements, the Group has issued bank guarantees in favour of third parties. As of 30 June 2023, the amount of these bank guarantees represents 172 million euros.

In May 2023, the Group signed an agreement with all of OneWeb's key shareholders to commit to a maximum loan of 160 million U.S. dollars level in line with each shareholder's equity interest (the Group share amounting to a maximum of 37.8 million U.S. dollars) in the event of OneWeb having insufficient cash before the finalisation of the business combination. This loan would be repayable as of the realisation date of the transaction or could be converted into equity were the business combination to be compromised.

7.5 Fair value of financial instruments

Fair value is defined as the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

7.5.1 Fair value of financial assets

The following tables break down each asset comprising financial instruments and show its fair value, whether or not the instrument is recorded on the balance sheet at fair value:

(in millions of euros)	Net carrying amount as of 30 June 2022				
	Total	Amortised cost	Fair value through other items of income	Fair value through the income	Fair value as of 30 June 2022
NON-CURRENT ASSETS					
Long-term loans and advances	43.0	25.3	-	17.7	43.0
Non-current assets on customer contracts	34.0	34.0	-	-	34.0
CURRENT ASSETS					
Accounts receivable	246.9	246.9	-	-	246.9
Current assets on customer contracts	18.8	18.8	-	-	18.8
Other receivables	32.6	32.6	-	-	32.6
DERIVATIVE FINANCIAL INSTRUMENTS⁽¹⁾					
Qualified as hedges	-	-	-	-	-
CASH AND CASH EQUIVALENTS					
Cash	529.0	-	-	529.0	529.0
Cash equivalents ⁽²⁾	332.1	-	-	332.1	332.1

(1) Fair value hierarchy: level 2 (observable inputs other than quoted prices in active markets).

(2) Fair value hierarchy: level 1 (reflecting quoted prices).

(in millions of euros)	Net carrying amount as of 30 June 2023				
	Total	Amortised cost	Fair value through other items of income	Fair value through the income	Fair value as of 30 June 2023
NON-CURRENT ASSETS					
Long-term loans and advances	163.9	152.4	-	11.5	163.9
Non-current assets on customer contracts	31.7	31.7	-	-	31.7
CURRENT ASSETS					
Accounts receivable	207.5	207.5	-	-	207.5
Current assets on customer contracts	13.3	13.3	-	-	13.3
Other receivables	375.1	375.1	-	-	375.1
DERIVATIVE FINANCIAL INSTRUMENTS⁽¹⁾					
Qualified as hedges	13.7	-	13.7	-	13.7
CASH AND CASH EQUIVALENTS					
Cash	468.6	-	-	468.6	468.6
Cash equivalents ⁽²⁾	13.6	-	-	13.6	13.6

(1) Fair value hierarchy: level 2 (observable inputs other than quoted prices in active markets).

(2) Fair value hierarchy: level 1 (reflecting quoted prices).

Except for the derivative financial instruments and the non-consolidated shares, the carrying amount of the financial assets represents a reasonable approximation of their fair value.

As of 30 June 2023, the total amount of fair value on derivative financial instruments amounted to 13.7 million euros (see Note 7.4.3 "Other financial assets and liabilities").

7.5.2 Fair value of financial liabilities

The following tables break down each liability comprising financial instruments and show its fair value, whether or not the instrument is recorded on the balance sheet at fair value:

	Net carrying amount as of 30 June 2022				
(in millions of euros)	Total	Instruments measured at amortised cost	Derivative instruments qualified as hedges	Instruments measured at fair value through the income statement	Fair value as of 30 June 2022
FINANCIAL DEBT					
Floating rate loans	530.5	530.5	-	-	530.5
Bond loans ⁽¹⁾	2,289.6	2,289.6	-	-	2,289.6
Fixed rate loans	199.8	199.8	-	-	199.8
Bank overdrafts	-	-	-	-	-
OTHER FINANCIAL LIABILITIES					
Non-current	402.3	402.3	-	-	402.3
Current	314.8	314.8	-	-	314.8
DERIVATIVE FINANCIAL INSTRUMENTS⁽²⁾					
Qualified as hedges	105.7	-	105.7	-	105.7
Accounts payable	78.3	78.3	-	-	78.3
Fixed assets payable	297.5	297.5	-	-	297.5

(1) Fair value hierarchy: level 1 (reflecting quoted prices).

(2) Fair value hierarchy: level 2 (observable inputs other than quoted prices in active markets).

	Net carrying amount as of 30 June 2023				
(in millions of euros)	Total	Instruments measured at amortised cost	Derivative instruments qualified as hedges	Instruments measured at fair value through the income statement	Fair value as of 30 June 2023
FINANCIAL DEBT					
Floating rate loans	715.9	715.9	-	-	715.9
Bond loans ⁽¹⁾	2,023.4	2,023.4	-	-	2,023.4
Fixed rate loans	199.9	199.9	-	-	199.9
Bank overdrafts	-	-	-	-	-
OTHER FINANCIAL LIABILITIES	-	-	-	-	-
Non-current	295.4	295.4	-	-	295.4
Current	159.4	159.4	-	-	159.4
DERIVATIVE FINANCIAL INSTRUMENTS⁽²⁾					
Qualified as hedges	32.4	-	32.4	-	32.4
Accounts payable	93.5	93.5	-	-	93.5
Fixed assets payable	188.5	188.5	-	-	188.5

(1) Fair value hierarchy: level 1 (reflecting quoted prices).

(2) Fair value hierarchy: level 2 (observable inputs other than quoted prices in active markets).

Except for the bonds and derivative financial instruments, the carrying amount of the financial liabilities represents a reasonable approximation of their fair value.

The fair values of the Level 1 bonds (quoted market price) are as follows:

(in millions of euros)	30 June 2022	30 June 2023
Bond 2022	302.3	-
Bond 2025	776.3	724.2
Bond 2027	561.2	498.1
Bond 2028	516.7	442.1
TOTAL	2 156.5	1,664.4

7.6 Shareholders' equity

Accounting principles

Costs for capital increases

External costs directly related to increases in capital and reduction of capital are allocated to additional paid-in capital, net of taxes when an income tax saving is generated.

Treasury stock

Treasury stock is recognised by reducing shareholders' equity on the basis of the acquisition cost. When the shares are sold, any gains and losses are recognised directly in consolidated reserves net of tax and are not included under income for the year.

7.6.1 Share capital

As of 30 June 2023, the share capital of Eutelsat Communications S.A. comprised 248,926,325 ordinary shares with a nominal value of 1 euro per share. As of this same date, the Group holds 356,061 equity shares in the amount of 2.2 million euros acquired under a liquidity contract. The aggregate amount of treasury stock is deducted from shareholders' equity.

7.6.2 Dividends

On 10 November 2022, the Ordinary and Extraordinary General Meeting of Shareholders decided to distribute a gross amount of 0.93 euros per share. The payment of the dividend in the total amount of 214.2 million euros took place on 16 December, of which 80.6 million in cash, and in the form of 18,381,330 newly-issued shares at an issue price of 7.27 euros, totaling 133.6 million euros.

The Group does not plan to propose the distribution of a dividend to the Ordinary General Meeting of Shareholders on 23 November 2023.

7.6.3 Change in the revaluation surplus for derivative instruments

The changes in the revaluation surplus for derivative instruments qualified as hedging instruments (tax effect included) during the financial year break down as follows:

<i>(in millions of euros)</i>	Total
Balance as of 30 June 2022	(68.5)
Changes in fair value within equity that can be reclassified to income	24.7
BALANCE AS OF 30 JUNE 2023	(43.8)

The revaluation reserve for the derivative instruments includes 36.9 million euros of unwinding of forwards booked as a net foreign investment hedge.

7.6.4 Translation reserves

The translation reserve (tax effect included) has changed as follows over the year:

<i>(in millions of euros)</i>	Total
Balance as of 30 June 2022	240.9
Net change over the period	(49.1)
BALANCE AS OF 30 JUNE 2023	191.8

The main currency generating translation differences is the U.S. dollar.

As of 30 June 2023, the translation reserve includes (31.9) million euros in respect of the Cross-Currency Swap used to hedge the currency exposure of net investments in foreign operations and (112.2) million euros relating to the expired Cross Currency Swap.

7.7 Provisions

Accounting principles

A provision is made when, at the balance sheet date, (i) the Group has a present legal or constructive obligation as a result of a past event, (ii) it is probable that an outflow of resources will be required to settle the obligation, and (iii) a reliable estimate of the amount involved can be made. The amount recognised as a provision represents the best estimate of the expenditure required to settle the present obligation at the closing date.

If the effect of the time value of money is material, the amount of the provision will be equal to the discounted value of anticipated expenditure needed to settle the obligation. Increases in provisions recorded to reflect the passage of time and the effect of discounting are recognised as financial expenses in the income statement.

The changes in provisions between 30 June 2022 and 30 June 2023 are as follows:

(in millions of euros)	30 June 2022	Allo- wance	Reversal		Reclas- sified	Change in scope	Recognised in equity	Currency variation	30 June 2023
			Utilised	Unused					
Financial guarantee granted to a pension fund	1.1	0.0	(4.4)	0.0	0.0	0.0	19.0	0.0	15.7
Retirement benefits	11.2	1.1	(0.8)	0.0	0.0	0.0	(2.5)	0.0	9.0
Other post-employment benefits ⁽¹⁾	5.3	0.5	0.0	(1.5)	0.1	0.0	0.0	0.0	4.4
TOTAL POST-EMPLOYMENT BENEFITS	17.6	1.6	(5.2)	(1.5)	0.1	0.0	16.5	0.0	29.1
Commercial employee-related and tax litigation	7.1	0.8	(0.9)	(1.9)	1.4	(1.3)	0.0	(0.1)	5.1
Others	-	-	-	-	-	-	-	-	-
TOTAL PROVISIONS	24.7	2.4	(6.1)	(3.4)	1.5	(1.3)	16.5	(0.1)	34.4
Of which non-current portion	17.6	-	-	-	-	-	-	-	29.2
Of which current portion	7.1	-	-	-	-	-	-	-	5.1

(1) The other post-employment benefits mainly relate to end-of-contract indemnity payments in various subsidiaries.

7.7.1 Financial guarantee granted to a pension fund

Eutelsat S.A. gave a financial guarantee to the pension fund administering the pension scheme established by the Inter-Governmental Organisation (IGO) when the latter transferred its operations to Eutelsat S.A. in 2001. This defined-benefit pension scheme was closed, and the vested pension rights were frozen prior to the transfer. The financial guarantee provided by Eutelsat S.A. is valued and recorded in the same manner as a define-benefit pension commitment, although the Group did not directly take over the statutory commitments contracted with the IGO. This guarantee can be called under certain conditions to compensate for future under-funding of the plan, with no quantitative threshold triggering the call on this guarantee.

In 2017, the financial guarantee was called for the sum of 35.9 million euros based on the projected deficits of the scheme and an agreement was reached with the pension fund for nine payments of 4 million euros spread out from 30 June 2017 to 30 June 2025.

In 2021, a new agreement replacing the previous version was entered into with the pension fund, increasing the total payment due to the fund to 29 million euros as of 30 June 2023, with a schedule through to 30 June 2029.

These payments may be adjusted according to possible changes in the future financial position which will be assessed on an annual basis.

The changes in the plan's obligations and assets between 30 June 2022 and 30 June 2023 are as follows:

(in millions of euros)	30 June 2022	30 June 2023
Present value of the obligations at beginning of period	199.1	146
Service cost for the period	-	-
Financial cost	3.0	4.8
Actuarial differences related to financial assumptions: (gains)/losses	(48.2)	(3.9)
Benefits paid	(7.9)	(7.1)
Gain linked to the effects of changes in demographic assumptions	-	(1.0)
PRESENT VALUE OF THE OBLIGATIONS AT END OF PERIOD	146.0	138.8

(in millions of euros)	30 June 2022	30 June 2023
Fair value of plan assets at beginning of period	139.3	145
Expected return on plan assets	2.0	4.7
Actuarial differences related to financial assumptions: gains/(losses)	7.2	(23.8)
Contributions paid	4.3	4.4
Benefits paid	(7.9)	(7.1)
FAIR VALUE OF PLAN ASSETS AT END OF PERIOD	145.0	123.1

The weighted average period of the obligation is 12.9 years.

The amounts included in the fair value of the plan assets do not include any financial instruments issued by Eutelsat S.A. or any

property or movable assets owned or used by Eutelsat S.A. The actual return on the plan's assets amounts to 9.2 million euros and (19.1) million euros as of 30 June 2022 and 30 June 2023 respectively.

The actuarial valuations were realised based on the following assumptions:

	30 June 2022	30 June 2023
Discount rate	3.35%	4.10%
Rate for pension increases	2.00%	2.20%

A 25-basis point decrease in the discount rates would result in a 4.4 million euros increase to the provision.

The changes in provisions over the two financial years were as follows:

<i>(in millions of euros)</i>	30 June 2022	30 June 2023
Provision at beginning of period	59.8	1.1
Net (income)/charge recognised in the income statement	0.9	(0.9)
Actuarial (gains)/losses	(55.4)	19.9
Contributions paid	(4.3)	(4.4)
PROVISION AT END OF PERIOD	1.1	15.7

7.7.2 Retirement and related benefits

Accounting principles

The Group's retirement schemes consist of defined contribution plans and defined benefit plans.

Expenses for defined-benefit pension schemes are recognised as "Staff costs" based on the contributions made or outstanding for the financial year for which services are delivered by recipients of the scheme.

The defined-benefit plans are plans for which the Group has contractually agreed to provide a specific amount or level of benefits. These benefits are assessed using the Projected Unit Credit actuarial method, which involves forecasting the amounts of the expected future payments on the basis of demographic (staff turnover, mortality and age at retirement) and financial assumptions (salary growth and discounting). The pension cost for the period consisting of the service cost is posted to "Staff costs" and the discounting effects are recognised in the financial result. The actuarial differences arising from changes in actuarial assumptions or experience differences are recognised as "Other items of comprehensive income".

Defined-benefit pension schemes

The Group's defined-benefit pension scheme commitments mainly include the retirement benefits plan for Eutelsat S.A. staff.

As of 30 June 2022 and 30 June 2023, the position is as follows:

<i>(in millions of euros)</i>	30 June 2022	30 June 2023
Present value of the obligations at beginning of period	14.6	11.2
Service cost for the period	1.1	0.8
Financial cost	0.2	0.3
Actuarial differences	(1.4)	(2.5)
Termination indemnities paid	(0.2)	(0.8)
Others	(3.1)	-
PRESENT VALUE OF THE OBLIGATIONS AT END OF PERIOD	11.2	9.0

The weighted average period of the obligation is 9 years.

The actuarial valuations were realised based on the following assumptions:

	30 June 2022	30 June 2023
Discount rate	3.25%	4.05%
Rate for salary growth	0% for 1 year then 2.0%	2.5%

The discount rate used in the actuarial valuation is determined based on high-grade corporate bonds (AA and AAA) with maturities consistent with those of the relevant scheme.

Defined-contribution pension schemes

Employer contributions made under the mandatory pension scheme in France during the financial year amounted to a respective 6.3 million euros and 6.0 million euros as of 30 June 2022 and 30 June 2023.

The Group also has a supplementary defined contribution funded plan for its employees (excluding Directors and Corporate Officers who are employees), which is financed by employee and employer contributions representing 6% of gross annual salary, limited to eight times the French Social Security threshold. The employer contributions paid under these schemes amounted to a respective 2.0 million euros and 2.0 million euros as of 30 June 2022 and 30 June 2023.

7.7.3 Litigation and contingent liabilities

Accounting principles

In the course of its business activities, the Group is involved in legal actions and commercial disputes. The Group exercises its judgement to assess the risks incurred on a case-by-case basis and a provision is recorded to cover an expected outflow of resources. In cases viewed as unsubstantiated or insufficiently argued, no provision is recognised.

7.8 Tax assets and liabilities

7.8.1 Deferred tax assets and liabilities

Accounting principles

Deferred taxes are the result of temporary differences arising between the tax base of an asset or liability and its book value. Deferred taxes are recognised for each fiscal entity in respect of all temporary differences, with some exceptions, using the balance sheet liability method.

Accordingly, deferred tax liabilities are recognised for all taxable temporary differences except:

- Where the deferred tax liability arises from goodwill for which amortisation is not deductible for tax purposes, or from the initial recognition of an asset or liability other than in a business combination which, at the time of the transaction, does not affect the accounting or the taxable profit, or the tax loss; and
- When the deferred tax liability arises from investments in subsidiaries, and the Group is able to control the reversal of the difference and it is probable that the temporary difference will not be reversed in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable income will be available against which the deductible temporary differences can be charged. However, a deferred tax asset is not recognised if it arises from a deductible temporary difference generated by the initial recognition of an asset or liability other than in a business combination which, at the time of the transaction, does not affect the accounting or the taxable profit, or the tax loss.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at balance sheet date.

The carrying amount of deferred tax assets is reviewed on each balance sheet date and reduced to the extent that it is not probable that sufficient taxable profit will be available to allow the benefit of all or part of these deferred tax assets to be utilised.

Deferred taxes are not discounted and are recorded as non-current assets and liabilities.

The changes in the breakdown of the deferred tax balances between 30 June 2022 and 30 June 2023 were as follows:

<i>(in millions of euros)</i>	30 June 2022	Foreign exchange impact and reclassification	Result for the period	Recognised in equity	30 June 2023
DEFERRED TAX ASSETS					
Derivative instruments	63.3	-	-	(11.7)	51.6
Loss carry-forwards	4.4	0.7	12.6	-	17.7
Bad-debt provisions	26.1	-	(2.8)	-	23.2
Financial guarantee granted to the pension fund	(8.4)	-	7.5	4.9	4.1
Provisions for risks and expenses	4.8	-	(1.0)	-	3.8
Tangible and intangible assets	16.8	2.4	5.9	-	25.1
Others	18.2	(0.6)	0.9	-	18.5
TOTAL DEFERRED TAX ASSETS	125.3	2.4	23.0	(6.8)	143.9
DEFERRED TAX LIABILITIES					
Derivative financial instruments	(3.7)	-	0.2	(3.5)	(7.1)
Intangible assets	(43.9)	-	12.2	-	(31.6)
Tangible assets	(221.4)	0.2	1.6	-	(219.6)
Others	(39.7)	0.1	11.5	-	(28.2)
TOTAL DEFERRED TAX LIABILITIES	(308.7)	0.3	25.5	(3.5)	(286.4)
NET ASSET/(LIABILITY) POSITION	(183.4)	2.7	48.6	(10.3)	(142.4)
REFLECTED AS FOLLOWS IN THE FINANCIAL STATEMENTS:					
Deferred tax assets	1.4				15.3
Deferred tax liabilities	(184.8)				(157.9)
TOTAL	(183.4)				(142.4)

The deferred tax asset or liability corresponds to the aggregate of the consolidated entities' net positions.

Deferred tax liabilities relate mainly to the taxable temporary differences generated by:

- the accounting treatment at fair value of customer contracts and relationships and other intangible assets in the context of the acquisitions of Eutelsat S.A. and Satmex.
- the accelerated depreciation of satellites for tax purposes.

The timeline for recovery of deferred tax assets on carry-forward losses is presented in the table below:

<i>(in millions of euros)</i>	Amount	Maturity within 1 year	Maturity between 1 and 5 years	Maturity exceeding 5 years	Undefined
Timelines of activated tax loss carry-forwards	68.6	-	-	-	68.6
TOTAL	68.6	-	-	-	68.6

Furthermore, the Group has a stock of unrecognised tax loss carry-forwards amounting to 94 million euros as of 30 June 2023 (146.6 million euros as of 30 June 2022) with the following maturity dates:

<i>(in millions of euros)</i>	Amount	Maturity within 1 year	Maturity between 1 and 5 years	Maturity exceeding 5 years	Undefined
Maturities of unrecognised tax loss carry-forwards	94.0	0.1	1.6	0.6	91.7
TOTAL	94.0	0.1	1.6	0.6	91.7

As the Group has no operations in jurisdictions that have adopted the OECD's Pillar 2 rules as of 30 June 2023, it has not recognised in its financial statements any items relating to these new regulations.

Analyses are currently underway to identify the financial consequences that could arise from the application of these regulations in the various jurisdictions in which it operates.

7.8.2 Tax audit procedure

The company Eutelsat has been the subject of three tax audit procedures in respect of the period between 1 July 2012 and 30 June 2020.

The first tax audit procedure covered the financial years ended 30 June 2012, 2013 and 2014, for which an upwards tax adjustment proposal was received in December 2016. As a result of the pre-litigation appeals and subsequent discussions, the amounts claimed by the tax authorities were reduced. There is still disagreement on one tax enhancement which will consequently be the subject of a pre-litigation appeal.

The second tax audit procedure covered the financial years ended 30 June 2015, 2016 and 2017, for which two upwards tax adjustment

proposals were received in December 2018, then in December 2019. This tax audit procedure was definitively closed in October 2022 via an overall settlement with the tax authority. The corresponding tax assessment notices received in December 2022 amounted to 21.8 million euros and were paid in full over the course of the financial year.

The third tax audit procedure covers the financial years ended 30 June 2018, 2019 and 2020, for which two upwards tax adjustment proposals were received in December 2021, then in December 2022. These projected upwards adjustments are broadly in line with those mentioned above. The responses to the comments were received at the end of May 2023. There is still disagreement on a few tax enhancements for which the company has initiated the applicable administrative remedies.

Note 8 Related-party transactions

Related parties consist of:

- direct and indirect shareholders, and their subsidiaries, who have exclusive control or significant influence, which is presumed where more than 20% of the shares are held or where the investor is a member of the Board of Directors of an entity of the Group;

- minority shareholders of entities which the Group consolidates under the full consolidation method; and
- key management personnel.

8.1 Key management personnel

The Group considers that, in the context of Eutelsat's governance, the notion of "Key management personnel" includes the members of the Executive Committee chaired by the Chief Executive Officer, and the members of the Board of Directors.

The compensation allocated to the members of the Executive Committee breaks down as follows:

<i>(in millions of euros)</i>	30 June 2022	30 June 2023
Compensation ⁽¹⁾	11.0	8.2
TOTAL SHORT-TERM BENEFITS	11.0	8.2
Post-employment benefits ⁽²⁾	0.06	0.04
Share-based payments ⁽³⁾	0.7	1.0
TOTAL LONG-TERM BENEFITS	0.76	1.04

(1) Including the gross salaries inclusive of the variable portion, bonuses, benefits in kind, incentive payments, profit sharing and social security contributions paid.

(2) Corresponding to the past service costs of defined benefit pension plans.

(3) Corresponding to the expense recorded in the income statement for share-based compensation.

In the event of termination of office for the Chief Executive Officer or the Deputy-CEO, a non-compete clause was providing for payment of 50% of their fixed compensation over an 18-month period. Under this clause, the Chief Executive Officer and the Deputy-CEO were required to refrain from working directly or indirectly for other satellite operators. This agreement came to an end as of 30 June 2023.

The fees paid to the members of the Board of Directors in respect of the Financial Year ended 30 June 2023 amount to 1.0 million euros (0.9 million euros in respect of the Financial Year ended 30 June 2022).

8.2 Other related parties

The transactions with related parties other than key management personnel are summarised as follows:

<i>(in millions of euros)</i>	30 June 2022	30 June 2023
Revenues	4.7	3.9
Financial result	12.8	11.0
Gross receivables (including unbilled revenues)	16.4	99.4
Debt (including deferred payments)	315.1	238.9

Revenues relate to the provision of services related to satellite monitoring and control.

Debts include the leases for the EXPRESS AT1, EXPRESS AT2, EXPRESS AM6 and EUTELSAT 36C satellites.

Note 9 Subsequent events

On 13 July 2023, 143,6 million euros was drawn down on the active structured debt credit facility as of 30 June 2023. These sums were used to finance the acquisition of fixed assets scheduled with maturity date in July. Furthermore, the repayment of 65 million euros of structured debt is scheduled for 31 July 2023.

On 13 July 2023, the maturities of the active 450 million euros and 200 million euros revolving credit lines were extended until 30 September 2025, with an additional 1-year extension option subject to the lenders' approval.

Note 10 Statutory Auditors' fees

	EY				Mazars			
	Amount N	%	Amount N-1	%	Amount N	%	Amount N-1	%
<i>(in thousands of euros)</i>								
STATUTORY AUDIT, CERTIFICATION, REVIEW OF SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS								
Eutelsat Communications	285	8%	143	22%	285	33%	143	22%
Subsidiaries	735	20%	417	66%	531	61%	491	76%
SUB-TOTAL	1,020	28%	560	88%	815	94%	634	98%
SERVICES OTHER THAN CERTIFICATION OF THE FINANCIAL STATEMENTS								
Eutelsat Communications	45	1%	-	0%	45	5%	-	0%
Subsidiaries	4	0%	71	12%	8	1%	10	2%
SUB-TOTAL	49	2%	71	12%	53	6%	10	2%
OTHER SERVICES OTHER THAN CERTIFICATION OF THE FINANCIAL STATEMENTS RENDERED BY EY/MAZARS NETWORKS IN THE FRAMEWORK OF THE INITIAL PUBLIC OFFERING ON THE LONDON STOCK EXCHANGE								
Eutelsat Communications	2,536	70%	-	-	-	-	-	-
Subsidiaries	-	-	-	-	-	-	-	-
SUB-TOTAL	2,536	70%	-	-	-	-	-	-
TOTAL	3,605	100%	631	100%	868	100%	644	100%

Services other than the certification of financial statements correspond essentially to the work undertaken within the framework of unregulated financial reviews.

6.3 Annual financial statements as of 30 June 2023

Income statement

<i>(in millions of euros)</i>	Note	30 June 2022	30 June 2023
Revenue		2.6	5.1
Other operating income		2.2	0.1
Total operating income	3.1	4.8	5.2
Staff costs		(3.4)	(2.6)
Other operating expenses		(12.9)	(11.6)
Total operating expenses	3.2	(16.3)	(14.2)
OPERATING INCOME		(11.5)	(9.0)
Financial income		195.7	0.2
Financial expenses		(4.5)	(11.5)
FINANCIAL INCOME	3.3	191.3	(11.3)
CURRENT INCOME BEFORE TAXES		179.7	(20.3)
EXCEPTIONAL INCOME	3.4	0.4	(1.2)
Company tax	3.5	4.8	(0.0)
RESULT FOR THE YEAR	3.5.2	185.0	(21.6)

Balance sheet

<i>(in millions of euros)</i>		30 June 2022	30 June 2023
	Note	Net Amounts	Net Amounts
ASSETS			
FINANCIAL FIXED ASSETS	4.1	2,948.4	2,982.9
Equity investments		2,943.4	2,943.4
Other financial assets		5.0	39.5
CURRENT ASSETS		56.3	21.5
Other receivables	4.2	12.9	19.1
Group current accounts	4.2	39.9	-
Marketable securities	4.3	1.0	1.0
Cash	4.3	2.4	1.3
Prepaid expenses		0.1	0.1
OTHER ASSETS		1.8	1.3
Debt issuance costs	4.4	1.8	1.3
TOTAL ASSETS		3,006.4	3,005.8

<i>(in millions of euros)</i>		30 June 2022	30 June 2023
	Note		
LIABILITIES			
Share capital		230.5	248.9
Issue, merger and acquisition premiums		1,217.5	1,330.8
Other reserves		0.2	0.2
Statutory reserves		23.1	24.9
Retained earnings		931.3	902.1
Result for the year		185.0	(21.6)
Tax related provisions		0.5	0.5
EQUITY CAPITAL	4.5	2,588.1	2,485.8
PROVISIONS		0.1	0.2
Financial debts	4.6	400.3	401.0
Other liabilities	4.7	17.9	118.7
FINANCIAL, OPERATING AND OTHER LIABILITIES		418.2	519.7
TOTAL LIABILITIES		3,006.4	3,005.8

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The information contained in these notes is an integral part of the annual financial statements. It is expressed in millions of euros, unless otherwise stated.

The Company's fiscal year runs for twelve months from 1 July to 30 June.

Note 1 Company's activity and key events of the financial year

1.1 Company's activity

Eutelsat Communications S.A. ("the Company" or "Eutelsat") is the parent company of the Eutelsat Communications Group ("the Group"). Its purpose is to hold shares and provide services for its equity interests.

The Company, whose registered office is located at 32 boulevard Gallieni 92130 Issy-les-Moulineaux, is registered with the Register of Trade and Companies under number 481,043,040.

1.2 Key events of the financial year

On 26 July 2022, Eutelsat Communications and key OneWeb shareholders signed a Memorandum of Understanding with a view to combining both companies in an all-share transaction to create a

leading global player in connectivity. The transaction will be structured as an exchange of OneWeb shares by its shareholders (other than Eutelsat) for new shares issued by Eutelsat. On closing of the transaction, Eutelsat will own 77% of OneWeb and 23% through its subsidiary Eutelsat S.A. OneWeb shareholders will receive around 226 million newly issued shares in the company.

Following the issuance by the employee representative bodies of their opinion, Eutelsat Communications and the key OneWeb shareholders signed the final combination agreement on 14 November 2022. The realisation of the transaction remains subject to the customary conditions precedent, in particular approval by the relevant regulatory authorities. The Extraordinary General Meeting of Eutelsat shareholders convened to approve the transaction should take place in the third quarter of 2023 calendar year.

Note 2 Accounting principles

2.1 Basis of presentation of financial information

The annual financial statements are prepared in accordance with the provisions of Regulation 2018-01 of the French Accounting Standards Authority (ANC) as well as any subsequent opinions and recommendations of the French Accounting Standards Authority. The Company's reporting currency is the euro.

The following conventions have been applied in compliance with the principle of prudence and in accordance with the following basic rules:

- ▶ going concern;
- ▶ separation of financial periods;
- ▶ consistent accounting methods from one financial year to the next,

and in accordance with the general guidelines for preparing and presenting the annual financial statements.

The basic method used for evaluating the items recorded in the accounts is the historical cost method.

No changes were made to the accounting methods during the financial period.

2.2 Significant judgements and estimates

The preparation of the annual financial statements requires the use of judgements and estimates likely to affect some of the items in the income statement, the balance sheet and the accompanying notes. The Management constantly updates these estimates and assessments by using past experience and other relevant factors related to the economic environment. The outcome of the transactions underlying these estimates and assumptions could result in significant adjustments to the amounts that are recognised in a subsequent financial period because of the uncertainty that surrounds them.

In preparing the financial statements as of 30 June 2023, the Management has made judgements, particularly with regard to the value of equity investments and share-based compensation.

2.3 Financial assets

Financial assets consist of equity securities and other financial assets including treasury shares acquired under a liquidity contract.

Equity investments are recorded in the balance sheet at their acquisition value, including acquisition costs. They are subject to impairment when the acquisition value is greater than the value in use, assessed on the basis of various criteria such as the market value, expected growth and profitability, and shareholders' equity.

The other financial assets are recorded in the balance sheet at their acquisition value excluding acquisition costs. They are subject to impairment when their acquisition cost is greater than their net asset value.

2.4 Receivables and payables

Receivables and payables are evaluated at their face value.

2.5 Cash and marketable securities

This item consists of treasury shares acquired under share buyback programmes, mutual fund investments, cash at bank and deposit warrants with original maturities of three months or less.

Treasury shares repurchased not allocated to share plans are impaired when the share price is lower than the purchase price.

Treasury shares repurchased for the purpose of serving free share incentive plans are recorded at their initial cost until they are delivered to their recipients or reclassified if not attributed. They are not subject to any impairment.

2.6 Debt issuance costs

Debt issuance costs are amortised over the duration of the loan.

2.7 Shareholders' equity

External costs directly related to capital increases or reductions are charged against the issue and acquisition premium, net of tax when tax savings are generated.

2.8 Provisions

A provision is recorded when there is a company obligation towards an unrelated party that is probable or certain to lead to an outflow of resources to the benefit of such party, with nothing at least equivalent expected of the unrelated party in return and for which the term or the amount is not precisely determined.

Note 3 Note on the income statement

3.1 Revenue

The Company's revenue includes the re-invoicing of services provided, for its holdings, particularly with regard to strategy development, implementation of the industrial and commercial policy, and financial and corporate communications.

Revenue, which is generated exclusively in France, amounted to 5.08 million euros as of 30 June 2023 versus 2.61 million euros as of 30 June 2022.

3.2 Operating expenses

Operating expenses break down as follows:

<i>(in millions of euros)</i>	30 June 2022	30 June 2023
Staff costs	(3.4)	(2.6)
Other purchases and external expenses	(11.3)	(9.6)
Other operating expenses	(1.6)	(2.0)
TOTAL	(16.3)	(14.2)

3.2.1 Staff costs

The Company has no employees.

Staff costs correspond to compensation for Board Members, including share-based compensation, and amounted to 2.6 million euros (3.4 million euros as of 30 June 2022).

Compensation and benefits granted to members of administrative and management bodies are presented in Note 5.1.1. "Executive management compensation".

(2.9 million euros as of 30 June 2022), fees of 4.7 million euros (4.9 million euros as of 30 June 2022) and commissions, bank fees and loan costs of 0 million euros (1.7 million euros as of 30 June 2022).

3.2.3 Other operating expenses

Other operating expenses consist mainly of attendance fees amounting to 1 million euros (0.9 million euros as of 30 June 2022), taxes and duties of 0.4 million euros (0.2 million euros as of 30 June 2022) and amortised loan costs of 0.6 million euros (0.4 million euros as of 30 June 2022).

3.2.2 Other purchases and external expenses

Other purchases and external expenses consist mainly of sub-contracting and consultancy costs amounting to 3.4 million euros

3.3 Financial result

The financial result breaks down as follows:

<i>(in millions of euros)</i>	30 June 2022	30 June 2023
Income from holdings	195.3	-
Interest expenses	(4.5)	(11.5)
Other	0.4	0.2
TOTAL	191.3	(11.3)

Interest expenses correspond to interest on the loan set up in 2015.

3.4 Exceptional result

The exceptional result represents an expense of 1.2 million euros (income of 0.4 million euros as of 30 June 2022). It consists mainly of treasury share buyback surpluses and losses related to the liquidity contract.

3.5 Company Tax

3.5.1 Tax consolidation

The scope of the tax consolidation group includes the entities Eutelsat S.A., Eutelsat Konnect Services, Fransat S.A and Konnect Africa France.

The tax consolidation agreement provides that the subsidiaries bear a tax burden equal to the amount that they would have borne in the

absence of the Group regime. Additional tax charges or savings resulting from the Group regime are borne by or granted to the Group's parent company in full.

As of 30 June 2022, the income tax expense payable by the tax consolidation group amounted to 30.9 million euros while the amount due by the sub-subsidiaries under the tax consolidation agreement amounted to 35.6 million euros, releasing a profit of 4.7 million euros.

As of 30 June 2023, the tax consolidation group had a tax loss of 68.1 million euros, which can be carried forward to offset future taxable income.

Eutelsat Communications' losses prior to tax consolidation amount to 43.3 million euros.

3.5.2 Common law provisions

As of 30 June 2023, the Company's tax liability breaks down between the current result and the exceptional result as follows:

<i>(In millions of euros)</i>	Result before tax	Tax due	Net result
Current	(20.3)	0.0	(20.3)
Exceptional	(1.2)	-	(1.2)
TOTAL	(21.5)	-	(21.6)

The Company's tax is calculated on the basis of the corporate income tax rate estimated at 25.83%, in accordance with the provisions of the French general tax law.

3.5.3 Increases and reductions in future tax liability

<i>(in millions of euros)</i>	30 June 2022	30 June 2023
REDUCTIONS IN FUTURE TAX LIABILITY:		
Losses carried forward	11.2	16.0
TOTAL	11.2	16.0

Note 4 Notes on the balance sheet

4.1 Financial assets

The changes to financial assets over the financial year are as follows:

<i>(in millions of euros)</i>	30 June 2022	Acquisition/ subscription	Assignment/ reduction	30 June 2023
Equity investments (including merger losses)	2,943.4	-	-	2,943.4
Other financial assets	4.9	97.9	(63.3)	39.5
TOTAL OF THE GROSS VALUES	2,948.4	97.9	(63.3)	2,982.9
Provision for depreciation	-	-	-	-
TOTAL NET VALUES	2,948.4	97.9	(63.3)	2,982.9

Equity investments consist of:

- ▶ 976,475,432 shares in the company Eutelsat S.A. for an amount of 2,558.5 million euros as of 30 June 2023 and 976,475,432 shares for an amount of 2,558.5 million euros as of 30 June 2022;
- ▶ a merger loss allocated to Eutelsat S.A. shares in the amount of 384.9 million euros.

The value in use of the Eutelsat S.A. shares has been determined on the basis of a valuation of the Eutelsat Group based on future cash flows. These cash flows have been updated as of 30 June 2023 to incorporate the recent available information. The value in use as determined is greater than the net carrying amount of 2,943.4 million euros. Consequently, no impairment loss on shares has been recognised as of 30 June 2023.

The other financial assets consist of items relating to the liquidity contract, including:

- treasury shares for an amount of 2.2 million euros corresponding to 356,061 shares as of 30 June 2023 and for an amount of 2.4 million euros corresponding to 222,950 shares as of 30 June 2022;
- SICAV money market funds for an amount of 1.4 million euros as of 30 June 2023 and for an amount of 2.5 million euros as of 30 June 2022;
- OneWeb acquisition costs for 35.8 million euros which will be included in the value of the OneWeb shares acquired during the business combination transaction.

4.3 Cash and marketable securities

Cash and marketable securities break down as follows:

<i>(in millions of euros)</i>	30 June 2022	30 June 2023
Treasury shares		
Cash	2.4	1.3
Deposit warrants	1.0	1.0
TOTAL	3.4	2.4

4.4 Debt issuance costs

Debt issuance costs, relating to the loan initially taken out in March 2015 and renegotiated in June 2021, for an amount of 2.2 million euros, are spread over the result for five years in the amount of 0.4 million euros per year. Debt issuance costs remaining depreciable amount to 1.3 million euros as of 30 June 2023 (1.8 million euros as of 30 June 2022).

4.2 Receivables

Receivables amount to 19.1 million euros. They include other receivables mainly constituted 14.7 million euros of corporation tax receivables as of 30 June 2023.

As of 30 June 2022, receivables amounted to 52.7 million euros, mainly comprising loans granted by the Company to its subsidiary Eutelsat S.A. totalling 39.9 million euros. As of 30 June 2022, the other receivables included the corporate tax receivable of 11.5 million euros.

All the receivables are due within one year.

4.5 Shareholders' equity

As of 30 June 2023, the share capital is composed of 248,926,325 ordinary shares with a nominal value of 1 euro per share.

On 10 November 2022, the shareholders participating in the Ordinary and Extraordinary Annual General Meeting of Shareholders convened to approve the annual financial statements for the period ended 30 June 2022 and recognising a 184,992 million euro profit, decided to distribute a dividend of 0.93 euro per share amounting to a total distribution of 214.2 million euros charged against the net result for the financial year, the balance of 29.2 million euros being charged against retained earnings.

The payment of the dividend in the total amount of 214.2 million euros took place on 16 December, of which 80.6 million euros in cash and 133.6 million in the form of 18,381,330 newly issued shares at an issue price of 7.27 euros.

<i>(in millions of euros)</i>	30 June 2022	Result allocation	Distribution of dividends	Other movements	30 June 2023
Share capital	230.5		18.4		248.9
Issue, merger and acquisition premiums	1,217.5		113.3		1,330.8
Legal reserve	23.1		1.8		24.9
Statutory reserve	0.2				0.2
Retained earnings	931.3		(29.2)		902.1
Result as of 30/06/2022	185.0		(185.0)		0.0
Tax related provisions	0.5				0.5
TOTAL	2,588.1		(80.6)		2,507.4
		Shareholders' equity before result			2,507.4
		Result for the year			(21.6)
		TOTAL SHAREHOLDERS' EQUITY			2,485.8

Tax-related provisions correspond to the accelerated depreciation of share acquisition costs.

4.6 Financial debt

Bank loans, denominated in euros, were contracted in June 2021 with a 5-year maturity period and two 1-year extension options, subject to the lenders' approval. The first 1-year extension was obtained during the 2021-22 financial year.

The bank loans are as follows:

<i>(in thousands of euros)</i>	30 June 2022	30 June 2023
Bank borrowings	400.0	400.0
Accrued interest	0.3	1.0
TOTAL	400.3	401.0

Eutelsat Communications also has a 200 million euros revolving credit line (undrawn as of 30 June 2023) entered into in June 2021 with a 5-year maturity, with two 1-year extension options subject to the lenders' approval. The first 1-year extension has been obtained and the second option has not been exercised.

The credit agreements do not carry any guarantee from the Group or pledging of assets in favour of the lenders but contain restrictive clauses (subject to the usual exceptions provided for in this type of loan agreement) limiting the ability of Eutelsat Communications and its subsidiaries, in particular to grant security interests, incur additional indebtedness, dispose of assets, engage in mergers and acquisitions, sales of assets and leasing operations (with the exception of those carried out within the Group and expressly provided for in the loan agreement) and change the nature of the activity of the Company and its subsidiaries.

The credit agreements allow each lender to request early repayment of all sums due if there is a change of control of the Company and of its subsidiary Eutelsat S.A. or in the event of concerted action. Furthermore, the Company must hold, directly or indirectly, 95% of the capital and voting rights of Eutelsat S.A. for the entire duration of the loan.

The credit agreements provide for a commitment to maintain "Launch-plus-one-year" insurance policies for any satellite located at 13° East and, for any other satellite, a commitment not to have more than one satellite not covered by a launch insurance policy.

In addition, these credit agreements are backed by a financial covenant which provides for a total net debt to annualised EBITDA ratio less than or equal to 4.0 to 1, determined on the basis of the Group's consolidated financial statements and, if the business combination with OneWeb proceeds, 4.75 to 1 for the tests from 30 June 2023 to 31 December 2024 and 4.50 to 1 for the tests from 30 June 2025 to 31 December 2025. During the first half of the 2022-23 financial year, the Group reached agreement with its lenders that the calculation of the ratio of total net debt to EBITDA should take into account the early receipt of the after-tax proceeds on the release of the C-band for the test periods up to 30 June 2024. The Group also obtained from its lenders an increase in the net debt to EBITDA ratio from 4 to 4.75 for the test periods from 30 June 2023 to 31 December 2024, and then to 4.50 for the test periods from 30 June 2025 to 31 December 2025 in the event that completion of the business combination with OneWeb takes place before the test date. As of 30 June 2023, the Company complied with this banking covenant.

4.7 Other debts

Operating debts break down as follows:

<i>(in thousands of euros)</i>	30 June 2022	30 June 2023
Accounts payable	4.3	22.9
State liabilities	0.2	0.5
Staff liabilities	2.3	1.3
Tax consolidation current accounts	11.1	17.6
Current accounts	0.0	76.3
TOTAL	17.9	118.7

All debts are due within one year.

As of 30 June 2023, the current account with Eutelsat S.A. amounts to 76.3 million euros.

Note 5 Other information

5.1 Related party transactions

5.1.1 Executive Management compensation

Gross compensation (including employer's contributions) paid by the Company to members of the administrative and management bodies is as follows:

(in millions of euros)	30 June 2022	30 June 2023
Short-term benefits	3.3	2.6
Attendance fees paid	0.9	1.0

Seventy-one per cent of these costs are charged back to Eutelsat S.A. for the activities outlined in Note 1.1 "Company's activity".

Share-based compensation

The free phantom share allocation plan, granted in November 2019, matured in June 2022. In respect of this plan, the Company granted 0.3 million euros.

The social security contributions recorded for the four other plans whose features are presented below amounts to 0.1 million euros (0 million euros as of 30 June 2022).

Under the plans listed below, free shares were granted to the Directors and Corporate Officers in November 2020, November 2021, January 2022 and November 2022.

Their vesting is contingent on an attendance requirement and the achievement of performance conditions.

Features of the plans	November 2020 plan	November 2021 plan	January 2022 plan	November 2022 plan
Vesting period	July 2020 – June 2023	July 2021 – June 2024	January 2022 – December 2024	November 2022 – June 2025
Maximum number of shares attributable to Directors and Corporate Officers at inception	224,963	58,581	75,736	98,010
Number of recipients	1	1	1	1

NUMBER OF SHARES AND PERFORMANCE REQUIREMENTS FOR PHANTOM SHARE PLANS

Number of outstanding shares	0	0	0	0
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NUMBER OF SHARES AND PERFORMANCE REQUIREMENTS FOR FREE SHARE PLANS

Number of outstanding shares	81,323	25,386	75,736	98,010
Performance targets	Revenue, Discretionary Free-Cash-Flow Relative TSR, CSR	Revenue, Discretionary Free-Cash-Flow Relative TSR, CSR	Revenue, Discretionary Free-Cash-Flow Relative TSR, CSR	Revenue, Discretionary Free-Cash-Flow Relative TSR, CSR

EXPENSE FOR THE FINANCIAL YEAR

(in millions of euros)	0	0	(0.1)	0
------------------------	---	---	-------	---

(1) The relative TSR (total shareholder return) measures the shareholder return for Eutelsat shares compared to that of other benchmarks or indices.

Non-compete clauses

In the event of termination of office for the Chief Executive Officer or a Deputy-CEO, a non-compete clause provides for payment of 50% of their fixed compensation over an 18-month period. Under this clause, the Chief Executive Officer and the Deputy-CEO are required to refrain from working directly or indirectly for other satellite operators. In this regard, 0.3 million euros was paid to the outgoing Chief Executive Officer in 2023. This agreement expired on 30 June 2023.

5.1.2 Related parties other than executive managers

Related parties are those direct or indirect shareholders who exercise significant influence, which is presumed when the investor holds more than 20% or when the investor holds a position on the Board of Directors of a subsidiary of the Company, or of companies other than subsidiaries in which Eutelsat has an interest and "key managers".

During the 2023 financial year, Eutelsat Communications S.A. and its related parties did not enter into any material transactions under unusual market conditions.

5.2 Contingent liabilities

The company Eutelsat has been the subject of three tax audit procedures in respect of the period between 1 July 2012 and 30 June 2020.

The first tax audit procedure covered the financial years ended 30 June 2012, 2013 and 2014, for which an upwards tax adjustment proposal was received in December 2016. As a result of the pre-litigation appeals and subsequent discussions, the amounts claimed by the tax authorities were reduced. There is still disagreement on one tax enhancement which will consequently be the subject of a pre-litigation appeal.

The second tax audit procedure covered the financial years ended 30 June 2015, 2016 and 2017, for which two upwards tax adjustment proposals were received in December 2018, then in December 2019. This tax audit procedure was definitively closed in October 2022 via

an overall settlement with the tax authority. The corresponding tax assessment notices received in December 2022 amounted to 21.8 million euros and were paid in full.

The third tax audit procedure covers the financial years ended 30 June 2018, 2019 and 2020, for which two upwards tax adjustment proposals were received in December 2021, then in December 2022. These projected upwards adjustments are broadly in line with those mentioned above. The responses to the comments were received at the end of May 2023. There is still disagreement on a small number of tax enhancements for which the company has initiated the applicable administrative remedies.

5.3 Off-balance sheet commitments

The Company's off-balance sheet purchase commitments amount to 6 million euros as of 30 June 2023, of which 4 million euros in respect of the OneWeb acquisition costs.

5.4 Information about subsidiaries and equity interests

The table below contains the list of investments held by Eutelsat Communications in subsidiaries and other companies as of 30 June 2023:

(in millions of euros)	Capital	Shareholders' equity other than capital as of 30 June (local accounts)	Share of capital held (in %)	Last financial year		Gross book value of investments held	Provision for impairment of investments	Loans and advances granted	Pledges and guarantees granted	Dividends received
				Revenue (local accounts)	Net result (local accounts)					
Eutelsat S.A. RCS No. 422,551,176 Paris Registered office located in Paris (Financial Year ended 30/06/2023)	658.6	-	96.38%	970.9	82.9	2,558.5	-	-	-	-

5.5 Subsequent events

None.

A detailed 3D rendering of a satellite in orbit above Earth. The satellite features a central body with various instruments, four large white parabolic antennas with black structural frames, and two large rectangular solar panel arrays. The Earth's surface is visible below, showing blue oceans, white clouds, and some landmasses. The background is the black void of space with a few distant stars.

7

Other information

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7.1 Legal information regarding the Group

7.1.1 Group history and development.....

7.1.1.1 Corporate and trading name

Eutelsat Communications.

7.1.1.2 Commercial and Corporate Registry

Eutelsat Communications is registered with the French *Registre du commerce et des sociétés* in Nanterre (Nanterre Registry of Trade and Businesses) under number 481 043 040.

The LEI Code of the Company is 549300EFWH9UR17YSK05.

7.1.1.3 Incorporation date and duration

The Company was incorporated on 15 February 2005 as a French *société par actions simplifiée* (simplified joint-stock company) and subsequently transformed into a *société anonyme* (limited company) on 31 August 2005. It was registered on 25 February 2005 for a period of 99 years, expiring on 25 February 2104.

7.1.1.4 Registered office, legal form and applicable legislation

Registered office

32, boulevard Gallieni
92130 Issy-les-Moulineaux
France

Telephone: +33 (0)1 53 98 47 47

Website: www.eutelsat.com

The reader's attention is drawn to the fact that, unless otherwise provided in this Universal Registration Document, the information on this website does not form part of this document.

Legal form and applicable legislation

A *société anonyme* (limited company) under French law with a Board of Directors, governed by the provisions of Book II of the French *Code de commerce*.

7.1.1.5 Key events

The activities of Eutelsat S.A. (the main operating subsidiary of Eutelsat Communications) were originally carried out by an intergovernmental organisation, the European Telecommunications Satellite Organisation (the "IGO"). The IGO was founded by a number of countries in Western Europe in order to develop and operate a satellite telecommunications system for trans-European telecommunications purposes. On 2 July 2001, all the IGO's operating activities were transferred to Eutelsat S.A. (the "Transformation").

The Transformation was motivated mainly by the liberalisation of the telecommunications industry in Europe, under the more specific framework set out by the European Commission in its 1990 Green

Paper, which recommended that international satellite telecommunications organisations should be reformed in order to liberalise end-user access to satellite capacity and ensure it could be freely commercialised by operators. The main purpose of the Transformation, therefore, was to position the IGO's operating activity in a competitive environment with a view to an open satellite telecommunications market.

EUTELSAT IGO has been maintained as an intergovernmental organisation and currently includes 49 European countries.

In February 2005, Eutelsat Communications was incorporated. In April 2005, it acquired Eutelsat S.A., and in June 2005, it bought out some of Eutelsat S.A.'s non-controlling interests.

On 2 December 2005, Eutelsat Communications was floated on the Paris stock exchange.

In January and February 2007, some of Eutelsat Communications' long-standing shareholders sold their shares to Abertis Telecom, a wholly-owned subsidiary of the Spanish Abertis Group, and to CDC Infrastructure, a wholly-owned subsidiary of the *Caisse des Dépôts et Consignations* ("CDC").

Furthermore, in 2007, the Group carried out restructuring activities aimed at streamlining its organisational chart, and Eutelsat Communications again repurchased non-controlling interests in Eutelsat S.A. during the Financial Year 2007-08.

In July 2009, CDC Infrastructure sold all its shareholding in Eutelsat Communications representing 25.66% of share capital and voting rights to CDC in an off-market transaction. Then, CDC transferred the entirety of its stake in the Company to the *Fonds Stratégique d'Investissement* ("FSI").

In January 2012, Abertis Telecom announced the disposal of 16.1% of Eutelsat Communications through an Accelerated Book Building ("ABB") with qualified investors. Then Abertis Telecom announced the disposal to China Investment Corporation (CIC) of a 7.00% shareholding in the Group in June 2012. The disposal of a further 1.08% shareholding was announced in February 2013, and in June 2014, 5.01% of share capital was sold to qualified investors through an accelerated bookbuilding process. As of the filing date of this document, Abertis Telecom no longer holds any interest in Eutelsat Communication's capital.

In September 2012, the Group finalised the acquisition of the GE-23 satellite (renamed EUTELSAT 172A) and its associated assets for a total amount of 228 million U.S. dollars.

Since 12 July 2013, in the framework of the establishment of the Banque Publique d'Investissement, the shareholding and voting rights of Eutelsat Communications previously held by the FSI are now held by Bpifrance Participations, which is wholly owned by BPI Groupe S.A. (50% owned by the CDC and 50% owned by the French government and EPIC BPI Groupe).

On 31 July 2013, the Group announced the acquisition of 100% of the share capital of Satmex, the Mexican satellite operator, for the amount of 831 million U.S. dollars. The transaction was closed on 1 January 2014.

On 8 March 2016, the *Fonds Stratégique de Participations* announced that it held a stake representing more than 7% of the Group share capital.

On 22 February 2019, Bpifrance Participations sold 6.67% of the Eutelsat Communication's share capital. Following this transaction, Bpifrance Participations holds 19.8% of the Company's share capital.

On 27 April 2021, the Group announced an equity investment of approximately 550 million U.S. dollars in the OneWeb low earth orbit constellation. The transaction was completed on 8 September 2021. On 6 October 2021, a call option was exercised for a total of 165 million U.S. dollars on a portion of Bharti's latest financing for OneWeb. As of 30 June 2022, Eutelsat held a 22.91% stake in OneWeb.

On 25 July 2022, Eutelsat and key OneWeb shareholders representing circa 74% of the share capital of OneWeb signed a Memorandum of Understanding with a view to combining Eutelsat and OneWeb in an all-share transaction. On 14 November 2022, Eutelsat and key OneWeb shareholders representing circa 74% of the share capital of OneWeb signed a Framework Agreement subject to customary conditions, in order to confirm their willingness to perform the combination.

On 13 December 2022, CMA CGM announced that it held a stake representing more than 10% of the Group share capital.

7.1.2 General information on the share capital

7.1.2.1 Share capital

At the filing date of this document, the share capital stood at 248,926,325 euros, divided into 248,926,325 ordinary shares, each with a par value of 1 euro.

The Company's shares are fully subscribed and fully paid-up, and they are all in the same category.

The Company's shares have been admitted for trading since 2 December 2005 in compartment A of Euronext Paris under the ISIN code FR0010221234. In September 2015, a Level 1 Sponsored ADR (American Depositary Receipt) programme was put in place, enabling American investors to hold indirectly the shares of Eutelsat Communications and to trade them on the OTC (Over-the-Counter) market in the United States.

7.1.2.2 Securities not representing the share capital

None.

7.1.2.3 Shares held by the Company or for its own account

Share buy-back programme

The Company's General Meeting of Shareholders of 10 November 2022 authorised the Board of Directors to have the Company purchase its own shares in accordance with the provisions of Articles L. 225-209 *et seq.* of the French Commercial Code, up to a limit of 10% of the share capital and for a maximum purchase price of 20 euros per share. At a meeting held on the same day, the Board of Directors decided to implement the share buyback programme that had thus been authorised, for the sole purpose of the liquidity contract.

Summary of the implementation of the buyback programme and the use of the shares acquired (excluding the liquidity contract):

- ▶ percentage of capital represented: 10% maximum;
- ▶ number of shares purchased during the Financial Year ended 30 June 2023 in accordance with Articles L. 225-208, 209 and 209-1 of the French Commercial Code: none;
- ▶ number of shares cancelled during the Financial Year ended 30 June 2023: none;
- ▶ number of treasury shares held as of 30 June 2023: none;
- ▶ value estimated at the purchase price: not applicable.

Where applicable, the Company announces on its website the transactions carried out in respect of its own shares (excluding those carried out under the liquidity contract), in accordance with applicable regulations.

Shares held under free share allocation plans

None.

Shares held under liquidity agreement

In 2007, the Company entrusted Exane BNP Paribas with implementing a liquidity agreement in line with the AMAFI Code of Ethics. This agreement was amended by an addendum in 2011 in order to take into account the updated accepted market practice published by the AMF on 24 March 2011. It was modified again by an addendum on January 2019 to comply with the new applicable regulations.

As of 30 June 2023, the liquidity provider held 356,061 shares in the name of and on behalf of the Company, representing a total of 1.5 million euros.

7.1.2.4 Other securities giving access to the share capital

None.

7.1.2.5 Share capital authorised but not issued

The table below summaries the delegations of authority and authorisations granted by the Shareholders' Meetings of 4 November 2021 and 10 November 2022 ("GM") remaining in force at the date of this document:

Resolution No.	Authorisations granted to the Board	Duration/expiry date of the delegation	Maximum nominal amount/Cap applicable for each resolution	Overall cap common to several resolutions	Sub-cap common to several resolutions
19	Purchase by the Company of its own shares	Maximum 18 months from the GM of 10 November 2022 10 May 2024	10% of the share capital or 5% of the share capital in the event of shares being purchased with a view to their retention and subsequent delivery and payment 20 euros per share (excluding acquisition expenses) within a limit of 250 million euros	N/A	N/A
20	Reduction of share capital by cancelling shares acquired by the Company under its share buyback programme	Maximum 18 months from the GM of 10 November 2022 10 May 2024	10% of the share capital per 24-month period	N/A	N/A
26	Setting the issue price within the limit of 10% of the capital per year.	Maximum 26 months from the GM of 4 November 2021 4 January 2024	10% of the capital per 12-month period	N/A	N/A
27	Increase in the number of shares to be issued in the event of a capital increase with maintenance or cancellation of PSR*.	Maximum 26 months from the GM of 4 November 2021 4 January 2024	15% of the amount of the initial issue and at the same price as that retained for the initial issue	N/A	N/A
32	Free allocation of ordinary or existing shares to be issued by the Company to eligible employees and Corporate Officers of the Company or its subsidiaries, without PSR.	Maximum 38 months from the GM of 4 November 2021 4 January 2025	0.5% maximum of the share capital as from the GM of 4 November 2021	N/A	N/A

Resolution No.	Delegations of authority granted to the Board to issue ordinary shares	Duration and expiration/expiry date of the delegation	Maximum nominal amount/Cap applicable for each resolution	Overall cap common to several resolutions	Sub-cap common to several resolutions
22	Increase in share capital by incorporation of reserves, profits, bonuses or others	Maximum 26 months from the GM of 4 November 2021 4 January 2024	Ordinary shares: 44 million euros (independent cap) Securities: N/A	N/A: Cap is set autonomously and distinctly from the other resolutions	N/A: Cap is set autonomously and distinctly from the other resolutions
23	Issue of ordinary shares of the Company giving immediate or future access to ordinary shares of the Company with retention of PSR to shareholders	Maximum 26 months from the GM of 4 November 2021 4 January 2024	Ordinary shares: 44 million euros Securities: 1 billion euros		N/A
24	Issuance of ordinary shares or securities of the Company with the cancellation of the PSR in the context of a public offering	Maximum 26 months from the GM of 4 November 2021 4 January 2024	Ordinary shares: 22 million euros Securities: 1 billion euros		
25	Issuance of ordinary shares or securities of the Company with the cancellation of the PSR in the context of a public offering addressed exclusively to qualified investors	Maximum 26 months from the GM of 4 November 2021 4 January 2024	Ordinary shares: 22 million euros Securities: 1 billion euros		
28	Issuance of ordinary shares or securities of the Company with the cancellation of the PSR in the event of a public exchange offer initiated by the Company	Maximum 26 months from the GM of 4 November 2021 4 January 2024	Ordinary shares: 22 million euros Securities: 1 billion euros	Overall cap <i>Ordinary shares:</i> 44 million euros <i>Securities:</i> 1 billion euros	Sub-cap <i>Ordinary shares:</i> 22 million euros
29	Issuance of ordinary shares or securities of the Company with the cancellation of the PSR, in remuneration of contributions in-kind within the limit of 10% of the share capital of the Company, except in the case of a public exchange offer initiated by the Company	Maximum 26 months from the GM of 4 November 2021 4 January 2024	Ordinary shares: 10% of the share capital Securities: 1 billion euros		
30	Issuance of ordinary shares of the Company with the cancellation of the PSR, as a result of the issue by the Company's subsidiaries of securities giving access to ordinary shares of the Company	Maximum 26 months from the GM of 4 November 2021 4 January 2024	Ordinary shares: 22 million euros Securities: N/A		
31	Issuance of ordinary shares of the Company, without PSR, reserved for members of a company's savings plan of the Company or of its Group	Maximum 26 months from the GM of 4 November 2021 4 January 2024	Ordinary shares: 2 million euros Securities: N/A		

* PSR: Preferential Subscription Rights.

The table below summaries the delegations of power and authorisations that will be proposed to the Shareholders' General Meeting on 23 November 2023:

Resolution No.	Authorisations granted at the Meeting	Duration/expiry date of the delegation	Maximum nominal amount/Cap applicable for each resolution	Overall cap common to several resolutions	Sub-cap common to several resolutions
15	Purchase by the Company of its own shares	Maximum 18 months as from the AGM of 23 November 2023 23 May 2025	10% of the share capital or 5% of the share capital if the shares are purchased with a view to their retention and subsequent delivery and payment	N/A	N/A
16	Reduction of share capital through cancellation of shares acquired by the Company under its share buyback programme	Maximum 18 months as from the AGM of 23 November 2023 23 May 2025	10% of the share capital by periods of 24 months	N/A	N/A
21	Setting the issue price within the limit of 10% of the capital per year.	Maximum 26 months from the GM of 23 November 2023 23 January 2026	10% of the capital per 12-month period	N/A	N/A
22	Increase in the number of shares to be issued in the event of a capital increase with maintenance or cancellation of PSR*.	Maximum 26 months from the GM of 23 November 2023 23 January 2026	15% of the amount of the initial issue and at the same price as that retained for the initial issue	N/A	N/A

Resolution No.	Delegations of authority granted to the Board to issue ordinary shares	Duration/expiry date of the delegation	Maximum nominal amount/Cap applicable for each resolution	Overall cap common to several resolutions	Sub-cap common to several resolutions
17	Increase in share capital by incorporation of reserves, profits, bonuses or others	Maximum 26 months from the GM of 23 November 2023 23 January 2026	Ordinary shares: 44 million euros (independent cap) Securities: N/A	N/A: Cap is set autonomously and distinctly from the other resolutions	N/A: Cap is set autonomously and distinctly from the other resolutions
18	Issue of ordinary shares of the Company giving immediate or future access to ordinary shares of the Company with retention of PSR to shareholders	Maximum 26 months from the GM of 23 November 2023 23 January 2026	Ordinary shares: 44 million euros Securities: 1 billion euros		N/A
19	Issuance of ordinary shares or securities of the Company with the cancellation of the PSR in the context of a public offering	Maximum 26 months from the GM of 23 November 2023 23 January 2026	Ordinary shares: 22 million euros Securities: 1 billion euros		
20	Issuance of ordinary shares or securities of the Company with the cancellation of the PSR in the context of a public offering addressed exclusively to qualified investors	Maximum 26 months from the GM of 23 November 2023 23 January 2026	Ordinary shares: 22 million euros Securities: 1 billion euros		
23	Issuance of ordinary shares or securities of the Company with the cancellation of the PSR in the event of a public exchange offer initiated by the Company	Maximum 26 months from the GM of 23 November 2023 23 January 2026	Ordinary shares: 22 million euros Securities: 1 billion euros	Overall cap <u>Ordinary shares:</u> 44 million euros <u>Securities:</u> 1 billion euros	Sub-cap <u>Ordinary shares:</u> 22 million euros <u>Securities:</u> 22 million euros
24	Issuance of ordinary shares or securities of the Company with the cancellation of the PSR, in remuneration of contributions in-kind within the limit of 10% of the share capital of the Company, except in the case of a public exchange offer initiated by the Company	Maximum 26 months from the GM of 23 November 2023 23 January 2026	Ordinary shares: 10% of the share capital Securities: 1 billion euros		
25	Issuance of ordinary shares of the Company with the cancellation of the PSR, as a result of the issue by the Company's subsidiaries of securities giving access to ordinary shares of the Company	Maximum 26 months from the GM of 23 November 2023 23 January 2026	Ordinary shares: 22 million euros Securities: 1 billion euros		
26	Issuance of ordinary shares of the Company, without PSR, reserved for members of a company's savings plan of the Company or of its Group	Maximum 26 months from the GM of 23 November 2023 23 January 2026	Ordinary shares: 2 million euros Securities: N/A		

* PSR: Preferential Subscription Rights.

7.1.2.6 Options or agreements concerning the share capital of the Company or of a member of the Group

Not applicable.

7.1.2.7 Changes in the share capital up to the filing date of this document

In a decision dated 13 February 2020, based on the authorisation granted by the General Meeting of 7 November 2019, the Board of Directors authorised the Company to buy back shares. Between 11 March 2020 and 24 April 2020, the Company repurchased 2,124,572 shares for a total price of approximately 20 million euros. By a decision dated 18 June 2020, the Board of Directors reduced the share capital by 2,229,640 euros by cancelling the shares thus repurchased and 105,068 shares that it held with a view to their possible allocation to employees or Corporate Officers, which it decided to reallocate for the purpose of cancellation.

On 13 December 2022, following the issue of shares to shareholders opting for the payment of the dividend in shares (script option), the capital of the Company was increased by 133,632,269.10 euros *via* the issue of 18,381,330 new shares with a nominal value of 1 euro, each issued at a price of 7.27 euros. The Company's share capital since then and henceforth stands at 248,926,325 euros.

7.1.2.8 Pledges, guarantees and securities

Pledges of Company shares

To the best of the Company's knowledge, at the filing date of this document, no Company share was pledged.

7.1.3 Organisational documents and By-laws

The provisions described in the following paragraphs provide a summary of the Company's By-laws applicable at the date of filing of this document.

The By-laws has been first amended on 13 December 2022, when the Chief Executive Officer, acting with a delegation of the Board of Director and following the decision of the General Meeting to offer a script-dividend option to the shareholders, issued new shares to shareholders opting for the payment of the dividend in shares and consequently decided i) to increase the share capital by 133,632,269.10 euros *via* the issue of 18,381,330 new shares with a nominal value of 1 euro; and ii) to amend the Article 6 (Contribution in kind) and Article 7 (Share capital) of the By-laws accordingly.

Pledges, guarantees and securities on the Company's assets

To the best of the Company's knowledge, at the filing date of this document, the Company's assets were neither pledged nor used as collateral or security deposits.

7.1.2.9 Restrictions on the transfer of shares or securities giving access to the Company's capital

As of 30 June 2023, there is no restriction on the transfer of shares or securities giving access to the Company's capital, with the exception of the restrictions or bans on acquiring/transferring our securities, as specified in the Share Dealing Code relating to insider information.

This Share Dealing Code is applicable to members of the Management bodies or committees of companies within the Group and to certain employees of divisions and departments deemed to be "sensitive" and liable to obtain or have access to confidential information during the exercise of their functions or responsibilities whether on a permanent or *ad hoc* basis. It can therefore be applicable to all employees.

The Share Dealing Code also defines closed periods, during which transactions in the Company's shares are prohibited (except in a limited number of specific cases) even in the absence of confidential information. The duration of closed periods is 30 days before the publication of annual and half-year results and 15 days before the quarterly releases in line with the AMF recommendation No. 2010-07 relating to the prevention of insider trading.

7.1.3.1 Corporate purpose (Article 3 of the By-laws)

The Company's corporate purpose in France and abroad shall be:

- ▶ to supply Space Segment capacity and satellite communications systems and services. To this end, the Company shall undertake any activities relating to the design, development, construction, installation, operation and maintenance of its Space Segment and those satellite systems and services; and
- ▶ more generally, to acquire an equity interest in any enterprise or company that has been formed or is to be formed and participate in any transactions of any nature, be they financial, commercial, industrial, civil, real-estate-related or other, pertaining directly or indirectly to that corporate purpose or to any similar, related or complementary purposes, and likely to promote, directly or indirectly, the aims pursued by the Company, its expansion into other fields, its growth and its assets.

The term "Space Segment" shall designate a set of telecommunications satellites and the tracking, telemetry, command, control, monitoring and related facilities and equipment necessary for the operation of those satellites.

7.1.3.2 Crossing of statutory thresholds (Article 11 of the By-laws)

The shares shall be freely transferable, subject to statutory and regulatory provisions.

The assignment of shares, regardless of their form, shall occur by transfer from account to account under the conditions and according to the terms provided by law.

In addition to the legal obligations to report the crossing of thresholds or declaration of intent, any individual or legal entity, acting alone or in concert, that comes to possess, in any way, pursuant to Articles L. 233-7 et seq. of the French *Code de commerce*, directly or indirectly, a number of shares representing a stake equal to 1% of the capital and/or voting rights of the Company, must inform the Company of the total number of shares and voting rights that it possesses, and the number of securities that it owns that ultimately give access to the capital and the voting rights that are attached thereto, by registered

letter with acknowledgement of receipt sent to the head office, or by any equivalent means for shareholders or bearers of securities domiciled outside France, within five stock exchange business days after that threshold is crossed. This information shall be renewed for the holding of each additional stake of 1% of the capital or voting rights without limitation.

This disclosure obligation shall apply under the same conditions as those stipulated above whenever the percentage of the share capital and/or voting rights possessed becomes less than a multiple of 1% of the capital or voting rights.

If not duly disclosed under the conditions stipulated above, the shares that exceed the percentage that should have been reported shall, upon request, be recorded in the minutes of the General Meeting, from one or more shareholders detaining a percentage of the capital or the voting rights of the Company at least equal to 1%, be deprived of the voting right for any General Meeting of Shareholders that is held until the expiry of a period of two years following the date of rectification of the notice.

7.2 Other operational information

7.2.1 Satellite and communications control

The majority of the Group's fleet is operated from control centres at the Group's head office in Issy-les-Moulineaux and at the Rambouillet teleport, which the Group acquired from France Télécom in September 2004. There is full back-up between the Issy-les-Moulineaux and Rambouillet facilities. All software used to control the satellite platforms and communications payload was developed by companies in accordance with the Group's specifications.

The Group monitors its satellites and communications 24 hours a day, 365 days a year and, as of 30 June 2023, employed more than 100 expert technicians and engineers for this purpose.

Eutelsat S.A.'s satellite and communications control activities are certified ISO 9001 (quality management system) and ISO 27001 (management of information security system).

Satellites under the responsibility of Eutelsat Americas (EUTELSAT 113 WEST A, 115 WEST B, 117 WEST A and 117 WEST B) are operated from the Group's control centres located in Iztapalapa, Mexico City (Mexico) and in Hermosillo (Mexico). These centres are redundant, and they have the same functions as the centres located in France. Their activities are also certified ISO 9001 and ISO 27001 from mid-2017. One additional satellite also under the responsibility of Eutelsat Americas (EUTELSAT 65 WEST A) is operated and monitored via specific facilities installed near Sao Paolo, Brazil, with the French facilities acting as backup for satellite control. The software and monitoring systems are equivalent to the systems existing at the other Eutelsat Group centres.

► Activities of the Satellite Control Centre

The Group managed the in-orbit satellites it owned at 30 June 2023 (including the satellites falling under the responsibility of Eutelsat Americas). EXPRESS AT1, EXPRESS AT2, EXPRESS AM6 (on which the Group operates certain transponders under the name EUTELSAT 53A) and AMU-1 (on which the Group operates certain transponders under the name EUTELSAT 36C) are controlled by the RSCC. ASTRA 2E, ASTRA 2F and ASTRA 2G (on which certain

transponders are operated by the Group respectively under the names EUTELSAT 28E, EUTELSAT 28F and EUTELSAT 28G) are controlled by SES.

The Group's engineers regularly make minor positioning adjustments on each of the satellites controlled by the Group and perform East-West and North-South station-keeping manoeuvres. In addition, it is also possible to change the orbital position of a satellite so that it is able to serve new markets or provide in-orbit back-up capacity to another satellite.

Daily operations on the satellites, including the configuration of payloads and management of electrical power and propulsion systems, are controlled (via the Telemetry, Command and Ranging (TCR) station network) from the Satellite Control Centre.

The French satellite control centre is connected to a TCR station network to communicate with the satellites. The Rambouillet teleport contains the largest number of TCR stations, followed by the Caniçal site of Eutelsat Madeira. A TCR station is also located at the Cagliari site of Eutelsat Skylogic in Italy. TCR stations in Iztapalapa, Mexico City and Hermosillo in Mexico are under the responsibility of Eutelsat Americas. Furthermore, the Group has entered into long-term service agreements with a number of operators who provide capacity at their transmission/reception earth stations. These contracts also cover the operation and maintenance of any of the Group's equipment installed at their sites. Under these contracts, the Group has extended control and supervision rights. These services are currently provided from TCR stations located in Makarios in Cyprus, Fucino in Italy, near Sao Paolo in Brazil, Perth and Adelaide in Australia and Auckland in New Zealand. The different stations and control centres are all linked by a network of protected and redundant data lines. The network and the location of the sites were selected so that operations could be continued even if one of the sites were to become unavailable. For satellites located above the Americas, TCR stations are located on the same sites as the main control centres in Iztapalapa and Hermosillo.

The Rambouillet teleport may also be used for in-orbit positioning of new satellites joining the Group's fleet. LEOP ("Launch and Early Orbit Phase") operations on a geostationary satellite were successfully performed for the first time from Rambouillet for the EUTELSAT 7A satellite in March and April 2004. Since then, some LEOP operations have been carried out from the Rambouillet site and in some cases the operations were performed directly by the satellite manufacturers depending on the complexity and duration of the LEOP. For satellites controlled from Mexico, positioning operations were performed by the satellite manufacturer (Boeing and Loral).

► Activities of the Communications Control Centres (CSC, EAS NOC)

Payload and capacity control is carried out for all satellites and transponders whose capacity is marketed by the Group, including satellites owned by other companies. All Video Managed Services and terrestrial delivery network that Eutelsat operates are also controlled from the same centres – while for connectivity managed services there is a specific site (NOC) in Italy under the responsibility of Skylogic (subsidiary of Eutelsat group). For this purpose, the Group has a set of facilities at its Issy-les-Moulineaux, Rambouillet, Cagliari, Iztapalapa, Torino and Hermosillo sites. In addition to these facilities, the Group has service contracts with Teleport operators of 18 sites worldwide, selected according to the geographical coverage of the satellites to provide monitoring facilities or complement the managed service network for both Video and connectivity.

These sites are in São Paulo (Brazil) and Benavidez (Argentina) for South America, Miami (U.S.A.) for North America, Berlin (Germany) for North Eastern Europe, Makarios (Cyprus) for the Eastern Mediterranean and Middle-East regions, Dubna (Russia), Hartebeesthoek (South Africa) for Sub-Saharan Africa, Singapore for the Far East, Yaoundé (Cameroon) for Western Africa, Nairobi (Kenya) for Eastern Africa, Dubai (United Arab Emirates) for beams covering North Africa, Afghanistan and the Arabian peninsula, Mauritius, La Reunion and Mayotte for the Indian Ocean, Cagliari (Sardinia) – owned and operated by the Group's subsidiary Skylogic Mediterraneo S.r.l – as well as service beams in the Western Mediterranean and North Africa, Yamaguchi in Japan for the North of the Pacific Ocean and the East of Asia, Hawaii and Adelaide for Pacific coverage and Noumea in New Caledonia for the South of the Pacific Ocean.

At each site, the Group has installed the equipment needed to monitor the quality of services provided to its customers. Service contracts cover the hosting of this equipment and first-level work performed by site operators.

In addition to this infrastructure, Eutelsat also operates 21 other sites dedicated notably to the payload control of KONNECT.

All the equipment is connected to the same Payload Monitoring system, which is available to all the controllers from all the different control Centers worldwide for operating the whole fleet.

The control Centers (France, Mexico and Italy) are in permanent connection by different means with a secured and redundant connection.

7.2.2 Technical failures and loss of equipment

A number of factors can reduce the operating life of a satellite and/or affect its transmission capability, including:

- defects in the quality of the satellite's on-board components or equipment;
- defects concerning construction or operability;
- excessive fuel consumption in reaching the desired orbital position and maintaining the satellite on station or relocating it to a new orbital position;
- damage caused by electrostatic or solar storms, or by collision with micro-meteorites or space debris.

The Group believes that, on the whole, its fleet of satellites is in good operating condition. Some of the Group's satellites, however, have experienced equipment failure and are currently operating with some of their back-up equipment.

► Launch failures

Since it began its activities (including the period prior to the Transformation), the Group has lost three satellites as a result of

launch failures (EUTELSAT I-F3 in September 1985, EUTELSAT II-F5 in January 1994 and HOTBIRD 7 in December 2002).

In October 2010, the Group reported the loss of the W3B satellite following an operating malfunction on the satellite's propulsion sub-system after its launch.

Furthermore, Spacecom's AMOS-6 satellite on which the Group was supposed to lease capacity was lost following a launch pad explosion on 1 September 2016.

► Other

The EUTELSAT 5 WEST B satellite, launched on 9 October 2019 lost its South solar array shortly after its launch. The attendant power loss means c.45% of the capacity of the satellite can be operated. With the exception of the South solar array, the satellite performance remains nominal and the satellite started operations in January 2020. A number of mitigation actions aimed at assuring service continuity are implemented for the largest possible number of customers.

7.2.3 Satellite end-of-life

After remaining fuel has been used up, satellites at the end of their operational lives are re-orbited and placed in a graveyard orbit situated above the geostationary satellite orbit.

The Group complies with the principles discussed at an international level by the Inter-Institution Coordination Committee on Space Debris and the United Nations Committee on the Peaceful Uses of Outer Space as well as the French Space Operations Act.

7.2.4 Timing of payments to suppliers and from customers

► Overdue invoices received and issued, unsettled at Balance Sheet date

Art D441-I.-1°: Invoices received and overdue at balance sheet date							Art D441-I.-1°: Invoices issued and overdue at balance sheet date						
	0 day	1-30 days	31-60 days	61-90 days	91 days and over	Total (1 day and over)		0 day	1-30 days	31-60 days	61-90 days	91 days and over	Total (1 day and over)
(A) PAYMENT DELAY RANGES													
Number of invoices concerned	9	1	2	1	10	14							
Aggregate amount of invoices concerned (incl. taxes)	(76,965.41)	(45.61)	7,922.07	(744.65)	(64,924.74)	(57,792.93)	0	0	0	0	0	0	0
Percentage of total amount of purchases during the financial period (incl. taxes)	(1.25)%	0.00%	0.13%	(0.01)%	(1.05)%	(0.93)%							
Percentage of revenue entered during the financial year (incl. taxes)													
(B) INVOICES EXCLUDED FROM (A) RELATING TO ACCOUNTS PAYABLES AND ACCOUNTS RECEIVABLES THAT ARE DISPUTED OR UNRECOGNISED													
Number of invoices excluded				5									
Aggregate amount of invoices excluded (incl. taxes)				41,890.77									
(C) REFERENCE PAYMENT TERM USED (CONTRACTUAL OR STATUTORY)													
Payment terms used to calculate payment delays				Contractual									

7.3 Principal shareholders

7.3.1 Breakdown of ownership and structure and voting rights

The following table shows the changes to Eutelsat Communications' ownership structure reported to the Company over the past three financial years:

Shareholder	At 30 June 2023		At 30 June 2022		At 30 June 2021	
	Number of shares and voting rights held	%	Number of shares and voting rights held	%	Number of shares and voting rights held	%
Bpifrance Participations (since 12 July 2013)	64,586,426	25.9%	46,064,251	19.98%	46,062,251	19.98%
CMA CGM Participations	25,968,600	10.4%	-	-	-	-
Fonds Stratégique de Participations (FSP)	19,698,210	7.9%	17,464,145	7.58%	17,464,145	7.58%
Bharti Global Limited	12,974,047	5.2%	-	-	-	-
China Investment Corporation (CIC)	7,561,600	3.0%	9,218,321	3.99%	13,800,721	5.99%
Other minority shareholders ⁽¹⁾	2,006,296	0.81%	2,006,296	0.87%	2,006,296	0.87%
Employees, senior managers and others	600,194	0.24%	605,703	0.26%	618,236	0.27%
Free float ⁽²⁾	115,530,952	46.41%	155,186,279	67.31%	150,593,346	65.32%
TOTAL	248,926,325	100%	230,544,995	100.0%	230,544,995	100.0%

(1) This category includes a number of Eutelsat Communications minority shareholders, including Turksat Satellite Communications and the national telecommunication companies of Bosnia-Herzegovina and Albania.

(2) Of which 356,061 treasury shares as of 30 June 2023 via the liquidity contract.

At the filing date of this document, the share capital is made up of ordinary shares, all of the same class, entitling the bearer to one vote per share. For this reason, the main shareholders in the Company do not enjoy preferential voting rights.

In addition, on 14 June 2016, Lazard Asset Management LLC notified the upward crossing of the 5% threshold in terms of Company capital with 15,664,600 shares held, representing 6.3% of share capital.

As of September 6 2023, to the best of the Company's knowledge, no other shareholders own, directly or indirectly, more than 5% of its share capital or voting rights at the date of this document. To the best of the Company's knowledge, there are no other shareholders holding registered shares who own more than 1% of the Company's share capital at the date of this document. However, other bearer shareholders have reported to the Company that they have crossed thresholds exceeding 1% of the share capital and may therefore hold at least 1% of the Company's capital.

7.3.2 Crossing of disclosure thresholds

To the best of the Company's knowledge, no shareholder, acting alone or in concert, holds more than 50% of the shares bearing voting rights in the Company, and no shareholder, alone or in concert, controls the Company within the meaning of Article L. 233 et seq. of the French Commercial Code.

Pursuant to Article 11 of the By-laws, the Company has been notified of the following crossings of threshold:

Notification Date	Shareholder	Crossing		After threshold crossing			
		Type	Date	Number of shares	% of share capital	Number of voting rights	% of voting rights
15 July 2022	Crédit Agricole	Decrease	11 July 2022	1,899,663	0.82%	1,899,663	0.82%
27 July 2022	PSquared	Decrease	26 July 2022	1,830,534	0.79%	1,830,534	0.79%
28 July 2022	BlackRock	Increase	27 July 2022	4,745,833	2.06%	4,745,833	2.06%
28 July 2022	CMA CGM	Increase	28 July 2022	9,782,006	4.25%	9,782,006	4.25%
29 July 2022	BlackRock	Decrease	28 July 2022	4,277,936	1.86%	4,277,936	1.86%
01 August 2022	Caisse des Dépôts	Increase	27 July 2022	49,063,722	21.28%	49,063,722	21.28%
01 August 2022	BPIFrance	Increase	27 July 2022	49,055,001	21.27%	49,055,001	21.27%
01 August 2022	Crédit Agricole	Increase	27 July 2022	2,909,663	1.26%	2,909,663	1.26%
01 August 2022	BlackRock	Increase	29 July 2022	4,615,210	2.00%	4,615,210	2.00%
02 August 2022	BlackRock	Decrease	01 August 2022	4,226,201	1.83%	4,226,201	1.83%
03 August 2022	BPIFrance	Increase	29 July 2022	51,448,622	22.31%	51,448,622	22.31%
03 August 2022	Caisse des Dépôts	Increase	29 July 2022	51,457,343	22.31%	51,457,343	22.31%
03 August 2022	Crédit Agricole	Decrease	29 July 2022	1,958,252	0.85%	1,958,252	0.85%
03 August 2022	DNCA	Decrease	01 August 2022	6,866,487	2.99%	6,866,487	2.99%
05 August 2022	CMA CGM	Increase	05 August 2022	11,589,437	5.03%	11,589,437	5.03%
11 August 2022	BPIFrance	Increase	09 August 2022	53,060,537	23.01%	53,060,537	23.01%
11 August 2022	Caisse des Dépôts	Increase	09 August 2022	53,069,258	23.01%	53,069,258	23.01%
26 August 2022	AQR Capital Management	Decrease	24 August 2022	2,288,635	0.99%	2,288,635	0.99%
01 September 2022	BlackRock	Increase	31 August 2022	4,626,818	2.01%	4,626,818	2.01%
01 September 2022	CMA CGM	Increase	01 September 2022	13,882,741	6.03%	13,882,741	6.03%
12 September 2022	BlackRock	Decrease	09 September 2022	4,600,906	1.99%	4,600,906	1.99%
14 September 2022	BlackRock	Increase	13 September 2022	4,863,610	2.11%	4,863,610	2.11%
26 September 2022	Caisse des Dépôts	Increase	21 September 2022	55,502,330	24.07%	55,502,330	24.07%
26 September 2022	BPIFrance	Increase	21 September 2022	55,493,609	24.07%	55,493,609	24.07%
30 September 2022	CMA CGM	Increase	30 September 2022	16,312,073	7.08%	16,312,073	7.08%
11 October 2022	CMA CGM	Increase	11 October 2022	18,567,343	8.06%	18,567,343	8.06%
18 October 2022	Bharti Global Limited	Increase	17 October 2022	10,369,739	4.50%	10,369,739	4.50%
19 October 2022	Citigroup	Increase	18 October 2022	2,665,712	1.16%	2,665,712	1.16%
25 October 2022	CMA CGM	Increase	25 October 2022	20,895,150	9.06%	20,895,150	9.06%
14 November 2022	Blackrock	Decrease	11 November 2022	4,575,237	1.98%	4,575,237	1.98%
16 November 2022	BlackRock	Increase	15 November 2022	4,699,507	2.04%	4,699,507	2.04%
16 November 2022	BMO	Increase	15 November 2022	4,462,823	1.93%	4,462,823	1.93%
17 November 2022	BMO	Increase	16 November 2022	4,760,823	2.06%	4 760 823	2.06%
18 November 2022	BlackRock	Decrease	17 November 2022	4,569,805	1.98%	4,569,805	1.98%
21 November 2022	BMO	Decrease	18 November 2022	4,687,029	2.03%	4,687,029	2.03%
23 November 2022	BlackRock	Increase	22 November 2022	4,662,707	2.02%	4,662,707	2.02%
24 November 2022	BlackRock	Decrease	23 November 2022	4,484,293	1.95%	4,484,293	1.95%
24 November 2022	BMO	Decrease	23 November 2022	2,187,029	0.94%	2,187,029	0.94%
25 November 2022	BlackRock	Increase	24 November 2022	5,111,162	2.22%	5,111,162	2.22%
28 November 2022	BMO	Decrease	25 November 2022	915,524	0.40%	915,524	0.40%

Notification Date	Shareholder	Crossing		After threshold crossing			
		Type	Date	Number of shares	% of share capital	Number of voting rights	% of voting rights
02 December 2022	BlackRock	Decrease	01 December 2022	4,538,167	1.97%	4,538,167	1.97%
06 December 2022	BlackRock	Increase	05 December 2022	4,794,743	2.08%	4,794,743	2.08%
07 December 2022	Norges	Increase	06 December 2022	5,044,870	2.19%	5,044,870	2.19%
16 December 2022	BlackRock	Decrease	15 December 2022	4,461,635	1.79%	4,461,635	1.79%
16 December 2022	Bharti Global Limited	Increase	16 December 2022	12,974,047	5.21%	12,974,047	5.21%
19 December 2022	CMA CGM	Increase	13 December 2022	25,968,602	10.43%	25,968,602	10.43%
21 December 2022	Bpifrance	Increase	16 December 2022	64,586,426	25.94%	64,586,426	25.94%
21 December 2022	Caisse des Dépôts	Increase	16 December 2022	64,595,147	25.94%	64,595,147	25.94%
22 December 2022	BlackRock	Increase	21 December 2022	5,028,895	2.02%	5,028,895	2.02%
23 December 2022	BlackRock	Decrease	22 December 2022	4,759,643	1.91%	4,759,643	1.91%
24 February 2023	Citigroup	Decrease	23 February 2023	2,469,540	0.99%	2,469,540	0.99%
27 February 2023	Norges	Decrease	24 February 2023	4,966,875	1.99%	4,966,875	1.99%
03 March 2023	Citigroup	Increase	02 March 2023	2,555,304	1.03%	2,555,304	1.03%
22 March 2023	Citigroup	Decrease	21 March 2023	2,418,344	0.97%	2,418,344	0.97%
31 March 2023	Citigroup	Increase	30 March 2023	2,510,019	1.01%	2,510,019	1.01%
17 April 2023	Citigroup	Decrease	14 April 2023	2,456,677	0.99%	2,456,677	0.99%
18 April 2023	Drahi	Increase	17 April 2023	3,800,000	1.53%	3,800,000	1.53%
27 April 2023	Citigroup	Increase	26 April 2023	2,494,290	1.00%	2,494,290	1.00%
03 May 2023	Drahi	Increase	02 May 2023	6,300,000	2.53%	6,300,000	2.53%
04 May 2023	Citigroup	Decrease	03 May 2023	2,356,532	0.95%	2,356,532	0.95%
11 May 2023	Drahi	Increase	11 May 2023	8,800,000	3.54%	8,800,000	3.54%
18 May 2023	Blackrock	Increase	17 May 2023	5,089,654	2.04%	5,089,654	2.04%
19 May 2023	Blackrock	Decrease	18 May 2023	4,501,884	1.81%	4,501,884	1.81%
24 May 2023	Drahi	Increase	24 May 2023	11,300,000	4.54%	11,300,000	4.54%
25 May 2023	Citigroup	Increase	24 May 2023	2,837,783	1.14%	2,837,783	1.14%
26 May 2023	Morgan Stanley	Increase	22 May 2023	12,851,003	5.16%	12,851,003	5.16%
03 July 2023	Blackrock	Increase	30 June 2023	5,036,287	2.02%	5,036,287	2.02%
04 July 2023	Blackrock	Decrease	03 July 2023	4,128,552	1.66%	4,128,552	1.66%
15 August 2023	Blackrock	Increase	14 August 2023	5,138,950	2.06%	5,138,950	2.06%
16 August 2023	Blackrock	Decrease	15 August 2023	4,966,952	1.99%	4,966,952	1.99%
17 August 2023	Blackrock	Increase	16 August 2023	5,012,017	2.01%	5,012,017	2.01%
18 August 2023	Blackrock	Decrease	17 August 2023	4,796,947	1.93%	4,796,947	1.93%

At the filing date of this document, the Company had not been notified of any other crossings, whether upwards or downwards, of legal or statutory disclosure thresholds in the Company's capital.

7.3.3 Securities transactions by Senior Management

At 30 June 2023, Dominique D'Hinnin, Chairman of the Board and Eva Berneke, Chief Executive Officer, owned respectively 3,000 and 48,837 shares of the Company.

No other transactions occurred during the Financial Year ended 30 June 2023.

7.3.4 Shareholders' agreements

On 18 August 2023 (i) Eutelsat Communications S.A. (the "Company" or "Eutelsat"), and (ii) Bharti Space Limited, (iii) the Secretary of State for Science, innovation and technology of United Kingdom, (iv) SoftBank Group Capital Limited ("Softbank"), (v) Hanwha Systems UK Limited, (vi) Bpifrance Participations and (viii) Fonds Stratégique de Participations entered into a shareholders' agreement relating to the Company which will take effect on the date of completion of the combination between the Eutelsat group and the OneWeb group (the "Combination"), subject to the completion of the Combination (the "Agreement"). The entering into of the Agreement was authorised by the board of directors of the Company on 27 July 2023 and is part of the implementation of the Combination agreement dated 14 November 2022 (the entering into of which was announced by a press release of the Company on 15 November 2022).

Purpose of the Agreement

The purpose of the Agreement entered into on 18 August 2023 is primarily to set out between the parties: (i) the rights and obligations of the parties (other than Softbank), relating to the governance of the Company, and, in particular (a) the composition of the board of directors of the Company immediately following the completion of the Combination, (b) after the completion of the Combination, the possibility for a shareholder party to the Agreement (other than Softbank) to propose the appointment of director(s), to participate in certain committees of the board of directors, as well as the right of certain of the shareholders party to the Agreement to appoint an observer to the board of directors in certain cases (c) the obligation to appoint the chairman of the board of directors among the independent directors (except whether the CEO would waive his position to be the Chairman as part of a succession plan), and the constraints relating to the appointment of a vice-chairman, (d) the undertaking to comply with the Afep-Medef code, subject to certain possible exceptions, and (e) the undertaking that the articles of association provide that the registered office of the Company is and must remain in France ; and (ii) the rights and obligations of the shareholders that are parties to the Agreement, relating to the holding and transfer of shares in the Company (lock-up undertaking subject to certain exceptions, for a period of 6 months from the completion of the Combination, and undertaking to consult with the Company in certain cases of transfer). The Agreement does not

constitute a concerted action and is entered into for a period of 12 years from the date of the Combination, automatically renewed for successive 4-year terms (unless terminated by one of the parties with at least a 6- month prior notice prior to the expiry of the then current term), subject to certain cases of early termination.

Persons directly or indirectly interested and nature of their relationships with the Company

1) Bpifrance Participations (represented by Samuel Dalens): director of the Company and shareholder holding more than 10% of the share capital and the voting rights of the Company ; 2) Bpifrance Investissement (represented by Paul-François Fournier): director of the Company, and wholly-owned subsidiary of Bpifrance Participations ; 3) Fonds Stratégique de Participations (represented by Agnès Audier) : director of the Company. Pursuant to article L. 225-40 of the French commercial code, Bpifrance Participations, Bpifrance Investissement and Fonds Stratégique de Participations have not participated in the deliberations or vote of the board of directors of the Company on the authorisation to enter into the Agreement.

Financial terms of the Agreement

None.

Interest of the agreement for the Company and its shareholders

The entering into of the Agreement is part of the more general framework of the proposed Combination, which constitutes a transaction aimed at creating a single, leading global player in the field of satellite connectivity, and will enable the Company to have a balanced governance structure, following the completion of the Combination.

Comparison between the price of the Agreement for the Company and the last annual profit of the Company

The Agreement does not involve the payment of a price by the Company.

7.3.5 Agreements likely to lead to a change in control of the Company

At the filing date of this document, the Company has no knowledge of any agreement, shareholders' agreement, or clause of any convention providing for preferential conditions for disposing of or

acquiring shares in the Company involving at least 5% of the capital or voting rights in the Company, the implementation of which could lead, at a later date, to the Company being taken over.

7.4 Organisational chart

During the Financial Year ended 30 June 2023:

- On 25 July 2022, Eutelsat S.A. and key OneWeb shareholders representing circa 74% of the share capital of OneWeb signed a Memorandum of Understanding with a view to combining Eutelsat and OneWeb in an all-share transaction.
- On 5 December 2022, a subsidiary in Canada has been incorporated, Eutelsat Canada Enterprise Inc.
- On 28 March 2023, a subsidiary in Greece has been incorporated, Eutelsat Greece.
- The subsidiary Konnect Africa RDC (i) has transferred 5% of its voting share to its employees on 9 January 2022 and (ii) has changed his corporate form into a *société anonyme* on 16 March 2023 in order to comply with Article 40 of Law No. 20/017 of November 25, 2020 relating to telecommunications and information and communication technologies.

- On 15 June 2023, the sale of the Bigblu Operations Limited group (United Kingdom) has been finalised. The group that has been sold consists of twelve subsidiaries and two branches through Europe.

As of 30 June 2023, the Company directly or indirectly owns 46 subsidiaries or equity interests.

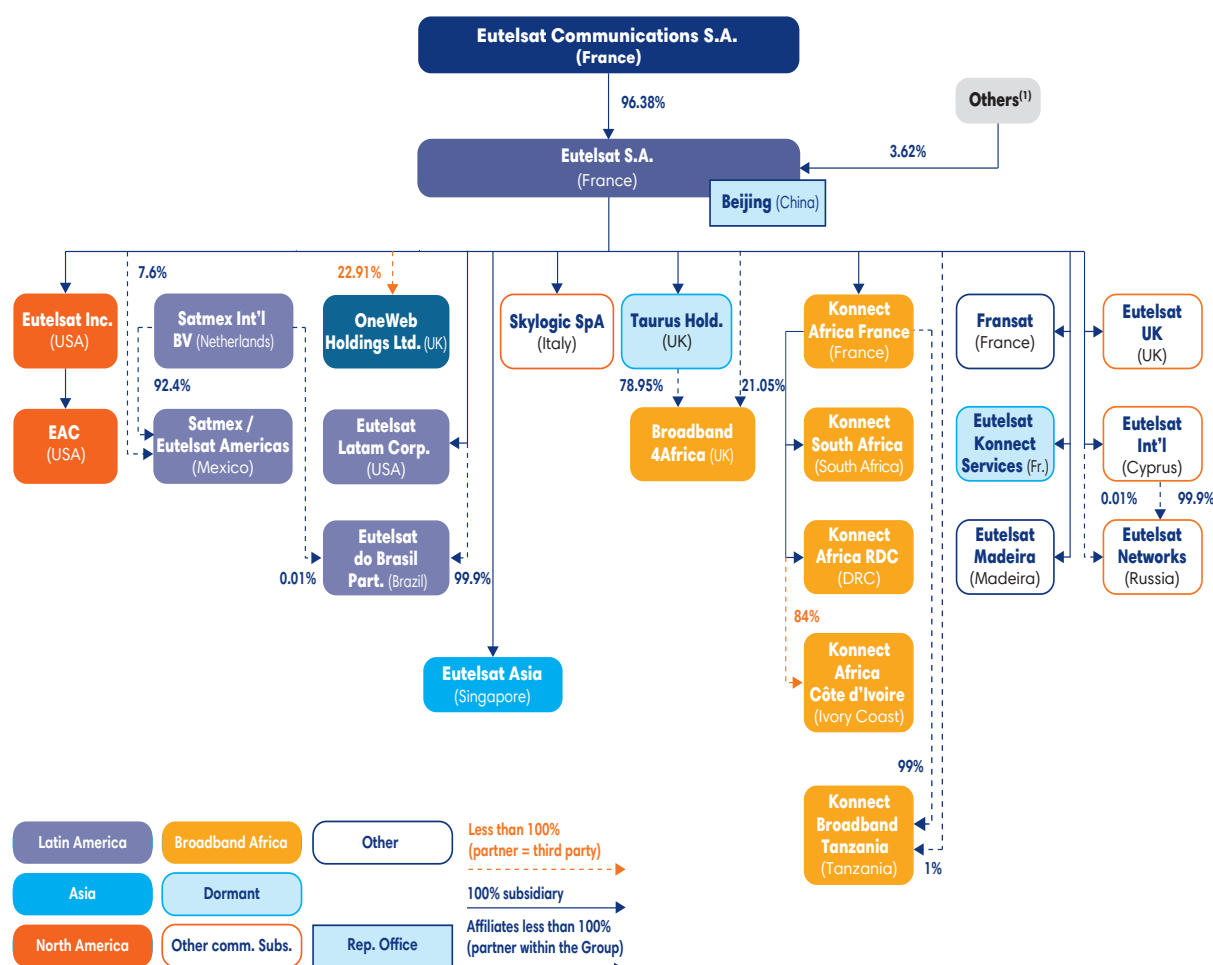
Eutelsat Communications is a holding company, which has no operating activity of its own, other than its direct holding in Eutelsat S.A.

The revenues and results shown for the subsidiaries in Section 6.2 are based on the annual financial statements of the companies concerned.

7.4.1 Group simplified organisational chart as of 30 June 2023

The organisational chart below is a simplified organisational chart of the Eutelsat Group as of 30 June 2023. The list of all the companies consolidated by Eutelsat Communications at 30 June 2023 is shown in Note 3 of the Notes to the consolidated financial statements of

Eutelsat Communications in the appendix to this report. The percentages of voting rights are identical to the percentages of capital.



(1) "Others" mainly correspond to the stake of the Russian operator RSCC.

Information on the agreements between the Company and its subsidiaries is provided in Section 7.8 "Related party transactions" of the present document.

7.4.2 Main subsidiaries and equity interests

At 30 June 2023, the Group's main operating companies are:

- Eutelsat S.A. (France) 96.38% directly owned by the Company;
- Eutelsat Madeira Lda (Madeira), Eutelsat Asia Pte Ltd. (Singapore), Fransat S.A. (France), and Eutelsat International Ltd. (Cyprus) direct subsidiaries wholly owned by Eutelsat S.A.;
- Eutelsat do Brasil Ltda (Brazil), Eutelsat America Corp. (United States), Satélites Mexicanos, S.A. de C.V. (Mexico) and Eutelsat MENA FZ-LLC (United Arab Emirates), indirect subsidiaries wholly owned by Eutelsat S.A.

The Group also has several other operating subsidiaries that are responsible for representing Eutelsat in the development of its international activities and to promote its services, but neither their revenues nor their net income are significant.

7.4.2.1 Eutelsat S.A.

Eutelsat S.A. is the Group's main operating company. It is a public limited company with registered office at 32, boulevard Galliéni - 92130 Issy-les-Moulineaux.

Eutelsat S.A.'s revenues and net income

The table below shows Eutelsat S.A.'s consolidated revenues and net income as of 30 June 2023":

(in millions of euros)	30 June 2023
Revenues	1,134.3
Net profit attributable to the Group	403.7

7.4.2.2 Main subsidiaries of Eutelsat S.A.

Eutelsat America Corp. (United States)

Incorporated in November 2006, Eutelsat America Corp. is a promotional and representative subsidiary whose purpose is to distribute Eutelsat S.A.'s satellite capacity on the North American market. It is under proxy and is wholly owned through the subsidiary Eutelsat Inc.

Eutelsat do Madeira Lda (Portugal)

Incorporated in June 2008, Eutelsat Madeira Lda is a direct wholly owned subsidiary of Eutelsat S.A. This company is responsible for marketing the wholly owned satellite capacity on the EUTELSAT 10A satellite in C and Ku-band for the African region and Portuguese-speaking markets and on the EUTELSAT 16A satellite in Ku-band for the African region and Indian Ocean islands. Since 1 July 2014, Eutelsat Madeira Lda has also been marketing Eutelsat S.A.'s satellite capacity on EUTELSAT 3B in C and Ku-band for the Sub-Saharan African region. Eutelsat Madeira Lda also owns a portion of the E8WB satellite.

Eutelsat Asia Pte Ltd. (Singapore)

Incorporated in June 2012, Eutelsat Asia Pte Ltd. is a direct subsidiary wholly owned by Eutelsat S.A. This company owns the EUTELSAT 172B satellite and the EUTELSAT 174A satellite.

Fransat S.A. (France)

Created in 2009, Fransat S.A. is a direct subsidiary wholly owned by Eutelsat S.A. This company is responsible for (i) operating and developing the FRANSAT offer, consisting of a satellite access service to free DTT channels, (ii) promoting this offer to audiovisual service providers with a view to integrating new free channels, and (iii) providing the technical resources for integrating new free or pay-TV channel offers, in addition to access to the FRANSAT offer.

Satélites Mexicanos S.A. de C.V. (Mexico)

Acquired by the Group in January 2014, Satélites Mexicanos, S.A. de C.V. is owned by Eutelsat S.A., both directly and indirectly through Satmex International BV.

The company has been operating since March 2014 under the trade name Eutelsat Americas. It is based in Mexico City and operates three satellites: EUTELSAT 113 WEST A at 113° West, EUTELSAT 115 WEST B, EUTELSAT 117 WEST A at 116.8° West and EUTELSAT 117 WEST B satellite at 117° West. These satellites cover 90% of the population of the American continent.

Satélites Mexicanos S.A. de C.V. operates and markets the EUTELSAT 65 WEST A satellite, which is also co-owned with Eutelsat do Brasil Ltda.

Eutelsat do Brasil Ltda (Brazil)

Eutelsat do Brasil Ltda is an indirect wholly-owned subsidiary of Eutelsat S.A. It is wholly owned through the subsidiary Eutelsat do Brasil Participacoes Ltda.

Eutelsat do Brasil Ltda was initially granted landing rights by the Brazilian authorities to provide capacity for the Brazilian market on the EUTELSAT 12 WEST A and EUTELSAT 8 WEST A satellites. Since June 2013, Eutelsat do Brasil Ltda has been additionally granted a licence by the Brazilian telecommunication's regulatory authority for a set of C, Ku and Ka-band frequencies at 65° West. Eutelsat do Brasil Ltda has also entered into a 15-year contract with Hughes, a subsidiary of EchoStar, for the lease of all Ka-band capacity covering Brazil on the EUTELSAT 65 WEST A satellite partly owned by Eutelsat do Brasil Ltda and operational since 1 May 2016.

Eutelsat International (Cyprus)

Subsidiary of the Group, Eutelsat International Ltd. is responsible for marketing Ku-band capacity on the EXPRESS AT1 satellite launched in March 2014 at 56° East.

Eutelsat MENA FZ-LLC (United Arab Emirates)

Eutelsat MENA FZ-LLC is a subsidiary owned through Satmex International B.V. It is notably in charge of marketing video and data capacity for the Middle-East region.

OneWeb Holdings Limited (United Kingdom)

Incorporated in 2014, OneWeb is a global communications network powered by a constellation of 648 low Earth orbit (LEO) satellites. OneWeb enables high-speed, low latency connectivity for governments, businesses, and communities everywhere around the world.

Eutelsat S.A. has exercised a call option on 6 October 2021 taking its shareholding in OneWeb share capital from 17.6% to 22.9%.

The table below shows the revenues and contributing net income of Eutelsat S.A.'s main subsidiaries as of 30 June 2023:

(in millions of euros)	Eutelsat America Corp.	Eutelsat Madeira Lda.	Eutelsat Asia Pte Ltd.	Fransat S.A.	Satélites Mexicanos S.A. de C.V.	Eutelsat do Brasil Ltda	Eutelsat International	Eutelsat MENA
Revenues	104.4	33.6	19.1	4.8	92.0	16.6	12.9	17.4
Group share of net income	3.6	7.2	23.7	0	255.0	(8.0)	2.4	(14.5)

7.4.3 Group cash flow

At the filing date of this document, there are no contractual relationships generating significant cash flow aside from the cash flows generated under the service agreements and centralised cash management agreements signed within the Group. Cash flows having been the subject of regulated agreements and commitments

are presented in the Statutory Auditors' report figuring in Appendix 5 of this document.

The following table summarises relations between the Company and its subsidiaries as of 30 June 2023:

Consolidated items (except dividends) (in millions of euros)	Eutelsat S.A. (sub-group)	Eutelsat Communications	Consolidated total
Non-current assets (incl. goodwill)	5,360.9	865.6	6,226.5
Debt (owed to non-Group entities)	2,453.0	400.0	2,853.0
Cash assets on balance sheet	479.8	2.4	482.2
Cash flow from operating activities	647.3	87.6	734.9
Dividends paid to the Company	-	-	-

7.5 Legal and arbitration proceedings

In the course of its business activities, the Group has been involved in legal actions and commercial as well as labour relations disputes. Consequently, the Group exercises its judgement to assess the risks incurred on a case-by-case basis and a provision is recorded to cover an expected outflow of resources. In cases viewed as unsubstantiated or insufficiently argued, no provision is recognised.

Ongoing accounting verification procedures by the French tax authorities are indicated in Note 7.8.2 to the consolidated financial

statements as of 30 June 2023, which can be found in Section 6.2 of this document.

In addition, for the period covering the 2022-23 fiscal year as well as at the date of filing of this document, there are no administrative, legal or arbitration proceedings (including pending or threatened proceedings) that could have or have recently had a material impact on the Group's financial position or profitability.

7.6 Research and development, patents and licences

When the IGO was operating as an intergovernmental organisation, its strategy was to secure for itself and for its signatories, on conditions that varied in accordance with the use of intellectual property, a free licence for any intellectual property (notably in respect of invention patents and software) developed under contracts financed by the IGO. Its status as an international organisation prevented it from filing patent applications for technologies developed jointly with third parties. At the time of the Transformation on 2 July 2001, all intellectual property developed by the IGO was transferred to Eutelsat S.A., which is now the owner thereof.

As regards trademarks, the IGO had assembled a portfolio prior to July 2001. This portfolio was transferred to Eutelsat S.A. under the contribution agreement.

At the date of this document, Eutelsat S.A. owned 43 patent families, two of which are held on a co-ownership basis, one with M.B.I. (Italy) and the other with the public organisation TNO (Netherlands).

At the date of this document, Eutelsat S.A. owns 28 trademarks.

As of 30 June 2023, patents, licenses, software, frequency rights and brands were accounted for as intangible assets for a total amount of 302 million euros.

7.7 Important contracts

7.7.1 Contracts concerning satellites

► Main provisions of satellite procurement and launch contracts

The satellites ordered during the last two financial years are described in Section 1.3 “In-orbit operations” in the paragraph “Satellites under procurement”.

► Main provisions of satellite procurement and launch contracts

The Group is entitled to closely monitor all the tasks carried out as part of these manufacturing contracts, including the design, assembly and testing phases as well as construction. To this end, some engineers of the Group are assigned to the production site and others are visiting the production sites for operational purpose during specific development phases. Such supervision allows the Group to ensure that its high standards concerning quality and its technical specifications are met at all stages of the satellite's construction. Furthermore, by virtue of these procurement contracts, the constructors provide a number of in-orbit support services.

► In-orbit incentive payments

The Group's satellite procurement contracts also contain a provision for in-orbit incentive payments whereby the manufacturer is paid a portion of the procurement cost throughout the estimated contractual life of the satellite on the basis of the satellite's compliance with respect to the technical and contractual specifications.

In the most recent contracts, the Group has agreed to pay the price for the satellite in full, including the amount allocated for incentive payments and the acceptance review at the time, the satellite is brought into operation. However, the Group is entitled to reimbursement of part of the sums paid if the satellite does not meet the technical specifications or in the event of malfunction.

Satellite procurement contracts also contain penalty clauses which become applicable in the event of late delivery.

► Launch service contracts

The Group has notably entrusted the launch services for satellites under construction, future satellites or satellites which were launched during the last financial year to Arianespace, Space Exploration Technologies Corp, Blue Origin & Relativity Space.

Under the terms of these launch service contracts, the Group can delay or cancel a launch for cause or convenience. In the event of a cancellation supported by a reason, the Group is entitled to reimbursement scheme of any sums paid to the launch service provider.

Furthermore:

- during fiscal year 2020-21, the EUTELSAT KONNECT (Jan 2020) satellite was launched;
- during fiscal year 2021-22, the EUTELSAT QUANTUM (July 2021) satellite was launched;
- during fiscal year 2022-23, the EUTELSAT KONNECT VHTS (Sep 2022), HOTBIRD 13F (Oct 2022), HOTBIRD 13G (Nov 2022), EUTELSAT 10B (Nov 2022), ELO3 (Apr 2023) & ELO4 (Jun 2023) were launched.

7.7.2 Allotment agreement with third parties

These agreements are described in Section 1.3 “In-orbit operations” of this document.

7.7.3 Financing agreements

The Group has entered into a number of financing agreements it considers significant. These financing agreements, together with the bonds issued by Eutelsat S.A., are described in Section 6.1.3.4 “Changes in debt and Group financing structure”.

7.8 Related party transactions

7.8.1 Agreements covered by Article L. 225-38 of the *Code de commerce*

In accordance with the provisions of Article L. 225-38 of the French Commercial Code, the Statutory Auditors are informed for regulated agreements. The disclosures with regard to related party agreements

cited in Article L. 225-38 of the French *Code de commerce* may be found in the special Statutory Auditors' report on regulated agreements and commitments in the Appendices of this document.

7.8.2 Service agreements within the Group and other conventions

The Company and its subsidiaries maintain contractual relationships linked to the organisation and operations of the Group. These operations mainly relate to the division of common administrative expenses, centralised cash management, the existence of a tax group and the chargeback agreement in the event of share purchases as part of the implementation of the free share allocation plans.

In accordance with Article L. 22-10-12 of the French Commercial Code, an internal procedure evaluating ordinary agreements (the

"Procedure") has been put in place in March 2020 within the Group. Under this procedure, each agreement concluded with Eutelsat Communications and an interested party as defined by the Procedure shall be internally reviewed and might be submitted for opinion to the Statutory Auditors. These agreements related to the division of common administrative expenses, centralised cash management, and the chargeback agreement in the event of share purchases as part of the implementation of the free share allocation plans has been reviewed in accordance with this Procedure.

7.9 Significant changes in financial and commercial position

None.

7.10 Relations and conflicts of interest within the administrative and management bodies

7.10.1 Relations with the administrative and management bodies

To the best of the Company's knowledge, there are no family ties between the Company's Corporate Officers.

Furthermore, to the Company's knowledge, no Corporate Officer has been the subject of:

- ▶ a conviction for fraud within at least the last five years;
- ▶ bankruptcy, sequestration or liquidation within at least the last five years; and

- ▶ official public charges and/or sanctions handed down by statutory or regulatory authorities within at least the last five years.

Finally, to the best of the Company's knowledge, no Corporate Officer has been barred by a court from acting as a member of an administrative, management or supervisory body of an issuer, or from taking part in the management or running of the affairs of an issuer within, at least, the last five years.

7.10.2 Conflicts of interest within the administrative and management bodies

To the best of the Company's knowledge, at the filing date of this document, there are no potential conflicts of interest between the duties carried out on behalf of the Company by Corporate Officers and their private interests.

7.11 Statutory Auditors

7.11.1 Statutory Auditors

► Ernst & Young et Autres

Member of the *Compagnie régionale des commissaires aux comptes de Versailles* (Regional Association of Statutory Auditors of Versailles).

1/2, place des Saisons
92400, Courbevoie Paris-La Défense
France

The Combined Ordinary and Extraordinary General Meeting of 4 November 2021, having duly noted the expiry of the term of office of Mazars as Statutory Auditor, appointed the firm of Mazars as Statutory Auditor for a term of six financial years. This term expires at the end of the Ordinary General Meeting approving the financial statements for the Financial Year ending 30 June 2027.

► Mazars

Member of the *Compagnie régionale des commissaires aux comptes de Versailles* (Versailles Regional Association of Statutory Auditors).

61, rue Henri-Regnault
92400 Courbevoie
France

Mazars' term expires at the end of the Ordinary General Meeting approving the financial statements for the Financial Year ending 30 June 2023.

7.11.2 Alternate Statutory Auditors

None.

The Combined General Meeting of 4 November 2021 noted the expiry of the term of office of Auditex as alternate auditor at the end of the Ordinary General Meeting called to approve the financial statements for the year ending 30 June 2022. Pursuant to Article 19

of the Company's By-laws and in accordance with Article L. 823-1 of the French Commercial Code, the appointment of an alternate auditor is optional when the principal auditor is not a natural person or a one-person company. Consequently, the General Meeting has decided that the mandate of Auditex as alternate auditor would not be renewed.

7.11.3 Auditor fees

See Section 6.2 "Consolidated financial statements as of 30 June 2023", Note 10 "Statutory Auditors' fees", in the Notes to the consolidated financial statements of Eutelsat Communications for the Financial Year ended 30 June 2023.

7.12 Documents available

For the life of this document, the following documents may be consulted on the Company's website (www.eutelsat.com):

- the latest By-laws of the Company;

- all reports, letters and other documents, evaluations and statements prepared by an expert at the request of the Company, part of which are included in this document.

7.13 Responsible person

7.13.1 Responsible person for the document

Eva Berneke, Chief Executive Officer of Eutelsat Communications.

7.13.2 Certification by the responsible person for the document

I hereby certify that the information contained in this document is, to the best of my knowledge, in accordance with the facts and contains no omission likely to affect its import.

I hereby certify that, to the best of my knowledge, the accounts have been drafted in accordance with the applicable accounting standards and that they constitute a true and fair view of the assets and liabilities, the financial position and results of the Company and the consolidated Group of companies, and that the

management report contained in this document presents an accurate picture of developments in the business, results and financial position of the Company and the consolidated group of companies as well as a description of the main risks and uncertainties that these companies face.

Paris, 12 September 2023

Eva Berneke

Chief Executive Officer

RESPONSIBLE PERSON FOR INFORMATION

Thomas Cardiel

Head of Investor Relations

32, boulevard Gallieni

92130 Issy-les-Moulineaux

PROVISIONAL TIMETABLE FOR FINANCIAL REPORTING


The following dates are provided for information only and may be changed at any time by the Company:

- ▶ 16 February 2024: Publication of half-year results for the Financial Year 2023-24;
- ▶ 14 May 2024: Publication of third quarter revenues for the Financial Year 2023-24;
- ▶ 1 August 2024: Publication of the full year results for the Financial Year 2023-24.



A

Appendix



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A1 Verification report of social and environmental information

Report by the independent third-party body, on the consolidated non-financial statement included shown in the Group management report

This is a free translation into English of the report on the consolidated non-financial statement issued in French by the independent third-party body and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

For the year ended 31 December 2022

To the Shareholders,

In our capacity as an independent third party of EUTELSAT COMMUNICATION and accredited by COFRAC (under number n°3-1080, whose scope is available at www.cofrac.fr), we hereby report to you on the consolidated non-financial statement for the year ended 31st December 2022 (hereinafter the "Statement"), included in the Group management report pursuant to the legal and regulatory provisions of Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (Code de commerce).

► Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the non-financial statement is not presented in accordance with the applicable regulatory requirements and that the Information, taken as a whole, is not presented fairly in accordance with the Guidelines, in all material respects.

Preparation of the non-financial statement

The absence of a generally accepted and commonly used framework or established practice on which to base the evaluation and measurement of Information allows for the use of different, but acceptable, measurement techniques that may affect comparability across entities and over time.

Therefore, the Information should be read and understood with reference to the Guidelines, the significant elements of which are presented in the Statement (or available on the website or upon request from the entity).

Limitations inherent in the preparation of Information

As indicated in the Declaration, the Information may be subject to uncertainty inherent in the state of scientific or economic knowledge and in the quality of the external data used. Certain information is sensitive to the methodological choices, assumptions and/or estimates made in preparing it and presented in the Statement.

The entity's responsibility

The Board of Directors is responsible for:

- selecting or establishing appropriate criteria for the preparation of the Information;
- preparing a Statement in accordance with legal and regulatory requirements, including a presentation of the business model, a description of the main non-financial risks, a presentation of the policies applied with regard to these risks and the results of these policies, including key performance indicators and, in addition, the information required by Article 8 of Regulation (EU) 2020/852 (green taxonomy);
- preparing the Statement in accordance with the entity's reporting framework referred to above;
- implementing the internal control that it deems necessary for the preparation of information that is free from material misstatement, whether due to fraud or error.

The Statement has been prepared by applying the Company's procedures (hereinafter the "Guidelines"), the significant elements of which are set out in the Statement.

The Statement has been prepared in accordance with the entity's procedures (hereinafter the "Guidelines"), the main elements of which are presented in the Statement.

Responsibility of the independent third-party body

On the basis of our work, our responsibility is to provide a report expressing a limited assurance conclusion on:

- the compliance of the Statement with the provisions of Article R. 225-105 of the French Commercial Code;
- the fairness of the historical information (observed or extrapolated) provided pursuant to 3° of I and II of Article R. 225-105 of the French Commercial Code, namely the results of policies, including key performance indicators, and actions, relating to the main risks.

As it is our responsibility to form an independent conclusion on the Information as prepared by management, we are not authorized to be involved in the preparation of this Information, as this could compromise our independence.

It is not our responsibility to express an opinion on:

- the entity's compliance with other applicable legal and regulatory requirements (in particular with regard to the information required by Article 8 of Regulation (EU) 2020/852 (green taxonomy), the Vigilance plan and the fight against corruption and tax evasion);
- the truthfulness of the information provided for in Article 8 of Regulation (EU) 2020/852 (green taxonomy);
- the compliance of products and services with applicable regulations.

Regulatory provisions and applicable professional doctrine

Our work described below was performed in accordance with the provisions of Articles A. 225-1 et seq. of the French Commercial Code and the professional guidance issued by the *Compagnie Nationale des Commissaires aux Comptes* (CNCC) relating to this type of engagement, in particular the technical notice issued by the CNCC, *Intervention du Commissaires aux Comptes – Intervention de l'OTI – Déclaration de performance extra-financière*, with our audit program used for the mission, and with the International Standard on the Evaluation of Financial Information (ISAE) No. 3000 (Revised).

Independence and quality control

Our independence is defined by the provisions of Article L. 822-11 of the French Commercial Code and the Code of Ethics of the Statutory Auditors. In addition, we have implemented a quality control system that includes documented policies and procedures designed to ensure compliance with applicable laws and regulations, ethical rules and professional guidance issued by the French Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this engagement.

▸ Means and resources

Our work involved 4 persons and was conducted between May and June 2023 during a 4-week period.

We were assisted in our work by our specialists in sustainable development and corporate social responsibility. We conducted interviews with people responsible for preparing the Statement.

► Nature and scope of our work

We planned and performed our work considering the risks of material misstatement of the Information.

In our opinion, the procedures we have performed in the exercise of our professional judgment enable us to provide a moderate level of assurance. In this respect:

- we analyzed the activities of all the companies included in the scope of consolidation and the main social and environmental risks associated with these activities;
- we assessed the appropriateness of the Guidelines in terms of its relevance, completeness, reliability, neutrality and understandability, taking into account, where appropriate, best practices in the sector;
- we verified that the Statement presents the information required by II of Article R. 225-105 when relevant to the principal risks and that the Statement includes, where applicable, an explanation of the reasons for the absence of the information required by the second paragraph of III of Article L. 225-102-1;
- we verified that the Statement presents the business model and principal risks of all entities included in the scope of consolidation, including, where relevant and proportionate, the risks created by its business relationships, products or services, as well as policies, actions and results, including key performance indicators;
- we consulted documentary sources and conducted interviews to:
 - assess the process for selecting and validating the main risks and the consistency of the results, including the key performance indicators selected, with the main risks and policies presented;
 - corroborate⁽¹⁾ the qualitative information (actions and results) that we considered most important;
- we verified that the Statement covers the consolidated scope, i.e. all the entities included in the scope of consolidation in accordance with Article L. 233-16;
- we analyzed the internal control and risk management procedures implemented by the entity and have assessed the collection process aimed at ensuring the completeness and fairness of the information;
- for the key performance indicators and other quantitative results that we considered most important⁽²⁾, we performed:
 - analytical procedures to verify the correct consolidation of the data collected and the consistency of changes in the data;
 - detailed tests on a test basis, consisting of verifying the correct application of definitions and procedures and reconciling the data with supporting documents. This work was carried out on a selection of contributing entities⁽³⁾ and covers from 44% to 100% of the consolidated data relating to the key performance indicators and outcomes selected for these tests,
- we assessed the overall consistency of the Statement based on our knowledge of the entity the consolidated entities.

We believe that the work performed, based on our professional judgement, is sufficient to provide a basis for our limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures.

Neuilly-sur-Seine, 30th June 2023

Original French report signed by:

Independent third-party body

Grant Thornton

French member of Grant Thornton International

Vincent Frambourt
Associé

Bertille Crichton
Associée

(1) **Qualitative information relating to the following sections:** "Integrity and Ethics"; "Reducing our Carbon Footprint"; "Quality of life at work and employee commitment"; "Health and safety conditions".

(2) **Quantitative environmental information:** Electricity consumption (including renewable energies); Diesel consumption; Water consumption; metal waste; Paper waste; Cardboard waste; WEEE; Quantity of non-hazardous waste; Greenhouse gas emissions (scope 1 and 2); Greenhouse gas emissions (scope 1 and 2 and 3 excluding satellite missions); Greenhouse gas emissions (scope 1 and 2 and 3 with satellite missions).

Quantitative social information: "Total workforce and breakdown by gender, age and geographical distribution"; "Hirings and departures on permanent contracts"; "Work-related frequency rate"; "Work-related severity rate"; "Absenteeism rate"; "Number of training hours"; "Number of employees trained".

Quantitative societal information: "Number of World-Check audits"; "Number of internal surveys".

(3) Head office Eutelsat S.A, Eutelsat Téléport-Rambouillet, Eutelsat Téléport Turin, Eutelsat Téléport Cagliari, Skylogic Italy, and Skylogic Mediterraneo.

A2 Statutory auditors' report on the consolidated financial statements

This is a translation into English of the statutory auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English-speaking users. This statutory auditors' report includes information required by European regulations and French law, such as information about the appointment of the statutory auditors or the verification of the information concerning the Group presented in the management report. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Year ended June 30, 2023

To the Annual General Meeting of Eutelsat Communications,

► Opinion

In compliance with the engagement entrusted to us by your Annual General Meetings, we have audited the accompanying consolidated financial statements of Eutelsat Communications for the year ended June 30, 2023.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at June 30, 2023 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

► Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

Independence

We conducted our audit engagement in compliance with the independence requirements of the French Commercial Code (*Code de commerce*) and the French Code of Ethics for Statutory Auditors (*Code de déontologie de la profession de commissaire aux comptes*) for the period from July 1, 2022 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No. 537/2014.

► Justification of Assessments – Key Audit Matters

In accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

► Valuation of fixed assets and useful life of satellites

Risk identified

As at June 30, 2023, your Company's tangible and intangible assets amounted to 5.5 billion euros and investments in equity-accounted companies amounted to 0.5 billion euros, compared to a total balance sheet of 7.4 billion euros. This fixed asset consists mainly of goodwill and customer contracts and associated relationships accounted for in the context of business combinations, satellites in orbit or under construction, right of use and ground equipment as well as investments of the Group in consolidated companies recognized on an equity basis.

Goodwill is monitored at the sole operating segment level of the Company. Cash-generating units correspond to the orbital positions, carrying one or more satellites, as well as customer contracts and associated relationships.

Notes 7.1.1, 7.1.2, 7.1.3 and 7.1.4 to the consolidated financial statements describe the methods used to measure goodwill, to amortize customer contracts and associated relationships, the methods used for in-orbit satellites, and used to perform impairment tests of these assets.

Note 7.2 to the consolidated financial statement describes the procedures to recognize assets accounted on equity basis.

We considered that the valuation of these assets and the determination of the depreciation period of satellites in orbit are the key audit matters due to (i) their significance in the Group's financial statements, (ii) the estimates necessary to determine the expected useful life of the satellites and the operating cash flow horizon based on technical assessments, (iii) the judgment required to determine the cash-generating units, and (iv) the estimates and assumptions used to determine their recoverable value, most often based on discounted cash flow forecasts whose achievement is inherently uncertain.

Our response

We considered:

- the work performed by your Group to determine the useful life of the satellites and the consistency of the useful life used with the available technical data;
- the procedures for implementing these impairment tests, in particular the determination of the cash-generating units;
- the methods used to estimate recoverable values of goodwill and the other assets of cash-generating units.

Particular attention was paid to the impairment tests of (i) goodwill and (ii) cash-generating units for which the carrying value is close to the estimated recoverable amount and to those with a limited performance history given the recent launches of satellites.

We also assessed the main estimates used by Management to prepare cash flow forecasts based on available information, including market prospects, order books and past performances. We assessed the relevance of the discount rates and long-term growth rates used, with the assistance of our financial valuation experts, and carried out sensitivity tests on the recoverable values determined by Management.

We also assessed the appropriateness of the information in Notes 7.1.1, 7.1.2, 7.1.3, 7.1.4 and 7.2 to the consolidated financial statements.

► Revenue recognition and allowance for bad debt

Risk identified

As at June 30, 2023, your Group's revenue amounted to 1.1 billion euros and trade receivables and contract assets recorded in the Group's balance sheet amounted to 0.3 billion euros. The Group deals with multiple customers in France and abroad. Revenue mainly derives from contracts with customers for the provision of satellite capacity services. Contracts generally cover periods ranging from several months to several years.

We considered that revenue recognition and the determination of allowance for bad debt and assets on customer contracts are the key audit matters due to their significance in your Group's financial statements, the diversity and volume of contracts between the Group and its customers, and the judgment required to assess the recoverability of trade receivables throughout the duration of the contracts.

Our response

Notes 6.1 and 7.3 to the consolidated financial statements describe the method for revenue recognition and the valuation method for trade receivable.

Our audit approach related to revenue recognition and allowance for bad debt includes both internal control testing and substantive procedures on the accounts themselves. Our work on internal controls focused on contracting, billing, the collection of receivables and revenue recognition. We considered the procedures implemented by your Group and tested identified key controls. In addition, we involved team members specialized in information systems in order to assess certain general IT and application controls over data integrated in the IT system and used for revenue recognition.

Our substantive procedures, related to revenue recognition and to allowance for bad debt, notably consisted in:

- analyzing the contractual clauses on a sample of contracts, in particular the most significant new contracts of the period and the specific transactions, in order to analyze the accounting treatment applicable;
- assessing the assumptions used for revenue recognition;
- examining, with Management, the reasons for late payment of certain customers and the forecasted collection of receivables in the context of the Ukrainian crisis by considering, in particular, factors such as security deposits, negotiated payment plans, payment history and ongoing business relationships between these customers and your Group ;
- verifying the calculation of the allowance for bad debt and its compliance with your Group's methodology.

Finally, we assessed the appropriateness of the information provided in Notes 6.1 and 7.3 to the consolidated financial statements.

► Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the information relating to the Group given in the Board of Directors' management report

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

We attest that the consolidated non-financial statement required by Article L. 225-102-1 of the French Commercial Code (Code de commerce) is included in the information relating to the Group given in the management report, it being specified that, in accordance with Article L. 823-10 of said Code, we have verified neither the fair presentation nor the consistency with the consolidated financial statements of the information contained therein. This information should be reported on by an independent third party.

► Report on Other Legal and Regulatory Requirements

Format of preparation of the consolidated financial statements intended to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by statutory auditors regarding the annual and consolidated financial statements prepared in the European single electronic format, that the preparation of the consolidated financial statements intended to be included in the annual financial report mentioned in Article L. 451-1-2, I of the French Monetary and Financial Code (*Code monétaire et financier*), prepared under the CEO's responsibility, complies with the single electronic format defined in Commission Delegated Regulation (EU) No. 2019/815 of December 17, 2018. Regarding consolidated financial statements, our work includes verifying that the tagging thereof complies with the format defined in the above-mentioned regulation.

On the basis of our work, we conclude that the preparation of the consolidated financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

Due to the technical limitations inherent to the block-tagging of the consolidated financial statements according to the European single electronic format, the content of certain tags of the notes may not be rendered identically to the accompanying consolidated financial statements.

Furthermore, we have no responsibility to verify that the consolidated financial statements that will ultimately be included by your Company in the annual financial report filed with the AMF (*Autorité des marchés financiers*) agree with those on which we have performed our work.

Appointment of the Statutory Auditors

We were appointed as statutory auditors of Eutelsat Communications by the annual general meetings held on July 20, 2005 for MAZARS and on November 10, 2009 for ERNST & YOUNG et Autres.

As at June 30, 2023, MAZARS was in the eighteenth year of total uninterrupted engagement and ERNST & YOUNG et Autres was in the fourteenth year.

Previously, ERNST & YOUNG Audit had been statutory auditor since 2005.

► Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

► Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these consolidated financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management in the consolidated financial statements;
- assesses the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the Audit Committee

We submit to the Audit Committee a report which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report significant deficiencies, if any, in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France as set out in particular in Articles L. 822-10 to L. 822-14 of the French Commercial Code (*Code de commerce*) and in the French Code of Ethics for Statutory Auditors (*Code de déontologie de la profession de commissaire aux comptes*). Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris-La Défense, August 3, 2023

The Statutory Auditors
French original signed by

MAZARS
Achour Messas

ERNST & YOUNG et Autres
Nicolas Macé

A3 Statutory auditors' report on the financial statements

This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English-speaking users. This statutory auditors' report includes information required by European regulations and French law, such as information about the appointment of the statutory auditors or the verification of the management report and the other documents provided to the shareholders. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Year ended June 30, 2023

To the Annual General Meeting of Eutelsat Communications,

► Opinion

In compliance with the engagement entrusted to us by your Annual General Meetings, we have audited the accompanying financial statements of Eutelsat Communications for the year ended June 30, 2023.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at June 30, 2023 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

► Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditors' Responsibilities for the Audit of the Financial Statements* section of our report.

Independence

We conducted our audit engagement in compliance with the independence requirements of the French Commercial Code (*Code de commerce*) and the French Code of Ethics for Statutory Auditors (*Code de déontologie de la profession de commissaire aux comptes*) for the period from July 1, 2022 to the date of our report, and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No. 537/2014.

► Justification of Assessments - Key Audit Matters

In accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

► Valuation of equity investments

Risk identified

As at June 30, 2023, equity investments amounted to 2.9 billion euros, compared to a balance sheet total of 3 billion euros. This amount corresponds to your Company's equity investment in Eutelsat S.A.

Your Company recognizes an impairment charge if the value in use of the investments held is less than their carrying amount.

As indicated in Note 4.1 to the financial statements, the value in use of Eutelsat S.A.'s equity investments as at June 30, 2023, was determined on the basis of a valuation of the Eutelsat Group based on future cash flows.

We considered that the valuation of equity investments was a key audit matter given their significant contribution in your Company's financial statements and the judgment required to estimate the value in use.

Our response

As part of our audit of the financial statements, our work consisted in particular in:

- reading the assessment carried out by the Company to determine the value in use of Eutelsat S.A.'s equity investments, the methods used and underlying assumptions;
- assessing the main estimates retained by Management to establish the cash flow forecasts used to determine the value in use of Eutelsat S.A.'s equity investments in, in particular by assessing the consistency of these assumptions with historical and current data and the economic environment in which the Group operates.

We also assessed the relevance of the discount and long-term growth rates selected and carried out sensitivity tests.

Finally, we assessed the appropriateness of disclosures made under Notes 2.3 and 4.1 to the financial statements.

► Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations.

Information given in the management report and in the other documents with respect to the financial position and the financial statements provided to the shareholders

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the Board of Directors' management report and in the other documents with respect to the financial position and the financial statements provided to the shareholders.

We attest the fair presentation and the consistency with the financial statements of the information relating to payment deadlines mentioned in Article D. 441 -6 of the French Commercial Code (*Code de commerce*).

Information relating to Corporate Governance

We attest that the Board of Directors' Report on Corporate Governance sets out the information required by Articles L. 225-37-4 and L. 22-10-10, L. 225-37-4, L. 22-10-10 and L. 22-10-9 of the French Commercial Code (*Code de commerce*).

Concerning the information given in accordance with the requirements of Article L. 22-10-9 of the French Commercial Code (*Code de commerce*) relating to the remuneration and benefits received by, or allocated to the directors and any other commitments made in their favor, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from companies controlled thereby, included in the consolidation scope. Based on these procedures, we attest the accuracy and fair presentation of this information.

With respect to the information relating to items that your Company considered likely to have an impact in the event of a takeover bid or exchange offer, provided pursuant to Article L. 22-10-11 of the French Commercial Code (*Code de commerce*), we have agreed this information to the source documents communicated to us. Based on these procedures, we have no observations to make on this information.

Other information

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of voting rights has been properly disclosed in the management report.

► Report on Other Legal and Regulatory Requirements

Format of preparation of the financial statements intended to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by statutory auditors regarding the annual and consolidated financial statements prepared in the European single electronic format, that the preparation of the financial statements intended to be included in the annual financial report mentioned in Article L. 451-1-2, I of the French Monetary and Financial Code (*Code monétaire et financier*), prepared under the CEO's responsibility, complies with the single electronic format defined in Commission Delegated Regulation (EU) No. 2019/815 of December 17, 2018.

On the basis of our work, we conclude that the preparation of the financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

We have no responsibility to verify that the financial statements that will ultimately be included by your Company in the annual financial report filed with the AMF (*Autorité des marchés financiers*) agree with those on which we have performed our work.

Appointment of the Statutory Auditors

We were appointed as statutory auditors of Eutelsat Communications by the annual general meetings held on July 20, 2005 for MAZARS and on November 10, 2009 for ERNST & YOUNG et Autres.

As at June 30, 2023, MAZARS was in the eighteenth year of total uninterrupted engagement and ERNST & YOUNG et Autres was in the fourteenth year.

Previously, ERNST & YOUNG Audit had been statutory auditor since 2005.

► Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

► Statutory Auditors' Responsibilities for the Audit of the Financial Statements

Objectives and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management in the financial statements;
- assesses the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit Committee

We submit to the Audit Committee a report which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report significant deficiencies, if any, in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France as set out in particular in Articles L. 822-10 to L. 822-14 of the French Commercial Code (*Code de commerce*) and in the French Code of Ethics for Statutory Auditors (*Code de déontologie de la profession de commissaire aux comptes*). Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris-La Défense , August 3, 2023

The Statutory Auditors
French original signed by

MAZARS
Achour Messas

ERNST & YOUNG et Autres
Nicolas Macé

A4 Statutory auditors' special report on related party agreements

This is a free translation into English of a report issued in French and it is provided solely for the convenience of English-speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional guidance issued by the French Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes) applicable in France.

Annual General Meeting held to approve the financial statements for the year ended 30 June 2023

To the Annual General Meeting of Eutelsat Communications,

In our capacity as Statutory Auditors of your Company, we hereby present to you our report on related party agreements.

We are required to inform you, on the basis of the information provided to us, of the terms and conditions of those agreements indicated to us, or that we may have identified in the performance of our engagement, as well as the reasons justifying why they benefit the Company. We are not required to give our opinion as to whether they are beneficial or appropriate or to ascertain the existence of other agreements and commitments. It is your responsibility, in accordance with Article R. 225-31 of the French Commercial Code (*Code de commerce*), to assess the relevance of these agreements and commitments prior to their approval.

We are also required, where applicable, to inform you in accordance with Article R. 225-31 of the French Commercial Code (*Code de commerce*) of the continuation of the implementation, during the year ended June 30th, 2023, of the agreements previously approved by the Annual General Meeting.

We performed those procedures which we deemed necessary in compliance with professional guidance issued by the French Institute of Statutory Auditors (*Compagnie nationale des commissaires aux comptes*) relating to this type of engagement. These procedures consisted in verifying the consistency of the information provided to us with the relevant source documents.

▸ Agreements and commitments submitted for approval to the Annual General Meeting

Agreements authorised and entered into during the year ended 30 June 2023

We hereby inform you that we have not been notified of any agreements authorized during the year ended June 30th, 2022, to be submitted to the Annual General Meeting for approval in accordance with Article L. 225-38 of the French Commercial Code (*Code de commerce*).

Agreements authorised but not yet concluded

We have been notified of one agreement which was authorized by the Board of Directors, but not yet concluded as at the date of this report.

OneWeb Holdings Limited Shareholders' Agreement

with OneWeb Holdings Limited ("OneWeb"), EUTELSAT S.A and the UK Secretary of State for Science, Innovation and Technology.

Persons concerned

- Mr Dominique D'Hinnin, Chairman of the Board of Directors of your Company and of Eutelsat S.A;
- Bpifrance Investissement, represented by Mr Paul-François Fournier, director of your Company and of Eutelsat S.A.
- Bpifrance Participations, represented by Mr Samuel Dalens, director of your Company and of Eutelsat S.A.
- Ms Eva Berneke, Chief Executive Officer and Director of your Company and of Eutelsat SA, Director of OneWeb;
- Fonds Stratégique de Participations represented by Mrs Agnès Audier, director of your Company and of Eutelsat S.A.
- Mrs Esther Gaide, Director of your Company and of Eutelsat S.A.

Nature and purpose

OneWeb Shareholders' Agreement between OneWeb, EUTELSAT S.A, EUTELSAT Communications S.A and the UK Secretary of State for Science, Innovation and Technology.

Terms and conditions

At its meetings on 10 November 2022 and 27 July 2023, the Board of Directors authorised the signature of the shareholders' agreement with OneWeb as part of the potential combination with the company.

The main purpose of this agreement will be to establish between the parties:

- i) The parties' objective for the future of the OneWeb group;
- ii) With the new Articles of Association of OneWeb, governing the UK Government's rights held by virtue of its ordinary B share in OneWeb, other limited contractual rights, including (x) certain veto rights (y) certain operational rights in relation to the OneWeb Group; and
- iii) The transfer of OneWeb's shares

This agreement should be entered into on the date of the definitive acquisition of the shares, which should take place following the Company's Extraordinary General Meeting, which should be held later in the second half of 2023.

Reasons given by the Board justifying the interest of this agreement for the company

The agreement is part of the more general framework of the combination described above, which aims to create a single, leading global player in satellite connectivity and will enable OneWeb to be governed in a manner which safeguards the interests of the UK Government for so long as it holds its ordinary B share.

Agreements authorised and entered into since June 30, 2023

Pursuant to Article L. 225-40 of the French Commercial Code, we have been notified of the following agreement, entered into since June 30, 2023, which received the prior authorisation of your Board of Directors.

Company's Shareholders' Agreement with Bharti Space Limited, SoftBank Group Capital Limited, Hanwha Systems UK Limited, Bpifrance Participation, Fonds Stratégique de Participation and the UK Secretary of State for Science, Innovation and Technology.

Persons concerned

- ▶ Bpifrance Investissement, represented by Mr Paul-François Fournier, director of your Company;
- ▶ Bpifrance Participations, represented by Mr Samuel Dalens, director of your Company;
- ▶ Fonds Stratégique de Participations represented by Mrs Agnès Audier, Director of your Company.

Nature and purpose

Company shareholders' agreement between Bharti Space Limited, SoftBank Group Capital Limited, Hanwha Systems UK Limited, Bpifrance Participation, Fonds Stratégique de Participation and the UK Secretary of State for Science, Innovation and Technology.

Terms and conditions

As part of the potential business combination between your Company and OneWeb, the Board of Directors, at its meetings of 10 November 2022 and 27 July 2023, authorised the signature of a shareholders' agreement with, *inter alios*, Bpifrance Participations and the Fonds Stratégique de Participations.

The main purpose of this agreement, signed on 18 August 2023, is to set out the terms and conditions between the parties:

- i) the rights and obligations of the parties (other than Softbank) relating to the governance of the Company and in particular (a) immediately following completion of the Combination, the composition of the Board of Directors of the Company (b) following completion of the Combination, the possibility for a shareholder party to the agreement (other than SoftBank) to propose the appointment of director(s), to participate in certain committees of the Board of Directors and, in certain cases, to appoint an observer to the Board of Directors, (c) the obligation to appoint the chairman of the board of directors among the independent directors (except whether the CEO would waive his position to be the Chairman as part of a succession plan) as well as the constraints to the appointment of a vice-chairman, (d) the undertaking to comply with the Afep-Medef code, subject to certain possible exceptions, and (e) the undertaking that the articles of association provide that the registered office of the company is and must remain in France ; and
- ii) the rights and obligations of the shareholders party to the agreement, relating to the holding and transfer of shares in the company (lock-up undertaking subject to certain exceptions, for a period of 6 months from the completion of the Combination, and undertaking to consult with the Company in certain cases of transfer).

The Agreement does not constitute a concerted action and is entered into for a period of 12 years from the date of the Combination, automatically renewed for successive 4-year terms (unless terminated by one of the parties with at least a 6-month prior notice prior to the expiry of the then current term), subject to certain cases of early termination.

Lastly, the agreement does not contain any financial conditions and does not involve the payment of a price by the company.

Reasons given by the Board justifying the interest of this agreement for the company

The conclusion of the agreement is part of the more general framework of the combination described above, which aims to create a single, leading global player in satellite connectivity and will provide the company with a balanced governance structure following the combination.

Agreements previously approved by the Annual General Meeting

In accordance with Article R. 225-30 of the French Commercial Code (*Code de commerce*), we have been notified that the implementation of the following agreements, which were approved by the Annual General Meeting in prior years, continued during the year ended June 30th, 2023.

Tax consolidation agreement with Eutelsat S.A., Eutelsat Konnect Services, Fransat S.A. and Konnect Africa France

Persons concerned

- Mr Dominique D'Hinnin, Chairman of the Board of Directors of your Company and of Eutelsat S.A.;
- Bpifrance Investissement, represented by Mr Paul-François Fournier, director of your Company and of Eutelsat S.A. ;
- Bpifrance Participations, represented by Mr Samuel Dalens, director of your Company and of Eutelsat S.A. ;
- Ms Eva Berneke, Chief Executive Officer and Director of your Company and of Eutelsat SA;
- Fonds Stratégique de Participations represented by Mrs Agnès Audier, director of your Company and of Eutelsat S.A. ;
- Mrs Esther Gaide, Director of your Company and of Eutelsat S.A. ;
- Mr Michel Azibert, Deputy CEO of your Company and of Eutelsat S.A. until 10 November 2022 and Director of Eutelsat S.A. from 25 October 2022.

Nature and purpose

Tax consolidation agreement.

Terms and conditions

The tax consolidation agreement approved by the Board of Directors on June 29th, 2007, and dated July 2nd, 2007, continued over the year ended June 30th, 2023.

In accordance with this agreement, your Company recognized a tax income in the amount of 3,000 euros during the year ended 30 June 30th, 2023.

The Statutory Auditors
French original signed by

Mazars

Paris La Défense, 31 August 2023

Achour Messas
Partner

Ernst & Young et Autres

Paris La Défense, 31 August 2023

Nicolas Macé
Partner

A5 Cross-reference table of the annual financial report

This document incorporates all information required for the annual financial report as mentioned in Article L. 451-1-2 of the French Monetary and Financial Code and in Article 222-3 of the General Regulations of the *Autorité des marchés financiers* (French financial markets regulator, AMF).

The documents mentioned in Article 222-3 of the AMF General Regulations and the corresponding sections in this Universal Registration Document are as follows:

► [AMF's General Regulations – Article 222-3](#)

No. section	Universal Registration Document Reference	Page
1. Annual financial statements of Eutelsat Communications	Section 6.3	230
2. Consolidated financial statements of the Eutelsat Group	Section 6.2	188
3. Management report		
Review of business trends, financial position and earnings	Chapter 1	7
	Section 1.1	8
	Section 1.2	14
	Section 6.1	174
Indications concerning the use of financial instruments by the business	Section 4.6.4	154
	Section 6.1.3	181
Description of the main risks and uncertainties	Chapter 4	120
Factors likely to have an influence in the event of a public offer	Section 2.3.9.2	55
Purchase and sale of treasury shares	Section 7.1.2.3	243
Summary table of delegations of powers currently valid	Section 7.1.2.5	244
4. Certification of the person responsible for the annual financial report	Section 7.13.2	261
5. Statutory Auditors' report on the annual financial statements	Appendix 3	272
6. Statutory Auditors' report on the consolidated financial statements	Appendix 2	267

A6 Cross-reference table of the management report of the Board of Directors

The following concordance table identifies the information that constitutes the management report in accordance with Articles L. 225-100 et seq., L. 22-10-35 et seq., and L. 232-1 et seq. of the French Commercial Code ("Code de commerce").

Items required by the French Commercial Code and the French Monetary and Financial Code, the French General Tax Code, and the General Regulations of the Financial Markets Authority	Universal Registration Document Reference	Page
COMPANY AND GROUP SITUATION ACTIVITY		
Analysis of changes to the business, the results and the financial position of the company and the Group during the past financial year (L. 225-100-1 I 1°, L. 232-1-II, L. 233-26)	Section 1, 6.1	8, 174
Financial and non-financial key performance indicators (L. 225-100-1 I 2°)	Section 1.1, 1.2, 6.1	8, 14, 174
Material events occurring between the closing date of the financial year and the date on which the management report was prepared (L. 232-1-II, L. 233-26)	Section 1.1, 6.2 Note 2	8, 193
Main shareholders and holders of voting rights at General Meetings and changes made during the financial year (L. 233-13)	Section 7.3	251
Branches (L. 232-1, II)	Section 7.4	255
Significant equity investments in companies headquartered in France (L. 233-6 paragraph 1)	Section 7.4	255
Cross-shareholdings: (L. 233-29, L. 233-30 et R. 233-19)	N/A	
Foreseeable developments, outlook (L. 232-1-II, L. 233-26)	Section 1.1, 1.2	8, 14
Research and Development activities (L. 232-1 II, L. 233-26)	Section 7.6	257
Eutelsat results over the last five financial years (R. 225-102)	N/A	
Payment terms for suppliers and clients (D. 441-4)	Section 7.2.4	251
Amount of inter-company loans granted by Eutelsat and Statutory Auditor's statement: (L. 511-6 and R. 511-2-1-3 of the French Monetary and Financial Code)	N/A	
INTERNAL CONTROL AND RISK MANAGEMENT		
Main risks and uncertainties (L. 225-100-1, I, pt 3)	Section 4	120
Financial risks related to the effects of climate change (L. 22-10-35, pt 1)	Section 3.1.5.2	87
Internal control and risk management procedures relating to the preparation and processing of financial and accounting information (L. 22-10-35, pt 2)	Section 4.8.2	151
Information on the objectives and policy concerning the hedging of each main category of transactions and on exposure to price, credit, liquidity and cash flow risks, use of financial instruments by the company (L. 225-100-1, pt 4)	Section 4.8.4, Section 6.2 Note 7.4.5	154, 218
Anti-corruption provision (French law No. 2016-1691 of 9 December 2016, France's "Sapin 2" law)	Section 4.4, 4.8.2	136, 151
Vigilance plan (L. 225-102-4)	N/A	

Items required by the French Commercial Code and the French Monetary and Financial Code, the French General Tax Code, and the General Regulations of the Financial Markets Authority	Universal Registration Document Reference	Page
SHARE CAPITAL AND SHARE OWNERSHIP STRUCTURE		
Structure, changes in the company's share capital and crossing of thresholds Article L. 233-13 of the French Commercial Code	Section 7.1, 7.3	242, 251
Acquisition and disposal by the company of its own shares Article L. 225-211 of the French Commercial Code	Section 7.3	251
Employee shareholding (L. 225-102, paragraph 1)	Section 7.3	251
Statement of any adjustments for securities giving access to the share capital in the event of share buybacks or financial transactions (R. 228-90; R. 228-91)	N/A	
Information on transactions by executives and related persons in the company's shares (L. 621-18-2 of the French Monetary and Financial Code)	Section 7.3	251
Dividends paid over the previous three financial years (Article 243 bis of the French General Tax Code – "Code Général des Impôts")	Section 6.1.4	187
NON-FINANCIAL PERFORMANCE STATEMENT (NFPS)		
Business model (L. 225-102-1 and R. 225-105 I)	Section 1.2	14
Description of the main risks associated with the Company's or the Group's business, including, where relevant and proportionate, the risks created by business relationships, products, and services (L. 225-102-1 and R. 225-105 I pt 1)	Section 4.1, 4.3, 4.4	122, 134, 136
Information on the manner in which the Company or the Group factors in the social and environmental impacts of its business, and the effects of such with regard to respect for human rights and the fight against corruption (description of the policies applied and due diligence procedures implemented to prevent, identify and mitigate the main risks associated with the Company's or the Group's business) (L. 225-102-1 III, R. 225-104 and R. 225-105 I pt 2)	Section 3.2, 3.1.3, 4.8.2, 3.7	90, 84, 151, 116
Results of policies implemented by the Company or the Group, including key performance indicators (L. 225-102-1 and R. 225-105 I pt 3)	Section 3.1.7, 3.8	89, 117
Social information (employment, work organisation, health and safety, labour relations, training, equal treatment) (L. 225-102-1 and R. 225-105 II A pt 1)	Section 3.5, 3.8	106, 117
Environmental information (overall environmental policy, pollution, circular economy, climate change) (L. 225-102-1 and R. 225-105, II A pt 2)	Section 3.1, 3.4	83, 99
Societal information (societal commitments to sustainable development, subcontracting and suppliers, fair practices) (L. 225-102-1 and R. 225-105 II, A pt 3)	Section 3.1, 3.3, 3.8.3, 3.9.1	83, 94, 118, 119
Information regarding the fight against corruption (L. 225-102-1 and R. 225-105 II B pt 1)	Section 3.2.2	91
Information regarding actions in support of human rights (L. 225-102-1 and R. 225-105 II B pt 2)	Section 3.7	116
Collective agreements signed within the company and their impacts on company business performance as well as employee working conditions (L. 225-102-1 III and R. 225-105)	Section 3.5.2	106
Statement of the independent third-party verifier on the information in the NFPS (L. 225-102-1 III and R. 225-105-2)	Appendix A1	264
OTHER INFORMATION		
Injunctions or financial penalties for anti-competitive practices outlined by the French Competition Authority and required to be included in the annual report (L. 464-2)	N/A	
Additional tax information (223 quater and 223 quinquies of the French General Tax Code)	N/A	

A7 Cross-reference table of the corporate governance

The cross-reference table below refers to the items of the report on corporate governance in accordance with Articles L. 225-37 and seq. of the French Commercial Code.

Items required by Articles L. 225-37-2 to L. 225-37-5 of the French Commercial Code or the Afeq-Medef Code	Universal Registration Document Reference	Page
REMUNERATION INFORMATION		
Remuneration policy for corporate officer (L. 22-10-8 I paragraph 2)	Section 2.4	55
Remuneration and benefits in kind paid by Eutelsat during the financial year or granted to each corporate officer during the financial year (L. 22-10-9, pt 1)	Section 2.4	55
Relative proportion of fixed and variable remuneration (L. 22-10-9, I., pt 2)	Section 2.4.2.2	65
Use of the option to request the return of variable remuneration (L. 22-10-9, I., pt 3 of the French Commercial Code)	Section 2.4.2.3	65
Commitments made by Eutelsat to its corporate officers (L. 22-10-9, I., pt 4 of the French Commercial Code)	Section 2.4.2.4	65
Remuneration paid or allocated by a company included in the scope of consolidation within the meaning of Article L. 233-16 (L. 22-10-9, I., pt 5)	Section 2.4.2.5	65
Pay ratio (L. 22-10-9, I., pt 6)	Section 2.4.2.6	65
Annual change in remuneration, company performance, average employee remuneration and remuneration levels over the last five financial years (L. 22-10-9, I., pt 7)	Section 2.4.2.7	66
Explanation of how total remuneration complies with the remuneration policy adopted (L. 22-10-9, I., pt 8)	Section 2.4.2.8	68
Method in which the vote at the last Ordinary General Meeting provided for in II of Article L. 22-10-34 was taken into account (L. 22-10-9, I., pt 9)	Section 2.4.2.9, 2.4.3	68
Deviation from the procedure for implementing the remuneration policy and any exceptions (L. 22-10-9, I., pt 10)	Section 2.4.2.10	68
Application of the provisions of the second paragraph of Article L. 225-45 (suspension of payment of directors' remuneration in the event of non-compliance with the gender balance on the Board of Directors) (L. 22-10-9, I., pt 11)	Section 2.4.2.11	68
Granting and maintenance of stock options by corporate officers (L. 225-185)	Section 2.4.4	73
Granting and maintenance of free shares to corporate officers (L. 225-197-1 et L. 22-10-59 I)	Section 2.4.4	73

Items required by Articles L. 225-37-2 to L. 225-37-5 of the French Commercial Code or the Afep-Medef Code	Universal Registration Document Reference	Page
GOVERNANCE INFORMATION		
Composition, conditions of preparation and organisation of the work of the Board and Committees Changes in the composition of the Board during the financial year (L. 22-10-10, pt 1)	Section 2.1, 2.3,	32, 47
Diversity policy applied to members of the Board (L. 22-10-10, pt 2)	Section 2.1.1	32
Executive Management procedures (L. 225-37-4, pt 4)	Section 2.2	45
Restrictions on the powers of the Chief Executive Officer imposed by the Board of Directors (L. 22-10-10, pt 3)	Section 2.3.2	47
Reference to a Corporate Governance Code and application of the comply or explain principle (L. 22-10-10, pt 4)	Section 2.3.1	47
Special procedures relating to shareholders' participation in General Meetings or provisions in the Articles of Association concerning these procedures (L. 22-10-10, pt 5)	Section 2.3.9.3	55
Valuation procedure for current agreements – implementation (L. 22-10-10, pt 6)	Section 7.8	259
Information about the assessments of the Board and actions taken (Article 10.3 of the Afep-Medef Code)	Section 2.3.6	50
List of offices and positions held in any company by each corporate officer during the financial year (L. 225-37-4 pt 1)	Section 2.1	32
Agreements entered into between an officer or a significant shareholder and a subsidiary (L. 225-37-4, pt 2)	Section 7.3.4	254
Summary table of current delegations of authority granted by the General Meeting to increase the share capital (L. 225-37-4, pt 3)	Section 7.1.2.5	244
Procedure implemented to regularly assess current agreements (L. 22-10-10, L. 22-10-12)	Section 7.8.2	259
INFORMATION LIKELY TO HAVE AN IMPACT IN THE EVENT OF A PUBLIC TENDER OR EXCHANGE OFFER (L. 22-10-11)		
Eutelsat share capital structure	Section 7.3	251
Restrictions on the exercise of voting rights or on stock transfers and contractual provisions brought to Eutelsat's attention pursuant to Article L. 233-11 of the French Commercial Code	Section 7.1.2.9	248
Direct or indirect shareholdings in the share capital of Eutelsat of which the company is aware pursuant to Articles L. 233-7 and L. 233-12 of the French Commercial Code	Section 7.3	251
List of holders of securities with special rights of control and a description of these rights	N/A	
Control mechanisms provided in an employee share ownership plan wherein rights of control are not exercised by the employees	N/A	
Agreements between shareholders of which Eutelsat is aware and which could place restrictions on the transfer of shares and the exercise of voting rights	Section 7.3.4	254
Rules applicable to the appointment and replacement of members of the Board of Directors and to amendments to the Articles of Association of Eutelsat	Section 2.3.3	47
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G Glossary

Analogue

Format of a broadcast signal where a continuously varying physical quantity precisely describes the variation of the information it represents.

Bandwidth

Band of frequencies used for an RF transmission (e.g. 36 MHz).

Beam

Term used to describe the radiation pattern of a satellite antenna. The intersection of a satellite beam with the surface of the earth is called the footprint (of the beam).

Broadcast Satellite Service (BSS)

Communications service in which signals transmitted or retransmitted by satellite are intended for direct reception by the general public. Use of the corresponding frequencies is governed by international regulations, with the aim of allowing all countries to offer services of this kind. In Europe, the downlink frequency range for the BSS is 11.7 to 12.5 GHz.

C-band

Frequency range assigned to satellite communication systems, approximately 4 GHz for the downlink and 6 GHz for the uplink. The associated transmit power is relatively low in comparison with Ku-band, for example. Large antennas are therefore required for C-band operations.

Capacity

Quantity of information transmitted. As an analogy, there is often reference to spectrum width and to the associated power needed to transmit such a quantity of information.

Digital

Format for recording, processing, transmitting and broadcasting data via a binary signal (and not by a continuously varying signal).

Direct broadcasting

Direct reception of satellite signals by the user, via DTH or community reception facilities (satellite dish).

Downlink

Path travelled by the signal in the direction space-Earth.

DSL

Digital Subscriber Line. Technologies that make it possible to use the copper lines connecting customers of the switched telephone network for purposes of broadband transmission in packet mode (digital).

DVB

Digital Video Broadcasting. A set of European standards for the broadcasting and reception of digital TV signals by satellite (DVB-S), cable (DVB-C) or terrestrial means (DVB-T), developed within the framework of the Digital Video Broadcasting project and formalised by the European Telecommunications Standards Institute (ETSI). These European standards have been adopted by many countries throughout the world.

Earth segment

A series of Earth stations operated in a given satellite system or network (synonym: ground segment).

Earth station

Installation required in order to receive a signal from a satellite and/or transmit a signal to a satellite. The facility consists essentially of an antenna and communication equipment on the ground (synonym: ground station).

Fixed Satellite Services (FSS)

Communications service between Earth stations located at fixed points, such points being determined when one or more satellites are used. However, this expression frequently refers to "unplanned" frequency bands that are not subject to international regulations governing the use of BSS frequencies. In Europe, the downlink FSS frequencies are 10.7-11.7 GHz and 12.5-12.75 GHz.

Frequency

Number of vibrations produced by unit of time during a given period. Frequency relates to the rate of variation per second of the carrier wave or modulating signal. Satellite transmissions are generally in GHz (see C-band, Ka-band and Ku-band).

High throughput satellite or payload (HTS)

Satellite or payload that provides more throughput than a classic satellite for the same amount of spectrum thanks to frequency re-use, thus with a lower cost per megabit.

Internet backbone

The communications networks on which the Internet is based.

IP

Internet Protocol.

Ka-band

Frequency range assigned to satellite communication systems, approximately 20 GHz for the downlink and 30 GHz for the uplink. These frequencies have the shortest wavelength of the three principal frequency bands used by geostationary satellites. Although small antennas can be used, Ka-band requires the use of beams that are tightly concentrated over fairly small geographical areas.

Ku-band

Frequency range assigned to satellite communications systems, approximately 14 GHz for the uplink and 11 GHz for the downlink. Used for radio and TV, this band is the most widespread in Europe, owing to the small size of the antennas needed for reception.

LEO constellations

Constellations operating in Low Earth Orbit, i.e. in an area of the earth's orbit up to 2,000 km in altitude.

MPEG

Moving Pictures Experts Group. Working Group charged by the ISO with the task of developing international standards for the compression, decompression, processing and encoding of video, audio and any combination thereof, such as to ensure a wide range of applications. Name also given to the compression and digital broadcasting standard for TV, resulting from the deliberations of this group of experts.

MPEG 2 is the second-generation standard designed for TV broadcasting, and MPEG 4 provides a smaller compression format compared with MPEG 2 that can carry all new Video Applications.

Operating period

Period during which a satellite is able to function. The operating period of a satellite in-orbit depends in particular on the quantity of fuel it carries for station-keeping.

Passband

Range of frequencies permitted for an RF transmission (see "Bandwidth").

Payload

Set of satellite equipment used for reception, frequency conversion, processing, and retransmission of the communications signals after they have been amplified, but excluding add-on equipment, for example the platform (physical structure and sub-systems such as electrical and thermal control, attitude control, etc.).

Radio frequency

Electromagnetic frequency generally higher than 20 kHz, used to transmit information.

Redundancy

Architecture based on the use of several identical components, each able to replace any of the others in the event of failure.

Regular capacity

Capacity which is not HTS capacity (see above).

RF relay

Professional terrestrial RF link generally used between the studios of a radio or TV station and the antennas transmitting the programmes to customers' homes.

S-band

Frequency range assigned to satellite communication systems, approximately 2 GHz for the uplink. Frequency adjacent to UMTS frequencies.

Signal

Variation of a physical value of any kind carrying information.

Simulcasting

Simultaneous transmission of a programme or service using two transmission standards or media. This technique developed by Eutelsat under the name of Simulcast makes it possible to transmit a carrier wave in analogue mode and a digital TV signal on a single satellite transponder which could normally only transmit the carrier wave of the analogue signal.

Space segment

Satellites in a satellite communications system belonging to an operator.

Steerable beam

Beam of a satellite antenna that can be directed onto a particular geographical region using ground-based controls.

Telemetry

Encoded communication sent by the satellite to the Earth station to transmit the results of measurements related to the satellite's operation and configuration.

Transponder

Name given to the retransmitter on-board a satellite, whose function is to retransmit the signals received from the Earth uplink station to a specific part of the globe.

Uplink

Path travelled by the signal in the direction Earth-space.

VSAT Terminal

Microterminal connected to a fixed antenna and making satellite reception or transmission possible.



This is a translation into English of the Universal Registration Document of the Company issued in French, and it is available on the website of the Issuer. The French *Document d'enregistrement universel* of which this document is an unofficial translation was filed with the *Autorité des marchés financiers* ("AMF") on 12 September as the competent authority as per EU regulation No. 2017/1129 without prior approval as per Article 9 of this regulation.

In the event of any ambiguity or discrepancy between this unofficial translation and the French *Document d'enregistrement universel*, the French version shall prevail. The French version was drafted by the issuer and holds the signatories thereof liable.

The Universal Registration Document may be used for the purpose of a public offer of securities or the admission of securities to trading on a regulated market if it is supplemented by a securities note and, where applicable, by a summary and any amendments made to the Universal Registration Document. These documents are approved by the AMF in accordance with Regulation (E.U.) 2017/1129.

Pursuant to Article 19 of Regulation (E.U.) 2017/1129, the following information is incorporated for reference purposes in this Universal Registration Document:

- ▶ the pro forma financial information on the proposed combination between Eutelsat and OneWeb and the related Statutory Auditors' report appearing appendix C of the exemption document published on September 7, 2023;
- ▶ the consolidated financial statements of Eutelsat Communications prepared in accordance with IFRSs for the Financial Year ended 30 June 2021 and the related Statutory Auditors' report figuring, respectively, in Sections 6.2 and in Appendix 2 of Eutelsat Communications' 2020-21 *Document d'enregistrement universel* submitted on 15 October 2021 (the "2020-21 Universal Registration Document");
- ▶ the consolidated financial statements of Eutelsat Communications prepared in accordance with IFRSs for the Financial Year ended 30 June 2022 and the related Statutory Auditors' report figuring, respectively, in Sections 6.2 and in Appendix 2 of Eutelsat Communications' 2021-22 *Document d'enregistrement universel* submitted on 7 October 2022 (the "2021-22 Universal Registration Document");
- ▶ information on the Eutelsat Group's financial situation and results for the financial years ended 30 June 2021 and 2022 figuring, respectively, in Section 6.1 of the 2021-22 *Document d'enregistrement universel* and 2020-21 *Document d'enregistrement universel*.

As of the date of this Universal Registration Document, no additional financial information (neither quarterly nor half yearly) has been published since the financial statements for the year ended 30 June 2023, provided in Sections 6.2 and 6.3 of this document.

Copies of this document are available free of charge at the registered office of Eutelsat Communications, 32, boulevard Gallieni – 92130 Issy-les-Moulineaux, France or on the websites of Eutelsat Communications (www.eutelsat.com) or the *Autorité des marchés financiers* (www.amf-france.org).



Eutelsat Communications

Société anonyme (limited company)
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Space for a Digital World

In this document, the terms “Eutelsat Communications” and the “Company” mean Eutelsat Communications S.A. “Eutelsat S.A.” means the Company Eutelsat S.A., which is the Company’s main operating subsidiary. “Group” or “Eutelsat Group” means the group of companies consisting of the Company and all its subsidiaries. “IGO” means the European Satellite Telecommunications Organisation before the Transformation (the “Transformation” – see Section 7.1.1.5 “Key events” and Section 5.6 “Other provisions applicable to the Group”) and “EUTELSAT IGO” means the same organisation after the Transformation.

This document contains the Group’s consolidated financial statements and data for the year ended 30 June 2023 prepared in accordance with International Financial Reporting Standards (IFRS) and incorporates for reference purposes the IFRS consolidated financial statements for the years ended 30 June 2021 and 30 June 2022.

This document also includes the Company’s financial statements for the year ended 30 June 2023 as presented in Section 6.3 “Annual financial statements as of 30 June 2023”.

Unless otherwise stated, the figures presented in this document are based on the consolidated financial statements for the year ended 30 June 2023 and the consolidated financial statements presented in Section 6.2 of this document for the year ended 30 June 2023.

Investors are invited to read carefully and take into account the risk factors described in Chapter 4 (“Group risk factors, internal control procedures and risk management”) of the document before making any investment decision, since the occurrence of one or all of these risks may have a negative impact on the Group’s activity, financial position, results or ability to achieve its objectives.

This document contains information on the Group’s objectives and forward-looking statements. These statements are sometimes identified by the use of the future tense or conditional mood, as well as terms such as “estimate”, “believe”, “have the objective of”, “intend to”, “expect”, “contemplate”, “should” and other similar expressions. These forward-looking statements and information about objectives depend on circumstances or facts likely to occur in the future, and must not be interpreted as guarantees that the facts and data mentioned will occur or that objectives will be attained. These forward-looking statements and information about objectives are based on data and assumptions that may be affected by the realisation of known and unknown risks, uncertainties and other factors, including those relating to the economic, financial, competitive and regulatory environment.

A glossary defining the main technical terms used in this document is provided at the end of the document.





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